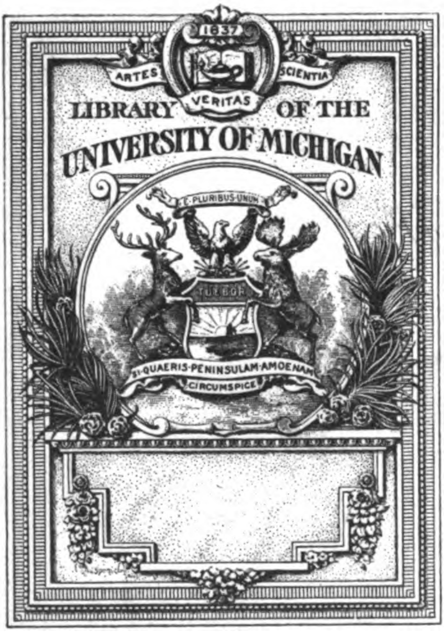
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THE

MERCHANT'S MAGAZINE

AND

COMMERCIAL REVIEW.

EDITED BY

WILLIAM B. DANA.

VOLUME FIFTY-NINE,

FROM JULY TO DECEMBER, INCLUSIVE, 1868.

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ALPHABETICAL INDEX

TO SUBJECTS CONTAINED IN THE

MERCHANTS' MAGAZINE & COMMERCIAL REVIEW,

VOLUME LIX.

FROM JULY TO DECEMBER, BOTH INCLUSIVE.

EDITED BY WILLIAM B. DANA.

A.

B.

C.

ERRATA.—In the November number pages 241 to 284 should be 341, &c. In the December number from pages 434 to 448 are dated *January*, 1868, instead of *December*, 1868.

THE

MERCHANTS' MAGAZINE

AND

COMMERCIAL REVIEW.

JULY, 1868.

ON THE TRADE WITH THE COLORED RACES OF AFRICA.*

I propose to take a general survey of the commerce between the colored or Ethiopic races of Africa and the civilized world; and then briefly to consider the means by which that commerce, hitherto confined to the coast, can be extended to the interior.

The Ethiopic races inhabit that vast country south of the great desert, which may with tolerable accuracy be defined by a line drawn from the River Senegal to Cape Guardafui as its northern boundary; while its southern limit is the Cape Colony. It thus comprises about forty-five degrees of latitude, and is bounded, east and west, by the Indian and Atlantic Oceans; its area being equal to one-fifth or one-sixth part of the habitable globe.

Apart from any question of inherent inferiority of race, it is obvious that the country occupied by the Ethiopians is not calculated to engender civilization. It lies in too compact a mass, unbroken by bays or inlets; nor do the rivers afford either defensive frontiers or the means of commu-

* Read before the Statistical Society of London by Archibald Hamilton, Esq.

nication and transport equal to those which divide and traverse the other divisions of the globe. The great desert cuts it of from the ancient civilization of which the Mediterranean was the centre, while the intercourse subsequently established by the Arabs, is limited and impeded by the same cause. The rivers are all subject to a dry season, which renders them during a part of the year unfit for inland navigation; and they are all more or less interrupted by rapids and cataracts; though it is true equal obstacles have not hindered the St. Lawrence from becoming the great means in the settlement of Canada.

There are two circumstances which give reason to hope, not only that our commerce with the races dwelling on the coast will be rapidly enlarged, but also be extended inwards. I mean the almost total stoppage of the Christian or transatlantic slave trade, and the rapid strides which have of late been made in the exploration of the continent.

In 1854 Livingstone penetrated from the Cape Colony to Loanda, and thence he crossed to Quillimane, tracing the course of the Zambesi on his way. Subsequently he explored Lake Nyanza, and it has recently been a public consolation to learn that he is now on his way home, most likely down the Nile, to complete our knowledge of Lake Tanganyika, first discovered by Burton. Barth has supplemented the labors of Denham and Clapperton in Central Africa, between the Niger and Lake Tchad, the most hopeful and important district of all. Speke and Grant advancing, northwards from Zanzibar, have discovered Lake Victoria Nyanza; while Baker, coming in the opposite direction from Egypt, has terminated the long mystery as to the source of the Nile, having beheld it issuing from the great lake Albert Nyanza. Brilliant as have been the results of these explorations, and others of lesser note, the field of adventure is far from exhausted; much remains for discovery before the map of Africa can be filled up, and the future highways of commerce be traced out. Happily, however, the spirit and enterprise of our countrymen are more likely to be stimulated than diminished by the exploits of the celebrated travelers to whom I have alluded.

There is one subject which occupies a large space in every book of African travel—the slave trade. I do not intend to enter into any details of the horrors attending that traffic; but as human beings have for three centuries been one of the chief exports from Africa, this subject is inseparably mixed up with that of legitimate commerce; because of the anarchy which the slave trade everywhere creates, the ceaseless kidnapping—slave hunts—and wars undertaken expressly to obtain captives, to the destruction of settled industry. It is even the principal cause of the difficulties experienced in exploring the country; and has, moreover, brutalised the natives on the coast far below the condition of the people in the interior

Within the last few years success seems at length to have crowned our efforts to suppress the transatlantic slave trade, but the Mahomedan traffic continues unchecked, or nearly so. Owing to their contraband nature, it is impossible to obtain accurate information of either at any period. The matter was carefully investigated by Sir Fowell Buxton, who estimated the number of slaves exported at 170,000 per annum so recently as 1839–40, on data which has never been impugned. To this must be added a loss of life from the slaughter in wars undertaken for the capture of slaves, and subsequent mortality, so that the figures are thus stated by Buxton:

	Delivered.	Loss of Life.	Total.
Transatlantic slave trade........................	120,000	280,000	400,000
Mahomedan....	50,000	50.000	100,000
Total....................................	170,000	330,000	500,000

It would appear, however, from more recent information, that the loss of life from the Mahomedan trade is considerably understated by Buxton.

Such was the most moderate estimate that could be formed of the transatlantic slave trade in 1840, and there is reason to believe it was stimulated for several years by the alteration of our sugar duties in 1846. The first effectual blow it received was in 1853 and 1854, when Brazil abolished the trade and importations ceased; so that Cuba thenceforward has continued the only importing country. Since 1864 the slave trade has almost ceased, a stray cargo now and then being all that has reached Cuba. The authorities there have of late been in earnest in preventing importations, and it is gratifying to observe that public feeling in Cuba is becoming adverse to their continuance.

I shall now briefly explain the progress which has been made in substituting legitimate commerce for the slave trade along the west coast; and may remark that this has nowhere been accomplished without compulsion of some kind in the first instance; and there is too much reason to fear that, in case of a renewed demand, the trade would once more break out were our vigilance relaxed. No export of slaves has taken place for many years from our settlements on the west coast, viz., the Gambia, Sierra Leone, and Cape Coast Castle; nor from the adjacent territories under the influence of those settlements; nor from the Republic of Liberia, nor the Dutch settlements on the Gold Coast; so that if we except the River Nunez, the coast between the Gambia and Dahomey, say for 1,500 miles, has for many years been free from the slave trade. Relying on this immunity, it was resolved in February, 1864, to withdraw the squadron entirely from this part of the coast; the consequence was, that in September following, a cargo of slaves was shipped from Nunez (situated between the Gambia and Sierra Leone), but with which there has been but little intercourse from either settlement.

It is worthy of note that for many years great pains have been taken by the missionary societies with the education of the liberated Africans at Sierra Leone, and the children born in the colony. During six years ending 1864, between seventy and eighty schools have been maintained at a cost of £5,000 per annum, which have been attended by 57,000 scholars, or an average of 9,500 per annum. An important class of educated blacks has thus grown up, who, together with the Liberian blacks, are actively engaged in trade all down the coast; and ever since the mail steamers were established, in 1852, they have availed themselves freely of the facilities thereby offered, to trade at the various places on the coast at which the steamers call. As many as 150 per month of these native traders pass in the mail steamers between the different stations. Besides Sierra Leone, they are numerous at the Gambia, Cape Coast, Accra and Fernando Po, while they swarm at Lagos. They are everywhere useful as middlemen, and have, in fact, driven all white traders on a small scale out of the field at Sierra Leone; and the more extensive European merchants employ them as agents and clerks in their operations on the neighboring rivers. Of late it has become the ambition of these traders to order goods direct from England, paying for them in produce. I shall presently point out how the educated blacks are capable of playing a most useful part in opening trade with Central Africa.*

Whilst on this subject, I may allude to the progress made by the republic of Liberia, which occupies a coast line of about 600 miles.

The first settlement of emancipated slaves from the United States was in 1820, and in 1847 it was declared a free republic. It now contains about 30,000 civilized inhabitants, about 15,000 of whom, with their descendants, are from America. From 300,000 to 400,000 aborigines reside within the territory of Liberia, and are brought more or less directly under the influence of her institutions. There are about fifty churches in the republic, representing five different denominations. The educated blacks in Liberia and Sierra Leone, are intensely religious, and the various sects, Episcopalians, Wesleyans, Baptists, Independents, &c., are represented among them just as in England and the United States. Differing from Sierra Leone, Liberia has been governed since 1847 by blacks alone. Their constitution resembles that of the United States, and if their proceedings are at times calculated to raise a smile as a parody upon their

* Already, as often as the educated native traders have had opportunities, they have shown great eagerness to carry small adventures up the Niger, and have even endeavored to form among themselves a company, with a capital of £25,000, for steam navigation in that river.

model, it is impossible to deny the good sense, frugality and success which have attended them so far. In 1861 the revenue was $149,550, against an expenditure of $142,831. The presidential message for 1866 alludes, with just pride, to the foundation of the Liberian college, and lays down a plan for national education. There can be no doubt that this well ordered and well governed community will play a great part in the civilization of Africa. The present state of matters in America will lead to a considerable accession of strength, 600 emigrants having been despatched in the course of 1866, and 942 in 1867. The American Colonization Society, which founded the settlement in 1820, now regularly employ a vessel in the conveyance of emigrants. The settlers have already been able to repel all attacks from the natives, and, as they gain strength, will become aggressive and extend their influence inwards.

For the year 1864 the imports amounted to $162,930, the exports to $172,608.

I come next to the British settlement of Lagos, which was for many years the head-quarters of the slave trade in the Bight of Benin. Situated at the entrance to an extensive lagoon, affording boat navigation eastward as far as the River Benin, and westward to the notorious kingdom of Dahomey, it possessed unequalled facilities for the slave trade, enabling the slavers to dodge our cruisers. In 1851 a treaty was forced on the chiefs and king, and a consulate was established, which continued until 1861; but those measures being inadequate, we took possession of the island of Lagos and of one or two points on the adjacent coast, which, with a couple of gunboats on the lagoons, has answered our purpose effectually.

A considerable trade in palm oil had grown up under the treaty o 1851. Since we took possession the trade has been seriously interrupted by a war between Abeokuto and Ibadan, caused by the latter desiring a direct road to the white man at Lagos, and so avoid paying toll to the Abeokutans. The ground lost will soon however be recovered, and Lagos is rapidly becoming the seat of a flourishing trade.

Stopping the slave trade at Lagos had the effect of directing the current thence to Whydah, a port in Dahomey; but of late, owing to the cessation of the traffic, the king of that country has turned his attention to legitimate commerce. Some small trade had indeed been carried on chiefly by the French, concurrently with the slave traffic; and in 1864 a Liverpool company opened trade at Whydah, the king granting them his baracoon, or slave depot, as a store for goods. Two other English houses have sent agents there, and a healthy trade is rapidly in course of development. I may mention, however, that so recently as May or June, 1867, the king tendered slaves in payment of a debt which he had contracted. I am unable to give the particulars of this trade, which as yet is in its infancy.

I come next to the rivers, Benin, Brass, and Bonny (mouths of the Niger), also Old and New Calabar and Cameroons, generally classed together as "oil rivers." These were at one time the noted haunts of slavers. In the years 1838 to 1840, treaties were forced upon the native kings and chiefs, by which they engaged to discontinue the slave trade. Courts of equity were afterwards established for the regulation of legitimate commerce, consisting of the captains, supercargoes, and agents of English houses, together with the kings and chiefs of the place. They take cognizance of all disputes between the English and the natives. A consul visits the river at intervals, and the system has been found to work successfully, with only an occasional resort to the squadron; in fact, the mere presence of a man-of-war has of late sufficed to restore order. I am enabled to show, from private statistics, the progress of the trade between the oil rivers and Liverpool. The average during the first fourteen years was 17,932 tons; and during the last fourteen years 24,734 tons; but during the first fourteen years the trade was chiefly with Liverpool; Bristol participated, and of late years the Clyde has also shared. It will be observed that there are great fluctuations in the imports, which have been influenced by the prices at home, leading occasionally to suspension of trade when the natives were unwilling to submit to reduced prices; likewise to bad seasons.

The next point on the coast where there is a considerable trade is the Gaboon river, which is under the control of the French Government, and has hitherto been thrown open to all nations. There are five English, two or three French, one German, and two Dutch houses engaged in the trade. The police regulations are good, and traders well protected: until recently the expense was borne by the Imperial Government, but within the last twelve months they have enforced a charge for a trading licence, and it is expected will levy a duty of 4 per cent on imports and exports so as to assist in defraying the expenses of government. At our colonies a revenue is collected by similar import duties. I have been unable to obtain returns of the imports and exports, but these will enter into the general tables of trade with the west coast.

Further south we come to the River Congo, notorious as the last seat of the slave trade on the west coast. Within the last five or six years, as many as twenty-three slavers have been counted at Ponta de Lena at one time. Legitimate trade made no progress, until at last an effectual check was given to the slave traffic by the adoption of a very obvious course—our Government entered into a contract to coal the preventive cruisers on the spot, instead of resorting to Fernando Po or Ascension for a supply, leaving the coast and rivers for the time unguarded.

To prove how effective has been the blockade since this arrangement was adopted, I may state that within the last twelve months 700 slaves were sent down for shipment, and two slavers appeared on the coast to embark them—one was captured and the other left the coast in despair. When my informant left the Congo, the slaves were still on hand, and have doubtless either been set free or put to some useful occupation ere this. Cut off from the slave-trade, the natives are now eagerly engaged in raising produce, while the Portuguese slave dealers are rendering good service as middlemen in the up-country trade. One Dutch, one American, three French, and three British houses have established themselves in the Congo, with branches along the neighboring coast as far as the Portuguese settlements at Angola, and an active trade is now carried on in palm oil and kernels, ivory, coffee, india rubber, copper oar, gum copal, and ground nuts. The trade has probably increased tenfold within six years, and the exports for 1867 have been estimated at 250,000*l.*

Besides the points on the west coast to which I have alluded, there is an active trade carried on by the French at their settlements at Senegal and Goree, as well as elsewhere; by the Dutch at their settlements on the Gold Coast; as also by the Hanse Towns and Americans at various points; while the Portuguese settlements of Angola and Benguela are little developed, though there are valuable copper mines within their territory.

As regards the goods shipped to the west coast, I may state that the demand has for the last ten years or so, been constantly for an improved quality. The consumption of British manufactures seems limited only by the possibility of supplying produce or value in exchange; thus at the time when returns were unhappily obtained chiefly in slaves, the exports from the United Kingdom were in—

1805	£1,150,000
1806	1,650,000
1807 (slave trade abolished)	1,030,000
1808	800,000
1811	400,000
1827	155,000

This was the lowest point to which they dwindled. About 1830 the palm oil trade became important, so that the exports of British manufactures rose in—

1830 to	£250,000	1850	640,000
1835	300,000	1855	1,100,000
1840	4[illegible]0,000	1860	1,800,000
1845	530,000	1865	1,100,000

As it has been often stated that considerable supplies of cotton may be derived from Central and Western Africa, I subjoin the qualities imported, viz.:—

	Cwts.		Cwts.
1856	808	1862	8,488
1857	1,026	1863*	—
1858	2,116	1864*	—
1859	1,816	1865	7,126
1860	2,069	1866	9,612
1861	1,389		

It is true the cotton plant is indigenous, and the soil and climate over an enormous district are capable of supplying more than we even now consume; still the needful European superintendence for a large production cannot be supplied. The means of transport for so bulky an article do not exist; neither could the capital required for implements, gins, presses, etc., be prudently invested unless under British rule; so that many years must elapse, in my opinion, and many changes must occur, before we can look for any quantity of African cotton, such as would be sensibly felt in our markets.

As regards the trade with the natives bordering on the Cape and Natal colonies, as well as the Dutch republics beyond the frontiers, it is impossible to arrive at exact data. Speaking generally, we may assume that the greater part of the ivory and ostrich feathers from the colonies is obtained from the natives, or through their agency and assistance, as well as a quantity of hides and skins. Commerce is gradually extending northwards; for example, it is not many years since Livingstone discovered Lake Ngami, and now it is within the ordinary range of the traders in quest of ivory and ostrich feathers. The Caffres and Fingoes settled within the colony are making marked progress; they now participate in the carrying trade of the colony, conveying merchandise in well appointed wagons from the coast to the up-country, and bringing down the returns of produce. Their consumption of European goods is increasing, and they now require these to be of better quality; a remark which applies likewise to the natives beyond the limits of the colony.

As a rough guess merely, I am inclined to set down the trade between the colonists and the natives beyond the borders, as follows:

Ivory, one-half exports from Cape and Natal	£20.000
Ostrich feathers, three-fourths ditto	47,500
Hides	10 000
Cattle, sheep, goats and sundries	100,000
Total	177,500

The eastern coast of Africa, northward of the colony of Natal, was the

* Importations ceased, owing to Abeokutan war above mentioned.

seat of a flourishing commerce of great antiquity, carried on by the Arabs, who occupied the coast nine hundred years ago, and founded numerous cities as far south as Sofala; some of which remain to this day, while the ruins of others have lately been discovered. They traded to India, Persia, Arabia and Egypt. It was at Malinda that Vasco de Gama, in the year 1498, procured a pilot to conduct him to India.

The Portuguese speedily possessed themselves of the principal positions on the coast for a range of about 2,400 mile. Their power did not, however, extend far inland, though they made efforts to advance into the country, chiefly with a view to reach the gold mines, the produce of which was brought down the Zambesi to Sofala (supposed by some to have been the Ophir of the Bible). But instead of the abundance they expected, they found the gold, as in other parts of Africa, had to be laboriously washed from the extraneous substances in which it is deposited.

As the power of the Portuguese nation declined, the Arabs re-established their independence over a portion of their former possessions, so that the coast from Delagoa Bay to Cape Delgado, 1,300 miles, is all that remains to the Portuguese, while the coast from Delgado to Magadoxo is claimed by the Sultan of Zanzibar, a range of 1,100 miles. Though, in fact, the sovereignity thus claimed by the Portuguese and Arabs is merely nominal, except here and there where forts are maintained. The natives beyond the range of these forts pay no taxes, and are in fact a source of terror to the Portuguese who subsidize them at times, and have difficulty in holding their ground; indeed, Mr. Young has just brought word that they have been driven out of Senna and all places south of the Zambesi by the Zulus.

The blight of slavery had fallen upon their settlements, and of the prosperity for which they were at one time famous, scarce a shadow remains. The trade consists in gold, ivory and slaves. The slave trade, though contrary to Portuguese law, has unceasingly been carried on with the knowledge and connivance of the officials; happily it has been curtailed by the stoppage of the trans-Atlantic traffic; but the Portuguese still supply the Arabs with slaves for the eastern markets. The only healthy symptom is a trade which seems likely to spring up between our colony of Natal and the Portuguese settlements at Delagoa Bay, Quilimane and Mozambique. It is to be regretted the soverignty over 1,300 miles of coast should be in the hands of a jealous and indolent people like the Portuguese, who by their commercial restrictions have, in fact, left their own subjects and the native chiefs little else to engage in but the slave trade, while they play this dog-in-the-manger policy on the coast of a fertile country, possessed of fine harbors and rivers more or less navigable. The Zambesi, the chief river of all, Livingstone has proved to be navigable for

700 or 800 miles inland, interrupted, it is true, by cataracts, but still offering facilities for commerce; while its tributary, the Shire, gives access from the sea to the great lake Nyassa, with the exception of about 35 miles of rapids not navigable, as has been recently proved by Mr. Young of the Livingstone search expedition.

In the returns of trade between Portugal and her African settlements, no distinction is made between those on the west and east coasts; indeed they are kept so imperfectly that I am compelled to estimate them as follows, viz.:

Imports to Africa..	£300,000
Exports from Africa..	409,000

In marked contrast with the Portuguese, the Sultan of Zanzibar encourages European commerce, both on the island so named and on the coast over which he claims sovereignity, though his influence does not extend over the heathen tribes beyond the range of his forts. The rapid development of the Zanzibar trade is a striking proof of the resources of Eastern Africa, and confirms the accounts which have reached us of its ancient prosperity. The island is 48 miles long by 15 to 30 broad. In 1861 it contained about 250,000 inhabitants, and is supposed in the three following years, to have increased to 300,000, consisting of Arabs, half castes, and settlers from India, together with negro slaves from the mainland; the latter carry on the cultivation, while all trade is in the hands of the Hindoos. In 1834 the trade of Zanzibar was reported to consist of a few imports from Arabia, and exports of gum and ivory to Bombay. In the year ending April, 1866, it was visited by sixty-six square rigged vessels of all flags, amounting to 21,000 tons, besides of Indian, Persian, and Arab craft 8,000 tons; and, taking an average of five years ending 1865 the

Imports were..	£349,562
Exports were..	877,801

Of these the largest proportion is with British India; the Germans and Americans comes next; the British trade is, however, on the increase.

These results will show what might be done on the coast with settled government; but the Island of Zanzibar is an Arab settlement, and I have to do only with that portion of the trade which is derived from the Ethiopic races on the mainland. It is the chief mart for ivory, and Baker mentions that when he reached the neighborhood of the Nyanza Lakes, he found the natives wearing cloth, and possessed of other goods which had been passed along from Zanzibar. From the last consular report, I find the imports from the mainland to have been, on an average of five years, equal to £225,000, exclusive of slaves.

A considerable trade has been carried on between Zanzibar and Lagos in cowries, of which there is here a fishery.

The Zanzibar dominions are the only part of Africa where the slave trade is legal. There are recognised importations into the Island during a certain portion of the year, under a system of passes; during the last five years the average number entered at the customs has been 14,000 per annum, on which a duty of $2 per head is levied. Adults are worth £2 to £7, boys and girls 25s. to 50s. The slaves in Zanzibar are well treated, but, contrary to experience in America, they do not increase. General Rigby states that only 5 out of every 100 female slaves bear children; this he ascribes not to disparity of the sexes, but to their unwillingness to rear children, which will be sold as soon as they grow into sufficient value. It is uncertain how many of the slaves annually imported are exported from the island to the eastern markets, but it is thought not less than 6,000. The regulations alluded to are indeed but a mere cloak for a traffic carried on by the Arabs from places on the coast as far south as Mozambique, to ports in the Red Sea and Persian Gulf. These, jointly with what are brought from the White Nile country and across the Great Desert from Central Africa, furnish slaves for Arabia, Syria, and Asia Minor, as far as Constantinople; while those carried to the Persian Gulf supply Mesopotamia, Persia, and the countries eastward as far as the Indus. The unhappy negroes are to be found sprinkled over the country, from the confines of Russia to Cashmore, and from the Indus to the Mediterranean.

The great difficulty we have experienced in our efforts to put down the Mahomedan slave trade is due to its sanction by their religion. Slavery has existed among eastern races from the remotest ages, and is in some respects necessary to their society as constituted. They do not, therefore understand our views; hence the chiefs and rulers, even though willing, might be unable to suppress it; but in fact they not unfrequently derive much profit from the traffic. We have hitherto been restrained from putting it down with a high hand, because our policy in the East is considered involved, lest we should excite the hostility of the countries concerned. But our proceedings on the east coast, as yet, are calculated to irritate, rather than seriously interrupt the traffic. It has been suggested that the coast should be scoured by steam gunboats, capable of following the dhows into shoal water, which would be less expensive than the cruisers at present on the station; while some of these latter could be employed with advantage on the Red Sea, so as to intercept the traffic brought from the White Nile as it crosses to Arabia. The Egyptian Government has been induced to place a steamer on the White Nile to check the evil; and I trust before we have done with Abysinia that something may be arranged to hinder the transit through that country.

I come now to the caravan trade by camels from Morocco and Tripoli, across the desert, which the Arabs and Moors carry on with Central Africa, We know but little of that between Morocco and Timbuctoo, except that the returns are chiefly in slaves. From Tripoli the caravans pass by way of Mourzuk to Bornou and Soudan—Kuka and Kano being the chief centres from whence branch caravans pass to other places. We are indebted to Denham and Clapperton, Richardson and Barth, for our knowledge of this commerce; and fuller details are expected in a work by Dr. Rohlf, now in the press in Germany. The cost of transport is about £30 per ton, independently of duties and exactions on every pretext, except where the caravan is strong enough to bear down opposition; it takes four months to cross the desert, so that the cost of goods at Tripoli is quadrupled by the time they reach Kuka and Kano. The returns are therefore chiefly in slaves, with the addition of a small amount in valuables, such as gold, ivory, ostrich skins, and a little antimony. Ordinary articles of produce would not bear the cost of transport.

The return caravans frequently include over 5,000 slaves; large numbers of whom die of hunger, thirst and fever on the way—the route being actually marked by the whitening bones of the wretched beings who have sunk under the fatigues of the journey. A whole caravan has been known to perish for want of water.

At Mourzuk the slaves are sold, at from £20 to £25 per head, and from thence smuggled into Tripoli, Egypt and the East. It is in vain that we have treaties with the Turkish and Egyptian Governments—the officials connive at the traffic; we have no means of enforcing the treaties in the case of this inland slave trade, such as we have at sea; but it happens we have a more effectual means of extinguishing it by the readier access to Central Africa afforded by the River Niger, so that we can undersell by that channel those engaged in the caravan trade, and bring down returns in produce such as can be raised in abundance. As an example of how this will work, I may mention that a gentleman having ascended the Niger in a steamer direct from England, to a point within a few days journey of Bedá, saw a caravan arrive there with European goods from Tripoli, part of the goods being loaf sugar made at Whitechapel! There can, in fact, be no doubt that so soon as the Niger trade has been developed, the caravan trade from Tripoli and Morocco will be extinguished, and with it will end the necessity of carrying back returns in the shape of human beings.

Having thus made the circuit of Ethiopia, I summarise its commerce with the civilized world in a table which will be found on the following page.

Summary of the Trade with the Colored Races of Africa, including Bullion and Specie.

(Sums in this table given in round numbers.)

	Imports into Africa.	Exports from Africa.	Memoranda
United Kingdom............	£1,373,000	£1,937,000	Average of 3 years ended 1866
France	767,000	1,053,000	" 4 " '64
Belgium.....................	8,000	25,000	" 3 " '66
Spain	4,000	2,000	" 4 " '63
Portugal.....................	300,000*	409,000	" 2 " '61
Holland	81,000	93,100	" 3 " '63
Germany.....................	76,000*	79,000	" 3 " '64
United States..............	379,000	486,000	Year 1861
Brazil.........................	56,000	80,000	Average of 3 years ended 1864
East Indies	156,000	227,000	" 3 " '65
Cape of Good Hope and Natal.	130,000*	180,000*	Estimate
Egypt.........................	50,000*	75,000	Ivory to United Kingdom and France, average of 6 years.
Barbary States............	150,000*	71,000	Average of 2 years ended 1861
	3,530,000	4,687,000	
Miscellaneous (say)........	100,000*	100,000*	
	3,630,000	4,787,000	

It is to be observed, that with the exception of ivory and gold, no legitimate commerce has yet been established with Central Africa. Europeans have in fact as yet traded with the natives dwelling on the mere outskirts of this vast territory, and though the trade on the west coast has reached respectable dimensions, it is still capable of being largely increased; and, as I have shown, is rapidly increasing. That of the east coast is well nigh neglected.

The Arabs are the only people who have established a regular communication with Central Africa; by introducing the camel from Arabia, they were enabled to open paths through the desert, which had previously defied all efforts. By successive migrations they became in time the ruling power, introducing the Mahomedan religion and Arab civilization, the traces of which latter can be discovered to this day. They founded kingdoms, ample accounts of which have been transmitted to us by the Arab writers of the twelfth, thirteenth, and fourteenth centuries; while modern travellers have ascertained that these countries in Central Africa are now inhabited by a variety of races, some of them red or chocolate color, and differing in shades of black. The black tribes again range from those with high features, approaching the Caucasian, to the common negro. Of all these races the Felatahs are the most warlike, and they are supposed to have emerged from the condition of a mere pastoral tribe, and to have founded their powerful empire of Sokatu, within a century from this time. They are still encroaching on their neighbors.

With the exception of some few nomadic tribes, the people for security live chiefly in large towns fortified by mud walls, sufficiently strong to

* Items which have been estimated.

resist ordinary attacks, and round these towns cluster agricultural villages. The space within the walls is usually extensive, the houses are interspersed with cultivated fields, and this renders it difficult to estimate the population with accuracy; but it is certain that many of the towns contain as many as 50,000 to 60,000 inhabitants, though some travelers rate them as high as 100,000.

In all the towns, markets are held every two or three days; large numbers from the neighbouring villages attend them; and although their dealings would appear to us trifling, still there is everywhere shown a strong love of trade.

Cotton and indigo are cultivated, and in many towns there is a considerable manufacture of cotton cloth, noted for its excellent quality and the durability of its dye, which latter equals, if it does not excel, in quality anything done in Manchester. Besides cloth, there are manufactures of leather, as saddlery, bags cushions, &c. The art of smelting is understood, and in some places gold chains and ornaments are manufactured with creditable taste and skill. The trade of the blacksmith is everywhere plied. At the Exhibition of 1851, the late Mr. Robert Jamieson exhibited some specimens of native copper ware, tinned inside, rudely done no doubt, but proving they possess that as well as several other useful arts.

Salt is a prime article of commerce; it is brought by caravan from certain points in the great desert, and likewise from the coast.

Some of the canoes on the Niger, approaching the sea, are large enough to convey upwards of one hundred people; and Park saw one as high up the river as Sego, carry four horses and six or eight men.

The medium of exchange differs in various places. In Kano it is cowries; in Bornou, cloth; in Loggun iron, where indeed, in Denham's time, a kind of iron coinage was in use, and Baikie saw the same thing in 1854, when he ascended the Tchadda. In general, in all important transactions, the value is expressed in the price of a slave.

The religion of the dominant races is Mahomedan. The only written character is the Arabic, and the Koran is, of course, read in all mosques—though sometimes the reader does not understand a word, and the hearers very seldom, if ever.

Disputes are adjusted by palaver, when professed advocates, who can expound the Koran, conduct the cause of the litigants, often with much ingenuity. These palavers are, indeed, everywhere a marked feature of the native races, as they are, one and all, noted for loquacity.

The proportion of slaves to free population differs in various countries. At Kano, Clapperton says the free population was in the proportion of one to thirty slaves; other travelers estimate in other places the proportion of slaves to vary from two-thirds to four-fifths. There is, however, a wide difference between the domestic, or born slaves, who form the bulk, and slaves who have been purchased or captured. The domestic slaves have certain well established rights, only give up a portion of their time to their masters, and cannot be sold out of their districts except for crime, adjudged in due form by palaver. In short, it is rather a mild form of serfdom than slavery.

All these facts bespeak a certain security of property and industry protected, as well as the elements of civilization. There are, however, no traces of antiquity—no works of art—and it is wonderful that so much of the Arab civilization should have survived, amid the constant slave hunts and wars which for three centuries have prevailed to supply the demand for slaves for America. That demand has only now ceased, so that slaves are no longer sent down from these countries to the coast, and they are, therefore, ripe for legitimate commerce. To this rich and populous region there is ready access by the River Niger, next in size to the Nile, but destined to play a still more important part in the civilization of Africa, affording as it does, together with its equally important branch, the Tchadda, a noble highway to the very heart of the continent.

The history, too, of the Niger is not a little strange. The sources of other great rivers have frequently been the object of curiosity, but the Niger alone has been distinguished by the interest attaching to its junction with the sea. Its existence was successfully known to the Egyptians, Greeks, Romans and Arabs, the latter, indeed, having settled on its banks at Timbuctoo. An enormous body of water was known to flow eastward towards the great desert; it was supposed to be lost in the sands of Sahara, or to be a branch of the Nile; and other theories innumerable were from time to time put forth, until 1830, when the problem was solved by Richard Lander, who, extending the previous achievements of Park, followed its lower course to the sea, and laid open the long-coveted channel for commerce with Central Africa.

The first attempt to render Lander's discovery available, was by a company formed in Liverpool, which sent out an expedition consisting of two steamers, accompanied by the late Mr. Macgregor Laird, who published an interesting account of its proceedings and misfortunes. Having entered the river too late in the season, the steamers grounded at the confluence of the River Tchadda. Out of 48 men 9 only survived, and the capital of the company was lost.

Mr. Robert Jamieson, a merchant of Glasgow, next fitted out a steamer in 1839. His operations were commercially unfavorable; but they added greatly to our knowledge of the Niger and its delta, besides exploring the Rivers Benin and Old Calabar. The loss of life, though great, was not so deplorable as on the previous attempt.

In 1841 followed the well known Government expedition, which cost the country upwards of £200,000, and accomplished absolutely nothing. The failure of the expedition was foreseen by Mr. Jamieson and Mr. Laird, while the late Mr. Thomas Stirling wrote to Lord John Russell predicting, with marvelous accuracy, the misfortunes which ensued. Though the sickness was general, the loss of life did not exceed 53 out of a complement of 303.

In marked contrast with this deplorable failure was the expedition fitted out by Macgreggor Laird in 1854, at his own risk, but partly assisted by Government. Under charge of Dr. Baikie, the steamer ascended the Tchadda 300 miles beyond the point previously reached, and returned to Fernando Po after having been in the river 118 days, *without the loss of a man*. This gratifying fact, so different from all previous experience, was due to better sanitary arrangements, and the use of quinine as a preventive; also to the plan of manning the ship with blacks, and sending the smallest possible complement of Europeans to officer the ship and work the engines. By the observance of these rules, the frightful mortality has been obviated, which previously was the sure attendant of a river expedition.

Notwithstanding that this expedition was merely one of exploration, the produce picked up in exchange for outward cargo realized £2,000.

Encouraged by these results, Mr. Laird entered into a contract with Her Majesty's Government, binding himself for a small subsidy to maintain steam communication on the river and its tributaries, and to carry goods and passengers for all who might offer. He further embarked a considerable capital in trading stations at various points on the river.

In 1857, the returns realized about	£4,000
" 1858, owing to various drawbacks, they were	2,500
" 1859, they realized about	8,000

In 1860, there was no ascent, owing to the hostility of the natives in the delta and the absence of a promised convoy. This, however, led to the conclusion that the best way to remove the hostility of the people in the river and delta is to trade with them at proper intervals, since it was proved on this occasion that their hostility arose, not from the presence of white men in the river, but because the steamers gave them the go-bye, whereas they have been in the habit of levying dues on all canoes passing up and down.

Unhappily, while maturing these plans, Mr. Laird died in 1861, and it became my duty as his executor to close up these most interesting operations. Accordingly the steamer made its final ascent in 1861, and the year's trading in the delta and river realized 10,000*l*.

During the next four years a gunboat was sent up annually with supplies for Dr. Baikie at the confluence, where he held the post of agent for Her Majesty's Government, a post which has since been raised into a consulate, and is now held by Mr. Lyons McLeod.

The Niger enterprise has since been taken up by a Manchester company, unsupported by a subsidy. In 1865 they sent a steamer up to the confluence with a well-assorted cargo and an experienced agent, which resulted, I understand, in the most successful year's trading yet attained. The operations of 1866 and 1867 have not transpired, but if not equally successful it has not been due to any inherent obstacles, but rather to the limited scale on which they have been conducted. Whatever may be the result of the spirited operations of this company, they have certainly made valuable additions to our stock of experience.

The truth is, that at present no steamer will pay her expenses on the river. The caravan trade has to be diverted gradually from the desert routes to Tripoli and Morocco towards points on the rivers Niger and Tchadda. New markets have to be established, and new industries have to be created, to supply returns in produce, before the traffic will suffice to cover the heavy expense of steam navigation. Returns will be obtained in ivory, shea butter, indigo, and other articles of produce, and already the native traders, availing themselves of the steamers, have brought down native cloths made in the interior, tobes, fine mats, and other goods, which sell well on the coast. But to effect any good in the Niger steam navigation is indispensable; and to maintain this, a subsidy for five years I consider would suffice, as by that time it would become self-supporting. Whoever embarks in this enterprise without a subsidy, must be prepared to incur heavy loss for several years, merely, if successful, to open the way to others who would be eager to reap the fruits of his outlay.

Impressed with these views, I urged on the Government the advantage of continuing the subsidy granted to the late Macgregor Laird, to whoever would carry out his plans, with such amendments as experience has since suggested. These were to place suitable steamers on the river for a monthly service to the confluence during eight months of the year, while it is navigable for cargo vessels; to offer every inducement to the native traders (educated blacks from Sierra Leone and Liberia) to enter into the trade and become a useful class of middlemen; to employ them freely as clerks and agents under European superintendence; to form trading sections at proper intervals, and keep the same stocked with goods, so as to obviate the hostility of the natives, and thus make sure of the ground as far as the confluence; operations could subsequently have been pushed up the Tchadda in sea-going steamers 300 miles above the confluence, or 570 from the sea, and up the Niger 470 miles from the sea to the rapids of Boussa, beyond which the Niger is again available for transport through a fertile country as far as Bammakoo, a distance of nearly 1,000 miles.

An influential company offered to embark 80,000*l.* in steamers and trading stations to carry out these operations, stipulating for a subsidy of 6,000*l.* per annum for five years, which they considered would be equivalent to sharing the loss on the first two or three years equally between the Government and the company. I regret to say, that although this offer was approved by Lord Palmerston, and recommended for adoption by Lord Russell at the Foreign Office, in which department the matter originated—the scheme was vetoed at the Treasury.

I trust I may be excused for dwelling so long on the Niger enterprises, because it is impossible to over-estimate the importance of that majestic river, as the only available highway to the Mahomedan countries of the Soudan—populous, productive, and semi-civilized—the key to the regeneration of Africa.

In conclusion, I may be allowed to express a hope that the success which has at length crowned our efforts for the suppression of the slave trade on the west coast, may not lead to a premature withdrawal of the squadron and the relaxation of our vigilance—but rather that the same system may be extended to the east coast, so that a flourishing trade may be established there as it has been on the west—that we may press for more stringent treaties with Persia and Turkey, Egypt and Muscat, so that the sea-borne slave trade may be stamped out wheresoever it may be found—and that although we cannot directly reach the inland slave trade it may be as effectually extinguished by the encouragement of steam navigation on the Niger. By these means it may be that the gloom which has for long ages settled upon this continent, will, in our time, be lifted up, and the dawn of commerce, civilization, and Christianity be hailed throughout the length and breadth of Africa.

THE EASTERN QUESTION IN EUROPE.

The Summer has at last come: and in the Old World the press and public men are putting to this "late guest" the question which the father of the bride in Sir Walter Scott's ballad addresses to the young Lochinvar, "O come ye in peace, or come ye in war?" A practical question it is in this case, of the gravest importance, not to the press and to public men in Europe alone, but to all men everywhere; to the farmers of Illinois and to the merchants of New York as well as to the bankers of Paris and to the politicians of Berlin. The French War

Minister is making formidable reports upon the efficiency of the new Chassepot rifle, which did such cruel service at Mentana upon the young Italian volunteers of Garibaldi's luckless expedition, and which has now been put into the hands of every soldier in the tremendous army of France. The French Minister of Marine announces that the French fleet is now ready for extensive operations, and that its reorganization as an iron clad navy is fast approaching completion. The questions whether it is not necessary for France to fight some one, and whom it is best for France to fight, are daily discussed in the French journals, just as they were two years ago after the Prussian victory of Sadowa—just as they were a year ago after the close of the great Paris Exposition. The reserves of the Bank of France continue to be increased. The distress in the manufacturing districts in France is so great as to furnish the advocates of protection with an opportunity upon which they have eagerly seized, of denouncing the commercial treaty of 1860 with England as the source of woes unnumbered. In the French capital the laws against gatherings in the streets are enforced with a severity unknown for ten years past; and the restrictions imposed by Power upon the Press are sharper, more vexatious and more irritating than ever. All this, it must be confessed, has an aspect of coming conflicts, and goes far to justify the apprehensions of a general European war, which, the cable reports to us, are loudly expressed throughout France and the Continent.

Furthermore, it is obviously impossible that Europe can for any great length of time go on in her present state of "armed peace" without a serious explosion. The burden imposed upon the wealth and industry of the Continent by the existing armaments of all the powers, is not only utterly without precedent; it is wholly incompatible with the spirit of the age and the tendencies of public opinion even in the least enlightened of European countries. If the greater powers of Europe were now ruled as they were, for example, in the time of Frederick the Great, or of the first Napoleon, by autocratic sovereigns substantially independent of the popular will and the popular intelligence, it might be possible to protract indefinitely a state of things which in all the European monarchies compels a sort of financial congestion, and which in some of them, as for example in Austria and in Italy, amounts to a deliberate organization of public insolvency. But there is no one European country to day, unless we are to except Spain, in which the government is exempt from the necessity of cajoling if it does not consult the opinion of the public, and there is no one country of Europe in which the public has not already begun to give signs that it will not much longer acquiesce in the actual status of things. If France and Germany, for example, are to keep on foot between them nearly a million and a half of armed men, and to expend upon their military establishments sums amounting in the aggregate to more than one-fourth of the whole public revenues of both nations, it is but natural and reasonable that Frenchmen and Germans should sooner or later demand that the necessity for these enormous efforts be clearly demonstrated. That necessity can only be demonstrated by the dread reality of war; the sole alternative of which is a general disarmament. Of the latter we see no symptoms; every suggestion looking to such a result which has been put forth by various governments during the last twelve month having been received with indifference. If Europe then be steadily drifting towards a general war, in what quarter is its outbreak to be expected?

The conflict between France and Prussia, which was last year regarded as imminent, has been growing more and more improbable with every month which has followed the conferences held by Napoleon III. with the Emperor of Austria and his premier, the Baron Von Beust, at Salzburg in September, 1867. Such a conflict, had it broken out in July or August, 1866, while South Germany was still smarting under the shame and surprise of its overwhelming defeat by the Prussian arms, might perhaps have resulted in breaking up the Prussian schemes for a reorganization of Germany around the Prussian throne. Austria, Bavaria, Wurtemburg, Baden and the Hesses were then really in arms against Prussia; Saxony had not then lost her position irretrievably, and Hanover was in a ferment of hostility to its Prussian conquerors. Had the French then crossed the Rhine as the allies of South German independencies they might possibly have been welcomed, and their work achieved. But when Napoleon III visited Austria in September, 1867, he had abundant occasion to satisfy himself that the French opportunity of 1866 had gone by never to return; that the expulsion of Austria from Germany had been accepted by Austria herself as an irretrievable fact; and that the hope of a real German unity had pretty thoroughly mastered, even in Bavaria and Wurtemberg, the traditional dislike of the Catholic South Germans for their stiffnecked, arrogant and Protestant brethren of the North. Napoleon III came back to Paris from Austria, there is reason to believe, profoundly satisfied that any French interference in German affairs would only precipitate the whole German people into the arms of Prussia. He brought back with him also a new programme of European politics for the new future, a programme concocted by him in many conversations with the able and far seeing statesman Von Beust, who, escaping from the ruins of the Saxon monarchy, has contrived to find a refuge in the highest post of the Austrian Empire. To this new programme it was necessary not only that France should make herself at once more formidable in the field than she had ever before been; but also that Austria and Prussia should put themselves in the highest condition of military efficiency; and that all the efforts of the leaders of opinion in the three countries should be directed toward appeasing the resentments, distrusts and jealousies by which the masses in each are animated towards the others. For this new programme of European policy, it is asserted on the highest authority, tends to no less a result than the substantial expulsion of Russia from Europe; to the reconstruction of the Polish nationality and of the Scandinavian power, and to the greatest extension of Austria eastward to the Euxine.

Many signs have recently concurred to show not only that such a programme as this has been conceived, but that it has been advancing towards its fulfillment. The extraordinary efforts which the Russian government has been making during the last three or four months to "crush out" utterly the "poison of Polish nationality" from the provinces which were known down to last year as the "Kingdom of Poland;" the sudden reappearance of the "Polish Societies" in Paris and in Switzerland; the repeated declarations of Count Bismarck that peace is not and will not be in peril between Paris and Berlin; and the mysterious visit which Prince Napoleon, a well known partisan of the extreme anti-Russian movement in Europe, is now making to the Emperor of Austria at Vienna, may be enumerated as among the most striking of these signs.

Simultaneously with these indications we have the Turkish Government suddenly taking the initiative in propositions of reform more liberal than any which have ever been proposed to it by its European allies—propositions which proceed directly from the Sultan, and which certainly tend to put the Moslem authorities in a very favorable light of contrast with the Russian policy towards Poland. This liberal demonstration on the part of the Sublime Porte has been responded to in Servia by the murder of the reigning Prince of that country, which has long been a great focus of Russian intrigues for the dismemberment of the Turkish Empire; and by a vivacious renewal of the Greek clamor for an extension of the Hellenic monarchy.

We cannot therefore but regard it as eminently probable that the "Eastern Question" is on the eve of assuming pracatical and perilous shape; and that Russia may be about to take upon herself the dread responsibility of provoking such an explosion of that question as must almost certainly lead to an armed interference of Austria and France in defence of the Turkish authority. The extreme and restless "Muscovite Party" appears to have got so completely into possession of the Imperial machinery at St. Petersburgh, and to be so resolutely bent on an effort to arrest the progress of Austria towards the consolidation of her power on the new basis made for it by the results of Sadowa, that such an outbreak in the East must almost inevitably lead to a new war between Russia and the allies of Turkey. In this war, should it come, Prussia would occupy at first a position curiously analogous with that held by Austria in the Russian war of 1854; but if the speculations in which we have indulged as to the ultimate designs of Napoleon and of Von Beust be, as we believe them to be, well founded, and if the arrangements which have so long, as we believe, been maturing to bring Count Bismarck into harmony with those designs have borne their fruit, we may expect to see Prussia also wheel into line with the Western allies against the Empire of the Czar. In that event there can be little doubt that the conflict would result in effecting a complete and most important change in the map of Europe. We should then look to see the policy of Peter the Great and Catherine utterly foiled; Germany constituted, with the consent of France and of Austria; Poland and Scandinavia erected into a powerful outwork of the West against Russia, and Austria become in fact, as she is in name, the *Œster Reich* or Empire of the East.

The possibility of changes such as these is beyond a doubt, and, considered merely as a possibility, they are of such a nature, and so important, as to make it worth while for us to watch with enlightened attention every move in a great political game, which may have so profound a bearing upon the future of Europe and of the world. If events like these, or events of equal importance, be not indeed on the point of coming to pass, as the upshot and excuse of the tremendous military reorganization of Europe during the last two years, the burden of that reorganization will assuredly bring it to the earth ere long with a crash not less startling, perhaps, but far less compatible with the welfare of mankind.

PROSPECTS OF THE COTTON TRADE.

It would be premature, as yet, to attempt any definite estimate of the growing cotton crop. There are, however, some generally recognized facts which foreshadow what may be expected under certain conditions; and to specify these is all we now propose to contribute toward the elucidation of this much canvassed question. The unsatisfactory results to the planters of the last crop induced a general limitation of the area planted this year. The factors, as well as the planters, had been impoverished, and were neither able nor willing to make liberal advances to the growers. They took the view that the true course, pending the high prices of food products, was to turn more attention to the growth of cereals, and by curtailing the production of cotton help to enhance its price. To such an extent was this policy acted upon, that the original planting afforded the prospect of a crop below that of 1867. The natural effect of this tendency was to cause an advance in the price of cotton at Liverpool from 7d. to 13d. during the period of planting; and this advance, again reacting upon the planters, induced them to place more land under cotton. Ordinarily, March planting is deemed unpropitious; in this instance, however, the season has favored the crop, and the March cotton appears to be unusually promising. A comparison of reports from all sections of the cotton region would give the following result as to the area of land planted compared with last year: North Carolina, 10 per cent less; South Carolina, 20@25 per cent less; Georgia, 25 per cent less; Florida, about the same as in 1867; Alabama, 15 per cent less; Louisiana, 20 per cent more; Mississippi, fully equal to last year; Tennessee, more; Arkansas, more; Texas, fully up to 1867. Setting off these accounts one against another, we have, as an average result, an area under cotton about equal to that of last year. In most of the States, the crop is reported rather backward, the principal exceptions being in Tennessee and Arkansas. Without exception, however, the stands are represented as unusually good, the plant healthy, and the condition of the land favorable. There has been no appearance of the army worm, except in some parts of Texas, at which no concern is now felt in the vicinity affected. The weather has hitherto been unexceptionally favorable. The heavy fall of rain at the North appears to have been accompanied with an unusually moist condition of the atmosphere South; which has been conducive to a vigorous and healthy vegetation. Nor does there appear to have been any neglect of the culture owing to the idleness of negroes. All accounts represent that the late severe experience of the colored population, bordering in some districts upon famine, have produced among them a greater willingness to work, and for reasonable wages; the result having been that the planters have found it practicable to keep the crop clean and in good condition. To sum up, then, we have about the same acreage under cotton as last year, with a much better condition of the plant. It appears, therefore, that as the crop now stands there is a reasonable prospect of a better yield than last year. There are yet the contingencies of weather and worm to encounter, of which the event only can be the exponent; but, providing that no unusual misfortune should arise from these sources, we may hope for a fair increase on the yield of 1867.

An accurate knowledge of the prospects of consumption is also necessary to an estimate of the probable future value of cotton, a question at present of more than usual interest, yet also one of unusual doubt. The rapid advance in the staple at Liverpool early in the year has somewhat unbalanced the judgment of the trade, and produced considerable irregularity of movement. The decline to 7d. per lb. induced a sudden revival of the demand for goods; and spinners and manufacturers, long stagnant, accepted immense orders. To fill these engagements, a consumption averaging 66,000 bales per week was required for the first 15 weeks of the year, and the consequent demand produced an advance of 5¾d per pound within four months. It soon became apparent, however that this immense production of goods so far exceeded the wants of the trade that the price of goods ceased to follow the advance in raw material, the greatest rise in cotton being 5¾d. per lb., and in cloth only 4½d. per lb. Messrs. Ellison & Haywood's Liverpool *Circular* of June 1, has the following noteworthy remarks upon this feature of the trade:

At the opening of the year the price of Middling Uplands was 7½d, per lb.; 4½lb. Printers 4s. 9d. per piece, and 5½lb. Printers 6s per piece averaging together 13¼d. per lb.; 7lb. Shirtings 7s. 9d. per piece, and 8½lb. Shirtings 8s. 9d. per piece, averaging together 13d. per lb. The average price of these four descriptions of goods was, therefore, 12d per lb., and the margin in favor of manufacturers 6½d. per lb. Working out the quotations at the close of each of the past six months we have the following result:

	Mid. Uplands, per lb.	Av'ge of 4½ to 5½ lb. Printers, per lb.	Av. of 7 to 8½ lb Shirtings per pound.	Average Margin per pound.
Dec. 30	7⅛d.	13⅛d.	13d.	6⅜d.
Jan. 31	7⅞	14⅜	14⅛	6⅜
Feb. 29	9⅝	15⅝	15⅛	6 5-16
Mar. 31	11⅛	16⅝	16⅜	5⅜
April 30	12⅝	17⅜	17⅛	4 11-16
May 30	11⅛	15⅝	16	4⅜

Here it will be seen that piece goods followed the rise in cotton until the latter reached 9d. to 10d. per lb.; but after that the raw material shot far ahead of manufactures, so that from the close of March to the present time the margin of prices, as compared with the average of the previous three months, has shown a difference of from 1d.@1⅝d. against producers. But the most important fact exhibited by the table is that at the highest point cloth did not exhibit an advance of more than about 4½d. per lb., while cotton showed a rise of 5½d., or, in other words, piece goods ceased to follow cotton beyond 11½d. per lb., and even then the response came some time after the latter price had been obtained in Liverpool.

A similar discrepancy between the advance on cotton and on goods obtained in our own markets; for the illustration of which we present the following comparison of prices of cotton and of sheetings at New York:

	Middling Uplands.	Sheetings, Atlantic H.
December 27	15⅛ cents.	15 cents.
January 31	19⅛@19⅜	15⅜ "
February 28	22 cents.	19 "
March 27	26 "	16⅜ "
April 30	32⅜ "	18⅜ "
May 30	31 "	17 "

These comparisons show that there is a point in the value of goods at which consumption begins to contract, and they also indicate with more or less clearness where that point lies. The advance at Liverpool in the price of shirtings of 4⅛d. per lb., produced such a check on the demand that sales to spinners, from being 66,000 bales per week in January, February, March and most of April, fell in May to 33,000 bales per week. This reduction of one-half in the consumption, however, is not for obvious reasons to be considered as the measure of what consumers would take at the then current prices of goods; but rather as meaning that the markets were so over stocked that, with the supply of raw material in the hands of spinners, only that small amount was required to meet the wants of the trade. How far the present large stocks of goods may continue to keep down the spinning demand is a question of much practical importance, yet one not easily determined. The cotton goods trade is not especially active in any part of the world, and is not likely immediately to become so. The exports of cotton goods from Great Britain to 16 principal countries for the first three months of the year were 583,000,000 yards against 478,000,000 for the same period of last year. The increase occurred chiefly in the shipments to India, China, Turkey and Australia, and has been followed by a sharp reaction in those markets; and as these countries have been taking nearly two-thirds of the exports, it is evident that a consequent reduction in the shipments in that direction must tell materially upon the cotton trade. This conclusion coincides with the general adoption of short time by the Lancashire mills, and warrants the expectation of a continued limitation of the consumption of cotton.

A glance at the probabilities of the immediate supply will further indicate the probabilities as to the value of the staple. The exports of cotton from the United States may be considered as almost at an end until the new crop comes to market. Our total stock is now reduced to about 115,000 bales, or about 130,000 bales less than at the same period of last year; so that our own spinners will require about all our supply. The supply of Great Britain for the three months, June, July and August, may be thus stated as compared with 1867:

		1868.	1867.
Stock at Liverpool May 30th	bales.	656 976	867,529
Stock at London June 1	"	36,720	56,910
At sea for Liverpool May 30	"	482,543	559,885
" " London "	"	60,309	88,553
Imports from other sources (estimated)	"	60,000	60,000
Total supply for three months	bales.	1,296,548	1,632,857

The supply for the next three months may thus be taken, in round numbers, at 1,300,000 bales, against 1,632,000 bales for the same period of last year. The exports for this period, taking the average of 1867 as the basis, may be estimated at 190,000 bales; which leaves 1,110,000 bales for consumption and for stock at the close of the three months. Now a consumption at the average rate of the year 1867, viz., of 42,245 bales per week, would require 549,185 bales for three months, leaving for stock at the ports on September 1st. 560,815 bales, against 890,000 bales at the same date of last year, and 555,000 bales on January 1st, 1868. Beyond this period it would seem that the trade, if all things continue favorable for the growth of the plant, may count upon a somewhat increased supply from the United States, and probably fully average receipts from India; but upon the course of the trade for 1868–9 we decline at present to speculate; since with even an increased supply (which is as yet uncertain) so much depends upon consumption, and the consumption may be largely influenced by an abundant wheat harvest and consequent cheap food. So far as respects the three months ending September 1st, there appears to be nothing except unfavorable future reports as to the growing crops to justify higher prices than were current at the same period of last year, when the Liverpool quotations ranged at 10½d.@11¼d.

MILWAUKEE AND ST. PAUL AND MILWAUKEE AND PRAIRIE DU CHIEN RAILWAYS.

These railroads are now virtually consolidated, having been operated together through the year 1867, and agreements made for their final union. The report now before us is the fourth of the Milwaukee and St. Paul, and the seventh of the Milwaukee and Prairie du Chien Company. During the year the litigation which the St. Paul Company had been compelled to carry on with parties claiming to own the Eastern Division of the La Crosse and Milwaukee Railroad, and a portion of the rolling stock, has terminated in favor of the former, and secured to it the 95 miles of road involved in the dispute The year also closes with the completion of the Iowa and Minnesota Division extending from McGregor, Io., to St. Paul Minn., 215 miles, the section between Cresco and Owatonna, 85 miles, having been opened about November 1, 1867. The Iowa and Minnesota Division is owned by the St. Paul Company, and was built at a cost of $9,015,000, being about $41,930 per mile. The company are not engaged on any additional lines, except in extending the existing line in Wisconsin from Omro to Winneconne, a distance of five miles, the cost of which will not exceed $70,000, valuable donations in land, &c., from those towns having been made. Winneconne is on the Wolf River, which is navigable for steamboats 150 miles into the heart of a vast and valuable lumber region. The lines of railroad owned by the two companies are reported at an aggregate length of 820 miles, and are described as follows:

1st. *Milwaukee and St. Paul Railway.*		
Milwaukee, via Watertown, to La Crosse	196	370 miles.
Milwaukee, via Horicon, to Portage	95	
Watertown to Sun Prairie	26	
Horicon to Berlin and Omro	53	
2d. *Milwaukee and Prairie du Chien Railway.*		
Milwaukee to Prairie du Chien	193	235 miles.
Milton to Monroe	42	
3d. *Iowa and Minnesota Division* (formerly known as the McGregor Western and the Minnesota Central Railways.)		
McGregor (opp. Pr. du Chien) to St. Paul, Minn.		215 miles
Aggregate length of all lines owned by companies		820 miles

The rolling stock in use on these several lines is enumerated in the following table:

	M. & St. Paul Rail'y.	Io. & Minn. Division.	M. & P. du C. R.	Total of all lines.
Locomotives	64	14	47	125
Passenger cars—1st class	25	8	27	60
" 2d class	4	1	3	8
" Sleeping	3	0	3	8
Baggage, mail and express	23	8	17	46
Box and freight cars	1,079	215	558	1,858
Platform cars	162	84	152	398

The following is a summary of the operations on the several lines for the year ending December 31, 1867:

	M. & St. P. (370 m.)	I. & M. Div. (215 m.)	M. & P. du C. (225 m.)	Total. (820 m.)
Miles run by trains—				
Passenger trains	369,081	75,029	296,724	740,834
Freight trains	692,522	154,142	483,180	1,329,844
Wood and gravel trains	112,846	39,537	73,085	225,468
Total miles run	1,174,449	268,708	852,989	2,296,146
Tons of freight carried—				
Tons eastward	297,344	90,248	230,609	618,201
Tons westward	142,984	58,643	128,206	329,833
Tons both ways	440,328	148,891	358,815	948,034
Tons carried one mile—				
Tons eastward	31,543,323	4,626,276	31,467,606	67,637,205
Tons westward	13,955,617	2,911,745	11,673,482	28,540,844
Tons both ways	45,498,940	7,538,021	43,141,088	96,178,049
Tonnage revenue—				
Revenue eastward	$1,100,361 01	$249,202 49	$1,055,224 03	$2,404,787 53
Revenue westward	694,168 08	188,377 56	449,347 16	1,331,893 80
Revenue both ways	1,794,529 09	437,580 05	1,504,571 10	3,736,680 33
Tonnage revenue per mile—				
Per mile eastward	3.49c.	5.38c.	3.35c.	4.07c.
Per mile westward	4.97c.	6.46c.	3.85c.	5.09c.
Per mile both ways	3.94c.	5.80c.	3.49c.	4.41c.
Passengers carried—				
Passengers eastward	159,493	46,548	120,373	326,414
Passengers westward	187,902	50,389	130,545	368,836
Passengers both ways	347,395	96,937	250,918	695,250
Passengers carried one mile—				
Passengers eastward	8,982,406	1,816,280	4,989,391	15,788,077
Passengers westward	12,221,946	1,939,981	5,332,217	19,494,144
Passengers both ways	21,204,352	3,756,261	10,321,608	35,282,221
Passenger revenue—				
Revenue eastward	$371,646 04	$90,514 03	$177,318 03	$639,478 10
Revenue westward	476,190 14	95,988 48	197,015 40	769,194 02
Revenue both ways	847,836 18	186,502 51	374,333 43	1,408,667 12
Passenger revenue per mile—				
Per mile eastward	4.14c.	4.98c.	3.55c.	4.29c.
Per mile westward	3.90c.	4.95c.	3.69c.	4.18c.
Per mile both ways	4.00c.	4.97c.	3.63c.	4.20c.

The gross earnings of the several lines, including mails rents, express, &c., were as shown in the following account:

	M. & St. Paul. (370 miles)	I & M. Div. (215 miles)	M. & P. du C. (235 miles.)	Total. (820 miles.)
Passengers	$847,836 18	$193,727 43	$377,005 25	$1,418,568 86
Freight	1,794,529 09	491,990 87	1,504,594 35	3,791,114 31
Military	2,796 88	....	44 48	2,841 36
Mails and rents	41,117 11	59,653 79	27,347 51	374,224 57
Miscellaneous	6,365 24		1,664 66	
Express service	158,344 09		74,786 55	
Telegraph	2,417 07		2,026 55	
Sleeping cars	13,701 85	....	4,358 20	18,059 55
Elevators	78,799 94	....	......	78,799 94
Total	$2,946,906 95	$745,372 09	$1,991,829 55	$5,683,608 59
Operating expenses, including taxes and all other charges	1,722,217 21	562,386 98	1,381,081 63	3,665,685 82
Net earnings applicable to bond interest and dividends	$1,224,189 74	$182,985 11	$610,747 92	$2,017,922 77

These figures for 1867 compare with those of 1866 as shown in the following statement:

Gross earnings increased	$407,606 99	$202,651 25	$........	$588,338 67
Gross earnings decreased	....	....	21,919 57	....
Net earnings increased	290,086 27	35,703 09	239,570 50	565,359 86

The following compares the gross earnings of the several lines for the last four years:

	M. & St. P.	I & M. Div.	M. & P du C.	Total.
1864	$1,402,105 86	$........	$1,711,280 88	$3,113,386 74
1865	2,535,001 43	....	1,985,511 71	4,520,513 14
1866	2,538,799 96	542,721 80	2,013,749 12	5,095,270 92
1867	2,946,406 95	745,372 09	1,991,8.9 55	5,683,608 59

From the above tables we make the following summary o comparative results for 1867, reducing the primary figures to relative proportions:

	M. & St. P. (old lines.)	M. & St. P. (I. & M. Div.)	Milw. & P. du Ch.	Total of all lines.
Miles of road operated	370	215	235	820
Train miles to mile of road	3,160	1,250	3,629	2,849
Tons of freight per mile	122,970	85,061	183,579	117,510
Passengers per mile	57,309	17,638	43,922	44,246
Gross earnings per mile	$7,963 26	$3,466 85	$8,443 18	$6,931 23
Expenses per mile	4,654 64	2,605 76	5,854 28	4,470 35
Net earnings per mile	3,308,62	851 09	2,588 90	2,460 88
Expenses, incl. taxes, &c., p. c.	57	75	69	64½
Receipts per ton per mile	3.76 c.	5.80 c.	3.49 c.	4.35 c.
Receipts per pass. per mile	4.00 c.	4.97 c.	3.63 c.	4.20 c.

The gross earnings on all these lines for the year ending December

31, 1867, amounted to	$5,683.608 59
And the operating expenses to	3,665,685 82
Leaving the net earnings at	$2,017,922 77

This residue is charged with interest on the mortgage indebtedness and the Prairie du Chien preferred stock $1,144,932,00, and hence the balance applicable to the St. Paul stocks is $872,990 77. No dividends, however, were paid on either the preferred or common stock of the latter during the year, all the net earnings having been required to pay for new buildings and additional equipment for the roads. The directors announce that hereafter they will be able to pay a cash dividend, commencing the current year on the preferred stock The floating debt is of such limited dimensions as to be manageable without fear of embarrassment. The general accounts of the companies are given seperately and are as follows:

MILWAUKEE AND ST. PAUL COMPANY.

(Including the Iowa and Minnesota Division.)

Purchase of road	$19,501,023 41	Stock—preferred	$8,050,892 00
Construction of road	3,920,145 28	" common	5,406,883 00
	$23,421,168 69		$13,457,775 00
Materials on hand	331,434 28	Bonds—1st mortage	$5,361,000 00
Railway shares owned	4,014,231 44	" 2d mort. & inc	1,500,000 00
Post office dep't	19 236 27	" Real estate	148 500 00
Due from agents & other companies	155,835 68	" 1st mortgage (I. & M. Div.)	2,000,000 00
Miscellaneous accounts	14,802 24	" Assumed	3,492,042 06
Sinking fund, 2d mortgage bonds	24,000 00		$12,501,542 06
		Pay rolls and bills	179,290 06
	$4,559,539 91	Bills payable	259,646 52
Interest paid on bonds since Jan. 1, 1868	155 564 50	State Treasurer, Wis.	86,267 21
Cash on hand	170,898 76	Due other roads	81,926 32
		Miscellaneous accounts	38,617 84
		Mil. & P. du Ch. RR. Co	732,940 03
Total	$28,307,171 86	Income account	869,156 82
		Total	$28,307,171 86

MILWAUKEE AND PRAIRIE DU CHIEN COMPANY.

General property	$7,698,281 00	First mortg. bonds	$390,500 00
Materials and fuel	168,861 51	Stock—1st preferred	3,?14,250 00
Advances to I. & M. Div	732,940 03	" 2d "	1,014,000 00
Post office dep't	10,851 07	" common	2,986,081 00
Money lent in New York	295,072 92	Bonds & stocks cancelled by Sinking Fund	514,200 00
McGregor Western RR. bonds $17,000	15,733 83	Reserved and unpaid Sinking Funds	178,580 00
Due from agents & other companies	95,574 54	Other accounts & balances	213,051 75
Survey of Monroe & Dubuque Extension	4,882 78	Convertible property and old debts	141,266 59
Cash on hand	128,371 85	Income account	498,639 22
Total	$9,150,568 56	Total	$9,150,568 56

THE CHINA TRADE.

NUMBER II.

In considering the probable influence of the completion of communication by one or more lines of railway across the continent, especially upon the future of the Pacific States, it is necessary first to examine the existing routes.

The great bulk of the trade between Europe and America on the one hand, and all India and Asia on the other, is now, as it has been since the fifteenth century, carried on by sailing ships around the Cape of Good Hope. Its value is hardly to be measured by any figures of which the mind can take definite impress; nor would it be easy to collect the statistics of its many parts into an exhaustive and accurate view. In the year 1861, which we take for illustration, as showing the highest development of the American trade before the depression caused by the war, and of that of Great Britain before it took on the rank growth consequent upon the same event—the tonnage of vessels departing for all China, and arriving thence from and at ports of the United States, Great Britain and France, and the declared values of goods carried by such vessels were as follows:

	Tons entered & cleared.	Values of imports & exp's.
Great Britain	201 590	$65.000,000
United States	124,075	18.269,146
France	15,957	5, 00,000
Total	341,522	$88,269,146

These figures, of course, include the values of treasure and merchandise carried during the same year by steamers *via* the Isthmus of Suez.

Taking New York as a central point, the distances by the usual sailing routes round the Cape are: to Calcutta 9,350 miles, to Hong Kong 14,000 miles, to Shanghae 14,500 miles. The ships engaged in the trade are for the most part of the best class fully fitted out, well manned and ably commanded. Their valuable cargoes and extra prizes for best passages, as with the first teas of the new crop, have led to the construction, here and in Great Britain, of the famous "tea clippers," unequalled for their performances. In 1866 eleven of these ships sailed from Foochow between the 29th of May and the 7th of June, and arrived in London or Liverpool between the 6th of September and 5th of October. Wonderful to think of, three of these, the "Taeping," "Ariel" and "Serica" sailed together on the 30th of May, and all arrived within a few hours of each other, on the 6th of September, the "Taeping" having won the "heat" of 14,000 miles in ninety-nine days, five hours, simply by being towed into dock before her competitors! Last year the race was won by the "Ariel," arriving on the 23d of September in 101 days, 22 hours, 30 minutes, and beating her successful rival of the previous year by four and a half hours! The ordinary voyages, however, range between four and five months.

The immense importance of the Eastern trade in past centuries, at once the coveted prize and gage of battle of all the great nations that have in turn claimed and exercised the maritime supremacy of the world, and have drawn from the profits of this commerce the sources of their material power, has in the present age turned the attention of many thinkers among the statesmen and merchants of Europe and America to numberless projects for diminishing the length of the voyages and the time consumed in them. Prominent among these have been the schemes for inter-oceanic ship canals across the Isthmus of Suez, uniting the waters of the Red Sea and the Mediterranean, and across the Isthmus of Darien or Panama, connecting the Atlantic and Pacific Oceans. The one promises for the Eastern Hemisphere the same relative benefits that the other extends to the Western. The former, under the powerful stimulus of the Napoleonic policy and the French treasury, has gradually grown from the germ of an abstract idea into the fruit, now approaching ripeness, of accomplishment. M. Lesseps, the engineer of the work, promises that it shall be finally completed in October next. Already the canal is used for the transportation of cargoes by small vessels or lighters of inconsiderable draft; a considerable quantity of coal for the Abyssinian expedition having crossed the Isthmus in this way. Mr. Kelley estimated the value of the tonnage and trade of Great Britain, the United States and France that would to-day pass through a ship canal across the Isthmus of Panama at $450,000,000 per annum, and the yearly saving in freight, insurance and the like at no less than about $50,000,000; but the canal has not been built, nor, in spite of an occasional spasmodic agitation of the question, even begun. The Isthmus of Suez is now spanned by a railway, 252 miles long, constructed under the patronage of the Viceroy of Egypt; the Isthmus of Panama by the line, 47 miles in length, of the Panama Railway Company. These railroads and their maritime connections give us three great steam lines between Europe and America on the one hand and China and Japan on the other.

The first is that of the "Peninsular and Oriental Steam Navigation Company," of London, incorporated in 1840, which now performs a fortnightly service between Southampton and Marseilles and Yokohama, *via* Malta, Alexandria, Suez, Aden, Galle, Penang, Singapore, Hong Kong and Shanghae, with a weekly line to Bombay and Calcutta, and a monthly connection at Galle with Australia. The distance between Southampton and Yokohama, 11,586 miles, is performed in five connecting steamers, the time occupied in the transit of mails and passengers between London and Hong Kong being about forty three days, and the entire service is characterized by great regularity. This company, under a recent contract, is to receive from the British Government a subsidy of from £400,000 to £500,000 a year for twelve years.

Next comes the China lines of the "Compagnie des Messagiers Imperiales," at present monthly, but promising soon to be semi-monthly. This company receives an enormous subvention from its Government, rather difficult to calculate with accuracy, inasmuch as its ships were built by loans from the imperial treasury and it has absorbed the entire steam marine of France, except the General Transatlantic Company's lines to New York, Panama and Mexico. Its service is parallel with that of the Peninsular and Oriental Company, and its steamers, having been more recently constructed and from ampler means, are larger and more powerful, and consequently perform the service with somewhat greater speed.

The third line is that of the Pacific Mail Steamship Company between New York and Hong Kong, *via* Panama and San Francisco, making four trips a month between this port and California, and one a month thence to China, by way of Japan, with a branch to Shanghae. The extreme length of its route is 11,900 miles, the distance to Yokohama being 10,300, and the time occupied in the voyage is at present about 54 days to Hong Kong, 50 to Shanghae and 44 to Yokohama. The missing link between this port and Europe is filled by an endless chain of steamers owned by European companies. The Pacific Company receives $500,000 a year from the Government in the form of a postal subsidy for the China mail service, which is proportionately less than that enjoyed by the British and French lines.

Thus it will be seen that the distance and time by existing routes to China is about as follows:

FROM NEW YORK.

	Sail, via Cape of Good Hope.		Steam, via Suez.		Steam, via Panama.	
	Miles.	Days.	Miles.	Days.	Miles.	Days
To Yokohama	21,000	120–180	14,840	65	10,800	44
Shanghae	20,000	110–150	13,800	60	11,400	50
Hong Kong	19,500	100–140	18,000	55	11,900	54

FROM ENGLAND.

				Via New York and Panama.	
To Hong Kong	100-140	9,800	43	14,900	66
Shanghae	110-150	10,600	48	14,400	62
Yokohama	120-180	11,600	53	13,800	56

By the overland mail the time is already six days less than by steamer *via* Panama, so that even now the Japan mails are delivered most speedily to Great Britain by the American route.

To compare these distances, which are given in nautical miles, to those of the land route stated in statute miles, we add one sixth to the former. Thus the distance between New York and Hong Kong via the Cape of Good Hope, 14,000 nautical miles, is equal to about 16,300 statute miles. The distance by railway from New York via Chicago to San Francisco, is 3,250 statute miles, thence to Hong Kong by steamer, 6,700 nautical, or 7,800 statute miles, making the entire distance between New York and Hong Kong via the Pacific Railroad and China Mail Steamship route, 11,050 statute miles, as against 16,300 by sail. Again, the distance from London to Hong Kong, 13,300 nautical, is equal to 15,600 statute miles, while the entire distance between the same points by the American route is 14,000 statute miles. But in reaching these great distances the world has again almost unconsciously returned to the primitive ways of measuring them by time instead of length, by days instead of miles. This is the ultimate test to which all commercial routes must be subjected. The duration of the voyage by the existing routes has just been given. In company with it, the time that will probably be occupied in the voyage by the Pacific Railway route, we take the present average performance of the mail and commercial steamship lines across the Atlantic as a standard for the entire sea route, and extend to the Pacific terminus the the present rate of speed by railway hence to Chicago, which is about twenty-five miles an hour on the express passenger trains. This would give 130 hours for the entire journey overland, although it is little likely that for some years after the first completion of the road, in about 1870, the trip will be made in less time than 150 hours, or six days and a quarter. Allowing ten days for the trans-Atlantic, and seventeen for the trans-Pacific voyage, with one day each for the connection at San Francisco and New York, and the entire journey would be made in the following time:

New York to Yokohama.............	24 days	London to Yokohama.................	35 days
" " Shanghae..............	29 "	" " Shanghae...............	40 "
" " Hong Kong............	30 "	" " Hong Kong.................	41 "

This is no fancy, but a practical reality, the proof of which only awaits the development a few years hence of the favorable commercial conditions. Those who lament over the present "slow time" made by the China Mail steamers of the American line need not be discouraged, for their so-called "slowness" is the salvation of the enterprise. They make all the speed that their trade now requires or justifies, all that was made under like circumstances on the Atlantic, and whenever a trade springs up which demands on the Pacific the same speed now made on the Atlantic it is demonstrable that the demand will be met.

There can be no question then, that the bulk of all the mails, passengers and valuable merchandise passing between New York and Europe and Japan and China will cross the Pacific Railway. The course of exchange must inevitably follow the mails. But all except the more valuable cargoes must long continue to take the ocean routes, whether by sail or steam, for two reasons: 1st. They cannot pay any rate of freight at which the Pacific Railroad can take them, in view of the increased cost of transportation by railway as compared with that by steamship or sail, and especially of the heavy cost of the former west of the Mississippi; the probable railroad charge for a ton of ordinary merchandise between this port and San Francisco has been estimated at $117, gold, while the entire charge for a ton of tea by steam from Shanghae to New York is only $35, and by sailing ship $15 to $20. 2d. The Pacific Railway cannot for some years be expected to furnish the facilities required for the movement of large bodies of freight, as will be seen by a simple calculation. Supposing the road to attempt to transport the 230,000 tons now carried between New York and San Francisco, at an average speed of 15 miles an hour; this would be about 700 tons a day, or 100 car loads, each train would reach its destination in 13 days, and, with only 2 days given for unloading and reloading at either terminus, would be at the starting point ready for a second trip in thirty days; thus not less than 3,000 cars would be needed for this trade alone, in addition to the vast number required for other through and local express, passenger and freight traffic.

From the foregoing statement it will be seen that the time occupied by mails, passengers and express freight in the journey between London or New York and Japan or China by way of San Francisco will compare with the existing routes, after the completion of the Pacific railway, and as soon as its full efficiency is reached, as follows:

	Time, at present, by—		
	Pacific Railway.	Steamers via Panama.	Steamers via Suez.
From New York to—	days.	days.	days.
Yokohama	24	44	65
Shanghai	29	50	60
Hong Kong	30	54	55
From London to—			
Yokohama	35	56	53
Shanghai	40	62	48
Hong Kong	41	66	43

This difference in time will inevitably turn the current of travel, trade and exchange into the American channel. At the same time—and especially if, as seems likely, the constitutional vices of the Chinese Custom House, on which Hong Kong flourishes, be removed—the British colony at that point will probably lose its rank as the chief port of the Far East, and transfer the commercial crown to one or other of the northern ports of China or Japan; this change, however, will be but relative, if it occur at all, for the new communications can hardly do otherwise than largely increase the traffic of which Hong Kong is now the centre.

Those who have watched the development of trade and travel consequent upon the opening of regular railway communication, even under circumstances apparently the most adverse, will hardly be surprised at any increase in volume or change in character which the Eastern trade may take on, as a consequence of the opening of the new highway across this continent. That articles will be interchanged heretofore unknown to this commerce, and by persons previously unfamiliar with its operations, is but the simplest form of the new growth. Things now regarded as curiosities or rare luxuries, much as sugar or tobacco in the times of Drake or Raleigh, will come to be staples common as those articles to-day. This is the history of all commerce.

Again, New York will soon cease to pass through her Custom-House the teas and spices consumed west of the Alleghanies. These must naturally come by rail from San Francisco, and with them products now unknown beyond the smell of salt water, or known only to be stared at.

West of the Rocky Mountains an immense area, quite uncultivated, but of fertility so fabulous that the mere statement of it excites a smile, certainly of surprise, perhaps of incredulity, and mines of precious metals and all useful minerals, whose mere surfaces have as yet been but irritated, invite all the starving population of the world to come and there find labor and its rewards. To China, with her dense population, estimated at four hundred million souls, and an inability to feed these numbers, so evident that, in spite of all the industry and frugality of her people, rebellions which are in fact only gigantic bread riots are chronic, and infanticide is common;—to China we naturally turn for the source whence this population is hereafter to be supplied. The demand and supply are separated only by the Pacific Ocean. This movement of population has already begun. The Chinese Government, which, in its care of its subjects, is notably the most paternal in the world, now recognises its interest in promoting the general welfare by encouraging and facilitating the emigration of its surplus numbers. In our own country, ignorance, always the most expensive of luxuries whether for individuals or nations, still opposes, with a bitterness which can only come from prejudice so born, the immigration of the Chinese on several pretexts, alleging that they are immoral people, an idle race, irreligious, and the like: all of which they are not. Noted for the practical morality which governs their lives, for their steady industry, for their rare frugality, these Chinese immigrants form the best laboring class that has come to the shores of America during this century. Their influence upon us, and ours upon them, for good or evil, must largely depend upon the spirit in which they are received; but however that may be, their coming, and in millions, is foredoomed by the unalterable conditions of the case, and can only be turned aside by staying the march of our material prosperity.

Thus a mighty empire bids fair to arise on the Pacific slope peopled by a new race or a new admixture of races. The commercial results must be obvious.

San Francisco will naturally become the great entrepot and depot for the greater and more valuable trade between the United States and China and Japan, which we have assumed will be carried on by steamers across the Pacific, and by rail or steamer between the Atlantic and Pacific States. Valuable goods of all kinds and all small shipments, such as are sent by express in this country, passing between Europe and the Far East, will be gradually diverted to this route as its advantages become known.

The exchange of precious metals, which now flow from their sources to London, as into a great reservoir, and thence to the various points of distribution in India, Egypt, China and elsewhere—will this be changed? When?

There is no natural reason why silver should be taken from the mines of Mexico or Peru by way of Panama to England for the purpose of being exported to China or India, now that a bridge has been thrown across the short gap that formerly seperated producer from consumer. Shipped to San Francisco, it is in a few days within the control, by telegraph, of its actual or ultimate owner, the London banker. All exchange is finally a question of cost of transportation. Why should he pay a high freight to get it to a cheap market, when for a low freight he can in less time place it in a dear market? The conclusion is irresistible that all exchanges of the precious metals between Europe and America and China, Japan and India will converge at San Francisco, which will thus become the "centre" of these exchanges at least, if not indeed of those "of the world," as her more ardent citizens are wont to predict. "The centre of exchange of the world" is and must ever be where the commerce of the world settles its balances; in other words, where those balances can most conveniently be settled. Other elements than the most important one of facilities for frequent, rapid and reliable communication enter into this problem; chief of these is the possession of the accumulated capital by which that commerce is carried on. To-day London holds this golden master key, as Byzantium, Carthage, Venice, Lisbon once held it. Exchanges are settled in London for the same reason that a merchant does business in his own counting house. Whether this condition will be changed by the bodily transfer of the capital itself, or by the drying up of the sources of its growth in one place and their breaking forth afresh in another, it would be useless now to speculate. That the trade of America with the Far East will grow vastly in value and importance; that it will be mainly controlled at New York; that the race between New York and London for the first place will be hotly contested; so much seems clear.

THE BREADSTUFFS TRADE.

The recent general decline in the price of flour and grain is the result of considerations relating to the prospective harvest. There appears to be no dissent in any quarter to the conclusion that present prospects warrant lower prices for breadstuffs; there is, however, some difference of opinion as to what extent of decline may be reasonably expected. Present prices range 10@15 per cent lower on flour than at the beginning of the year, and on wheat 7½@12½ per cent, while corn is about 25 per cent lower. For the purpose of illustrating the course of prices, from Jan. 1st to the present time, we present the following comparative quotations of breadstuffs at New York at stated periods:

PRICES OF BREADSTUFFS AT NEW YORK.

	Jan. 2, 1868.	April 24, 1868.	June 19, 1868.
Flour, Superfine......per bbl	$8 60@ 9 40	$9 40@10 00	$7 25@ 8 25
Extra State	10 10@10 85	10 35@10 85	8 25@ 9 75
Shipping R. hoop Ohio	10 25@11 00	10 50@10 90	9 00@ 9 85
Double Ex. West.& St.Louis	12 50@16 00	11 75@16 00	9 75@14 50
Southern supers	10 75@11 60	10 40@11 15	9 35@11 10
California	12 50@13 75	12 75@14 50	10 50@13 00
Wheat, Spring......per bush	2 30@ 2 50	2 45@ 2 63	2 12@ 2 28
Red Winter	2 65@ 2 75	@ 2 85	2 50@ 2 55
Amber Winter	2 80@ 2 85	2 90@ 3 00	2 60@ 2 70
White	2 80@ 3 25	3 00@ 3 40	2 55@ 2 80
Corn, Western mixed	1 38@ 1 44	1 16@ 1 19	1 06@ 1 08
Southern white	1 35@ 1 45	1 14@ 1 16	1 14@ 1 16
Rye	1 70@ 1 80	2 05@ 2 35	1 96@ 2 05
Oats, Western cargoes	84½@ 87	85@ 87	82½@ 83½
Barley	1 80@ 2 10	2 10@ 2 35	2 20@ 2 40

Considering that, at the beginning of the year, stocks at New York were unusually light, owing to the premature closing of the canals, and also the consequent locking up of a large quantity of grain, which at that time gave a factitious firmness to the market, the decline can hardly be considered an unwarranted one. The receipts at this port since January 1st have been unusually large. How they compare with these for the same period of last year appears from the following statement:

RECEIPTS OF BREADSTUFFS AT NEW YORK FROM JAN. 1 TO JUNE 19.

		1867.	1868.	Increase*
Flour	bbls.	644,135	956,970	312,835
Corn meal	"	136,720	178,255	41,535
Wheat	bush.	693,145	3,729,005	3,035,860
Corn	"	2,803,115	7,425,885	4,622,770
Rye	"	36,220	208,450	172,230
Barley, &c	"	273,960	693,650	419,690
Oats	"	780,350	2,107,195	1,326.845

The export movement has of course taken off a large amount of this liberal supply. The shipments from this port from Jan. 1 to June 19, compare as follows with those of the same period of 1867:

EXPORTS OF BREADSTUFFS FROM NEW YORK, FROM JAN. 1 TO JUNE 19TH.

	1867.	1868.		
Flour, bbls	202,904	381,953	Inc..	179,049
Corn meal, bbls	78,274	94,747	Inc..	6,473
Wheat, bush	37,549	2,624,524	Inc..	2,586,975
Rye, bush	136,887	152,993	Inc..	16,106
Barley, bush	860,217			
Oats, bush	124,758	28.943	Dec.	95,815
Corn, bush	4,084,534	3,647,856	Dec.	436,678

It will be seen from a comparison of the two tables, that the increase in the exports is not at all equal to the gain in the receipts. We have received of flour 312,835 bbls. more than in 1867, and have shipped only 179,049 more than then; of wheat our receipts are 3,035,860 bushels more, and our exports 2,586,975 more; of corn we have received

4,622,770 bushels more, and have shipped 436,678 less; while our receipts of oats are 1,326,845 bushels more, and our exports 85,815 less. It is true that at the beginning of the year stocks were unusually low, and that a large amount of this supply has been required for making up that deficiency; but the fact nevertheless remains that, so far as respects the movement at the principal grain port of the country, the supply available for home consumption shows a very large gain upon last year. A similar increase of receipts is apparent at the lake ports, as will appear from the following comparison:

RECEIPTS OF FLOUR AND GRAIN AT THE LAKE PORTS, FROM JAN. 1ST TO JUNE 13, FOR FOUR YEARS.

	1868.	1867.	1866.	1865.
Flour, bbls	1,517,497	1,227,020	1,433,268	961,803
Wheat, bush	6,899,448	4,104,548	8,065,200	7,244 604
Corn, bush	13.112,439	10,986,011	13,824,061	6,236,860
Oats, bush	4,109,264	2,792,985	5,514,941	4,549,297
Barley, bush	891,936	522,882	324,055	440,993
Rye, bush	190,008	458,249	683,282	246,764
Total grain, bush	24,693,095	18,865,175	27,910,509	18,717,978

It is thus seen that the arrivals at the interior grain ports are about 6,000,000 bushels in excess of those of either 1867 or 1865, and a little over 3,000,000 bushels below those of 1866. The stocks at Chicago has been reduced to a comparatively low point, especially those of corn and oats; and the arrivals at the lake ports now show a material falling off, but, considering that we are close upon harvest, and that the stocks on the seaboard are comparatively ample, this consideration can hardly be allowed much weight as an argument in favor of a firm market. Taking into view all the circumstances relating to the home visible supply and to export, the late decline in prices can hardly be regarded as precipitate or unfounded.

The prospect of the supply from the approaching harvest is unusually flattering. In all parts of the United States the weather has been highly favorable to the growing crops. In some sections there has been too much rain for the corn, and farmers have had to resort to a second planting; but, even as respects this crop, there is no apparent reason for doubting that the yield will be fully up to the average. The Western States have doubtless planted fully up to their capacity; and nature has seconded their efforts with more than ordinary beneficence. The Southern States, discouraged by the poor results of the last cotton crop, have somewhat increased their production of cereals, to the growth of which an unusually moist condition of the atmosphere has been peculiarly favorable, so that there will probably be a moderate surplus in that section available for export or for consumption in other districts. The reports from California are equally encouraging. The late high prices realized on grain, and the favor with which California wheat is received in the Liverpool market, have encouraged a large extension of wheat growing in that State. The weather also, as elsewhere, has proved propitious, and, according to the latest reports, the crop is likely to exceed that of last year by one third. In connection with the home supply of breadstuffs however, it is important to keep in mind that there is considerable danger, that the potato crop will prove a failure on the Eastern seaboard, a fact which must be allowed due weight in estimating the future value of grain.

The crop accounts from Europe also encourage the expectation of an unusually abundant wheat crop. With no one exception of moment the weather has been highly favorable to the growth and healthy condition of the crops. In England, the period for ploughing and sowing, both in the Fall and the Spring, is admitted to have been unprecedented, while the mild Winter was favorable to a healthy and vigorous growth of the plant, so that it would require unusually bad weather to spoil the present prospects of an abundant yield. The "blooming" season comes in at about this time, and much must depend on the character of the weather at that period, which, at the latest advices, was very favorable. In France, the harvest is already in progress in the Southern districts, with every prospect of at least an average yield. In Algeria, the crop has been already harvested and proves remarkably good, so that, instead of importing, as last year, that country will probably have a surplus to send to the French market. In Egypt, the grain crops no longer suffer from the diversion of agriculture to cotton growing, and this year's wheat crop is unusually abundant. The reports from the Danube districts are as yet somewhat meagre, and the same may be said of Prussia; but, so far as they go, they are entirely satisfactory, and indicate the probability of a yield fully equal to, if not in excess of that of last year.

As a general result, then, it may be said that the world's crops, in their growing condition, promise a larger yield than last year. There yet remains the harvest, however, with all its contingencies and adverse possibilities. The dangers of blight and excessive rains have yet to be encountered, and, until these liabilities have been passed, no safe calculations can be made as to the result. Even assuming, however, that the harvest should prove as favorable as the growing season, it would be rash to jump to the conclusion that we must therefore return to old prices for breadstuffs. Stocks have been depleted by three years of deficient crops, and it may be safely assumed that stocks are now everywhere below the old average. There are indications that in this respect there has been considerable recovery effected within the past few months so far as the receiving ports are concerned. At the leading Western cities, stocks are generally larger than at the same period of last year, and in the New York ware houses we hold about one million bushels more than a year ago. The imports of wheat into the United Kingdom, from January 1st to May 30th, are 8,000,000 cwts. more than for the same months of 1867; the arrivals at Belgium are 25 per cent. larger, and at the ports of Western Europe generally the receipts are much above those of last year. These facts would indicate that some gain has been made in stocks at the receiving ports from the generally abundant harvest of last year; but the amount in farmers' hands the world over was never lower, with the one exception of last year, so that it will require an ample surplus from the harvest of 1868 to bring up the world's stocks to near their former condition. This being the case, it would seem probable that the trade will wait to ascertain, first the effect of this years crop upon stocks, and next as to whether the crops of 1869 are likely to sustain the recovered position, before assenting to the return of old prices for breadstuffs.

THE NATIONAL BOARD OF TRADE.

One of the marked characteristics of the present day is the recognition and employment as never before of the uses of organization and association in efforts for the advancement of morals, of the sciences, and of commerce.

Under various conditions, merchants have long been accustomed to maintain more or less closely defined personal relations with each other. Very early in the history of commerce they saw the advantage, if not the necessity, of meeting together at stated times for the interchange of intelligence, for the consummation of bargains, and for the regulation of matters in which they had a common concern. Five hundred years before the Christian era Rome had its Collegium Mercatorum, or Exchange; and in every emporium of trade from that day to the present there has been some central place in which merchants have been wont to congregate. During the middle ages companies were formed for carrying on foreign traffic, and for the promotion of particular branches of industry at home. Their members were united by identity of interest, but they were few in number, and circumscribed in purpose. Both the exchange and the trading company still exist, although under somewhat modified forms. Comparing the two, we might say that the one shows us an aggregation of units, the other a compacted society; in the one, each man is left free to pursue his own plans in his own way, in the other a selected few are united in joint efforts in behalf of a special object; in the one, no attempt is made to limit or check the intensity of individual action, in the other, the energies and the resources of individuals are concentrated, and thus rendered the more effective in competition with those not embraced in the membership. Between them is the Chamber of Commerce, or popular Board of Trade, an institution which, while it discourages isolation and exclusiveness, makes no interference with personality; while it brings individuals together, associates them for the general benefit; while it fosters enterprise, presents no restrictions as to either its method or its scope. The value of the Exchange cannot be called in question; and trading corporations were especially useful, when capital was scarce, and the broad field of commercial endeavor lay almost entirely uncultivated and untried; but it must be admitted that a local organization seeking to develop the social principle, comprising the representatives of varied branches of industry, furnishing opportunity for those engaged in one pursuit, to become acquainted with the facts relating to every other, and inspiring all its members with the impulses of a common purpose for the attainment of a common good, possesses advantages and gives promise of an influence, such as are not to be found in the others, which, for the sake of illustration, we have placed in juxtaposition with it.

Chambers of Commerce were first established early in the eighteenth century in some of the leading cities of France, and soon appeared in other European countries. The New York Chamber is the oldest in the United States, having been organized in 1768. Its objects and advantages are well stated in the preamble to its register of proceedings: "Whereas, mercantile societies have been found very useful in trading cities for promoting and encouraging commerce, supporting industry, adjusting disputes relative to trade and navigation, and procuring such laws and regulations as may be found necessary for the benefit of trade in general, &c." With the growth of the country it has been seen to be desirable to establish many similar institutions; and, under the various names of Board of Trade, Chamber of Commerce, Commercial Association, or Produce Exchange, they have a recognized position in all the chief centres of trade. Differing from each other in particulars of administration, as well as in name, they are substantially alike in their purposes and aims, and they could all adopt the language of the merchants of New York of a century ago, in defining what these are intended to be.

But commerce is not local, either in its activities or in its relations; and these organizations, designed to promote the advantage of the different communities in which they exist, have come to understand that they can render essential service to each other both by word and by act, and that, especially in reference to questions of national importance, they can cooperate together, with promise of immense benefit to all concerned. These boards and chambers began their intercourse by correspondence, and by the interchange of resolutions and recommendations. It was then proposed to bring them together in convention, and in 1865 a meeting was held at Detroit, attended by delegates from twenty-eight mercantile associations of the United States, and fifteen of British North America. This was the first occasion when these bodies, in their distinctive capacity, were represented in convention, and the experiment was quite successful. In February of the present year a second general meeting, limited to the boards of trade in the United States, was held in Boston, and it was then determined to bring these commercial organizationins to a permanent connection with each other, by means of a board in which they should be the constituent members, which should hold regular meetings, and which, through its executive officers, should give constant and careful attention to the general industrial interests of the country. This, in brief, will explain the origin of the National Board of Trade, which was formed by delegates duly appointed for the purpose (representing thirty-two commercial bodies, and twenty States of the Union), on the 5th of June, 1868, in the City of Philadelphia.

We propose to explain the objects, the organization, and the plans of this National Board.

I. The declaration, which precedes the constitution of the board, makes its objects to be three-fold; to promote the efficiency and extend the usefulness of the local boards of trade and chambers of commerce; to secure harmony and unity of action in reference to commercial usages, customs, and laws, and to secure the proper consideration of questions pertaining to the financial, commercial, and industrial interests of the country. It is not intended that the National Board shall undertake to perform any of the functions properly pertaining to the local boards, or that it shall in any degree obviate the necessity for their existence or efficiency; on the contrary, it is designed to quicken the activity of each of these, by furnishing a broad channel through which its energy and influence can be directed, and by seconding and sustaining whatever efforts it may be making for the public good. It will give assurance to each that, however remote it may be from the older and more densely settled portions of the country, and however limited in its local influence, it does not stand alone, and it is not working by itself. It will place the various boards in intimate and fraternal relations with each other, and will be a medium of communication between them. With whatever is strictly local, or sectional, or special, it will have nothing whatever to do. All that the boards can or should themselves undertake it will not interfere with, but all such matters as do not exclusively pertain to any one of them, and such as require the assistance of more than one in their adjustment, will legitimately fall within its sphere. It will not only enable the boards to compare views, but it will promote accordance in these views, and will give emphasis to their expression. Hence the facility with which it may be expected to secure unity in commercial customs and laws throughout the country. Its membership will embrace every section, and its discussions will take every peculiarity of usage or statute into the account; its deliberate recommendations, therefore, will carry a *quasi* authority with them to a very considererable and influential number of our business men, and a weight such as sound judgment and ripe experience always command to all. So also, in reference to the financial, commercial and industrial interests of the United States, in their broadest relations; its plan of organization will qualify it to indicate some of the methods by which these interests may be developed in harmony with each other, and consistently with the rights and the necessities of every State and of every community.

II. This leads us to notice one or two of the more important features in the constitution of the National Board of Trade. And, first, its members are not individuals, but associations; and its proceedings, therefore, will be carried on by delegates, who will act not on their own responsibility simply, but with accountability to those by whom they are appointed. Each association having fifty voting members, will be entitled to one delegate; having one hundred members, two delegates; having three hundred members, three delegates; having four hundred members, four delegates; and for each additional five hundred members one additional delegate. These delegates will not be justified in seeking to enforce their own opinions, excepting as these shall have been approved by the bodies to which they belong; and they will be precluded from advocating measures in which they may have a personal interest, excepting as these shall have received a similar sanction. In this way the National Board is to be protected against abuse from those who would employ it to subserve private ends. Then, secondly, pains have been taken to guard against efforts to make it the agent for advancing special interests. Such bodies only are eligible to membership in it, as are duly chartered under State or national laws, and are organized for "general commercial, and not for special or private purposes." Associations have recently been formed in the interest of the shipbuilders, the shipowners the cotton manufacturers, the wool growers, the wool manufacturers, and other classes of business men, and there is a work for each of these to perform, valuable to the class which it represents and useful to the country. But to give these special interests representation in a board formed to consider and advance the industry of the nation in its completeness and totality, would not only introduce discord and confusion, but would defeat the purposes for which the board was organized. The delegate, for example, from the shipbuilders, would consider every question in its bearings upon shipbuilding; the delegate from the woolen manufacturers would weigh every consideration against the supposed requirements of fabrics in wool, and so on; each would be expected to do this; it would be made his duty to do this. But these interests, with others, are already strongly represented in the various local boards; the shipbuilders, at Portland; the manufacturers of cotton and woolen goods, at Boston and Providence; the shipowners and importers, at New York; the iron and coal masters, at Philadelphia; and the produce trade, in all its branches, at each of the large cities west and east. These interests are fully and adequately represented therefore in the National Board; but they are represented in their relations to the whole country, and to every branch of industry in it, and not in their more restricted and special aspects. Even in the local boards, the individual members are called upon, if not to forget their particular avocations, at least to remember those of their associates, and to subordinate private and personal considerations to the harmoniously adjusted claims of the whole community. How much more absolutely indispensable is it, that such a spirit should prevail in a national board; and that it will do so, there is substantial ground for hope, because the business men of the country have become in some degree prepared for its exercise, by the training they have received in the local organizations. In these they have learned to look beyond their own circle; they have been taught conciliation and concession; they have been liberalized; and they are beginning to understand both the strength and the value of the inter dependence which subsists between all the various branches of human industry. They will now be obliged to take one step further; they must be ready to subordinate not only self, but class and locality and section to the general good. The scope of the new board, as its name indicates, is national; if it is not this, it is nothing. As already intimated, it cannot undertake to concern itself with purely local matters, or to promote the advancement of any particular craft or calling; all these it must regard as "parts of one stupendous whole," and must deal with them in their complex yet balanced relations.

The meetings of the National Board of Trade are to be held annually, on the first Wednesday in December, and at other times as may be necessary. They are not to be confined to any one city. It is not intended to originate business at these meetings. Except by a two-thirds vote of the delegates in attendance, no subject can be considered which has not been submitted by one or more of the constituent bodies, and notified to all, through the Secretary, at least thirty days beforehand. This provision will save much time, and will tend to prevent crude and partial action. There need be no apprehension that the National Board will not have business enough before it; the danger is much more imminent that the calls upon its attention will be too numerous, and, in consequence, that its influence will be scattered and weakened. Nor need it be feared that too long an interval will be likely to elapse before final action can be reached by it. If its judgments are to be sustained by the concurrent convictions of the merchants of the country, and especially if they are to have any effect upon our national legislation, they must be carefully formed and deliberately taken.

The officers of the Board are a President (Mr. Frederick Fraley, of Philadelphia), a Secretary and Treasurer (Mr. Hamilton A. Hill, of Boston), and an executive council of fourteen, the members of which are Vice-Presidents of the Board. This council will probably meet three or four times during the year, and is required to submit a report of its official acts, and to make suggestions and recommendations to the Board at its annual meetings.

III. The plans by which the National Board of Trade proposes to secure the objects for which it has been organised, have not as yet been fully matured. These objects themselves, are quite general, and the purpose has been to make the method of operation simple, to have as little machinery in the constitution as possible, and to allow the institution to take its precise shape according to the development of circumstances. For the present it will not adopt a local habitation or open central offices. It may be desirable, however, before very long, to collect a library, and to accumulate commercial information in the shape of maps, charts, reports and pamphlets; and then a permanent abode will be necessary. Whether it will attempt the collection of statistics, will depend upon the degree of improvement which the Federal Government shall make, in this department of the Treasury service. Hitherto, governmental statistics in the United States have been unworthy of absolute reliance, and therefore, have been altogether unsatisfactory to business men. It remains to be seen whether changes recently made at Washington, will lead to a more favorable result; if not, it will be the duty of this National Board to undertake what the Government ought to do, and ought to do well, and what with proper care, it can do in a manner better than could be expected from any private association. In Great Britain the system pursued by the government for the compilation of statistical information, is most thorough and complete; and, consequently, the Association of Chambers of Commerce there, does not find itself called upon to assume any part of that important duty.

The executive officers of the Board will prepare business for the annual meetings; and they will carry into effect whatever decisions may have been reached at these meetings, which, for the present, will be the most important feature in the operations of the Board. Everything, however, will depend upon the care and discretion with which the constituent bodies shall select their delegates. They should send only men of approved ability and integrity, men of large views, of patriotic impulses and of liberal tendencies, men who will have no political or otherwise personal aspirations to gratify, and who will thus be qualified to deal with national interests in a broad, national spirit. The nation in this crisis, needs the counsel and the cooperation of just such men as these, true representatives of the commercial class, who are eminently fitted by their training, by their experience and by their position, to grapple with the economical and the financial problems which are now pressing upon us for a satisfactory solution. Certainly, the formation of the National Board of Trade could not have been more appropriately and fortunately timed; and we sincerely hope that its usefulness will prove to be as far reaching and as permanent, as the auspicious circumstances amid which it has, entered upon its work, would seem beforehand to promise.

INTERNATIONAL COINAGE.*

In June last, while the Universal Exposition was in progress, an international monetary conference was held in Paris, under the presidency of the French minister for foreign affairs. Delegates from the several European nations were present. Mr. Samuel B. Ruggles represented the United States, and his report on the subject has been communicated to Congress, through the Department of State. From this it appears that a plan of monetary unification was there agreed upon, the general features of which are:

1. A single standard, exclusively of gold.
2. Coins of equal weight and diameter.
3. Of equal quality, nine-tenths fine.
4. The weight of the present five-franc gold piece to be the unit, with its multiples. The issue by France of a new coin of the value and weight of 25 francs was recommended.
5. The coins of each nation to continue to bear the names and emblems preferred by each, but to be legal tenders, public and private, in all.

Senate bill 217 is designed to carry into effect this plan. Its passage would reduce the weight of our gold coin of $5 so as to agree with a French coin of 25 francs. It determines that other sizes and denomina-

* Report of Mr. Morgan, from the Senate Committee on Finance.

tions shall be in due proportion of weight and fineness; and that foreign gold coin, conformed to this basis, shall be a legal tender, so long as the standard of weight and fineness are maintained. It requires that the value of gold coins shall be stated both in dollars and francs, and also in British terms, whenever Great Britain shall conform the pound sterling to the piece of $5.

It conforms our silver coinage to the French valuation, and discontinues the silver pieces of one dollar, and five and three cents, and limits silver as a legal tender to payments of $10. The first of January, 1869, is fixed as the period for the act to take effect.

The reduction which this measure would effect in the present legal standard value of the gold coin of the United States would be at the rate of three and a-half dollars in the hundred, and the reduction in the legal value of our silver coinage would be still more considerable.

A change in our national coinage so grave as that proposed by the bill should be made only after the most mature deliberation. The circulating medium is a matter that directly concerns the affairs of every-day life, affecting not only the varied, intricate and multiform interests of the people at home, to the minutest detail, but the relations of the nation with all other countries as well. The United States has a peculiar interest in such a question. It is a principal producer of the precious metals, and its geographical position, most favorable in view of impending commercial changes, renders it wise that we should be in no haste to fetter ourselves by any new international regulation based on an order of things belonging essentially to the past.

Antecedent to any action by Congress on this subject we should carefully consider:

I. The effect which the present abundant production of the precious metals, especially of gold, and the probable great increase in the supply, as mining facilities are improved and more generally applied, will have upon the purchasing power of these metals.

II. The question of preserving such a relation between gold and silver as will retain the latter metal in free circulation, and continuance of the coinage of such denominations of silver as will serve to encourage American commerce with Mexico and with South American and Asiatic nations.

III. The choice of a standard of unification which, all things considered, shall be least objectionable on account of fractional weights and intricacy of calculations.

IV. Of delaying action until the Paris plan has been adopted by the commercial powers of Europe, and accepted by those nations on the western continent with whom we have commercial relations; or at least until their intentions in this regard are more fully known.

V. Should not a period when the public mind is calm, more so than now, on the subject of monetary affairs, and when the national debt has become less formidable, be chosen for initiating a change?

VI. The advisibility of further popular discussion of the subject, to the end that the business as well as general public shall fully understand on what grounds so important a reduction in the value of our monetary unit, the dollar, is based, and the further advocacy of the merits of our own, so that, should any existing system be accepted, ours shall be more fully considered in that connection.

Uniformity in coinage and also in weights and measures has been the pursuit of ages. Speculative systems have been advanced, only to be given up when subjected to practical tests, but the idea has never been abandoned. Nor was the recent occasion the first in which our government has been recommended, and that, too, with some urgency, three-quarters of a century ago, by the minister of that country, to adopt the French system of weights, measures, and coinage. But Congress, both then and since, has properly exercised great caution on a subject so full of complications. And the question of international unification yet remains an open one, balanced between the facilities it would afford to foreign commerce and the evils it would introduce into our domestic affair. The adoption of some satisfactory and comprehensive plan, one to be adopted because it shall best subserve the interests of all, and not because it is or is not an existing one, may become desirable. If so, Congress will then be ready to take part in effecting such a measure. At present, however, there are questions of a very practical nature relative to the precious metals, that begin to reveal themselves, and will soon press home upon us, which largely outweigh in importance the more theoretical one of assimilating all metallic circulations. Our situation as a commercial nation makes it prudent that on this, as on every question affecting home interests, we shall remain free to mould our policy to meet occasions as they arise, following such course as shall appear best suited to develop our great, almost limitless, natural resources, increasing by "gentle means the stream of commerce, but forcing nothing, rather than to hamper ourselves by international engagements or arbitrary regulations. An error now in fixing the values of gold and silver would injure this nation far more than any other. We may safely trust to the natural laws of commerce for the correction of any evils from which we have suffered. We have paid our seigniorage, we have met the demand for foreign exchange, but who shall say that the course of trade in the next ten years may not make an American city, New York or San Francisco, the centre of exchange, and confer upon us the advantages so long enjoyed by European capital? Certainly no other nation can so well afford to wait.

The movement proposed in the bill appears to be in the wrong direction. The standard value of gold coin should be increased—brought up to our own, rather than lowered. The reason must be obvious. Authorities unite in the conclusion that a fall in the value of precious metals, in consequence of their rapidly increasing quantity, is inevitable. M. Chevalier recently estimated that the present yield of gold amounts, in ten years, to about as much as the entire production during the 356 years which intervened between the date of the discovery of America and the year 1846, when the mines of California were found; and Mr. Cobden concluded that unless the cardinal rule of commerce, that quantity governs price, which applies infallibly to all other commodities, loses its force when gold is concerned, this continued and great increase must be followed by a reduction in its value.

Ross Browne, in his recent report, says that the time is not far distant when the price of the precious metals, as compared with other proceeds of human labor, must fall. "They are now increasing more rapidly than is the demand for them, and at the present rate of increase they would soon have to fall perceptibly; but the production will become much greater than it is. The vast improvements that have been made both in gold and silver mining, within the last twenty years, are applied only to a few mines. * * * If all the argentiferous lodes of Mexico, Peru, and Bolivia, known to be rich, were worked with the machinery used at Washoe, their yield would really flood the world. * * * New deposits of silver will be found, and innumerable rich lodes on the Pacific slope of the United States, not yet opened, will be worked with profit."

The present enhanced prices of commodities and labor, the world over, measures, to some extent, the increasing quantity and consequent depreciation in the value of precious metals, and clearly indicates the direction the change is taking.

The creditor, public and private, will be affected by this tendency, and while he must abide a depreciation which proceeds from natural causes, he may properly insist that artificial evils shall not be superadded.

Of the increased production of gold the United States supplies more than half, and when the lines of railway now pushing across the continent shall penetrate the gold bearing mountains and valleys of California and Oregon, and the western territories, mining improvements will be powerfully supplemented.

The American continent, too, produces four-fifths of the silver of commerce. The mines of Nevada have already taken high rank, and Mexico alone supplies more than half the world's grand total. Our relations with the silver-producing people, geographically most favorable, are otherwise intimate. Manifestly our business intercourse with them can be largely increased, a fact especially true of Mexico, which, for well-known political reasons, seeks the friendliest understanding. This must not be overlooked.

These two streams of the precious metals, poured into the current of commerce in full volume, will produce perturbations marked and important. Other countries will be affected, but the United States will feel the effect first and more directly than any other.

The Pacific railway will open to us the trade of China, Japan, India, and other Oriental countries, of whose prepossessions we must not lose sight. For years, silver, for reasons not fully understood, has been the object of unusual demand among these Asiatic nations, and now forms the almost universal medium of circulation, absorbing rapidly the silver of coinage. The erroneous proportion fixed between silver and gold by France, and which we are asked to copy, is denuding that country of the former metal. Our own monetary system, though less faulty, is not suitably adjusted in this respect. The silver dollar, for instance, a favorite coin of the native Indian and distant Asiatic, has well-nigh disappeared from domestic circulation, to reappear among the eastern peoples, with whom we more than ever seek close intimacy. As they prefer this piece we would do well to increase rather than discontinue its coinage, for we must not deprive ourselves of the advantages which its agency will afford, and "it would be useless to send dollars to Asia inferior in weight and value to its well-known Spanish and Mexican prototype."

Mr. Ruggles says that nearly all the silver coined in the United States prior to 1858 has disappeared. A remedy is not to be found in the adoption of a system that undervalues this metal, for that commodity like any other, shuns the market where not taken at its full value to find the more favorable one. It is a favorite metal, entering into all transactions of daily life, and deserves proper recognition in any monetary system.

It is said that "to promote the intercourse of nations with each other, uniformity of weights, coins, and measures of capacity is among the most efficacious agencies." Our weights, coins, and measures now correspond much more nearly to the English than to the French standard. Our commerce with Great Britain is nine times greater than with France, and if the former does not adopt the Paris system of coinage—and we have no assurance that she will—the United States would certainly commit a serious error in passing this bill. No argument is needed to enforce this. And what of the rising communities? A properly adjusted coinage would stimulate commerce with those great parts of the continent lying south and southwest of us, with the West Indies, and the countless millions of trans-Pacific countries. We stand midway on the thoroughfare of traffic between these two widely-separated races. Our railways, canals, our natural highways, and merchant marine may be made to control their carrying trade. But here, as everywhere else, a well-adjusted coinage becomes a wand of power in the hand of enterprise. Tokens are not wanting to mark the favor in which the United States are now held by China. The unusual honor recently conferred by that government upon a citizen of this country was not alone because of his fitness as an ambassador at large, but was a mark as well of a friendly disposition towards this country. Future harmony of intercourse is assured, too, by their adoption as a text-book in diplomatic correspondence of a leading American authority on international law. Much might also be said about the growing partiality of Japan towards this country; but it is enough that the recent opening of certain ports indicates an enlightened change in the policies of these two old empires, of which commerce, especially our own is availing itself. There is nothing, indeed, in our foreign policy to create suspicion in the minds of the cautious statesmen of Asia. We are non-aggressive; our vast domain leaves no motive for conquest; but, on the other hand, our fertile, unpeopled territory invites settlers, and our mines and the demand for labor on the Pacific slope are rapidly drawing thitherward from Asia an increasing tide of emigration, aiding not only in peopling that region, but in establishing closer relations as well between individuals as a more liberal commerce between the nations.

Referring to the third inquiry, it may be asked, should a new standard be adopted, is the French system more suitable for us than our own?

Doubtless the French system "embraces all the great and important principles of uniformity which can be applied to weights and measures, (and coins as well,) but it is not yet complete. It is susceptible of many modifications and improvements." And it is not inconsistent with the respect held toward so exalted a power as France, briefly for us to examine somewhat more closely certain features of this question. We are producers; France, Belgium, Switzerland, and Italy, (who have adopted the system,) are non-producers, of the precious metals, and, therefore, while adding little to the common stock of material for metallic currency, are not affected like us by an increase in gold and silver. Nor are they likely to be influenced as we are to be, by other coming changes. Neither is there anything in the financial or commercial status of France which entitles her monetary scheme to a preference over all others in fixing a common coinage, unless, in itself, it is superior to all others. This, in a practical sense, is not the fact. Writers represent it as surrounded with difficulties, and an eminent French author calls it "the worst of all systems." Its basis is arbitrary, and the ratio it observes between gold and silver—one of gold for 15½ of silver by *weight*, but one to 14 38-100 in *value*—is a confession of the erroneousness oft he plan. In theory, her coinage is metrical, and yet it is said that France has not, nor never has had, a gold coin containing an even number of grams; or, practically, it is unmetrical.

The bill proposes 1,612.9 milligrams, or $24\frac{89}{100}$ grains, for the gold dollar. If adopted, and we should still give to our silver dollar a weight and value equal to the Mexican dollar, 416 grains, we should establish a ratio of value of gold to silver of $16\frac{7}{10}$ to one, while 15 to one is as high as it would be safe to go, and where, indeed, our own standard places it. "If we consent to reduce our gold dollar as proposed by the Paris conference to 24.89 grains, we could not possibly coin a silver dollar that would be of any use to us in commerce," for we should increase rather than diminish the weight of the gold dollar.

On the subject of the French monetary unit Mr. Dunning, Superintendent of the United States Assay Office, in New York, a competent authority, says:

> The present weight of the gold five-franc piece is not justified by any scientific reasons better than the mathematical accident that 620 of them weigh exactly a kilogram, a circumstance which has not the slightest practical importance. The fact is, this fractional and inconvenient weight, which the world is invited to adopt, was not fixed upon by the French themselves by design, but as the unavoidable result of a false theory.

Further, that after having fixed the ratio of gold as one to $15\frac{1}{2}$, and having adjusted the weight of their silver coins in integral numbers—

> "They were compelled to accept for the five-franc gold piece the interminable decimal resulting from the division of 25 grams by 15.5, viz.: 1.6129032258064516. The awkwardness and inconvenience of this weight," he adds, "can be best shown by giving the weight of a few of the gold coins of France, Great Britain, and the United States, as they will be if the proposed unit is adopted." (See accompanying tables.)

Mr. Dunning recommended for consideration a monetary unit of 1620 millegrams, for which he claims greater facility of making calculation than that proposed by the conference, and that it is also a compromise between the French and English coin weights, and would require a reduction on our own dollar of half a cent less than by the plan proposed in the bill. Mr. Dubois, assistant assayer of the Philadelphia mint, concurs in the views of Mr. Dunning.

Other considerations aside, it may be said that until the leading nations represented at the Paris conference shall adopt a plan of unification, Congress may very properly decline to act; for anticipatory legislation, while disturbing relations existing between debtor and creditor, would accomplish no practical end. Mexico would not be partial to the French system and Canada cannot be expected to accept it until its adoption by England. Unification, to be desirable, must be universal. Unless its advantages are palpable to commercial people of Europe, occupying contiguous territories, and whose intercommunication is constant, it cannot be of serious moment to us, to whom the change would be of but comparitive usefulness.

It has been urged as a reason for the early passage of a law to unify coinages, that commercial transactions with Europe would be focilitated thereby; and also that citizens of our country, in visiting Great Britain and the continent, would be spared losses and annoyances if we possessed uniformity. But it should be recollected that, in all large commercial transactions, gold coin is accounted by weight and not by tale—a proceeding more speedy and equally just; and of the moneys used abroad by travellers from this country, probably more than 90 per cent is carried in bills of exchange, a mode much safer and more convenient to the traveller, and which would be continued even if the bill became a law. The British delegates at the Paris meeting stated that, "until it should be incontestably demonstrated that the adoption of a new system offered superior advantages, justifying the abandonment of that which was approved by experience and rooted in the habits of the people, the British government could not take the initiative in assimilating its money with that of the nations of the continent."

A period of suspension of specie payment like the present, it has been stated, is a favorable one for inaugurating the change proposed by the bill. But the juncture is one marked by great differences of opinion in respect to the question of circulation, return to specie payments, and the public finances as a whole. A change in the value of coinage would but add to the embarrassments of the situation, and it may be remarked incidentally that the reduction of the legal value of the dollar would inure largely to the benefit of speculators in gold and hoarders of the precious metals, a fact that might seriously prejudice the measure in public estimation.

If the nation were comparatively free from debt, Congress might with more propriety consider the question of changing the legal standard of coin; but one effect of reducing it as now proposed would be to deprive the public creditor of nearly a hundred million dollars of his rightful due. In the estimation of the committee such a proposition ought not to be entertained by Congress. It is proper here to say that the delegate, Mr. Ruggles, who favors unification, has at no time thought it just to lower the value of our coin without making proper allowance to the holder of the several forms of national obligations.

To be acceptable a change in our coinage must be a thing of clearly obvious advantage and proceed from the people. There has, however, been no popular expression in favor of the proposed plan, nor, indeed, any voluntary action in that direction whatever on the part of financial men, either in this country or elsewhere. If there has been any complaint in regard to our monetary system, the fact has not come to the knowledge of your committee. On the other hand, certain scientific bodies in our country have already protested against any ill-considered change in the present American dollar. Our coinage is believed to be the simplest of any in circulation, and every way satisfactory for purposes of domestic commerce; it possesses special merits of every-day value, and should not, for light reasons, be exchanged where the advantages sought to be gained are mainly theoretical, engaging more properly the attention of the philosopher than the practical man. The instincts of our people lead them to believe that we are on the eve of important business changes, and we may therefore safely hold fast for the present to what experience has proven to be good, following only where clear indications may lead, and a future of great prosperity opens to our country. The war gave us self-assertion of character, and removed many impediments to progress; it also proved our ability to originate means to ends. Its expensive lesson will be measurably lost if it fails to impress upon us the fact that we have a distinctive American policy to work out, one sufficiently free from the traditions of Europe to be suited to our peculiar situation and the genius of our enterprising countrymen. The people of the United States have been quick to avail themselves of their natural advantages. The public lands, not only, and the mines of precious metals, but our political institutions, have likewise powerfully operated in our favor, and will continue to do so with increasing force.

Unification of the coinage, like all similar questions, should be taken up without bias and considered on the broad ground of national interest. At the proper time, when the country is restored to a normal financial condition, and the public ask a change in this regard, it may be well to appoint a commission of experts, carefully to consider the question in its various bearings. Reflection and further observation here and elsewhere may suggest the foundations for a better and more enduring system than the one now proposed, which in the nature of things is but a provisional one. Permanency is equally important with uniformity in our coinage.

John Quincy Adams, who spent several years in studying the question of uniformity in weights and measures, and incidentally in that of coinage —indeed, the latter cannot be separated from the other two—says:

If there be one conclusion more clear than another, deducible from all the history of mankind, it is the danger of hasty and inconsiderate legislation upon weights and measures. From this conviction the result of all inquiry is, that, while all the existing systems of metrology very imperfect and susceptible of improvements, involving in no small degree the virtue and happiness of future ages; while the impression of this truth is profoundly and almost universally felt by the wise and powerful of the most enlightened nations of the globe; while the spirit of improvement is operating with an ardor, perseverance and zeal, honorable to the human character, it is yet certain that, for the successful termination of all these labors, and the final accomplishment of the glorious object, permanent and universal uniformity, legislation is not alone competent. All trifling and partial attempts at change in our existing system, it is hope, will be steadily discountenanced by Congress.

In this conclusion, which applies with even greater force to coinages, a fact fully recognized by Mr. Adams himself, the committee may safely now unite.

For the reasons herein set forth it is respectfully recommended that the bill be not now passed into a law.

APPENDIX TO MR. MORGAN'S REPORT.

MR. DUNNING'S SUGGESTONS.

UNITED STATES ASSAY OFFICE,
NEW YORK, Feb. 8, 1868.

1. The present weight of the gold 5 franc piece is not justified by any scientific reasons better than the mathematical accident than 620 weigh exactly a kilogram, a circumstance which has not the slightest importance. The fact is, this fractional and inconvenient weight, which the world is now invited to adopt, was not fixed upon by the French themselves by design, but as the unavoidable result of a false theory. The famous coinage law of the 7th Germinal An. XI attempted to make a double standard, and to fix the ratio of gold to silver as 1 to 15½. Then having very sensibly adjusted the weights of their silver coins in integral numbers, 5 grains for the franc, and 25 grains for the 5 franc piece they were compelled to accept for the 5 franc gold piece the interminable decimal resulting from the division of 25 grains by 15.5, viz.: 1.61290322580645.

2. The awkwardness and inconvenience of this weignt can best be shown by giving the weight of a few of the gold coins of France, Great Britain, and the United States, as they will be if the proposed unit is adopted:

	Existing weight of gold, 900 fine. Milligrams.	Proposed weights, adopting 1612.9 kilograms for monetary unit. Milligrams.	Equivalents in troy weights. Grains.
FRENCH COINS.			
Five francs	1,612.903	*1,612.903	24.8908
Twenty-five francs	8,064.516	*8,064.516	124.4544
One hundred francs	32 258.064	*32,258.064	497.8177
BRITISH COINS.			
Four shilling piece	1,627.196	†1,612.903	24.8908
Sovereign	8,185.983	†8,064.516	124.4544
Five sovereigns	40,679,915	†40,322.580	622.2721
UNITED STATES COINS.			
Dollar	1,671.818	‡1,612.903	24.8908
Half eagles	8,350.064	‡8,064.516	124.4544
Eagle	16,718.129	‡16,129.032	248.9088
Double eagle	33,436.258	‡32,258.065	497.8177
	Grams.	Grams.	Grains.
One thousand francs—French	322,5803	322.5806	4,978.1769
One thousand dollars—United States.	1,671.8129	1,612.9032	24,890.884
One thousand pounds sterling	8,135.9840	8,064.5161	124,454.422

* No change. † Reduction 0.88 per cent. ‡ Reduction 3.52 per cent.

3. The following table shows the weight of the same denominations of coin, &c., by adopting 1,620 milligrams instead of 1,612.9 for the monetary unit:

	Existing weights of gold, 900 fine. Milligrams.	Proposed weight adopting 1620 milligrams for the monetary unit. Milligrams.	Equivalent in troy weight. Grains.
FRENCH COINS.			
Five francs	1,612.903	*1,620	25
Twenty-five francs	8,064.516	*8,100	125
One hundred francs	32,258.064	*32,400	500
BRITISH COINS.			
Four shilling piece	1,627.196	†1,620	25
Sovereign	8,135.933	†8,100	125
Five sovereigns	40,679.915	†40,500	625
UNITED STATES COINS.			
Dollar	1,671.813	‡1,620	25
Half eagle	8,359.064	‡8,100	125
Eagle	16,718.129	‡16,200	250
Double eagles	33,436.259	‡32,400	500
	Grams.	Grams.	
One thousand francs	322,580	324	5,000
One thousand dollars	1,671,813	1,620	25,000
One thousand pounds sterling	8,135,984	8,100	125,000

NOTE.—The exact equivalent of 1,620 milligrams is in troy grains 25.0004; discarding this fraction of 4-10000 involves a discrepancy in calculations of only one cent in $600, or 1-600 of one per cent.

4. It will be noticed that the proposed unit of 1,620 milligrams has the merit of offering to Great Britain an even compromise of the difference between her present coinage and that of France, instead of a reduction of the British gold coins of 88-100 per centum to make them equal to the French coins. The unit of 1,620 milligrams exactly splits the difference, requiring an increase of the French coins of 44-100 per centum, and a diminution of 44 100 per centum in the British coins. This difference is so slight as hardly to call for any legal adjustments of existing contracs in either country; and while in the United States such an adjustment will doubtless be required, the proposed unit of 1,620 makes the reduction of our coins almost one-half per centum less than would be effected by the unit of 1612.9. The exact difference as shown by the above tables is 42 100 of one per centum.

5. There is another very important advantage offered by the unit of 1620 milligrams, which you and all who have to do with mint calculations will appreciate. I allude to the facility of making calculations. I will not attempt to exhibit the difficulties in calculating value from the standard weight when the relation is expressed in such interminable decimals as must result from the adoption of the unit 1612.9. But you will see at a glance the facility of dealing with the unit of 1620.

* Increase 0.44 per cent. † Reduction 0.44 per cent. ‡ Reduction 3.1 per cent.

The weight of 1,000 francs, or $200, or £40, at 1620 milligrams to the dollar, would be 324,000 milligrams. These values are readily deduced from the weight, as will be seen by the following examples:

France.	United States.	Great Britain.
Milligrams 324,000	Milligrams 324,000	Milligrams 324,000
÷ 9 — 36,000	÷ 9 — 36,000	÷ 90 — 3,600
÷ 9 — 4,000	÷ 9 — 4,000	÷ 90 — £40
÷ 4 — 1,000 francs.	÷ 20 — $200	

The above divisions are performed mentally without difficulty, and the rule of calculation is exceedingly simple. It is not at the mint alone, nor chiefly, that this facility of calculation will be appreciated. The transactions in coin and bullion the world over will be simplified by it. The experts at the mint can soon adapt themselves to any system however complicated; but for the convenience of commerce the relation of weight to value in the coins of the world ought to be simple.

6. If the troy system of weights is to be continued in this country and Great Britain, it will be immensely important that the monetary unit expressed in milligrams should be easily convertible into troy weight. A glance at the tables given above will show the discrepancy between the unit of 1612.9 and the troy system, and also the beautiful and almost marvellous harmony effected by the unit of 1620 milligrams.

7. I trust, however, that Mr. Sherman's bill will contain a section making the use of the French system of weights obligatory in all the mints of the United States. This change would seem to be almost a necessary part of the plan of monetary unification of the world's coinage; and it would certainly be a judicious method of partially familarizing the country with the metrical system, the universal adoption of which, even if not perfect, is so devoutly to be wished.

If you deem these remarks of sufficient importance, I should be glad if you would send them, with your comments, to Governor Morgan of the Senate.

Very respectfully and truly yours,

Mr. Dubois. GEORGE F. DUNNING.

In forwarding this copy, I have only to add my hearty concurrence in the views taken by Mr. Dunning. Whether they would arrest or embarrass the plan of complete and prompt unification, is a point which I must leave to wiser counsels.

With respects of,

WM. E. DUBOIS,

February 12, 1868. *United States Mint, Philadelphia.*

THE ALASKA APPROPRIATION.

The opposition developed in the House of Representatives to the appropriation of $7,200,000 for the purchase of Russian America suggests considerable doubt whether the Alaska treaty may not after all be defeated. It would be unfair to regard the House as altogether captious in its opposition; and yet there is a degree of rashness in its discussion of this question which does not altogether bear examination. It must be allowed that there is some ground for the House feeling jealous at an apparent slight in the negotiation of the treaty. While it is to be conceded as beyond all question that the Constitution invests the treaty-making power in the Executive and the Senate conjointly, yet it is quite conceivable that, in a matter of so much consequence and involving, according to Mr. Sumner and Mr. Banks, a great national policy in the future, the House should feel affronted at the negotiation having been carried to the extent of taking possession of the territory without consulting the representatives of the people who are expected to vote the money for the purchase. The House, naturally enough under such circumstances, feels that there has been a stretch of prerogative, in the case, and is disposed to make the President and the Senate feel that in all treaties involving the payment of money the House has practically a very important control, which in future cases it may be convenient to recognise.

It was doubtless imprudent to occupy Alaska before the purchase money was actually appropriated. The act could hardly fail to offend the respect of the House for its prerogatives; inasmuch as it seemed to imply that the House was absolutely bound by the action of the treaty-making power, and had no option but to vote the public money, no matter what their views as to the expediency of the appropriation. Such an assumption the House could only be expected to resent. The premature occupation of the territory indeed is the principal cause of the opposition. Occupation before appropriation is wholly inconsistent with our Constitutional provisions. It assumes what should on no account be taken for granted, that the House will certainly vote the requisite appropriation. The action of the House is discretionary in these matters; and, in all treaties involving the payment of money, a proviso should be introduced making the engagement binding only in the event of the House of Representatives voting the required funds. It is unfair toward the foreign power in treaty to make conclusive engagements with it, so long as it is unascertained whether those holding the purse strings will advance the purchase money. If the House intends to teach our officials a lesson for their undue haste in this matter, and to establish a warning precedent for their successors, it is impossible not to respect the motive.

Not a few representatives, however, appear to oppose the appropriation purely upon the merits of the acquisition, as a matter of public policy. They regard Alaska as unneeded for strategic purposes; and its value for fishing, mining and lumber they consider as having been extravagantly over-estimated by the promoters of the annexation. For ourselves we are ready to concede all this, and regard the treaty as a very costly mistake. We do not regret that the measure has been very sharply criticised in the House, nor yet that a course has been taken calculated to warn all the departments of the Government against future hasty treaties; and yet we should deem it a great misfortune were the opposition to be carried to the extent of defeating the treaty. As a choice between the evils of appropriating seven millions for the conclusion of a foolish treaty, and the dishonor of repudiating a contract to which the Government has fairly committed itself, we consider the former decidedly the more preferable. The agents duly authorized for the contracting of treaties have made the engagement with Russia. The ceding power was so generous as to allow us to take possession before any part of the purchase money was paid, and without exacting any sort of security for its payment; Russia has removed her officers from Alaska, and many of her subjects have returned home at considerable expense; and we have held possession for several months, introducing important changes in the affairs of the country. Is it to be supposed that we are at liberty to do all this and then vacate, assigning no other reason than that we have decided not to part with our money? Would this be just? Would it be generous treatment of a power which, above all others, has shown itself friendly to us in times of peril? The least that could be expected from Russia in such a case would be a demand for compensation; and are we prepared to submit to the humiliation of rendering such reparation? Or, if we should refuse to grant any compensation, the subsequent disposition of Russia toward the United States can hardly be a matter of question. Moreover, after such an act, having ratified the treaty and taken possession of the country ceded, what would be the standing of our honor with all foreign governments? If our treaties thus deliberately made and executed, are to be violated upon any frivolous pretext, or upon mere quarrels between the co-ordinate branches of the government, we must be content to be treated as a power whose compacts are unworthy of reliance.

In view, then, of the grave international consequences which must follow the failure of this treaty, we can see no course but for the House to make the requisite appropriation; no matter how inconvenient to the

Treasury, how burthensome the acquisition. If a mistake has been made, we have gone too far to turn back now. If the Executive and the Senate have made a bad bargain; if they have improperly committed the country to it by needless precipitation; if they have slighted the House in their inconsiderate haste; if it be necessary to teach them a lesson which will prevent a recurrence of the error in other acquisitions now sought; these are matters for adjustment between the House and those invested with the power of treaty; not for settlement between the United States and Russia. There are other ways by which the House can express its disapproval of this annexation policy than by defeating compliance with the terms of the treaty; and we cannot but believe that ultimately the representatives will conclude to first honor the treaty and then take proper steps for preventing the recurrence of similar errors.

THE PROPOSED PAYMENT OF FIVE-TWENTIES IN GREENBACKS.

Politicians appear to think they have at length succeeded in making popular the idea of paying the Five-Twenty bonds in greenbacks. With the people at large the belief doubtless has heretofore been, that the principal no less than the interest of all the bonds is payable in gold. The suspension of specie payments, they viewed as merely a temporary incident of war finance, and never dreamt that the twenty years obligations of the Government would be regarded in any other light than as engagements to pay so much in coin. Besides, the agents of the Government in issuing the loans announced, while the Secretary of the Treasury confirmed the announcement, that the principal as well as the interest was to be paid in gold; and, although viewed in this light, the engagements of the Government thus assumed a very weighty and serious aspect, yet there was no disposition on the part of the people to evade any part of their engagements as thus understood, but rather to establish an unparallelled precedent of national honor, and to put on record the fact that republics are mindful of the rights of their creditors. So the matter stood until quite recently; no other idea being entertained, except by foreign censors, whose doubts were generally regarded at home as but an expression of the unfriendly desire of Europeans to depreciate our character and institutions. A few politicians, however, in search of a popular issue for the presidential election, pretend to have discovered what they sought in the domain of finance. The idea was put out, at first cautiously, and then boldly, that the Five-Twenty bonds were issued intentionally without any provision in the acts requiring payment in gold, except as to the interest, and with a reserved purpose that the Government should be free to avail itself of the privilege of redeeming them pending the suspension of specie payments; and that, with this view, the bonds were made payable, at the option of the Government, on the expiration of five years from date of issue, in whatever might then be the legal tender money of the country. This option, it is argued, was provided against the probable contingency that, after the conclusion of peace, the Government might have an opportunity of taking up its obligations in the same depreciated paper for which it issued them, and of re-negotiating its loans under the circumstances of the improved credit resulting from the restoration of the national authority. The advocates of the policy maintain that this opportunity has now come, and urge that the Five-Twenty bonds shall be retired in currency at the expiration of the five years option, and new bonds issued bearing 4 or 5 per cent interest, and principal and interest made payable in coin. This idea is now gaining ground rapidly as a political issue. The New York convention has unequivocally committed itself in favor of the payment of the Five-Twenties in greenbacks. On the other hand, the Chicago platform, although it insists very emphatically upon the observance of good faith in respect to the public obligations, yet contains nothing to preclude the supposition that this very course may not be construed in that sense by the leaders of the party. And hence we have a prominent Congressman from Massachusetts claiming, in the House, such to be the true interpretation of the platform, and the sentiment of the House drifting in the same direction; while Mr. Sherman's funding bill, now before the Senate, is based upon a similar view of the law. These circumstances at least indicate that politicians believe the idea a popular one. That it will be the settled policy of the successful party after election we cannot believe. The money was borrowed on the representations that the bonds were to be paid in gold, and to insist now that the agents of the Government had no authority to make such representations appears to us too closely allied to repudiation for the American people to adopt it. Besides the Senate is conservative and likely to remain so; and while it does, such a scheme would find little favor there. As this issue, however, has been so prominently raised, it is not untimely to enquire what would be the prospect of success were it attempted.

The first necessity would be to obtain the required currency, and as no considerable party seeks the issue of more greenbacks, or would for a moment tolerate the idea of additional taxation to raise them, the payment must be made through an exchange of bonds. This exchange must be accomplished either voluntarily on the part of the bondholders, or by compulsion. Let it be supposed that, to avoid the odium of a compulsory method, the bondholders be offered a four or five per cent bond, principal and interest made specifically payable in gold, in exchange for their Five-Twenties; what inducement is there to make the exchange? Investors prefer to pay four to five per cent more for Five-Twenties than for Ten-Forties, a five per cent bond expressly payable in gold, even although there is now considerable reason for expecting that the Government will treat the former as payable in currency; and it certainly is not very apparent how our political financiers are going to persuade bondholders that it is to their interest to surrender a 6 per cent obligation for one paying only 5 per cent. If it be said that Congress will declare itself not bound to redeem the Five-Twenties in coin, then bondholders will reply that for the sake of securing 1 per cent more interest for fifteen years they are quite willing to take the risks as to what may be the legal money of the United States at the period of the maturity of the bonds, and especially as there is a strong show of probability in favor of the supposition that the Treasury would, at that period, have resumed specie payments. These considerations would manifestly induce the public creditors to decline any voluntary offer to substitute their Six Per Cents by a bond bearing a lower rate of interest.

Let it be supposed, however, that the Treasury call in the Five-Twenties at five years from date, offering the holders either to pay them in greenbacks or to exchange them for a new bond bearing 4 or 5 per cent interest, and made payable in coin; how would the case stand in that event? A large majority of the present holders of Five-Twenties have bought their bonds at 5 to 10 per cent premium, and in the event of accepting currency in their redemption would lose that amount of principal; a loss to which they would not consent except under compulsion. Would the bondholders then prefer the alternative of exchanging their bonds for one bearing a lower rate of interest, say 5 per cent? That must depend very much upon their views as to the value of such a security. In ordinary times the five per cent bonds of the United States sold upon the market for more than their present price reduced to gold. In 1860 the Fives of 1874 sold at 100@102½, which is equal to 141@143½ with gold at its present premium. It must be remembered, however, that then the public debt was only $65,000,000, and the total national expenditure only $77,500,000, which placed the Government credit in a very different position from that which it now occupies. At that time no question was entertained as to our ability and willingness to meet all our obligations in gold; now it is otherwise. It may also be urged that Ten-Forties are now selling at a good premium, and consequently a bond more or less of that character ought to prove exchangeable at par for the Five-Twenties if called in. The fact of Ten-Forties having recently advanced to over par is due to exceptional causes. The recent agitation of the question of paying Five-Twenties in greenbacks has caused foreign investors to give the Ten Forties a marked preference, owing to the stipulation for the payment of principal in coin; while the banks have, to a large extent, bought them for use as a deposit against their issues of currency in consequence of their costing less, and yet sustaining an equal amount of circulation. The fact of Ten-Forties ranging above par is therefore, under these exceptional circumstances favoring their value, no evidence whatever that an issue of $1,600,000,000 of similar bonds could be put out at par. Due weight must be attached to the effect upon the feeling of the bondholders that would attend this compulsory method of dealing with the debt. Beyond question, the mass of the holders of Five-Twenties consider that the bonds are rightfully payable in coin; and they would consequently feel themselves wronged in being compelled to receive anything short of gold. They would regard the action of the Government as simply a dishonest pandering to the desire of the masses to get rid of the burthens of taxation; and would argue that this was but the first step in bad faith, which from like motives might lead to further measures of repudiation. They have already witnessed a loud clamor against the bondholders, and in the event of Congress practically recognizing this hostility, they would be apt to conclude that the public creditors have no security in the good will of political leaders and the people. It would seem then to be a probability amounting almost to certainty that the holders of Five-Twenties would, under the circumstances supposed, almost universally accept currency in preference to the new bonds, and eschew all further connection with Government securities. What could the Treasury do in the event of matters taking that course? With an average of about $30,000,000 of currency in its vaults, its means for retiring the bonds would be exhausted in two or three days, and it would be compelled to abandon the scheme and allow the bonds to run on to maturity.

We think that the above considerations, carefully weighed would lead to the conclusion that any effort to retire the Five-Twenty bonds in the way now agitated by politicians must prove an utter failure, and a gratuitous injury to the national credit. The clamor respecting the payment of the bonds in greenbacks may answer well enough for electioneering effect; but any party undertaking to put such a policy into operation must shoulder the responsibility of a disgraceful financial failure.

BRAZILIAN FINANCES.

We have received from the Brazilian Consul General the financial report of the department of Finance of Brazil, showing the debt, revenue, and expenditures for several years past, and the estimates for the coming year of that government. The increasing interest felt in this South-American State has induced us to make a full analysis of this report which we give below.

ESTIMATES FOR THE COMING YEAR.

In estimating the receipts the Finance Minister says that he follows a process which has been justified by facts, unless when extraordinary circumstances disturb the ordinary course of the public revenue. This process consists in ascertaining, as far as possible, what has been the product collected of the current year, up to the date on which the estimates are organised, and in basing the calculation of receipts upon the figures thus obtained. The elements for this work are the returns of the various collecting stations in the municipality of the court and of the treasuries of fazenda in the provinces. The treasury possesses returns of the year 1867-8 up to February of this year, from some treasuries, from others up to December last, and from the rest up to September, 1867. If we unite the data furnished by those documents and with them make the proportional calculation, the sum of 64,435:682$447 is obtained for the presumable revenue of the said fiscal year.

In order to ascertain how far this result approximates to the truth, it is necessary to recur to another process of valuation, recommended by the law namely: to taking the average of the revenue in the three years preceding that of the estimates. The revenue having been 56,995:928$628, in 1864-65, 57,815:567$483, in 1865-66, and 61,152:478$387, in 1866-7, the average is 58,654:658$163. As, however, for greater exactness, the revenue of the years 1865-66 and 1866 67 do not include the yield of the D. Pedro II. railway, which did not belong to the State in 1864 65, it is proper to add the amount of this yield, now valued at 1,500,000$, to the average given above; doing which will raise the sum of the average to 61,154:658$166. In the sum of 64,435:682$447, obtained by the calculation in table I, is included that of 2,900:000$ which represents approximately the product of the taxes levied or created by the law of September last, whose collection has already commenced. Deducting this amount, the remainder, reis 61,535:682$447 shows how exact is the calculation based on the product collected of the current year, inasmuch as the difference observed between the latter result and that of the calculation by average, is only the effect of the constant progression of the public income.

Thus, therefore, we would have the sum of 61,500:000$, for base to the estimate if we had not to look to that increase of the ordinary resources of the treasury which will result from the dispositions of the aforesaid law of September 26, last. The increase which the new taxation will give to the public income cannot yet be estimated with exactness; some imposts commenced collection only in October last, that is, in the fourth month of the current fiscal year; others affecting foreign commerce required a certain delay; and the rest still depend upon difficult and therefore dilatory assessments, and upon the completion of the new tariff. Meanwhile, by the collections made up to the present time, we have no reason for believing that the reality will differ much from the calculations made when the legislature discussed the ruling law of the estimate, when the product of the new taxation was valued at 12,250:-000$000.

Supposing that the legislature, appreciating the exigencies of our financial system, will continue to authorize the collection of those imposts, the finance minister says he has added the above sum to what was ascertained as base for the valuation of the receipts, and I have estimated those of the fiscal years 1869–70, in the terms of the bill, at 73,000:000$, a margin thus remaining for any eventuality.

The annual progression of the revenue may be deduced from the above figures. The receipts were:

In 1864-65	56,995:028$628
In 1865-66, including yield of D. Pedro II. railway	58,146:843$993
In 1866-67 " " " "	61,469:437$500
In 1867-68 " " " " not less than	61,535:000$000

—without the product of the new taxes. So that, at the height of the struggle with Paraguay, the report says, the powers of the country have not failed, nor should we fear that they may fail.

One of the most important branches of agriculture—coffee—promises in this year a harvest exceeding that of last year (which itself was large) to judge by the following figures, relating to the mart of Rio de Janeiro, which is that of greatest movement and that of which we can obtain the latest and completest notices, when comparing the first quarters of the last and current years:

		1st quarter of—	
		1867.	1868.
Entered	sacks.	395 586	422,922
Exported	"	508,907	523,615
Stock, March 31	"	57,000	160,000

As to cotton, the chief centres of production being the provinces of Pernambuco, Maranhao, Bahia, Alagoas, Ceara, Parahyba and S. Paulo, the information held by the treasury is not of so recent date, nor so complete, wherefore it cannot be judged whether this branch of production tends with certainty towards progression, although it is incontestable that it has augmented in some provinces.

After furnishing the estimate of income, the report passes on to the expenditure. The expenditure for the fiscal year of 1869–70 is calculated at 70 798:932$333, thus distributed among the various ministries:

Empire	4,932:966$828	War	13,856:872$691
Justice	8,268:069$649	Finance	28.431:742$771
Foreign	748:419$998	Agriculture	11,819:699$710
Marine	7,716:160$716		

Comparing the sum of these amounts with what was voted for the fiscal year of 1868–69 some excess is noted, which arises from the indispensable development of some branches of public service. The excess arises from a larger amount being needed for payment—of the interest of the internal debt, which has increased with the issue of bonds; of pensions, whose number has augmented in consequence of the prolongation of the war; of differences in exchange; and, finally, of the service increased by the payment of the guarvntee of interest on the Sao Paulo railway.

A summary of the foregoing as follows:

Estimated receipts	73,000:000$000
" expenditure	70,786:932$333
The fiscal year of 1869–70 will show a surplus of	2,213:067$667

PRESENT STATE OF THE TREASURY.

In the current fiscal year is continued the high expenditure exacted by the war against the government of Paraguay. And, although the treasury has made use of part of the authorizations conceded, still it struggles with some difficulties.

The receipts of the present fiscal year, with resources from loans, etc, will not be less than	109,047:739$085
The total expenditures will be	133,396,554$985
Comparing the receipts with the expenditures there is a deficit of .	24,348:815$900

which the government was authorized to provide for by the issue of paper money and did in part.

EXTERNAL DEBT.

The debt of Brazil due abroad has been reduced by £349,900, the amount paid off in the course of the last year, and it shows at present the sum of £14,068,600, inclusive of £376,314 yet owing by the Pernambuco Railway Company.

The bonds redeemed belong:

To the loan of 1839	£10,000	To the loan of 1863	£116,400
" " 1852	28,900	" " 1865	70,400
" " 1858	64,800		
" " 1859	11,600	Total	£348,900
" " 1860	46,800		

The outlay for interest, commission and brokerage on the foreign debt, during the fiscal year of 1869–70 is estimated at £931,163, namely: £657,358 for interest and commission, and £237,805 of amortization and respective commissions and brokerage. As, however, the loan of 1839 matures in January, 1869, the outlay for the debt spoken of will exceed in 1869 the £931,163 estimated above by £277,800, to which the above debt will be reduced at its maturity, if it be redeemed in the manner authorized in Art. 36, No. 2 of the ruling law of the estimates. To meet the outlay made in Europe, both for this and other ministries, remittances of £2,025,000 were made from April 22, 1867, to April 30, 1868, costing at various rates 25,049:229$281.

INTERNAL FUNDED DEBT.

On the 31st of March last 125,206:700$ in bonds of the public debt existed in circulation, which gives a result of an increase of 18,856:100$ over that of last year in April, when 106,350:000$ was circulating. This increase arises from bonds for 46:600$ given in exchange for Don Pedro II. railway shares; 16,896$800 issued by virtue of the acts of June 28, 1865, and September 19, 1866; 1,912:300$ sold in the provinces; and of 400$ in a bond at 5 per cent interest interest given in the province of Pernambuco in payment of a debt inscribed in the auxiliary of the Grande Livro. In the above sum of 16,896:800$ is included that of 1,620:000$ issued as premium for the liberation of slaves for service in the war, and that of 117:400$ in payment to Dr. Thomas Cochrane, arising from a debt of a previous year, ordered to be paid in bonds by an order dated October 24, 1867. The bonds existing in circulation are owned as follows:

By nationals	95,971:700$
" foreigners	5,032:500$
" public establishments	23,535:100$
" various in the provinces	667:400$
Total	122,206:700$

For the payment of whose interest the Caixa de Amortizacao received 6,537:457$558. In the account of remnants of unclaimed interest, which is converted into bonds by virtue of Art. 48 of law of October 28, 1848, there is a profit of 394:743$669.

TREASURY BILLS.

The total of the treasury bills in circulation upon April 30 last was 69,985:400$, which, compared with 45,369:600$, to which it amounted at the same date last year, shows an increase of 24,615:800$.

PAPER MONEY.

The paper money in circulation upon March 31 last amounted to......	42,560:044$
At present it is raised to..	81,749:274$
Showing an excess of...............	39,189:230$

—which arises from:

1st. The issue corresponding to the notes of Bank of Brazil called in with the product of the sale of its bullion, effected since last years report...	14,867:350$
2d. That made on account of the credit of 50,000:000$, granted by the law of September 28, 1867..	20,647:830$
3d. That relating to the 11,000:000$ due to the Bank for calling in treasury notes, as provided by the law of September, 1866.........	3,701:250$
	39,216:430$
Less the discounts on various substituted notes......................	27:200$
Total...	39,189:230$

The report states that the government was obliged to recur to the credit of the act of September 28, last. When I solicited this credit says the Finance Minister, I promised to use it in extreme cases only, and, in fact, it was only after trying other means recommended by experience, but fruitless as to enabling the treasury to regularly and promptly support its heavy burdens, aggravated by the crisis, that I decided on employing it. When the metallic reserve bought from the Bank of Brazil by the government was expended it became indispensable to undertake the acquisition of gold, so as not to interrupt paying the officers and men of the army and navy operating in Paraguay. The ordinary resources of the treasury were insufficient for this and it became necessary, therefore, to recur to operations of credit in order to obtain means. I have already shown you that the impropriety of attempting a loan in Europe will subsist as long as the war lasts; I sustained this idea in the debate on the law No. 1,508; and, although our financial state should improve through the ruling law of estimates having created taxes, no circumstance indicates an opportunity for making that attempt. The government having to rely upon our own resources, it reduced the price of bonds to obtain a greater issue of them, and it tried to attract more floating capital to the treasury by raising the rate of interest.

Meanwhile the urgency of the heavy monthly expenditures did uot permit waiting for the slow effect of these measures, which, indeed, from the extension given to the issues, must little by little go on producing slenderer results, and thus only the employment of both of them combined with that of paper money could be efficacious, as in fact was the case. Since October the government has issued paper money for account of the credit referred to; but at first issue had in view to aid in the operation of paying for the gold bought from the Bank of Brazil, and it would be completely annulled on abandoning the issue for account of the credit of the law of September 12, 1866, corresponding to that payment, because it is a matter of indifference whether the issue be for account of one or other law, so long as it be not in duplicate. In December, however, the necessities of the treasury forced the government to effectively issue paper money, notwithstanding the considerable sale of bonds then being made and the great revenue of the custom house, produced by the anticipation of the clearances.

The act of the government, therefore, appears to me to be justified, and meanwhile, it has not, as I have already observed, produced the evils so much feared from it.

CIRCULATING MEDIUM.

The paper in circulation at the dates of the last returns received at the treasury amounted to namely	124,686:209$
Paper money issued to March 31 last	81,749:274$
Bank paper issued to February 21 last	42,936:935$
The effective issue of the banks was—	
Bank of Brazil	40,914:835$
Bank of Bahia	2,007:000
Bank of Pernambuco	15:100$

Having nearly concluded the calling in of notes of the Bank of Brazil with the product of the sale of its bullion, and having commenced that of 11,000:000$ corresponding to the debt due by the treasury to the bank for redemption of paper money, the respective issue is now almost in the state prescribed by the act of September 12, 1866.

PUBLIC REVENUE.

The revenue collected during the fiscal year of 1866–67 amounted, including the deposits, to: 66,756:431$145.

Being from:

Importation	37,397:058$576
Maritime dispatch	296:142$687
Exportation	10,674:640$896
Interior	9,941:440$011
Municipality taxes	2,077:908$930
Extraordinary	1,457:239$835
Deposits	4,911:005$210

Without the deposits it exceeds the estimate of 55,000:000$ by 6,845:425$935.

That of 1865–66 amounting with the deposits to 63,271:871$336, an increase of 3,484:559$808 took place in 1866–67.

Excluding the deposits of both years the revenue of 1866–67 was greater than that of 1865–66 by 3,602:823$023.

Comparing the different items of revenue in both it may be seen that the collection of 1866–67 rose above that of 1865–66 in the following:

Importation	3,955:658$822 or 11.82
Maritime dispatch	5:909$512 or 2.03
Interior	189:665$947 or 1.94
Municipality	21:079$400 or 1.02
And diminished in:	
Exportation	290:659$425 or 2.65
Extraordinary	278:821$233 or 16.06

And there was a diminution of 118:273$215 in deposits.

COTTON.

According to return 97 the export of cotton was in:

1866–67	1,816,387	arrobas	value	28,741:598$
1865–66	2,899,004	"	"	46,917:409$
1864–65	1,126,015	"	"	31,558:635$

However as the export from Ceara in 1866–67 is altogether wanting together with that of the last half year from Pernambuco, the export of 1866–67 will not have the relation with the other years which would appear from the return.

COMMERCE OF IMPORTATION, EXPORTATION AND NAVIGATION.

The value of the import trade in 1866–67, according to the official data in the treasury, was 43,483:745$; 22,503:313$, or 18.6 per cent more than the average of the five years 1861–2 to 1865–6, and 5,716:903$, or 4.1 per cent, more than 1865–6.

This importation took place in the various provinces in the following proportion, which is compared with 1865–6:

	1865–66.	1866–67.	over in '65–66.
Rio de Janeiro	80.709:067$	80.458:064$	....
Bahia	17.598:941$	17.878:203$	279:262$
Pernambuco	21.083:655$	22.211:290$	1.127:645$
Maranhao	2.946:760$	4.028:383$	1.08[illegible]:62[illegible]$
Para	4.613:218$	5.396:70[illegible]$	783:488$
S. Pedro	6.514:92[illegible]$	7.746:076$	1.231:[illegible]44$
S. Paulo	1.295:948$	1.546:755$	250:807$
Parana	154:08[illegible]$	237:278$	8[illegible]:195$
Parahyba	26:067$	99:446$	73:379$
Ceara	1.924:546$	2.586:973$	662:[illegible]89$
Santa Catharina	449:246$	630:912$	181:666$
Alagoas	62:250$	219:537$	157:287$
Sergipe	6[illegible]:[illegible]77$	17:390$	....
Espirito Santo	1:209$	2:116$	907$
Rio Grande do Norte	30:853$	171:654$	140:801$
Piauoy	293:157$	252:957$	....
	136.766:942$	143.483:745$	6.053:898$

Diminutions occurred: in Rio Janeiro, 251:003$; Sergipe, 45,787$, and Piauby, 40,209$; total, 336,990$.

The countries whence the importation came in 1866–67 were the following:

Great Britain and possessions	58,276:905$783
United States	4,300:628$878
France and possessions	22,023:196$953
La Plata	12,325:712$734
Portugal and possessions	5,580:451$780
Hanseatic Cities	4,340:509$479
Spain and possessions	805:919$990
Sweden	222:494$583
Denmark	34:134$495
Russia	12:277$800
Coast of Africa	151:773$425
Italy	468:789$695
Chile	537:023$100
Belgium	1,338:855$778
Austria	910:268$440
Holland	3:017$850
China	23:400$000
Peru	680$000
Ports of the Mediterranean	29:744$000
Ports of the Empire	1,854:734$001
Fisheries	1:381$200
Ports not mentioned	30,747:145$332
Total	143,483:745$296

The value of the exports of native production and manufacture to foreign countries was in 1866–67 156,030:906$, 21,516:502, or 15.9 per cent more than the average of the five years 1861–2 to 1865–66, and less by 1,066:652$, or 0.67 per cent than in 1865–66.

Each of the provinces of the Empire contributed as follows, compared also with 1865–66:

	1866–67.	1865–66.	Difference in 1866–67 More.	Difference in 1866–67 Less.
Rio de Janeiro	78,844:227$	69,628:962$	18,215:275$	....
Bahia	16,202:328$	19.247:941$	....	3,045:613$
Pernambuco	21,436:141$	26,084:468$	....	3,648:327$
Maranhao	4,509:907$	6,183:419$	....	1,673:512$
Para	8,619:223$	6,952:745$	1,666:478$	....
S. Pedro	7,388:977$	7,564:972$	....	175:996$
S Paulo	6,713:397$	7,870:766$	....	1,157:369$
Parana	2,099:434$	1,569:286$	530:148$	....
Parahyba	4,204:062$	6,695:290$	....	2,49[illegible]:328$
Ceara	3,253:468$	3,180:558$	72:910$	....
Santa Catharina	490:830$	518:862$	....	2,7582$
Alagoas	4,106:557$	7,582:212$	....	3,475:654$
Sergipe	1,233:157$	1,391:310$	....	158:473$
Espirito Santo	....	14:555$	....	14:555$
Rio Grande do Norte	630:146$	1,353:811$	....	723:665$
Piauhy	238:452$	248:892$	89:260$	....
Total	156,020:906$	157,087:568$	15,524:071$	16,590;723$

The countries whither the exports of 1866–67 went were the following:

Russia.............	46 :669$717	United States......	31,188:066$047
Sweden...	773:111$068	La Plata....	7,014:207$881
Holland....	80 :356$944	Turkey............	149:347$716
Hanseatic cities.....	4,816:242$458	Denmark	913,630$980
Great Britain and possessions	37,283:974$040	Coast of Africa.....	448,869$272
France & possessions.	18,582:278$631	Channel...	16,511:891$087
Spain & possessions..	165:887$149	Ports of the Baltic and Mediterranean.....	1,363:562$864
Portugal & possessions	4,347:275$259	Ports not known.....	30,335:659$000
Belgium...........	328:048$841	Consumption	42:642$178
Austria............	61:381$600		
Italy........ ...	734:400$624	Total........	156,020:906$766
Chile..............	414:903$411		

The total of the direct importation and the national exportation abroad was in—

1867–67...	299,501:551$
Compared with 1866–66, namely..............	294,851:400$
There was an augment of..	4,650:151$
Or 1.5 per cent, and, if compared with the average of 1861–2 to 1865–6, namely..	255,484:836$

—these was an increase of 44,020:815, or 17.2 per cent.

The value of the importation with certificate (carta de guia) was in 1865–67 24,902:670$, 823:969$, or 3.4 per cent more than in 1865–6, 2,448:821$, or 12.6 per cent more than the average of the five years 1861–2 to 1865–6.

The re-exportation in 1866–67 arose to 1,786,052$, 447,993$, or 33.4 per cent more than in 1865–6, and 377,686$, or 26.8 more than the average of 1861–2 to 1865–6.

The number of national and foreign vessels cleared in the foreign trade of 1866–67 was—

Entered 3,439 vessels.................	1,245,214 tons..............	51,450 men.
Sailed 2 429 "	1,496,274 (*) tons...........	49,655 "

—including nationals—

Entered 255 vessels.................	43,579 tons...............	1,958 men.
Sailed 209 "	45,703 (*) tons...........	2,174 "

MICHIGAN CENTRAL RAILROAD.

This important road extends from Detroit to Chicago, 284.8 miles, and forms one link in the great chain of roads between New York and the latter city, on the most northern route. The company also leases the Joliet and Indiana Railroad, extending from Lake Station to Joliet a distance of 44.5 miles, making the total length operated by the company 329.3 miles. The annual report of operations for the year ending May 31, 1868, has just been issued, from which it appears that there has been a falling off of $102,718 in the receipts from passenger traffic, and an increase of $195,452 on the earnings from freight; the expenses of the year have also been less by $112,231, which makes the net earnings $257,620 larger than in the previous fiscal year.

The decrease in receipts from passenger traffic is attributed to a reduction in rates of fare, and also to the diversion of passengers by competing lines, chiefly through the system of allowing commissions on the sale of tickets, which the Michigan Central Company refuses to do. The increase from freights is principally due to the completion of the third rail on the Great Western Railroad of Canada, and the Iron Ferry train steamer at Detroit, thus allowing freight cars to go through by that route without breaking bulk.

The results of operations for the past five years have been as follows:

EARNINGS.

	1863-64.	1864-65.	1865-66.	1866-67.	1867-68.
Passengers	$1,262,415	$1,771,814	$2,061,835	$1,824,226	$1,721,506
(Av. p. pass. p. m.) cents	2·44½	2·69	2.72	2·69	....
Freight	2,073,274	2,233,529	2,208,592	2,185,522	2,480,974
(Av. p. ton p. m.) cents	2·25	3·06	2·60	2·49	2·45
Miscellaneous	98,859	140,076	176,563	215,743	298,402
Total gross earnings	$3,434,548	$4,145,419	$4,446,490	$4,325,491	$4,470,879
Expenses	1,720,125	2,406,149	2,808,376	2,826,777	2,714,545
Net earnings	$1,714,423	$1,739,270	$1,638,114	$1,498,714	$1,756,334
" " per cent	49·92	41·96	36·94	34·65	39·28

The general income account, varying somewhat from the above figures, exhibits the total revenue and disbursements as in the following statement:

	1863-4.	1864-5.	1865-66.	1866-67.	1867-68.
Balance from prev. years	$772,636	$1,002,894	$703,385	$460,803	$443,450
Receipts from earnings	3,417,186	4,121,213	4,415,279	4,333,705	4,480,230
Total revenue	$4,189,822	$5,124,107	$5,159,664	$4,794,507	$4,923,68

EXPENSES.

From which amounts were disbursed as follows:

	1863-64	1864-65.	1865-66.	1866-67.	1867-68.
Expenses	$1,720,125	$2,406,149	$2,808,376	$2,826,777	$2,714,545
Sinking fund	84,500	84,500	84,500	84,500	84,500
Interest and exchange	600,217	622,691	643,726	623,081	646,170
Cash dividends—July	(6) 363,432	(12) 757,889	(4) 259,648	(5) 349,135	(5) 406,025
" " —Jan	(6) 363,432	(6) 378,944	(5) 344,035	(5) 375,135	(5) 408,860
Stock dividend, July, '65	..	....	(6) 389,472	....	....
U. S. tax on dividends	21,753	69,985	55,728	28,926	37,817
" on receipts	33,469	95,280	113,381	60,503	43,518
Total disbursements	$3,186,928	$4,415,722	$4,698,861	$4,351,057	$4,441,437
Balance to next year	$1,002,894	$703,385	$460,803	$443,450	$582,243

GENERAL BALANCES.

The general balances are shown in the following accounts, as of May 31, yearly:

	1864.	1865.	1866.	1867.	1868.
Capital stock	$6,315,906	$6,491,386	$6,982,866	$8,070,066	$8,477,866
Bonds	7,740,989	7,565,489	7,463,489	7,263,989	6,968,988
U. S. tax on coupons	5,435	158	58	4	33
Unpaid dividends	1,598	660	1,059	965	914
Jackson, Lansing and Saginaw RR. Co	....	....	....	233,469	....
Bills and sundries	....	15,492	279,915	..	....
Balance of income	1,002,894	708,385	460,803	443,450	582,243
Total	$15,066,822	$14,781,570	$15,188,190	$16,017,543	$16,029,546

Per contra the following are shown :

Construction, &c.	$13,805,576	$13,805,576	$14,316,423	$14,930,814	$14,914,167
Materials	....	174,0:6	288,065	209,887	153,732
Cash, l ane, &c	807,841	224,606	75,750	833,660	354,873
Jol. & N. Indiana RR.	168,225	168,225	168,225	168,225	168,225
Jackson, Lansing and Saginaw bond acct.	....	....	....	8,055	105,000
Land accounts	....	214,173	125,911	122,036	122,088
Assets in officers h'ds.	75,736	137,069	145,737	152,110	144,551
Bills and accounts	200,414	89,596	68,078	92,758	67,457
Total	$15,066,822	$14,781,570	$15,188,190	$16,017,543	$16,029,546

COMMERCIAL CHRONICLE AND REVIEW.

The Loan Market—Rates of Loans and Discounts—The Ease in Money—Bonds sold at New York Stock Exchange Board—Prices of Government Securities at New York—Course of Consols and American Securities at London—Closing Quotations at Regular Board—Movement of Coin and Bullion at New York—Course of Gold at New York—Foreign Exchange.

The chief characteristic of June has been an unusual inactivity of trade. This condition of things is partially due to the unusual lateness of the summer season, besides being in the nature of a reaction from the extraordinary stringency of money during March and April. The position of the banks necessitated at that period the withdrawal of mercantile and industrial advances, which naturally, for a period, produced a curtailment of operations and a depression of confidence, the effects of which we are now experiencing. At the same time, business is perhaps more than at any former time feeling the results of taxation in a general economizing of expenditures.

As usual at periods of commercial stagnation, there has been an extraordinary ease in the loan market. Although, at the commencement of the month, there was an increase of several millions of currency in the Treasury, yet there has been a steady flow of the legal tender circulation into the banks, while the mercantile deposits have very materially increased. Although the rate of interest on demand loans has ranged at 3@4 per cent, and was for a day or two even 1 per cent below that rate, yet the banks have found it necessary, for the employment of their large balances, to buy, to an unusual extent, government securities. The following statement will show the present condition of the banks compared with their position at the beginning of June and at the current date in 1867 :

	June 27, 1868.	May 30, 1868.	June 29, '67.
Loans and discounts	$276,504,0.0	$268,117,000	$242,5.7,000
Specie	7,753,000	17,861,000	7,769,000
Circulation	34,048,000	34,145,000	33,542,000
Deposits	214,302,0.0	204,746,000	186,213,000
Legal Tenders	73,853,000	65,633,.00	70,174,000

The following are the rates of Loans and Discounts for the month of May :

RATES OF LOANS AND DISCOUNTS.

	June 5.	June 12.	June 19.	June 26.
Call loans	3 @ 5	3 @ 4	3 @ 4	3 @ 4
Loans on Bonds and Mortgage	—@ 7	—@ 7	—@ 7	—@ 7
A 1, endorsed bills, 2 mos	5 @ 6	5 @ 6	4½@ 5	5 @ 6
Good endorsed bills, 3 & 4 mos	5½@ 7	5½@ 7	5 @ 7	6 @ 7
" " single names	6 @ 8	6 @ 8	6 @ 8	6 @ 8
Lower grades	— @—	— @—	— @—	— @—

This extraordinary ease in money, though favorable to special activity in stock speculation, has not been productive of that result. On the contrary, there has been an unusual dullness in stock operations. This fact is the more remarkable, considering that the earnings of the railroads have exhibited a large increase, and that wealthy cliques have for some time been carrying very heavy amounts of stocks in anticipation of an active "campaign" during the Summer ease in money. As will be seen from a subjoined statement, the total sales of railroad stocks at both stock boards in June were only 973,000 shares, against 1 554,000 shares during the same month of last year. Strong efforts have been made by the combinations to encourage speculative transactions, and special inducements have been offered in the way of liberal stock dividends; but the speculative habitues of Wall street have refused to respond, while the class of merchants who are apt at this season to employ idle balances in a "turn" at stocks, have scarcely been seen in the street. This singular avoidance of speculation is, to some extent, due to its being understood that stocks were generally in the hands of cliques, desirous of unloading upon the "street;" but a more influential cause appears to have been a feeling of distrust of railroad stocks, engendered by the recent exposures in the courts of corrupt management, and by the daily accumulating evidence that the roads are managed, to a large extent, with a view to the speculative convenience of directors. Moreover, the conviction appears to be gaining ground, that the intrinsic value of railroad stocks has not improved, during late years, at all in proportion to the advance in their market price. The following statement shows the sales of the several classes of stocks at the open board, and the New York Stock Exchange in June, 1868 and 1867.

Classes.	1867.	1868.	Increase.	Dec.
Bank shares	8.584	1,659	.....	1,925
Railroad "	1,554,112	973,064	.....	581,048
Coal "	9,522	2,242	.....	7,280
Mining "	36,208	30,554	.....	5,654
Improv'nt "	31,535	16,775	.....	14,760
Telegraph "	53,172	24,773	.....	28,399
Steamship "	76,656	82,726	6,070	....
Expr'ss&c "	57,941	51,321	.....	6,620
Total—June	1,822,720	1,183,114	.....	639,640
" —since January 1	11,339,859	10,317,619	.....	1,022,216

But while speculation has avoided railroad shares, it has been more active than at any previous period in Government securities. The near prospect of the completion of the funding process and of the consolidation of the debt into a permanent form, have produced a favorable effect upon the Government credit; while the maturing of unusually heavy interest disbursements at the Treasury in July, and the falling due of the loan of 1848 on July 1, have induced the expectation of a large demand for bonds in July. The consequence has been a very active speculation by both dealers and outside operators, advancing prices to unprecedented figures. While, therefore, there has been a decrease upon June, 1867, of 35 per cent on the board sales of railroad stocks, the transactions in Governments have amounted to $32,457,000 against $15,137,000 in 1867, an increase of 115 per cent, as shown in the following statement—

BONDS SOLD AT THE N. Y. STOCK EXCHANGE BOARD.

Classes.	1867.	1868.	Inc.	Dec.
U. S. bonds	$14,042,750	$31,234,870	$17,192,120	$.......
U. S. notes	1,095,350	1,226,000	130,650	....
St'e & city b'ds	2,625,950	9,610,500	6,984,550	....
Company b'ds	757,000	1,050,200	293,200	....
Total—June	$18,521,050	$43,121,570	$24,600,520	....
" —since Jan. 1	88,300,780	165,045,120	76,744,390	....

The daily closing prices of the principal Government securities at the New York Stock Exchange Board in the month of June, as represented by the latest sale officially reported, are shown in the following statement:

PRICES OF GOVERNMENT SECURITIES AT NEW YORK.

Day of month.	6's, 1881. Coup.	6's, 1881. Reg.	6's, (5-20 yrs.) Coupon 1862.	1864.	1865.	new.	1867.	1868.	5's, 10-40 yrs. C'pn.	7-30. 2d sr.
1	.....	111⅝	112¾	110⅝	110⅝	113	113⅛	.....	106⅛	109⅝
2	116⅝	.....	112¼	110⅝	110⅝	113¼	113⅜	.....	105¾	109¾
3	116¾	111⅞	112⅜	110⅝	110⅝	113⅜	113⅜	.....	106	109⅞
4	116⅝	.....	112¼	110⅛	110¼	113¼	113¼	.....	106	109¾
5	116⅝	112⅛	112⅜	110¼	110¼	113¾	113⅝	.....	106	109⅝
6	.....	.....	112⅜	110⅝	110⅜	.....	113⅝	.....	106⅞	109⅝
8	116¾	111⅞	112⅜	110⅛	110⅛	113	113⅛	.....	106	109⅝
9	116⅝	111¾	112¼	.....	110⅝	113	113	.....	106	109⅝
10	116⅝	111⅛	112¼	110⅛	110¼	112¾	112⅞	.....	106	109⅝
11	116⅝	.....	112⅛	110	110⅝	112⅝	112⅝	.....	105⅞	109¼
12	116¼	111⅜	111¾	109⅝	110	112⅜	112⅞	.....	105¾	109⅝
13	116⅜	111⅜	112⅜	110¼	110⅜	.....	113⅜	.....	106	.....
15	117	.....	112¾	110¾	110⅞	113¾	114	.....	106⅜	109¾
16	117¼	.....	112⅞	110⅞	111	113⅞	114	.....	106⅜	110
17	.....	112¼	113	111	111	113⅝	114	109⅞	106¾	110
18	117⅛	.....	113	110¾	110⅞	113⅝	113⅞	109¾	106¼	109¾
19	117⅛	.....	113¼	110⅞	.....	113⅞	114	109¾	106⅛	109⅞
20	117⅜	.....	113⅛	110⅞	111¼	114	114⅛	.....	....	110
22	117⅝	.....	113⅝	111⅛	111⅝	114⅛	114⅜	.....	106¾	110
23	117¾	112⅝	113⅞	111¼	111¾	114⅛	114¼	110⅛	107⅛	110¼
24	118	113⅛	113⅝	111⅛	111⅛	114	114⅝	110	107¼	110
25	117⅞	113¾	113¼	110¾	111⅛	113⅞	114	.....	107⅛	110
26	117⅞	113⅜	113⅛	111	111⅛	113¾	114	110	107⅛	.....
27	.....	.....	113¼	.....	111⅛	113¾	113⅞	.....	107	.....
29	117⅞	.....	113⅜	111	111⅛	114⅛	114¼	110	107⅜	.....
30	. ...	113¼	113⅛	110⅞	111⅛	113¾	114	.....	107¼	.....
First	116⅝	111⅜	112¾	110⅝	110⅝	113	113⅛	109⅞	106⅛	109⅜
Lowest	116¼	111⅛	111¾	109⅝	110	112⅜	112⅝	109¾	105¾	109⅝
Highest	118	113⅜	113⅞	111¼	111¾	114⅛	114¼	110⅛	107⅜	110¼
Range	1¾	2¼	2⅛	1⅝	1¾	1¾	1⅝	⅜	1⅝	1⅝
Last	117⅞	113¼	113⅛	110⅞	111⅛	113¾	114	110	107¼	110

The closing prices of Five-Twenties at Frankfort in each week ending with Thursday, were as follows:

June 4.	June 11.	June 18.	June 25.	Month.
77¾	77⅝	77¾	77¾	77¼@77⅞

The closing prices of Consols for money and certain American securities (viz. U. S. 6's 5-20's 1862, Illinois Central and Erie shares) at London, on each day of the month of June are shown in the following statement:

COURSE OF CONSOLS AND AMERICAN SECURITIES AT LONDON.

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.
Monday 1		(Holi	day.)		Monday 22	95	73⅛	101	45¾
Tues. 2	96⅛	72⅞	97⅜	46⅜	Tuesday 23	94¾	73⅜	101¼	45¾
Wedne. 3	96⅜	72⅝	97¼	45¾	Wednesday 24	94⅝	73⅜	101⅛	45⅜
Thurs. 4	96⅜	72⅝	97⅛	45¾	Thursday 25	94¾	73¼	101⅜	45⅝
Friday 5	95	72⅝	97¾	45¾	Friday 26	94⅜	73¼	101⅜	45⅛
Sat'day 6	95⅛	73⅛	98⅞	45⅞	Saturday 27	94⅜	73¼	101⅛	46⅜
Monday 8	95⅜	73⅛	100⅝	46⅛	Monday 29	94¾	73⅜	101⅜	46¼
Tuesday 9	95⅛	73⅜	100¾	46⅛	Tuesday 30	94¾	73⅜	101⅛	45¾
Wedn'y 10	95⅛	72⅞	101¼	46¼					
Thursday 11	95⅛	72¾	100⅛	46	Lowest	94¾	72⅛	97¼	45⅛
Friday 12	95⅛	72¾	100⅞	46	Highest	96⅛	73½	101⅜	46⅜
Sat'day 13	95	72¾	100⅜	46	Range	1¼	1	4¼	⅞
Monday 15	94⅞	73¼	100¼	46					
Tue'day 16	94¾	73⅛	100	46	Low } Since Jan. 1	91⅞	70⅛	84¾	41⅛
Wednesday 17	94¾	73	99⅜	45⅛	Hig } Since Jan. 1	96⅛	73⅛	101⅛	50⅛
Thursday 18	95	73¼	99¾	45¾	Rng } Since Jan. 1	4⅝	3⅜	16¾	6⅝
Friday 19	95	73⅛	100⅛	45¾	Last	94¾	73⅜	101⅜	45¾
Saturday 20		(Holi	day.)						

The following are the closing quotations at the regular board June 5, compared with those of the five preceding weeks :

	May 22.	May 29.	June 5.	June 12.	June 19.	June 26
Cumberland Coal	86	....	84⅛	84	....	
Quicksilver	30⅛	29⅝	26¼	26⅜	25⅝	24⅛
Canton Co.	50	51¼	51	50	...	49⅞
Mariposa pref	9	....	....	7¼	9⅛	8¼
New York Central	129	133⅞	132⅛	134⅛	133⅞	134¼
Erie	68¼	72⅛	69⅜	70	69⅛	69⅝
Hudson River	138	143¼	141¼	141¼	140	140
Reading	93	94¾	94	96⅛	100⅛	104¼
Michigan Southern	87⅛	88	89⅛	89¼	90⅛	92⅛
Michigan Central	....	119⅛	119⅛	120	....	....
Cleveland and Pittsburg	88⅜	88¼	86¼	87⅜	89⅜	90⅛
Cleveland and Toledo	107¼	109⅛	108⅝	107⅝	107⅜	103¼
Northwestern	66⅛	68⅝	68¾	69⅜	xd65	69¾
" preferred	77⅜	79⅜	81¼	81¼	xd77¼	79¼
Rock Island	95⅛	97⅜	102	103¾	105¼	105¼
Fort Wayne	109¼	115⅛	111	111⅛	111⅝	112⅛
Illinois Central	147⅛	148⅛	150	154⅛	....	156
Ohio and Mississippi	30⅛	31⅛	....	29¾	29⅛	30⅝

The following table will show the opening, highest, lowest and closing prices of all th railway and miscellaneous securities quoted at the New York Stock Exchange during the months of May and June, 1868 :

	May.				June.			
Railroad Stocks—	Open.	High.	Low.	Clos'g	Open.	High.	Low.	Clos.
Alton & Terre Haut	45	49⅛	43	48	48	48	48	49
do do pref	73	73¾	66	70⅛	68¾	68¾	67	67⅛
Boston, Hartford & Erie	15	15⅛	15	15	15¼	15⅛	15¼	15¼
Buffalo N. Y. & Erie	....	....	....	....	85	85	85	85
Chicago & Alton	123	128	127⅛	127⅛	129	133	129	128
do do pref	129	129⅛	128	128⅛	130	136	130	136
Chicago, Burl. & Quincy	149	150	149	150⅛	151	154	151	154
do & Gt. Eastern	....	....	...	.	35	37⅛	35	37⅛
do & Northwest'n	64	70	63	63	68⅞	72	65¼	71¼
do do pref	75⅛	80¼	75	79⅝	80	84⅛	77¼	77⅜
do & Rock Island	94⅛	98¼	93¼	97⅛	97	105⅞	96⅜	103¼
Cleve., Col., Cin. & Ind	....	....	....	...	91¼	94	90⅛	90⅛
do Painesv. & Ashta	102⅝	108¼	102	108	106	107	100⅛	100⅛
do & Pittsburg	82⅛	89	83⅛	88	89¾	91⅛	86¾	89
do & Toledo	106¼	110⅛	105¼	109	109⅜	110⅛	103¼	108¾
Del., Lack & Western	118⅛	125	118⅛	125¼	124⅞	124⅞	123	123
do do scrip	117	117	117	117	....	....	....	....
Dubuque & Sioux city	....	....	....	....	78	78	78	78
Erie	71⅜	72¼	68⅜	70	68¼	71¼	68	68⅞
do pref	74	77	74	76	75¾	76	75	75
Harlem	....	....	...	....	127	127	122	122
Hannibal & St. Joseph	80	83	78	80	80⅛	87	80⅛	85¾
do do pref	94⅛	87	83¼	87⅛	86	91	86	87
Hudson River	136⅛	144	136	142	141¼	143⅛	138	140⅛
Illinois Central	146¼	148⅝	145⅛	148	149	158	149	157¼
Ind. & Cincinnati	....	....	....	....	53	53	50	50
Mar. & Cincin., 1st pref.	27	29⅛	27	28⅛	28¼	29	28¼	28⅛
do 2d pref	10	10	10	10	10⅛	10⅛	10	10
Michigan Central	116	121	118	120	120	121¾	117¾	118
do S. & N. Ind.	90⅞	91⅛	82¼	88⅝	89	93⅛	89¼	92
Mil. & P. du Ch'n, 1st pr	100	104	100	104	103	105	103	105
do do 2d pr.	91⅛	97	91⅛	97	98	98	98	98
Milwaukee & St. Paul	64⅛	67¼	62	67	66¾	67	62⅛	65¼
do do pref	76	79¾	74¼	77⅛	78	79¼	76⅛	78
Morris & Essex	65	65	65	65	65	65	65	65
New Jersey	133	133	133	133	....	....	....	...
do Central	116	120	116	119¾	119⅞	126	119⅞	124⅛
New York Central	129⅜	134	127¼	133⅛	134	136⅞	132⅛	134
do & N. Haven	150	159	150	151	151	151	145	145
Norwich & Worcester	....	....	....	....	90	92	90	92
Ohio & Mississippi	31⅛	31⅛	29⅛	30¾	30⅛	31¼	29	29⅝
do do pref	78	80	78	80	79⅛	79⅛	79	79
Panama	315	330¼	315	330¼	329¼	339	329¼	330
Pittsb., Ft. W. & Chica.	104	116	104	116	116	116⅛	109¼	109⅛
Reading	90	96⅝	90	95	95¼	106¼	93⅝	101
Renesselaer & Saratoga	86¾	89⅛	86¾	89⅛	90	95¼	90	95¾
Rome & Watertown	...	....	....	....	118	118	118	118
Toledo, Wab. & Western	51⅛	52	49	51⅛	51⅛	51⅛	46	48¼
do do do pref	69	69	69	69	69	69	69	69

Miscellaneous—								
American Coal	43	43	43	43	....	....	....	....
Ashburton do	8	3½	2	8	....	....	....	....
Central do	....	....	....	....	50	50	50	50
Cumberland Coal	33	35½	33	35½	35¾	35¾	33½	[illegible]
Del. & Hud. Canal Coal	158	165	156½	164	163½	163½	133	184½
Pacific Mail	91½	97	90½	95	95	103½	95	99½
Atlantic do	35	35	31⅞	34	30	30	30	30
Union Navigation	20	26	20	24½	26½	26½	23¾	26½
Boston Water Power	21⅝	21¼	20¼	20½	20½	23	17½	19
Canton	51	52	49	51¼	51½	51⅞	49	50
Cary Improvement	8½	8½	8½	8½	...	...	....	...
Brunswick City	....	....	....	....	4	9	4	8½
Mariposa	5	6	5	5	5	5	3	4
do pref	10	11¼	9¾	9¼	8½	9¾	6¾	8⅝
Quicksilver	27½	32¼	27½	29	29½	29½	22¾	22¾
Citizen's Gas	144	144	144	144	....	....	....	....
West. Union Telegraph	37½	38⅞	36¾	38½	38¼	38¼	33⅞	34¼
Bankers & Brokers Ass	113	113	109½	112½	111	114½	106	106
Union Trust	120	120	120	120	....	....	....	....
Express—								
American	60	61	53	53	53	54½	42½	46½
Adams	61	63	56½	56⅝	56¾	58	51⅞	52⅝
United States	60½	61½	55⅞	56	56	56	45	48
Merchant's Union	31¾	31¾	28	28½	28	29	24	25½
Wells, Fargo & Co	26¼	27	22	25¼	25½	28	23¼	26½

In most respects the specie movement has run closely parallel with that of June, 1867. The month opened with $3,244,000 more gold in the banks than last year, and the receipts from California were $1,364,511 larger than then, while the imports of specie and the coin interest payments of the month were together $686,000 higher, making a total increase in supply of $5,294,000; but as the exports of specie show an increase of $4,615,000, and the customs payments a gain of $166,000, it results that the specie in the banks at the close of the month is about the same as a year ago.

The following formula furnishes the details of the general movement of coin and bullion at this port for the month of June, 1867 and 1868, comparatively:

GENERAL MOVEMENT OF COIN AND BULLION AT NEW YORK.

	1867.	1868.	Increase.	Decrease
In banks, near first	$14,617,060	$17,861,088	$3,244,028	$........
Receipts from California	2,568,773	3,933,284	1,364,511	....
Imports of coin and bullion	497,477	640,923	143,446	....
Coin interest paid	1,237,082	1,779,749	542,667	....
Total reported supply	$18,920,392	$24,215,044	$5,294,652	$........
Exports of coin and bullion	$6,348,529	$10,963,582	$4,615,053	$........
Customs duties	8,040,114	8,206,096	165,982	....
Total withdrawn	$14,388,643	$19,169,678	$4,781,035	$........
Excess of reported supply	$4,531,749	$5,045,366	$........	$293,454
Specie in banks at end	7,768,996	7,753,300	....	15,696
Derived from unreported sources	$3,237,247	$2,707,934	$........	$529,313

It is not easy to find any special reason for the fact that while the result of the movement so closely resembles that of last year, yet the price has ranged about 3 points higher. It is generally conceded that the Government credit stands higher now than a year ago, of which the advance in bonds is an evidence; yet the gold premium in no sense reflects this improvement. The largeness of the exports of gold may have had some influence in causing this variation from the premium of a year ago; but from the above statement it will be noticed that this enlarged export movement is set off by about an equal gain in supply. The following exhibits the fluctuations of the New York gold market in the month of June, 1868.

COURSE OF GOLD AT NEW YORK.

Date.		Openi'g	Lowest.	High'st.	Closing.	Date.		Openi'g	Lowest.	High'st.	Closing.
Monday	1	139⅜	139¼	139⅞	139¾	Monday	22	140⅝	140½	140¾	140⅝
Tuesday	2	139⅝	139⅝	140⅛	140⅛	Tuesday	23	140⅛	140	140⅜	140⅛
Wednesday	3	140	139⅞	140⅜	140⅜	Wednesday	24	140⅛	140¼	140⅝	140¼
Thursday	4	140	140	140⅛	140	Thursday	25	140⅛	140⅛	140⅛	140¼
Friday	5	140	139¾	140	139¾	Friday	26	140¼	140	140¼	140⅛
Saturday	6	139¾	139⅝	139⅞	139⅝	Saturday	27	140⅜	140	140⅜	140⅛
Monday	8	139⅝	139½	139¾	139⅝	Monday	29	140⅛	140	140¼	140¼
Tuesday	9	139½	139⅜	139⅞	139½	Tuesday	30	140⅛	140⅛	140⅜	140⅜
Wednesday	10	139¾	139½	139⅞	139¾						
Thursday	11	139⅞	139¾	140	140	June . 1868		139¼	139⅞	141¼	140⅝
Friday	12	140	139⅞	140⅛	140	" 1867		136⅝	136⅝	138¼	138¼
Saturday	13	140	139⅞	140	140	" 1866		140⅞	137⅛	167¼	158⅞
Monday	15	140⅛	140	140¼	140¼	" 1865		138	135¼	147⅝	141
Tuesday	16	140⅜	140⅛	140⅝	140⅝	" 1864		194	193	250	147⅛
Wednesday	17	141⅛	140⅝	141¼	140⅝	" 1863		146¾	140⅛	148⅝	147⅛
Thursday	18	140⅜	140	140¼	140⅛	" 1862		103⅛	103⅛	109⅛	109
Friday	19	140⅝	140¼	140⅞	140¼						
Saturday	20	140⅞	140½	140⅞	140⅝	S'ce Jan 1, 1868		133⅛	133¼	144	130⅝

Foreign exchange has been kept firm at specie shipping rates, as usual at this period of the year, when the supply of commercial bills proves inadequate to cover the remittances of importers.

The following exhibits the quotations at New York for bankers' 60 days bills on the principal European markets daily in the month of June, 1868 :

COURSE OF FOREIGN EXCHANGE (60 DAYS) AT NEW YORK.

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	110⅛@110¼	513¾@512½	41¼@41⅜	79¾@80	36⅛@36¼	71⅞@72
2	110⅛@110¼	513¾@512½	41¼@41⅜	79¾@80	36⅛@36¼	71⅞@72
3	110⅛@110¼	513¾@512½	41¼@41⅜	79¾@80	36⅛@36¼	71⅞@72
4	110⅛@110¼	513¾@512½	41¼@41⅜	79¾@80	36⅛@36¼	71⅞@72
5	110⅛@110¼	513¾@512½	41¼@41⅜	79¾@80	36⅛@36¼	71⅞@72
6	110⅛@110¼	513¾@512½	41¼@41⅜	79¾@80	36⅛@36¼	71⅞@72
8	110⅛@110¼	513¾@512½	41¼@41⅜	79¾@80	36⅛@36¼	71⅞@72
9	110⅛@110¼	513¾@512½	41¼@41⅜	79¾@80	36⅛@36¼	71⅞@72
10	110⅛@110¼	513¾@512½	41¼@41⅜	79¾@80	36⅛@36¼	71⅞@72
11	110⅛@110¼	513¾@512½	41¼@41⅜	79¾@80	36⅛@36¼	71⅞@72
12	110 @110⅛	513¾@512½	41¼@41⅜	79⅝@79¾	36⅛@36¼	71¾@72
13	110 @110⅛	513¾@512½	41¼@41⅜	79⅝@79¾	36⅛@36¼	71¾@72
15	110 @110⅛	513¾@512½	41¼@41⅜	79⅝@79¾	36⅛@36¼	71¾@72
16	110 @110⅛	513¾@512½	41¼@41⅜	79⅝@79¾	36⅛@36¼	71¾@72
17	110 @110⅛	513¾@512½	41¼@41⅜	79⅝@79¾	36⅛@36¼	71¾@72
18	110 @110⅛	513¾@512½	41¼@41⅜	79⅝@79¾	36⅛@36¼	71¾@72
19	110 @110⅛	513¾@512½	41¼@41⅜	79⅝@79¾	36⅛@36¼	71¾@72
20	110 @110⅛	513¾@512½	41¼@41⅜	79⅝@79¾	36⅛@36¼	71¾@72
22	110 @110⅛	513¾@512½	41¼@41⅜	79⅝@79¾	36⅛@36¼	71¾@72
23	110 @110⅛	513¾@512½	41¼@41⅜	79⅝@79¾	36⅛@36¼	71¾@72
24	110 @110⅛	513¾@512½	41¼@41⅜	79⅝@79¾	36⅛@36¼	71¾@72
25	110 @110⅛	513¾@512½	41¼@41⅜	79⅝@79¾	36⅛@36¼	71¾@72
26	110 @110⅛	513¾@512½	41¼@41⅜	79⅝@79¾	36⅛@36¼	71¾@72
27	110 @110⅛	513¾@512½	41¼@41⅜	79⅝@79¾	36⅛@36¼	71¾@72
29	110 @110⅛	513¾@512½	41¼@41⅜	79⅝@79¾	36⅛@36¼	71¾@72
30	110⅛@110¼	513¾@512½	41¼@41⅜	79⅝@79¾	36⅛@36¼	71¾@72
June, 1868	110 @110¼	513¾@512½	41¼@41⅜	79⅝@80	36⅛@36¼	71¾@72
" 1867	109¾@110⅛	518¾@511¼	40¾@41⅛	78¼@79¼	36 @36⅛	72 @72¾

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

Returns of the New York, Philadelphia and Boston Banks.

Below we give the returns of the Banks of the three cities since Jan. 1 :

NEW YORK CITY BANK RETURNS.

Date.	Loans.	Specie.	Circulation.	Deposits.	L. Tend's.	Ag. clear'gs.
January 4...	$249,741,297	$12,724,614	$34,184,391	$187,070,786	$62,111,201	$483,266,304
January 11...	253,170,723	19,222,856	34,094,137	194,835,525	64,753,116	553,884,525
January 18...	256,033,938	23,191,867	34,071,006	205,883,148	66,155,241	619,797,369
January 25...	258,392,101	25,106,800	34,082,762	210,093,084	67,154,161	528,503,223
February 1...	266,415,613	23,955,320	44,062,521	213,330,524	65,197,153	637,449,923

Date.	Loans.	Specie.	Circulation.	Deposits.	Legal Tend's.	Ag.clear'gs.
February 8...	270,555,356	22,823,872	34,096,834	217,844,518	55,846,259	597,242,595
February 15...	271,015,970	24,192,955	34,048,296	216,759,828	63,471,762	550,521,185
February 21...	267,763,648	22,518,987	34,100,023	209,095,351	60,868,930	452,421,592
February 29 ..	267,240,678	22,091,642	34,0 6,228	208,651,578	58,553,607	705,109 784
March 7......	269,156,636	20,714,233	34,153 957	207,787,080	57,017,044	619,219,598
March 14......	266,816,034	19,744,701	34,218,881	201,188,470	54,738,866	691,277,641
March 21......	261,416,900	17,944,308	34,212,571	191,191,526	52,261,086	649,482,341
March 28 ..	257,378,247	17,828,367	34,190,808	186,525,128	52,128,078	557,843,908
April 4......	254,287,891	17,077,299	34,227,108	280,956,846	51,709,706	567,783,128
April 11..... .	252,936,725	16,348,150	34,194,272	179,851,880	51,982,609	493,871,451
April 18......	254,817,936	16,776,542	34,218,581	181,832,523	50,533,660	623,713,923
April 25......	252,314,617	14,943,547	34,227,624	180,307,489	53,866,757	602,734,154
May 2.......	257,623,672	16,166,878	34,114,843	191.206,135	57,863,599	588,717,922
May 9.......	265,755,883	21 286,910	34.205,409	199,276,568	57,541,827	507,028,567
May 16.......	267,724,783	20,939,142	34,193,249	201,813,305	57,613,096	480,186,908
May 23.......	267,381,279	20,479.947	34,183,038	202,507 550	62,233,002	488,735,142
May 30.......	268,117,490	17,861,088	34,145,606	204,746,964	65,633,964	602,118,248
June 6.......	273,792,267	14,328,581	34,188.159	209,089,655	68,822,028	640,663,329
June 13.......	275,142,024	11,193,631	34,166,846	210,670,765	69.202.840	530,328,197
June 20	274,217,608	9,124,830	34,119,120	211.484,887	72,567,582	553,988,817
June 27.......	276,504,[illegible] 36	7,753,800	34,018,721	214,302,207	73,853,303	516,726,075

PHILADELPHIA BANK RETURNS.

Date.	Legal Tenders.	Loans.	Specie.	Circulation.	Deposits.
January 4............	$16,782,432	$52,002,304	$235,912	$10,639,000	$36,621,274
January 11............	16,037,995	52,593,707	400,615	10,639,096	37,131,830
January 18............	16,827,423	53,013,196	320,973	10,641,752	37,457,089
January 25............	16,836,937	52,325,599	279,393	10,645,226	37,312,540
February 1............	17,064,184	52,604,916	248,673	10,638,927	37,922,287
February 8............	17,063,716	52.672,448	287,873	10,635'926	37 396,653
February 15..........	16,949,944	52,532,946	263,157	10,662,328	37.010,520
February 22..........	17.573,149	52,423,166	204,929	10,632,495	36,453,464
February 29..........	17,877,877	52,459.757	211,365	10,634.484	35,798,314
March [illegible]...............	17,157,954	53,081,665	232,180	10.633,713	34,826,861
March 14..........	16,662,299	53,367,611	251,051	10,631,399	34.523,550
March 21..............	15,664.946	53.677,337	229,518	10,643,613	33,836,996
March 28..............	14,348,391	53,450,878	192 858	10.643,606	32,428,390
April 4..............	13,298,625	52,209,234	215.835	10,642,670	31,278,119
April 11..............	14.194.385	52,256,949	230,240	10,640,932	32,255,671
April 20..............	14,493,287	52,989,780	222,229	10,640,479	33,950,952
April 27..............	14,951.106	52,812,633	204,699	10,640,312	34,767,290
May 4................	14,990,832	53,333,740	314,866	10,631,041	35,109,937
May 11................	15,166,017	53,771,794	397,778	10,629,0 5	36.017,596
May 18................	15,381,515	53,491,583	3[illegible]3,525	10,632,665	36,030,063
May 25................	15,823,099	53,[illegible]63,225	280,302	10,661,276	36,000,297
June 1................	16,184,865	53,562,449	239,371	10,626,937	36,574.457
June 8................	16,078,308	53,491 364	226,581	10,630 945	42,910,499
June 15................	15,837,117	53,122,521	175,308	10,630,979	43,016,968
June 22................	15,093,145	53,381,820	182.711	10,631,220	43.243,562
June 29................	16,414,877	53,072,878	198,568	10,630,307	43,936,629

BOSTON BANK RETURNS.

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

Date.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation National.	Circulation State.
January 3........	$34.960,249	$1,466,246	$15,543,169	$40,856,022	$24,636,559	$228,730
January 13........	97,800,239	1,276,987	15,560,965	41,496,320	24,757,965	227,953
January 20........	97,433,463	926,942	15.832,769	41,904,161	24,700,001	217,372
January 27........	97,433,435	841,196	16,349,637	43,991,170	14,564,906	226,238
February 3........	96,895,260	777,627	16,738,229	42,891,128	24,628,103	221,[illegible]0
February 10........	97,973,916	652,939	16,497.643	42,752,067	24,850,926	221,700
February 17........	98,218,828	605,340	16.561 4[illegible]1	41 562,550	24,850,055	220,452
February 24........	97,469,436	616,953	16,309.501	40,387,614	24,686,212	216,490
March 2............	100,243,692	633,832	16,304,846	40,954,936	24,876,089	2[illegible]5,214
March 9............	101,[illegible]59,361	867,174	15,556,696	39,770,418	24,987,700	210,162
March 16............	101,499,611	918,485	14,582,342	39,276,514	25,062,418	197,720
March 23............	100,109,595	798,606	13,712,560	37,022,546	25,094,253	197,289
March 30............	99,132,268	685,034	13,736,032	36,184,640	24,983,417	197,079
April 6............	97,020,925	731,540	13,004,924	36,008,157	25,175,194	168,023
April 13............	97,850,230	873,487	12,522,035	36,422,929	24,213,014	167,018
April 20............	98,906,805	805,486	11,905,603	36,417,890	24,231,058	166,962
April 27............	98,302,343	577,[illegible]63	12,298,545	36,259,946	25,231,978	164,331
May 4............	97,624,197	815,469	12,656,190	37,635,406	25,203,234	160,385
May 11............	97,332,283	1,133,668	11,962,368	37,358,776	25,225,173	145,248
May 18............	96,938,524	1,186,881	12,199,422	37,844,742	25,234 465	160,241
May 25............	97,041,720	1,018,809	12,848,141	38,398,142	25,210,660	160,151
June 1............	97,458,997	766,553	14,188,806	40,311,569	25,204,939	159,560
June 8............	98 116,632	631,149	14,368,900	41,470,376	25,194,114	159,313
June 15............	99,513,988	561,990	14,373,575	41,738,706	25,190,565	159,150
June 22............	99,389,631	476,433	14,564,614	42.583,871	25,197,317	158,908
June 29............	99,477,074	436,699	15,195,550	42,506,316	25,182,920	158,812

THE

MERCHANTS' MAGAZINE

AND

COMMERCIAL REVIEW.

AUGUST, 1868.

THE IRON AND STEEL PRODUCED IN BELGIUM AND FRANCE—INTERESTING STATISTICS.

In connection with a recent discussion upon the iron trade of the Continent, as compared with that of Great Britain, some important statistics were made public in accordance with a motion made in Parliament by Mr. Laird, the member for Birkenhead, the well known iron shipbuilder of that place. The statistics furnish us with information relative to the quantity and value of iron and steel, manufactured and unmanufactured, imported into Great Britain from Belgium and France, and also similar information relative to the whole export trade in these goods by those two countries respectively in each year, from 1862 to 1866. The importations to Great Britain of iron and steel, neither wrought nor unmanufactured, are returned as follows:

	1862. Tons.	1863. Tons.	1864. Tons.	1865. Tons.	1866. Tons.
Pig iron	0	1	5,148	59	87
Bars, unwrought	10	80	2,615	1,590	1,721
Sheet	1	0	1,664	102	54
Wire	16	123	483	282	258
Rough castings	0	0	19	108	19
Cast	24	41	183	57	67
Hoops	0	0	7	0	8
Old broken and cast iron	55	184	1,469	1,018	861
Steel, unwrought	141	102	122	89	136
Old broken steel	0	0	0	84	40

The total declared or computed value of the iron, not wrought or fully, manufactured, imported from Belgium, was: in 1862, £3,219; 1863, £6,433; 1864, £100,809; 1865, £33,548; 1866, £40,630. The iron and steel wrought or manufactured, also imported into Great Britain from Belgium in the respective periods indicated, are returned in cwts., and they are as follows: swords, cutlasses, matchlets, bayonets, gun-barrels gun-locks, cannon and mortars of iron, not mounted, nor accompanied with carriages, 1,897 cwts. in 1862; 170 in 1863; 853 in 1864; 514 in 1865, and 280 in 1866. Ornamented articles of iron and steel, 14 cwts. in 1862; 1 cwt. in 1863; 3 in 1864; 20 in 1865; and ¼ in 1866. Machinery, wrought castings, tools, cutlery, and other manufactures of iron and steel unenumerated was 15,517 in 1862; 31,268 in 1863; 84,413 in 1864; 214,248 in 1865; and 81,881 in 1866. The money worth of the property of this class sent to Great Britain from Belgium was, in 1862, £41,782; 1863, £41,172; 1864, £79,862; 1865, £132,739, and 1866, £89,224. The unwrought iron and steel received by Great Britain from France are set down as follows:

	1862. Tons.	1863. Tons.	1864. Tons.	1865. Tons.	1866. Tons.
Pig iron	28	313	97	41	0
Bars, unwrought	50	12	62	87	12
Sheet	0	10	260	100	10
Wire	8	11	45	369	887
Rough Castings	0	2	1	22	2
Slit, or hammered into rods	"	0	0	0	20
Cast	13	23	74	735	190
Hoops	0	0	3	4	0
Old broken and old cast iron	19	30	548	2,016	1,004
Steel, unwrought	61	149	41	54	104
Old broken steel	0	0	0	8	8

The total value of the above described products received in Great Britain from France was—in 1862, £1,901; 1863, £5,155; 1864, £8,616; 1865, £26,867, and 1866, £27,753. The iron and steel, wrought or manufactured, also sent to Great Britain from France, are for swords, cutlasses, &c., as enumerated in the Belgian return, 81 cwts. for 1862, 9 for 1863, 380 for 1864, 2 for 1865, and 101 for 1866. Ornamental articles of iron and steel received in 1862 were 55 cwt.; in 1863, 40; in 1864, 97; in 1865, 86; and in 1866, 11. The machinery, wrought castings, tools, &c., as in the Belgian return, are in 1862, 20,008 tons; in 1863, 28,563; in 1864, 15,022; in 1865, 19,544, and in 1866, 46,438 tons. The total value of the iron and steel, wrought or manufactured, imported from France, was—in 1862, £56,118; in 1863, £66,112; in 1864, £48,202; in 1865, £57,176, and in 1866, £92,143. These returns have been obtained from the office of the Inspector General of imports and exports at the London Custom House. Mr. A. W. Fonblanque, of the Statistical Department of the Board of Trade, supplies that portion of the return which shows the quantities of the several descriptions of iron of Belgian manufacture sent out from that country, not only to the United Kingdom, but also to all other places, during the five years over which the returns extend. The quantities are given in tons of 1,000 kilogrammes each, and the returns are as under:

	1862.	1863.	1864.	1865.	1866.
Ore—					
To the United Kingdom.....	9,381	10,783	6,135	......	1,768
To other Countries..........	191,076	192,106	189,501	......	155,979
Pig and Old—					
To the United Kingdom.....	0	0	5,920	83	299
To other Countries..........	34,002	22,918	20,087	10,628	15,089
Wrought-iron Wire—					
To the United Kingdom.....	22	35	419	......	201
To other Countries..........	1,322	637	1,210	......	740
Wrought-iron Rails—					
To the United Kingdom.....	0	0	3,292	14,110	1,726
To other Countries..........	46,895	47,324	81,169	103,779	63,902
Wrought-iron (sheet)—					
To the United Kingdom.....	0	0	2,776	0	46
To other Countries..........	8,212	10,961	15,361	0	16,849
Wrought iron of other sorts—					
To the United Kingdom.....	110	184	3,068	0	4,0[illegible]0
To other Countries..........	23,132	88,668	42,878	0	51,3[illegible]5
Manufactures of Cast-iron—					
To the United Kingdom.....	0	287	7	7	8
To other Countries..........	8,184	1,414	3,782	5,018	7,582
Wrought-iron Nails—					
To the United Kingdom.....	905	984	1,186	1,047	1,204
To other Countries..........	10,975	11,619	11,376	15,112	9,129
Manufactures of Wrought-iron—					
To the United Kingdom.....	29	31	48	0	28
To other Countries..........	2,511	1,548	2,550	4	3,277
Machinery of cast-iron—					
To the United Kingdom.....	118	64	150	0	0
To other Countries..........	5,674	5,792	7,324	0	0
Machinery of Wrought iron and Steel—					
To the United Kingdom.....	30	54	51	0	0
To other Countries..........	8,824	10,518	9,492	0	0

A similar return relative to the trade of France in the same class of products, as are enumerated with regard to Belgium, shows that France sent away in

	1862. Tons.	1863. Tons.	1864. Tons.	1865. Tons.	1866. Tons.
Cre—					
To the United Kingdom.....	1,944	20,308	20,966	15,116	12,095
To other countries..........	62,556	45,427	70,081	181,151	125,266
Pig—					
To the United Kingdom.....	51	5	0	0	0
To other countries..........	299	381	525	481	0
Wrought Bars—					
To the United Kingdom.....	40	0	22	0	0
To other countries..........	2,405	442	504	755	0
Wrought Nails—					
To the United Kingdom.....	0	0	0	2,100	0
To other countries..........	1,244	348	11,657	321	822

	1862. Tons.	1863. Tons.	1864. Tons.	1865. Tons.	1866. Tons.
Wrought Sheet (plain and tinned)—					
To the United Kingdom.....	0	15	61	0	0
To other countries..........	629	179	288	290	0
Steel in bars—					
To the United Kingdom	14	7	20	24	0
To other countries..........	286	211	198	162	0
Wrought Wire—					
To the United Kingdom.....	0	0	0	8	0
To other countries..........	171	71	127	148	0
Manufactures of cast-iron—					
To the United Kingdom.....	70	50	81	90	66
To other countries..........	2,517	1,810	2,285	1,916	1,628
Manufacturers of wrought iron—					
To the United Kingdom.....	147	285	275	492	603
To other countries......... .	5 746	4,785	5,922	5,895	5,185
Manufactures of sheet iron and tinned plates—					
To the United Kingdom.....	26	28	38	32	38
To other countries..........	257	227	274	212	276
Machinery (steam)—					
To the United Kingdom.....	....	....	....	....	....
To other countries..........	487	171	1,004	772	....
Machinery other than steam—					
To the United Kingdom.....	169	145	798	177	....
To other countries..........	3,914	3,182	3,555	3,245	....
Machinery (detached pieces)—					
To the United Kingdom.....	23	24	71	76	....
To other countries..........	2,480	1,791	1,812	1,355	....
Manufactures of steel—					
To the United Kingdom.....	65	82	32	28	20
To other countries..........	257	227	274	212	276

In remarking upon these statisticts, Mr. Septimus Ledward says:— With reference to Belgium, these returns prove that though we have actually been supplying that country with the raw material in the form of English pig iron, she has been enabled to send the manufactured article largely into our home markets, and, as a matter of course, has competed successfully with us in many of the foreign markets. With our extraordinary mineral resources it is obvious that this state of things results from one of two causes, or perhaps a combination of both; either the British workman has, until lately, been requiring a very extravagant rate of wages for converting pig into manufactured iron, or our British rolling mills are more inferior in construction and our iron masters deficient in skill (as compared with their Belgian and French competitors) in the manipulation and production of the forms and sizes of rolled iron required in the present day. The table at foot shows that during the year 1864 (about the period of the great strikes) an export trade from Belgium to Great Britain, that had not previously existed, sprang up, while their trade with other foreign countries was greatly stimulated by the state of things then existing in our iron trade at home. It will seem strange to many who know something of the iron trade that in the article of rails alone the Belgians actually sent to

England in 1864 and 1865 some thousands of tons. Some writers in the public papers make light of the idea of serious competition from any part of the world in this great and important branch of our national industry; but others who, like myself, have had practical experience of the extent to which, in the production of many descriptions of manufactured iron, our British ironmasters are distanced by their continental competitors, are of opinion that this question cannot be too much ventilated or too seriously considered by the puddlers and rollers on the one hand as to wages, and by the proprietors of mills and forges on the other in desirability of increased mechanical skill to enable them to keep pace with their foreign rivals. It is a pity to see British capital driven abroad to be expended among foreign workmen, while many of our rolling mills are closed and the workmen starving; especially is this to be lamented when our very great superior mineral advantages, both as respects coal and iron, are admitted on all hands.

EXPORT OF WROUGHT IRON AND WIRE FROM BELGIUM.

	1862. Tons.	1863. Tons.	1864. Tons.	1865. Tons.	1866. Tons.
Iron wire—					
To the United Kingdom...	22	35	419	*14,110	201
To other countries........	1,822	637	1,210	103,779	740
Rails—					
To the United Kingdom...	....	....	3,292	......	1,726
To other countries	46,885	47,324	81,159	......	68,992
Sheet or plate iron—					
To the United Kingdom..	....	....	2,776	......	46
To other countries.......	8,212	10,961	15,361	......	16,848
Wrought iron, other sorts—					
To the United Kingdom.	110	181	3,068	......	4,063
To other countries.	23,132	38,561	42,878	......	51,325

In value the progress will be seen by the following figures:

Exported of the four descriptions above enumerated—

To Great Britain in	1862	£1,177	To other countries in	1862.....	£543,918
" "	1863	1,946	" "	1863.....	664,848
" "	1864	75,648	" "	1864.....	950,168
" "	1865	95,950	" "	1865	705,697

In addition to the foreign descriptions, Belgium exports annually wrought iron nails to the value of £250,000, of which £20,000 worth come to England yearly.

* In the Parliamentary return for 1865 these four descriptions are not classified.

INFLATED CURRENCY—FARMERS THE GREATEST LOSERS BY IT.

BY R. G. HAZZARD.

An able writer estimates that producers and dealers make an addition of at least one per cent to their prices as compensation for the additional risks of our currency, which will amount to a premium of $130,000,000 per annum, to be paid by the consumers. This, on his own data, appears to be an under-estimate, and a premium of two per cent for this risk, making an aggregate of $260,000,000, is probably not too high. The amount is startling, and if this were actually lost to the nation, would be appalling. But fortunately this is not the case, for the excess paid by the consumers is made by the sellers, and the aggregate property in the country is not thereby diminished. So far as the accumulations of the premiums thus paid shall be needed to reimburse the producers and dealers for the actual decline of stocks on hand at the period of resumption, it might be supposed they would be repaid to the consumer, who will then be buying at a less price in consequence of the change in currency: but the aggregate rises and falls from the commencement to the end of inflation must be equal. Hence no portion of this premium charged for its extra risks will really be thus returned, and it amounts to a bonus paid to induce people to take chances which, though in the aggregate just equal, may turn against those who take the risks, and which, by the extent of the fluctuations, may involve them in ruin. A faro bank does not engage in the business of gambling without charging a premium for taking the equal chances of loss or gain. This bonus is not all paid by those who are only consumers. Each producer or dealer charges the premium, and each pays on what he consumes. A charges B two per cent extra for bread, and B charges A two per cent extra for beef, and a portion of the premium is thus neutralized. Those who live on fixed salaries or the income of accumulated property, pay their full quota in proportion to what they consume and get no return. If the farmer gets the two per cent premium on the sale of his product, he is still comparatively a loser. If he has an investment of $10,000 in his farm and appurtenances, he will not be able to sell over $2,000 worth of products from it per annum; and of this, as matters now are, he will have no surplus profit over the expenses of producing it, and the cost of living. He gets his premium on this amount but once a year, and buys about as much as he sells; but the articles he buys have, on an average, passed through the hands of four dealers, adding eight per cent to the price.

A dealer who has $10,000 capital in his business, can turn it at least four times a year; and as he will furnish nothing of his own production, and, with the advantages he derives from the fluctuating currency, can afford to spend liberally, we will suppose him to expend $3,000 per annum. The account will then stand thus:

The farmer receives premium on sales of $2,000 at two per cent..........	$40
And pays premium on purchases of $2,000 at eight per cent.............	160
Loss to the farmer per annum..	$120
Dealer receives premium on $40,000, at two per cent....................	800
And pays premium on $3,000, at eight per cent	240
Gain to the dealer	$560

This excess of bonus received by dealers, absorbs that paid by those living on salaries or interest, and by farmers and others whose sale of products is small in proportion to the capital and labor employed. If the farmer sold his whole farm and appurtenances four times every year, and got the bonus of two per cent on each sale, he would be on an equality with the dealer. As things are, it is very doubtful whether he gets the two per cent on his sales of $2,000 per annum. We have a surplus of agricultural products to export, and the price of the whole crop of any kind is measured by what the surplus portion of it is worth to export and sell in competition with foreign producers, who, having a sound currency, do not add any bonus for the risks of dealing in it. In such a competition no such bonus can be added to the price of our products. But the products of the farmers have to pass through the hands of the dealers to the consumers, and here again two per cent bonus is charged by each one, and this cannot be got back from the consumer abroad, for he can buy products not subject to such charge, so that the price which the farmer's products are worth at his door, is again lessened by these premiums paid in its transit to the ship, and the price of this surplus exported thus diminished, as before stated, fixes this price of the whole. If there is more than can be sold at home, the general market price must come to what the surplus will net, after deducting all expenses and charges incident to shipping it, or no one would ship the surplus. The farmer thus loses at both ends; what he sells is diminished, and what he buys is enhanced by the premiums charged for the risks of the currency.

I have before, on some occasion, adverted to an absolute loss which a fluctuating currency entails upon us, in preventing economy in transportation. This applies with peculiar force to our Western farmers. Those who buy their heavy products cannot take the risks of the currency for the long time required to transport them, by the circuitous lake routes, in the slow but cheap and appropriate means of sailing vessels. This risk is deemed at least equal to the increased cost of the more speedy modes, and of course the risk in the one case or the increased cost of transportation in the other must be deducted from the price paid the farmers at the place of production. In the article of Nov. 26, I also mentioned the loss which arises from the unwillingness of capitalists to invest in the machinery of distribution, such as railroads, rolling stock, steam and sailing vessels, at inflated prices, unless they can, by charging high prices for their use, speedily get back the extra cost.

This is severely felt by the farmers of the far West in the increased cost of transportation both ways. An element which caused the rents of stores in New York to advance fourfold in one year is not to be overlooked.

I have, in articles heretofore published, alluded to all these blighting influences of a surplus of paper currency, though not in this same connection. I would now suggest another item of loss from the same cause, which falls almost exclusively upon the agricultural industry.

In the natural course of trade, gold and exchange will rise when we have little products to export, and will fall when the amount of our shipments become large.

In our national affairs, since we have had an excessive paper currency, the disturbing influences have been so great that it would be difficult to test this proposition by reference to actual experience. I will, therefore, in the way of illustration, refer to a case on a smaller scale which was free from the disturbing elements of war, and also from the, financially, hardly less baleful influence of political action. Perhaps private speculation was also to a great extent excluded:

After the severe revulsion of 1837, there was a time when all the States except Alabama had resumed specie payments. I then observed and pointed out to the planters of that State that, during the portion of the year in which they were making their crops, and there was nothing to export, they paid for their supplies at prices based on gold or Northern exchange at about 120 to 130; and that when their crops came into market to be shipped and drawn against, exchange payable in gold fell to about 108 to 110 per cent., making a loss to them of about one eighth of the cost of production.

The same principle must now apply to the nation. Our surplus grain, provisions, cotton, and tobacco are all ready for shipment at nearly the same time, and the tendency of this is to give the producers a price for them based on gold at the lower rate, after having bought their supplies, through a great portion of the year, at prices based on the higher. Other causes may temporarily interfere, but as these, in the long run, will neutralize themselves, the chances are still against the farmers, who, on the average, must suffer in the fluctuations by just the amount which the circumstances of their crops coming into market lessens the currency price of gold and foreign exchange.

This does not apply to petroleum and other products, the supply of which may be regular throughout the year.

If the currency were only depreciated, and remained steadily at any given value, these losses would not occur. If, for instance, all the gold and silver dollars were cut in two, and each half still called a dollar; or if two paper dollars were always out for every one required for business at gold prices, making them worth just fifty per cent, it would make no material difference, after we had once accommodated ourselves to the change, and all prior contracts had expired. The price of things would be nominally just double; that is, would sell for just as many whole dollars, or as much weight of gold as before. Those who paid new currency for notes, mortgages, &c., contracted under the old, would, of course, gain half the amount. In the early period of expansion the West was a debtor section, and profited by the inflation; but they are no longer benefitted in this way. The losses to which I have alluded, though they increase with the expansion of the currency, are entirely distinct from this nominal change in prices, and grow, not out of the depreciation, but of the fluctuations, or apprehended fluctuations, in the value of the currency. If the salaries, fixed incomes, and price of farmers' products all increase as fast as the currency depreciates, there is no direct loss to those who live from these sources by the depreciation, but they still lose by the incidents of fluctuation as above stated.

All regular industry suffers much and in various ways, by the use of excessive irredeemable currency, and especially in having to support an army of speculators who live on its fluctuations, costing, probably, no less than our army in the field during the war; but the foregoing positions go to show that the farmers, and especially those far from market, suffer more from it than any other class of producers.

Our Western farmers may have been influenced by this consideration: in selling their crops for depreciated paper, they get higher prices, and the Government will still take the paper at par in payment for land at former gold rates. But if the foregoing views are correct, it is not the farmer who will have a surplus thus to invest, but the traders on whose capital he pays two per cent four times a year, and who sell him gold at an average of 75 and buy it back from him at an average of 68, who will have the means and will get the land at the reduced price. The farmer who, under existing conditions, has as many paper dollars spare income as, with a sound currency, he would have in gold, is fortunate, and in this case he can buy no more land, though its price is thus reduced.

It must be borne in mind, too, that this price for Government land keeps the farmer's land also at the same price in paper that it was before in gold, and they have further to help make up in taxes what the Government loses by selling its land for paper; for nearly all our interest, all the salaries of foreign ministers, and other foreign services and expenditures must be paid in gold, and the compensation to members of Congress and most other officials at home, with the cost of supplies for the army, &c., has kept pace with the price of gold, and the really less value which the Government realizes for its land must be made up by increased taxes.

I will add one other item of national loss, showing how the bane of inflation reaches where we would least expect to find it.

Gold is now an important item of our exportable products, and by the change in our currency the exchangeable value, or purchasing power, even of this has been reduced in the markets to which we send it. We have dispensed with its use as a common currency, and, as a consequence, the quantity of it in other countries has increased, and its purchasing power proportionally diminished. If in this country we should all substitute potatoes for bread, our wheat would all be crowded into foreign markets, aud a fall in price would there be the consequence. This same effect must result from substituting paper for home use in place of gold. The difference between the invigorating influence of a sound currency and such as we are using upon the business vitality of a country, is greater than between potatoes and wheat upon muscular and mental energy. We have voluntarily adopted the potato currency, and, by its persistent use, are in a fair way to be driven to the potato diet also.

Fluctuations in the measure of value are obviously just as inconvenient and injurious as variableness in the measures of bulk or length would be. If a man contracts to sell his wheat at one dollar per bushel, the result to him is precisely the same whether the bushel is doubled in size, or the dollar is reduced one half in value. Suppose a maker should furnish measures which would swell and shrink with changes in the weather, sometimes holding three or four quarts more, at others three or four less than half a bushel. Without having learned to calculate those changes, those who love the excitement of gambling, and those who seek gain from the mere mutations of trade, would favor those variable measures. But there would soon be a class who, having made it their business to investigate, would prefer them, as gamblers in the secret prefer certain makes of cards, for the reason that they know them by ingenious devices on the back as readily as by the spots on the face. The case of the farmers in relation to the currency is even worse than this. For reasons before stated, it is as though they were using measures which, of themselves, would swell whenever they were selling, and shrink when they were buying.

It is not to be wondered at, that under these peculiar hardships the Western farmers should be restive and even clamorous for change; but at first glance it seems incredible that, as asserted in Washington, the pressure for further expansion is mainly from them. Is it not from some other portion of the Western population? from demagogues vilely seeking, for party purposes, to make things as bad as possible? or from interested speculators? always an active, energetic, vigilant, and pushing, not to say impudent class. The farmers complain that their just earnings slip away from them in some unaccountable way, so that at the year's end there is nothing left in the "stocking." The speculator suggests that this is because their measures do not yet vary enough; that they must get them so made that they will swell and shrink still more than they now do; and Congress is beset to do this. The interest of the farmers especially demands that we should get back to a sound currency as soon as due regard to other important interests will permit. But Congress has already suspended the slow movement which it had before permitted in that direction. If we cannot contract when regular business is already so prostrated and curtailed that little money is needed for it, and interest is at four per cent per annum to stock speculators, when can we expect to do it? Must we wait for the entire annihilation of our industries before it will be deemed prudent to take this essential, and the only essential and effective step toward a specie basis?

In view of the mistakes and blunders of men who, with the stimulus of interest, make finance their study in Wall street, and of those who under the circumstances ought to have made it their study at Washington, it should not perhaps surprise us if the farmers have made the mistake of demanding measures the very reverse of what the general interest of the country, and more particularly their own really require.

Our debt is nearly $1,000,000,000 more than, with a proper regard to the most obvious principles of finance, it would have been; and unwise legislation now threatens to lessen our ability to pay as much as it has already increased the burden.

THE EIGHT HOUR STRIKES.

The agitation in the labor market, and the increasing difficulties between employers and workmen constitute one of the gravest features of the times. It would seem, too, that the disagreement instead of becoming less marked is growing wider, a war of classes having been inaugurated, under circumstances calculated to exercise a decisive influence upon the future of our State. It is a serious misfortune in this country that these difficulties are frequently fostered and stimulated by political parties with a view to partisan aggrandizement. It was this political influence that led Congress deliberately to sanction the eight hour system by reducing the hours of labor for all persons in the government employment twenty per cent. Under the same influence, one of the two great parties which divide the nation has lately adopted as its own, the platform of the Workingmen's National Convention—a platform the enforcement of which would sunder all the existing relations between capital and labor, and shut out American industry from all competition with foreign nations.

It is fortunate for the country, however, that there is a law higher and more immutable than the parchment edicts of human government, and that this law will eventually work a cure, since by its terms it is ordained that the only means for increasing the wealth of individuals and nations is by increased production and economy of savings. State and Federal Governments may legislate to reduce the hours of labor, yet they cannot but for a limited time give the workmen ten hours pay for eight hours work—a man cannot long receive more than he earns. The only effect this edict of Congress can have is to temporarily benefit the workmen at the expense of the tax payers, and to set a bad example, which is eagerly quoted by ignorant persons as an endorsement of a vicious principle. The final result, however, will be disastrous to the laborer when necessity brings about the adjustment between the employer and the employed.

The strike in the building trade in this city illustrates the whole subject. The journeymen bricklayers who have heretofore been receiving $5 00 a day for ten hours work, now demand that they shall receive $4 50 a day for only eight hours work; in other words, they demand a reduction of 20 per cent in the hours of labor, and only consent to a reduction of 10 per cent in wages. The employers profess that they are unable to agree to this demand. They state that they entered into contracts for the work which were calculated at the existing scale of prices; that while the rate of wages is constantly rising, the amount of work is diminished. Formerly, 2,000 bricks a day were the standard for a day's work. Now a "trade rule" prevents the workmen from "setting" more than 1,000 bricks a day. The employers also complain that they are forced to pay the same wages to good and bad workmen, and that the trades society also attempts to prevent them from taking apprentices, and even goes so far as to prevent boss masons from working on their own buildings unless they are members of the Bricklayers Union.

As the employers were unable to accede to the demands of the workmen, a "strike" was the result. The building trade in this city is therefore at a stand still at the most favorable season. The employers in self-defence formed a "Master Builders' Association," and are making every exertion to obtain men from other cities to work for them. The Bricklayers Unions, on the other hand, are not idle. They watch the steamboat landings and railroad depots to induce the workmen from the interior to turn aside, and are sustained in funds by the other trades. The plasterers society, for instance, on Wednesday last, gave the bricklayers $3,000 to support them while idle. The fact that a single society could afford to give away so large a sum, proves that the trades in this city do not suffer severely from the hard times. The plasterers, it will be remembered, already work on the eight hours system, and receive $5 a day—good, bad and indifferent alike. Trades societies in other towns are also forwarding money to the New York bricklayers.

In this struggle the interests of the community are all on the side of the employers. This is true even of the workingmen who sustain the "strike." The high rents had tempted a large amount of capital into the building trade, and within the last year so many new houses were built in New York and Brooklyn that there was an important reduction of rents. There were more houses than tenants, and rents had to come down. There was a prospect that this reduction would continue, and that in another year or two rents would be still lower. But the bricklayers strike stops all this. If their demands are acceded to, there must be a large addition to the cost of house-building, and a further advance of rents in place of a decline. It would not be difficult to show that the industrial classes must suffer more from high rents than any other; yet we find them sustaining a movement that is calculated to place them at the mercy of landlords. Their interests are really identical with those of the master builders, who are fighting for cheaper rents.

Other disturbing elements are at work. Last week a plasterer's national convention at Chicago took measures to organize a movement for next year, placing all the plasterers of the United States on the "New York standard"—that is $5 a day for eight hours work. Curiously enough this movement is undertaken at the instigation of the trade in New York. The plasterers in the interior work more hours and for less pay than their New York brethern, and, as a consequence, they crowd to this city to enjoy the superior advantages offered. This overstocks the market for this kind of labor, and the plasterers of this city, to prevent competition, tax themselves to support country workmen, and to pay their expenses back to their homes. Thus the present high wages and short hours are of no essential benefit. The means contemplated to remedy this tendency of the natural laws of supply and demand to overthrow the plasterers eight hour system, embody a blunder of the worst kind. It will be impossible to establish the New York rates of wages as a standard for the entire country, because the expenses of living, which always rule the rates of wages, are less in the country than the city. The Amalgamated Engineers, the most perfectly organized trade in the world, attempted to establish a uniform standard of wages, but failed. The matter is now left to the local societies. We may confidently anticipate that the plasterers will meet with no better success.

The strike in the mining regions in Pennsylvania is for eight hours a day and an increase of wages. A compliance with this demand is out of the question, and there is a suspension of work. Thus, the only positive result of the effort will be to increase the price of coal to the consumer. Coal must advance while production is at a stand still, and if the men receive more pay for less time, prices must go still higher. Thus we see that rents and coal, the most important items of household expenditure, are advanced by the direct agency of the very classes who have the greatest interest in reducing them.

The instances might easily be multiplied of the mischievous tendencies of the present labor agitation. That the eight hour movement is factitious, and not demanded by any real necessity, is proved by its effects upon the plasterers societies; and, also, by a demand made a few days ago by the workmen in the government dockyard at Bangor, Maine, to be allowed to work ten hours for a proportionate increase of wages.

But it is only when we consider the condition of the country at large that the fallacy of the eight hour movement is fully apparent. At a time when the whole American people are required by an inexorable necessity to produce more and economise more than ever before, as the only means of recovering the enormous losses of the civil war, there is sprung upon them a movement which, by checking industry and offering a premium to idleness, must arrest progress and postpone the era of returning prosperity.

It is, therefore, of the highest interest to all that the employer should persist in refusing to comply with this demand, and we trust he will be enabled to do it successfully.

MOBILE AND OHIO RAILROAD.

Our last notice of this road will be found in the CHRONICLE of January 26, 1867. The information contained in that article was based chiefly on the annual report of the company for the year 1865. We now propose to illustrate the progress of affairs for the two years, 1866 and 1867, and thus bring down the financial condition of this company to the latest date accessible to us. These are the two first complete years of operations since the close of the war and the restoration of the railroad to its owners.

The gross earnings of the road for the years ending December 31, 1866 and 1867 are shown in the following statement:

	1866.	1867.	Increase.	Decrease
Passenger	$902,719 04	$742,530 49	$.......	$160,188 55
Freight	1,433,491 15	1,400,815 97	....	32,675 18
Express	70,281 90	109,050 00	38,768 10	....
Mail	42,794 00	49,900 00	7,106 00	....
Gross earnings	$2,449,286 09	$2,302,296 46	$........	$146,989 63

The expenses far the same years were:

Roadway	$344,083 48	$371,904 29	$27,771 86	$........
Machinery	304,207 93	385,427 81	81,219 88	....
Transportation	742,158 10	766,558 73	24,400 63	....
Total expenses	$1,390,398 46	$1,523,790 83	$133,392 37	$........
Net revenue	$1,058,887 63	$778,505 63	$........	$280,382 00

—showing a decrease of about 26½ per cent in 1867 as compared with the net earnings of the next previous year. Both years were signalized by short crops and unremunerative prices. To these misfortunes the year 1867 added extensive inundations of the Mississippi Valley at the north end of the road and a deadly epidemic at the southern end, all operating adversely on earnings by interrupting traffic, and on expenses by increasing the cost of repairs and transportation. The net difference in the receipts for the two years, however, is probably more apparent than real, the operating expenditures in 1867 having been largely burdened by costs which properly belonged to reconstruction and the restoration of engines from the deterioration of former years. This policy of charging one year with the cost of others no doubt keeps down the reconstruction account to the lowest limit; but on the other hand it so falsifies the general results as to make comparison impossible. Had the usual course of charging the year with its own proper expenditures been adopted, the net income would have been $885,497 37, and the dimunition from the preceding year been $173,389 26, instead of $280,382 00 as shown in the account given by the company in the above exhibit. A better balance, however, is shown for the first three months of the current year, the receipts having been for that period $580,551 30, and the expenses $323,974 61, leaving a net revenue of $256,576 69, or proportionately, 17.7 per cent greater than in the whole of the preceding year.

The following is the condition of the rolling stock on the 1st May, 1865, (the date of the restoration of the property to the company,) and at the close of the years 1866 and 1867:

	May 15, 1865.				Dec. 31, 1866.				Dec. 31, 1867.			
	a	*b*	*c*	*d*	*a*	*b*	*c*	*d*	*a*	*b*	*c*	*d*
Locomotives	15	4	38	8	50	12	24	6	69	10	15	8
Passenger c's	11	7	..	.	34	..	.	..	32	.	..	.
Baggage cars	3	2	..	.	4	..	.	..	4	..	..	.
Freight cars	231	88	..	.	652	..	.	..	799	..	..	.

The letters *a b c* and *d* refer to the condition of the rolling stock at date; *a* indicates "in running order"; *b*, "under repairs"; *c*, "out of order," but repairable, and *d*, "exploded and condemned.

This table exhibits an immense improvement from date to date, and evidences the ability and determination of the company to give efficiency to their operating power. In the following exhibit we cluster together a few of the more important results of the operations for the years 1866 and 1867:

	Miles run by trains.		Earnings per mile run.		Earnings per mile of road.	
	1866.	1867.	1866.	1867.	1866.	1867.
Passenger	455,997	267,165	$1 97	$2 45	$1,857	$1,588
Freight	585,870	618,097	2 45	2 29	2,949	2,883
Mail, &c	198,039	186,944	...	...	231	328
Total	1,239,806	1,167,204	2 35	2 34	5,037	4,733

The cost of motive power per mile run in the same years was as follows:

	Repairs.	Fuel.	Wages.	Oils, waste, &c.	Total
1866	$0 24:3	$0 12:7	$0 11:8	$0 01 8	$0 50:6
1867	0 28:7	0 10:4	0 14:6	0 02:3	0 55:4

The amount of cotton transported over the road of this company is rapidly increasing, the quantity in 1866 having been 97,581, and in 1867 141,666 bales, of which in 1866 84,313 bales, and in 1867 120,804 bales reached market at Mobile. Recent arrangements with the Louisville and Nashville Railroad Company are materially changing the course of this staple, and directing the largest part of that grown north of Corinth to Louisville. The amount to Louisville in 1866 was only 931, while in 1867 it increased to 15,117 bales. In the meanwhile the amounts formerly sent to Memphis and Columbus on the Mississippi have been proportionately decreased. This northward route, however, can only be used largely when low rates of freight prevail, the Southern route being generally cheaper to the Atlantic markets. The great increase in the total quantity moved was not alone due to an enlarged crop, but also to the close and satisfactory working arrangements with the Selma and Meredian Railroad, nearly 25,000 bales having been received over that road from Alabama, which formerly reached Mobile through other channels.

The financial status of the company is improving. The floating debt is somewhat lessened, and the progress of funding has been moderately successful; while the road has developed a satisfactory earning power. With regard to the past, the report for 1867 says: "The loss of earnings by Confederate and State securities as per report of 1866 was $5,228,562 23, and the expenses of reconstruction have been $3,872,843 78, making a total loss by the war $9,101,506 01, thus showing a loss of about 65 per cent of our entire capital; and yet to-day our road, with its equipment and property could not be replaced with gold for the amount of our indebtedness and par for stock." The assets as appears from the balance ment, valued in gold $15,552,000 00; 1,100,000 acres of land, valued at 10s. sterling per acre £550,000 or $2,684,888 50, and station and town lots valued in gold $75,000—total $18,311,888 50. At the same time the liabilities were: funded debt $7,904,021 06, and arrearages of interest $1,372,900 00; capital stock, consolidated, $2,532,600 00, and unconsolidated $737,220 70; and floating debt (currency) $1,223,632 28—total $14,770,374 04, leaving an excess of assets amounting to $3,541,514 46. "It may well be asked, whether any other enterprise in the country can make a stronger showing."

The floating debt, January 1, 1867, was $1,756,441 74. Of this sum $468,691 56 was due to parties at the East for rolling stock purchased previous to the war. A part (10¾ per cent) of this last sum was paid from the proceeds of cotton sold, and the remainder was to be paid in equal instalments in one, two and three years. This the company failed to do, and ultimately these creditors agreed to take for the balance of the debt second mortgage bonds, which reduced the floating debt as it stood Jan. 1, 1867 to $1,287,750 24. The floating debt of Jan. 1, 1868, was, however, $1,433,081 85, including the cost of machinery purchased in 1867, $369,417 90, and some other items. Of the amount, $1,131,654 18, spent in reconstruction in 1867, $762,236 19 has been paid; the interest due the State of Tennessee has also been regularly met. In the first quarter of 1868 the floating debt was further reduced by $209,449 57, leaving the total on April 1, 1868, at $1,223,632 28.

The promise to resume interest payments on May 1, 1868, failed of realization. All the moneys earned or that could be obtained on credit were required for reconstruction and equipment. This failure led to further negotiations with bondholders both in New York and London, resulting satisfactorily to all parties. English creditors agreed to fund, under contract dated Feb. 4, 1867, all coupons up to and including those of Nov. 1867 in interest bonds, and all coupons on interest and sterling bonds due in 1868 and 1869 in sterling bonds. The same contract is to be signed by the New York creditors, and this the large holders are said to have done already. "By this plan," says the report of 1867, "we are to resume interest payments on the 1st of May, 1870, leaving the company its earnings for two years with which to discharge the floating debt nearly all of which has been contracted for account of reconstruction; and thereafter be fully able to meet not only its interest, but provide a sinking-fund for the ultimate payment of the bonds," &c.

In the following statement we condense the old and new balance sheets of the company, the 15th May, 1865, being the date of separation. The sheet of April 1, 1868, were as follows: 486 miles of road and its equiplast column shows the whole amount of liabilities and assets as they existed at the close of the year 1867:

	Total to May 15, 1865.	Total May 15, '65, to Dec. 31, 1867.	Aggregate, Dec. 31, 1867.
Capital stock	$3,588,299 85	$174,100 00	$3,762,399 85
Bonds and State loans	6,640,805 01	2,216,121 06	8,856,926 07
Land sales	275,952 38	10,734 19	286,697 57
Transportation	15,860,896 83	6,102,914 77	21,963,811 60
Requisitions outstanding	66,419 42	....	66,419 42
Proceeds of cotton sold	...	413,288 36	413,288 36
Bills payable	642,656 89	559,027 58	1,201,684 47
Machinery—balances unp'd	....	173,688 77	173,688 77
Individual balances	87,900 79	....	87,900 79
Local balances	226,617 08	557,439 50	784,056 58
Old rails sold	..	74,539 39	74,539 39
Total liabilities	$27,339,548 25	$10,281,848 62	$37,671,396 87

Charged with the following disbursements—

Construction	$11,247,568 33	$96,479 54	$11,344,048 87
Reconstruction	....	4,070,442 78	4,070,442 78
Donated land surveys	27,427 50	....	27,427 50
Bonds and State loans paid	1,303,119 00	385,000 00	1,688,119 00
Interest	2,433,974 54	1,316,620 73	3,750,595 27
Paducah Branch	114,894 08	....	114,894 08
Transportation	11,786,282 90	3,510,759 19	15,297,042 09
Other property and assets	374,757 43	907,356 19	1,282,113 62
Cash	100,958 97	5,190 19	105,149 16
Total assets	$27,339,548 25	$10,281,848 62	$37,671,396 87

The following table describes the funded debt of the company as it stood on December 31, 1867, and the interest arrears to be funded:

Bonds.	Amount.	Rate.	Payable.	Arrearages.
Income of 1861	$67,000	8	N. Y. & Mobile.	$32,000
" " 1862	42,000	8	Mobile.	16,800
" " 1865	49,000	8	Mobile.	15,400
" " 1867, 2d mort.	228,900	8	Mobile.	31,000
Income (10 y'rs), 2d mort	556,421	8	Mobile.	7,600
1st mortgage, sterling	4,593,000	8	Mobile.	1,220,000
1st " "		6	London	......
Tennessee State loan	1,251,000	6	New York.	......
" funded interest	383,800	6	New York.	......
Interest bonds	697,900	8	Mobile.	50,100
Total	$7,904,021			$1,372,900

The Mobile and Ohio Railroad extends in almost a direct line from Mobile, Alabama, north through Southwestern Alabama, Eastern Mississippi, West Tennessee, and West Kentucky to Columbus, Ky., a distance of 472 miles, with a branch to Columbus, Miss., distant from the main line 14 miles—the total length of the road being 486 miles, or, including sidings 509.6 miles. The last rail of the line was laid down April 1, 1861, the same day that saw the national forces enter and occupy Cairo, at the mouth of the Ohio. Between Columbus and Cairo, regular steam packets were established after the completion of the road, forming a water connection between the Mobile and Ohio, and the Illinois Central Railroad and a great line of travel and transportation between the lakes at Chicago and the Gulf of Mexico at Mobile. The endowment of this line by Congress was the first, and as yet, in results, the most successful example of the land-grant policy, which has since become a recognized precedent in all the States and Territories, the lands of which are at the disposal of the national legislature. From Chicago to Mobile the total distance is about 860 miles—extending from the great grain fields ot the interior to the cotton and sugar regions of the South—from the climate that fosters the staples of food and agriculture to that in which tropical vegetation is most luxuriantly developed; and hence the interchange of the widely differing commodities of each by this line cannot fail to become extensive and mutually profitable. It must also become a great avenue for the distribution of foreign importations landed at the gulf ports. The national significance of this road is not therefore to be estimated from the existing volume of its business, though already large and valuable. It traverses a country recently desolated by contending armies, and which yet requires a season of rest for recuperation. This season need not be protracted, for it possesses all the natural and many of the acquired means for rapid development. It is a region that was flourishing before the era of railroads, and when the only avenues for its commerce were the rivers, and the imperfect appliances by which they were navigated—the ark, the flatboat, and in more recent times the steamboat.

THE PROSPECTIVE PREMIUM IN GOLD.

At this season, the probabilities as to the gold premium are usually canvassed with more than ordinary interest. The importer is concerned in ascertaining what price he may have to pay for the gold with which he buys his exchange for remittance, and what premium he ought to charge upon the gold cost of his goods. The cotton merchant and the manufacturer are anxious to ascertain how far the price of the new crop is likely to be affected by the gold market. Both exporters and domestic traders are interested in knowing to what extent the whole range of our exportable products may be influenced by fluctuations in gold. The question, therefore, as to the probabilities of the premium for the next three or four months has a very intimate bearing upon the value of the entire aggregate of products destined to change hands during the fall trade.

It must be allowed that, at present, there are influences at work throwing more than usual doubt upon the question as to the course of the premium. We are on the eve of a presidential election of unusually exciting interest. The issues to be discussed during the preparatory canvass are of a fundamental character; and the party acerbity with which the agitation will be conducted must naturally give rise to extreme sentiments, calculated to alarm the timid and to produce, for the time being, a generally unsettled feeling. The politics of the country are, in some respects, undergoing an important transition, and as the changes are made conspicuously apparent by the heated discussion of opposite policies, there will naturally be more or less uneasy forecasting of the influence of the contest upon the future of the nation. The bearing of the election upon the gold premium is the more important from the fact that the adjustment of the finances is a prominent issue. Leading members of both parties have shown an inclination to impose a tax upon the bonds of the government, and to declare the Five-Twenties payable in greenbacks, in opposition to what the bondholders generally conceive to be their rights.

Among those who understand our heated election discus sions these controversies will have little influence. But it remains to be seen how far this prospective agitation may affect the confidence of foreign holders of United States bonds. The financial resolutions of the Democratic Convention have produced little effect as yet upon the foreign bondholders. The London press takes the ground that theyhave already heard much of this kind of talk from politicians, and that the financial resolutions are a mere echo of that sentiment, designed for election effect, but not to be regarded as certainly reflecting the ultimate policy of the party. Should the recent discussions in Congress and the agitation of the question during the presidential canvass modify this impression, a lower price for bonds in Europe might be expected, requiring a corresponding rise in the gold premium unless followed by a fall in the price for bonds on this side.

The more important considerations, however, affecting the premium are those connected with our foreign commerce. We have repeatedly called attention to the fact that, for the last five years, we have been paying for our imports to a material extent by the remittance of bonds to Europe. It is now very generally estimated that nearly one-third of our gold-bearing bonds are held by foreign investors. These securities may be estimated as having realised about $425,000,000 in gold, so that they may be viewed as having compensated for a deficiency in our ordinary exports averaging about $70,000,000 per annum. The interruption or suspension of this form of remittance must clearly be productive of a very important crisis in the import trade of the country. It would hardly seem probable that Europe, under the present circumstances, would be willing to take more than $700,000,000 of our bonds, the amount estimated to be now held there; and the experience of foreign bankers for the last few months proves that the demand is now confined almost entirely to the re-investment of a portion of the interest. It is true that trade in Europe still continues inactive, and that the large accumulations of money in the banks induces an active demand for securities; but it is also to be kept in mind that European governments are at present large borrowers at liberal rates of interest. Without, however, assuming that the foreign demand for our bonds will now cease, it may be quite safely concluded that we have at least reached a point at which there must be a material contraction in that demand. In no other way can we account for the unusually heavy shipments of specie from this port during the current year than from the curtailment of our shipments of securities. From the opening of the year to July 18, we have exported from New York $57,400,000 of specie; which is $7,500,000 above the highest former shipments for that period, and $33,500,000 beyond the average for the last 16 years, as will appear from the following comparison:

EXPORTS OF SPECIE FROM NEW YOR FROM JAN. 1 TO JULY 18.

1868	$57,393,854	1859	$40,833,057
1867	33,774,091	1858	14,736,660
1866	49,779,151	1857	25,677,779
1865	18,446,175	1856	18,475,062
1864	30,612,893	1855	18,863,561
1863	23,637,328	1854	18,122,568
1862	34,891,850	1853	10,997,818
1861	3,254,976	1852	14,411,000
1860	21,106,797		

This immense increase in the specie exports is partially due to a further unfavorable balance existing this year between the imports and exports. That is to say, with the same amount of bonds exported as last year, we should still require some increase in the shipments of gold to adjust our foreign trade balance. From the subjoined statement it will be seen that, for the first four months of the year, there was a decrease of $24,000,000 in the value of United States exports of produce and merchandise, while the falling off in the imports was only $11,400,000.

FOREIGN TRADE OF THE UNITED STATES FOR FIRST FOUR MONTHS OF THE YEAR.

IMPORTS (gold value).

First four months, 1867	$135,964,417
" " 1868	124,529,524
Decrease	$11,434,893

EXPORTS (gold value).

	Prod. & Mds.	Specie.	Total.
First four months, 1867	$137,239,326	$14,741,387	$151,980,713
" " 1868	112,827,433	24,060,065	136,887,498
Increase	....	9,318,678	....
Decrease	24,411,893	....	15,093,215

For the months of May and June the imports at New York are $198,021 less than for the same period of last year, while the exports are $1,764,207 less than then. So that, for the whole expired portion of the year, the exports of produce have been less, in proportion to the imports, than in 1867; but the increase in the exports of specie over last year is immensely in excess of this disparity; the inference being plain that the specie drain is largely due to a decrease in our exports of bonds. Now, if we have reached the point at which our shipments of securities are being materially curtailed, it is evident that to adjust affairs to the loss of this medium of settlement our produce exports must bear a larger ratio to our imports than during late years; a change to be effected either by the diminution of our imports or the increase of our exports. Without such an adjustment, the drain of specie must be continued. It is the fact that no such adjustment is at present in process that constitutes the serious feature of the probabilities as to the future of the gold premium. The foregoing statistics show that while the general trade movement for the first half of the year is somewhat below that of 1867, yet the contraction is much larger on the exports of produce than on the imports; so that up to this point, affairs have been taking a direction opposite to that we have shown to be required by the changed situation. The indications are, both from foreign advices and the current arrivals of goods, that the importations for the fall season will be well up to those of last year. From now up to the close of September, we shall have little produce for shipment; apparently less than at the same period of last year. After that date we shall have a fair cotton crop, which is likely to realise good prices, and probably also a larger surplus of breadstuffs than last year; so that it is reasonable to expect that our exports of these important products will realise a considerably greater value than in 1867. The question to be settled, however is, will this gain be adequate to set off any deficiency of exports between now and October, and any possible increase of imports that may be induced by the promising crop prospects? An answer to this question would go far towards determining the probabilities as to the future gold premium.

THE NORTHAMPTON FORGERIES.

In any country where paper money has ever been issued the resulting speculative excitement has been the hot-bed of prodigality and breach of trust. One of the most surprising features of our inflation era of the past six years is the small number of forgeries, swindles and defalcations which have come to light. During the earlier part of the era scarcely any such cases were discovered, and since they have increased the aggregate has been so few as to inspire us with a high and grateful sense that the moral character of our people will compare favorably with that of any other commercial nation in the world. If resistance under temptation is the touchstone of moral strength and the only proof of loyalty to principle, we might well congratulate ourselves on the result, did not the tone of public feeling seem to be undergoing a change for the worse.

The Springfield *Republican* of the 22d inst. contains the details of one of the very sad events which offer of late but too frequent evidence of this moral deterioration. Captain Sylvester Wright, an enterprising respectable merchant of Northampton, in Massachusetts, is alleged to have been forging his neighbors' signatures to a considerable amount. He was greatly esteemed, and had held several municipal offices of trust. We regret to add that he was a member of one of the leading churches of Northampton, and that this circumstance, together with his blameless moral character, gave him a credit and a standing which he has so outrageously abused. The subjoined details show how the infamous affair was first discovered, and how it finally terminated :

The forgeries extend over a period of three or four years. The first that was suspected was about two months ago, when James Ellsworth, of Northampton, accidentally heard, one of the persons whose name Capt. Wright had forged, state that he had not signed a note for two years, to which Mr. Ellsworth said he thought he was mistaken, as he had a note of $1,500 at home with his name on it. The person addressed at once pronounced any such note a forgery. Mr. Ellsworth, who had $2,200 of Capt. Wright's paper, then made him take it up, and thus escaped a loss. Other parties afterward found out that they held forged paper, when Capt. Wright acknowledged it and appealed to J. P. Williston for assistance, who loaned him $7,000, and was about to loan him $6,000 more, when the whole matter came out. To his few confidential friends Capt. Wright acknowledged he had committed a great crime, and should not shrink from the punishment that he considered his just deserts, if the community chose to proceed against him. He appointed Josephus Crafts, of Northampton, Trustee of his property, and made it all over to him, not even reserving his homestead exemption. Saturday night he came home, ready to take the consequences, but some of his friends advised him to take a different course, furnished him with money and a horse and buggy, and he left for parts unknown that night. His creditors held a meeting last night, and have decided to let Mr. Crafts proceed and settle the estate rather than have it go through the Court of Bankruptcy. Capt. Wright lost nearly his whole property by fire some years ago, his mill at Northampton being entirely destroyed. This greatly crippled his business operations, and hindered him from making much headway for some time, but it was generally supposed that he was now in a more prosperous condition than he had been in for a long time. But the entire confidence bestowed upon him was dangerous.

The liabilities are estimated at about $50,000 and the forged paper at $30,000, the largest amount to any one individual being under $7,000.

This sad case brings to light an amiable but ill timed and very mischievous laxity which prevails whenever a felony is committed by some person well known in society. His friends and associates are all anxious to escape the public odium of seeing their old friend arraigned as a felon and with one consent they conspire to defeat the ends of justice, and to let the "poor unfortunate" criminal go. Now it is clear that if such amiable reasons are sufficient for releasing one criminal, they are equally valid for another. The majesty of law, the sacredness of property, and the paramount claims of public justice over private favor might thus be outraged to the dissolution and disentegration of the body politic.

Another result of this affair should be to inspire us with caution. It has been supposed that our merchants, especially our merchants of the interior, and above all our merchants of New England, were free from certain obliquity of moral sentiment which circumstances had begun to develop in other orders of the community, and especially among the sorely tempted financial classes of our great cities. Brokers and bank officers at Washington, Baltimore, Boston, and New York have fallen victims to the temptation. But other members of the monetary republic are now contributing to swell the sad catalogue of defaulters. What can be done must be done to arrest the rising tide of peculation. Let all men holding in our banks, brokers' firms, and other moneyed institutions, in our merchants, manufacturers, and shipping firms, a position of commanding influence and trust, look carefully into the private expenditures of his juniors. Nine-tenths of the peculation that occurs is begotten by extravagance.

THE GRAIN MARKET AND THE CURRENCY.

Information received from all parts of the United States, as well as Europe, seems to render it certain that the crop of cereals for the current year will be uncommonly large, and breadstuffs and provisions of all kinds will be abundant. Should this be realized, what is to be the price of our great staples when the crops are well secured and ready for market? Should the surplus in this country, over all needed for home consumption be, as is probable, at least equal to 75 million bushels of wheat and 150 million bushels of corn, that quantity of course must find a market abroad. It cannot be held here. It must be exported, and for that purpose it can be worth only the current price in Liverpool, plus expenses of shipment, &c., and that price will govern the value of the entire crop. Should the supply abroad be large, as appears now quite certain, so that the wheat of this country is brought into sharp competition in the markets of Europe with the wheat of Egypt, Poland, and other wheat growing districts, we shall certainly be obliged to sell at much lower prices than have been obtained for several years past, especially for the last year, and our agricultural interest will begin for the first time to feel the full effects of a depreciated currency. Up to this time, owing to the great demand occasioned by the war, and the subsequent short crops abroad, breadstuffs have brought excessive prices, and the West has not only been quite well satisfied with a largely expanded currency, but desirous even of a still greater extension of it. But the tables will be turned when their products are sold at the usual gold prices in Europe, while all the articles they purchase for consumption and use will be held at currency prices. They must lose the difference, and a large difference it will be. So it would be with the cotton growers, if the crop of 1868 were equal to that of 1860.

The experience of the past shows that while the currency of the country does govern the price of all articles made and sold exclusively within the country, it has no effect in determining the value of those products, a surplus of which must be sent abroad.

From tables that have been prepared with great case for a long series of years, it is shown beyond dispute that flour and cotton have not risen and fallen with the expansion and contraction of the currency, as all other articles produced in the country have done.

Flour, for example, in 1846, with a currency of $9 94 per capita, was at $5 06; while in 1851, though the currency had risen to $11 86, an increase of 20 per cent, flour was sold at $4 50, a decline of 10 per cent. Cotton was at 12 cents in 1850, under a currency of $10 39, and at 9 cents in 1854, with a currency of $14 95—a fall of 25 per cent in the price of cotton under an increase of nearly 50 per cent in the quantity of the currency! Nothing seems better established than the fact that our expanded currency has no influence on the price of any commodity a large part of which must find a foreign market, for the obvious reason that in the commerce of the world all values are measured in gold, while all non-exportable articles are governed by the quantity of local currency in use.

Should it turn out, then, that there is throughout the world a large crop of cereals, and that the people of the United States produce some 75 or 100 million bushels of wheat and 100 to 150 million bushels of corn more than required for home consumption, we may predict with great assurance, unless some unlooked for event occurs to interrupt the operation of the natural laws of trade, that breadstuffs must experience a serious decline, and that those engaged in producing them will be convinced that it is not for their advantage to have a currency expanded beyond the natural wants of the country, and will become as clamorous for contraction as they have hitherto been for expansion.

It may be thought by some that the immense volume of currency now in use, some 1,200 millions, will enable speculative operators to hold the crops to such an extent as to control prices if they choose to do so; but if there be the large surplus now expected, it would be quite impossible for them to accomplish the undertaking, since the market must in the end certainly break down, and the actual gold value for export be the established price. But whatever the result may be, those persons who take an interest in the question of the relation of currency to prices (and the number of such is not small at the present day), will regard with deep solicitude the developments of the grain markets for the next twelve months; for it is nearly certain that they will be such as to exhibit in a striking manner the disadvantage those must suffer who produce articles for export under a currency less valuable than that generally used in the commerce of the world.

INFLUENCE OF THE TELEGRAPH ON COMMERCE.

By no class in the community will the reduction of cable charges, which is to take place on and after the 1st of September next, be more highly appreciated than by merchants, while indirectly it is a benefit to every one. After that date a message of ten words, exclusive of the address, date and signature, which are free, will cost only fifteen dollars. This reduces the expense of ocean telegrams to somewhere near the rates of overland dispatches for equal distances; and though a lower tariff may at some future period be adopted, it is nevertheless sufficiently reasonable to bring the privileges of the cable within easy reach of the public. That it will be attended by a largely increased and moreprofitable business can scarcely be doubted. The cable is not worked at present to more than a third of its capacity, and as it is claimed that use improves in place of injures it, there is no reason why the business should not be greatly enlarged; and this may be effected by reducing the rates charged until they are within the means and the wants of the public.

The influence of this cable upon the world is, we think, scarcely appreciated. Speculators are not benefitted by it, and especially is this true as the rates for telegrams gradually come within the control of all. It has, however, diminished the risks of business, equalized prices, regulated the production of commodities and promoted their distribution. As a mercantile agent, therefore, the telegraph system is invaluable, and when the missing links shall have been completed of the great chain that will bring all civilized nations into instantaneous communication with each other, it will also be found to be the most potent of all the means of civilization, and the most effective in breaking down the barriers of evil prejudice and custom that interfere with the universal exchange of commodities.

But as we have already intimated, the most important effect of the telegraphic system is the saving that results to each individual. Through its agency a larger business may be conducted upon a smaller capital than in the old times. A merchant, through its use, may quickly learn of the scarcity of any article in any port of the world, and also the prices of the same goods in the leading markets, and decide on the expediency of engaging in the trade. In the same way, one holding a heavy stock of goods can ascertain at a small cost the condition of the various markets in reference to it, and thus obtain the data for determining the proper course of action to be adopted for bringing his goods to the market. Consequently it is no longer necessary to keep immense supplies of goods on hand in anticipation of the wants of consumers. Through the agency of the telegraph and steam he may obtain in a few weeks the supplies that are needed. Examples of this kind are within the experience of every business man. In case of a sudden turn in the American market for any particular line of French or English goods, orders can be sent by telegraph and a supply obtained by steam within as many days as it formerly required weeks or months to obtain them.

Last fall there were short crops of breadstuffs in Europe under circumstances that would have produced a bread panic in the olden time. But this was obviated in the most natural manner possible. The telegraph was set to work in every direction, and the remotest quarters of the globe reached. To the Baltic, New York, San Francisco, South America, Australia, Egypt, the word flew that the necessities of England and Southern Europe were very great, and orders for the shipment of breadstuffs were sent forward, so that in a very short time two million bushels of wheat were afloat for England. The scarcity, in place of a panic, only produced a proper adjustment in prices, without any of the excitement which in former times would have carried the cost of living to a very high figure, and be attended with immense suffering to the masses. Nearer home, in the winter of 1866–67, a heavy increase in the price of breadstuffs in New York was only prevented by the prompt arrival of supplies from California via the Isthmus. It was the first time that flour had ever been shipped by that expensive route; but the telegraphic information warranted the risk, and the result more than justified the venture.

In the same way the cotton trade was last year saved from some disastrous vicissitudes. English spinners and dealers were impressed with the idea that the supply of cotton would be largely in excess of consumption. As a consequence, prices went down to a figure that rendered its production no longer profitable in the United States, and, on the eve of the planting season, Southern planters prepared to abandon its cultivation. This fact becoming known, and the consumption at the same time increasing, a little panic in the cotton trade set in, prices went up rapidly, so that planters were induced again to raise cotton. Had we been without the cable, the information as to the rise in prices at Liverpool would have reached us too late to have had the same influence on cultivation, and hence we should have raised very little cotton. Other countries, too, within telegraphic communication of Liverpool, were led by the same facts to increase the cultivation of this staple. The benefit thus accruing to each consumer of cotton goods will be felt through the present year.

The influence of the telegraph in equalizing prices is also very marked. There can be scarcely any such thing as wide fluctuations under a condition of affairs that places the markets of the world in momentary communication with each other. A failure of the sugar crop in the South and in Cuba, even with a short supply in this city, would not necessarily cause a very large advance of prices in New York if it could be known by telegraph that supplies could be obtained from India and Europe. To the legitimate trader the facilities of the telegraph reduce risks to a minimum; secures greater certainty of returns on outlay; effects a considerable saving of time, and therefore of money, and renders it possible to transact a larger amount of business with the same capital. All these results are highly advantageous to the masses of consumers and producers everywhere; and hence a reduction in the rates by the Atlantic cable is a good subject for general rejoicing.

A CENTRAL LINE OF NAVIGATION FROM THE OHIO TO THE CHESAPEAKE BAY.

BY R. W. HUGHES, VA.

Cheap transportation is the great necessity of the West. Its products exceed in amount the means at command of cheap outlet to the seaboard. They press constantly upon the avenues of transportation, and millions of Western producers are thus placed under the power of carriers. A system of transportation is needed which shall be free from interruption, and sufficient to carry all the freights promptly and at low charges. The railroads do not furnish this means. Their charges are high, and are put up when the business is most pressing. They are not common highways, but close corporations. Though their rates may be borne for short distances, yet but few of the agricultural and mineral products of the West can bear even their minimum charges over the long distances which intervene between very extensive portions of the far interior and the seaboard. Between certain distances from the Eastern markets, the great bulk of agricultural and mineral products must rely exclusively upon water transportation.

There are now but two routes of continuous navigation by which they can obtain outlet—that by the Northern lakes and that by the Mexican gulf. But these, besides being liable to the casualties of climate (one of them to five months of interruption by ice), are so circuitous, that they require the products of our very extended country to pass beyond its boundaries in seeking their way to its own markets. This tedious circuit, while it is at all times objectionable on the score of time and cost, is most especially so whenever the nation becomes, or is in danger of becoming, involved in hostilities with a maritime power. During the recent war with a domestic power, whose ports were rigidly blockaded, this evil was most sensibly felt, even with reference to the route by the lakes. What might not the evil be in the event of a war with Great Britain?

The great length of these two circuitous lines of water transit, and the non-existence, up to the present time, of any continuous line of navigation directly across the country from the centres of the interior to the centre of the seaboard, have compelled a resort to the policy of substituting railroad transportation over the direct routes. But although the cost of carriage has been much cheapened on these works, they cannot be thrown open to general use and free competition. Meantime water transportation has itself undergone very great improvements, which have had the effect of reducing freights far below any possible minimum at which railroads can afford them. It is now practicable, on lines of unbroken navigation, for the heaviest classes of agricultural and mineral products to be borne, from distances exceeding five thousand miles in the interior, to the seaboard, at charges by no means prohibitory.

Even at present the great bulk of western trade avoids the direct transit across the country afforded by the railroads, and seeks the circuitous and more or less hazardous routes of the lakes and of the gulf on account of cheapness; thus proving, that as water will seek its *lowest* outlet, however great the circuit it may have to pursue, so trade will seek its *cheapest* outlet, however long may be the passage. It is true, that during the recent war, vast quantities of produce went to market over the railroads; but then, the gulf route was closed and the lake route much obstructed. There was also a stronger reason even than this, which found its cause in the high prices resulting from the condition of the currency and the existence of war. The direction which these phenomena gave to the movement of products is thus accounted for by the superintendent of the census in his report under the department of agriculture:

Had it not been for the high premium on gold, the price of wheat in this country, and especially at the West, would have been less than the cost of production; as it is, the advance in gold has served to increase prices in the West much more in proportion than in the Eastern and Middle States. For instance, if a bushel of American wheat sells at $1 25 in London, and the cost of sending it from Iowa is $1, the Iowa farmer, with gold at par, receives only twenty-five cents a bushel for the wheat. Should gold continue at $2 50 (the price at the present writing, 1864), though the wheat still brings only $1 25 per bushel in London, and the cost of sending it there should be $1 per bushel, as before, the Iowa farmer would receive $2 12 per bushel for his wheat instead of twenty-five cents, as would be the case if gold was at par. The wheat is sold for gold, and $1 25 in gold sells for $3 12 in legal money. Deduct $1 as the expense of sending it to London, and we have $2 12 as the price which wheat should bring in Iowa. In other words, the premium on gold increases the price of wheat in Iowa eight-fold.

This statement of the superintendent of the census, though not accurate in its details, even as of the date when it was written, yet serves to suggest the manner in which war prices, in conjunction with a depreciated currency, may operate temporarily to enable the owners of western produce to pay the high expenses of railroad transportation. With the fall of prices to normal rates, and with the gradual decline of the premium on gold, western producers find themselves obliged to desist from the use of railroads for heavy products for long distances, and again to recur to the circuitous navigation of the lakes and of the gulf. No interior water-line of continuous East and West navigation yet exists within the United States.

But if a line of cheap transportation were opened directly eastward from the centres of western production to the centre of the Atlantic seaboard line, it would offer all the advantages of directness, shortness, expedition, and freedom from interruption, which are presented by the central lines of railroad; combined with the indispensable desideratum of cheapness, now only presented by the circuitous routes of gulf and lake navigation. Such a line would be afforded by completing the unfinished portion of the Virginia canal, over the 80 miles of distance between the present terminus at Buchanan, Botetourt Co., Virginia, and the Greenbrier River, in Greenbrier Co., West Virginia. This work would connect steamboat navigation at Richmond with steamboat navigation on the Kanawha, by a canal 277 miles long; whereas the Erie Canal in New York connects steamboat navigation at either end of it by a canal navigation of 363 miles in length.

American genius and enterprise have accomplished many grand achievements for the West; first, the application of steamboat navigation to the Mississippi River and its great tributaries, then the opening of the Erie Canal; then the construction of great lines of railroad over the most difficult passes of the Alleghanies at immense cost. One great achievement remains to be performed. It is the opening of a line of water transportation directly eastward across the shortest passage of the Alleghanies, from the Ohio to the base of the Chesapeake. Railroad transportation is for manufacturers, merchants, speculators and capitalists; water transportation is for the people. A line of navigation, open to general use, accessible to all clas ses, is needed on the shortest route from the interior to the seaboard. That route is presented by the interlapping valleys of the Kanawha and James Rivers in Virginia, connecting the channel of the Ohio and the channel of the James.

Impressed with the great superiority in cheapness, general utility, and popular convenience, of water navigation over railroad transportation, for their increasing products; and naturally desiring a shorter, more central, and more expeditious line of water transit than the present circuitous and extraneous ones by way of the northern lakes and southern gulf, the people of the West are beginning to look to Congress for the provision of such a route. With this object in view, the General Assembly of Iowa, at its last session, unanimously voted an able and earnest memorial on the subject to the national legislature, following it by a resolution "instructing their senators and requiring their representatives in Congress to use their best efforts to obtain such aid from the general government as will secure the early completion" of the Virginia water line.

The memorial concludes as follows:

This is a work of great national importance. Its benefits will be shared directly by more than half the people of this country; and indirectly by all. It is a necessary addition to the improvement of the navigation of the western rivers, without which the benefits of that measure will be but half realized. It is a work to be done by the whole country for the benefit of the whole country. It belongs to the government of the United States.

Nothing need to be given. An advance upon good security, for the return of principal and interest, is all that will be necessary. Not only will this advance be returned in kind with the interest, but the benefits of each year will return the outlay more than five-fold. Instead of increasing our national burthen of taxation it will so increase the means of payment as to greatly lessen it.

To the end, then, of obtaining government aid, there should be a co-operative movement of cities, towns and States. It should be connected with the western river improvements as a part of the same enterprise, and the influence of the great interest to be promoted by it should be concentrated through a convention, and brought to bear upon Congress, to ensure a speedy completion. Keeping it always in mind that every year's delay is a loss of more than five times the amount required for that object.

Resolved, By the General Assembly of the State of Iowa, That the great rivers on our Eastern and Western borders are the natural highways for the trade and commerce of our State, and any measures that will add to their efficiency and importance, as channels of communication will increase the value of all our productions; add to the price of all real property, and contribute to the prosperity of all our people.

2. That the line of water communication between the Valley of the Mississippi and the Atlantic ocean, by way of the Kanawha and James Rivers, through the States of Virginia and West Virginia, is a work of national importance, and one deeply affecting the interest of the grain producing States of the Forthwest.

3. That our Senators in Congress be instructed, and our Representatives requested to use their best efforts to obtain such aid from the General Government, as will secure the early completion of said line of water communication.

4. That a copy of these joint resolutions and the accompanying memorial, be forwarded by the Secretary of the State to the President of the United States, the President of the Senate, and to each of our Senators and Representatives in Congress.

RESULTS EFFECTED BY THE ERIE CANAL. OTHERS EQUALLY GREAT WOULD ATTEND THE OPENING OF THE VIRGINIA CANAL.

Although steamboat navigation on the western waters dates from 1817, the development of the West did not fairly begin until 1825. In October of that year the great Erie Canal was completed. The effect was virtually to give another mouth to the Mississippi River. It opened to market a vast region which otherwise could have presented but limited attractions to emigration. The fact that the lake country, where the rigors of winter are more severe, and the climatic disadvantages imposed upon agriculture greater, than in any part of the Union, has undergone a more rapid development than any other, is due in chief part to the Erie canal. This work brought that great region within readier and cheaper reach of market than any other portion of the West. The long and tortuous channel of the Mississippi, the circuitous navigation of the gulf, and the heating, sweating and moulding effect of the semi-tropical and moist southern climate upon many products of agriculture, presented objections to the gulf transit, which rendered the lake route preferable to it, even for the trade of localities where the advantage of distance was less considerable. The falls of the Niagara, and rapids of the St. Lawrence River were turned by the canal, which completed a line of unbroken navigation from the farthest of the great lakes to tide-water at Albany. On the completion of the Erie several canals in the North-West were immediately projected and were soon completed, connecting the lakes with the Ohio River on the south and the Mississippi River on the west. These, in later years, were followed by railroads laid down in the same directions, forming portages between the navigation of the great rivers and that of the lakes. But all these canals and railroads pointed to the Erie canal as the common debouche. These works were all in the first instance constructed as feeders to the Erie canal, which was the parent work and grand trunk line of the whole system. After the system of works, of which the Erie canal was the base, had stimulated an unprecedented development of populatian and production in the West, it was found incapable of discharging the vast trade which it had created; and then it became necessary to enlarge its capacity, and to construct as many auxiliary works as possible, parallel with it. Hence the Welland and St. Lawrence canals, and hence the Grand Trunk Railroad in Canada, and the New York Erie, the Pennsylvania Central, and the Baltimore and Ohio railroads, within the United States. But it may be said with perfect truth, that if there had been no Erie canal, the stupendous agricultural development which has been witnessed in the west would not have taken place, and that these great auxiliary works would not have become necessary until after a much greater lapse of time.

The following table shows the effect of the canal upon the growth of imports, exports and population in the city of New York, in contrast with the same growth in Philadelphia where the influence of the trade of the canal was only partial and indirect :

Year.	Tolls Amount collected.	Tons. Total movement East & West.	Value of imports at the ports of— New York.	Philadelphia.	Value of exports from the ports of— New York.	Philadelphia.	Pop'lat'n of— New York.	Philadelphia.
1820...	$5,244	......	$........	$........	$11,769,511	$5,743,549	123,706	137,097
1830...	1,056,922	......	38,556,064	9,525,893	17,666,624	4,291,793	203,007	188,961
1840...	1,775,747	1,417,046	60,064,942	8,464,882	32,408,689	6,820,145	312,712	258,832
1850...	3,273,899	3,076,617	116,667,553	12,065,834	47,580,257	4,501,606	515,394	409,353

The power of a direct canal running west and east to attract trade to itself is exhibited in the operations of the Erie canal. "There are now seven great railway lines competing with this work, besides the canals of the St. Lawrence. They are the Baltimore and Ohio, the Pennsylvania Central, the Atlantic and Great Western, the Philadelphia and Erie, the Erie, and the New York Central railroads, in the United States, and the Grand Trunk railroad in Canada. Yet these great railways do not (computing with theirs all the trade which goes to Montreal, Ogdensburg and Cape Vincent by lake), secure more than fifty per cent of the total eastward movement of all classes of freight from the west to the seaboard markets." [Annual Statement of Trade and Commerce of Buffalo for 1865.]

It is a peculiarity of railroads that they stimulate a greater production in the country within their reach than they can transport. Their capacity for transportation falls behind the demands upon it, resulting from the stimulus which they impart to production. This is particularly the case where the roads are of great length, and penetrate into fertile regions of country. The construction of railroads does not relieve the pressure of produce upon the means of transit, but on the contrary, aggravates the pressure.

The opening of another and shorter canal eastward to the seaboard, over a line exempt from the long suspensions enforced further north by winter ice, would produce a similar development of trade on the more southern line; and some future statistician will be able to write of the Virginia canal, as the superintendent of the census has written of the Erie:

"The opening of this work was the announcement of a new era in the internal grain trade of the United States. To the pioneer, the agriculturist, and the merchant, the grand avenue developed a new world. From that period do we date the rise and progress of the northwest, as well as the development of the internal grain trade."

INADEQUACY OF ALL EXISTING OUTLETS FOR TRANSPORTING THE INCREASING TRADE OF THE WEST.

Remarking upon the subject of transportation for Western trade, the Superintendent of the Census says:

"It is feared by many in New York that the construction of a ship canal to the St. Lawrence River would damage the canal interests of the State by diverting a large portion of the grain trade of the lakes from the Erie Canal; but when it is considered that the production of grain in the northwestern States increased from 218,463,588 bushels in 1840 to 642,120,866 bushels in 1860, and that of the eight food-producing States west of the lakes, embracing an area of 262,549,000 acres, only about 52,000,000 acres were under cultivation in 1860, and that 26,000,000 acres of that have been broken since 1850, no fears need be entertained that any of the outlets to the ocean will be unoccupied to the extent of their capacity. The only fear is, that we will not keep pace with the increased production by the provision of increased facilities of transportation."

Sir Morton Peto, in his interesting and very clever work on the "Resources and Prospects of America," makes the following truthful observations:

"How far is the amount of tonnage employed in inland intercourse in America adequate to the wants of the country? In considering this point we have to regard the very great lengths over which traffic has to be carried; and looking at those distances, no reasonable doubt can be entertained that the inland navigation of America is very inadequate to the wants of the people. It has not, in fact, kept pace with the population and progress of the country; and, if it were not for the railroads, the great producing districts of the United States would be at a stand still for want of means of transport for their produce. There is a period of the year when the canals are frozen up. The whole task of conveyance then falls upon the railways, and the consequence is, not only an immediate rise in their rates, but absolute inability to conduct the traffic. The results are often most disastrous. In one case 40,000 barrels of flour were detained at Toledo (nearly half way between Chicago and New York) for several months, in consequence of want of carriage. A vast mass of produce is yearly destroyed from the inability of the carriers to forward it. The owners are ruined, and parties in the Eastern States who advance money on this produce charge excessive rates to cover the risks of delay. The grain producers of the Western States are quite unable to find sufficient means of conveyance for their products, because the railroads from west to east are choked with traffic. The existing railroad requirements of the West are, in fact, insufficient. At present, because they cannot carry the produce, the whole traffic of the country is subject to two gigantic evils, arising, first, from uncertainty of conveyance; and second, from uncertainty of charge. The present railways are quite insufficient for the growing traffic. The lines of communication from the West by canal, &c., which existed previously to railways, have not been affected by their construction. The produce of the Western States has, in fact, increased faster than the means of transport, and additional facilities for the conveyance of goods are urgently required. It is of the utmost importance to the development of the West that no time should be lost in making this additional provision. An inadequate railroad provision, and a corresponding uncertainty as to conveyance and delivery of freights, must have the effect of checking production in the West, and consequently of checking capital of the East from seeking employment in the West. Railway facilities are now the measure of the prosperity of the country.

Now what is the effect of this inadequacy of transportation? The producer, the merchant, the railway company and the consumer, are all directly injured; but the indirect injury extends far beyond those interests. The whole produce of the West, and, consequently, the entire cultivation of America, is affected. If the produce cannot be carried, it can only find local markets. If it only finds local markets, prices must abate. If prices abate, the stimulus to the cultivation of land is lost. If the land is not required for cultivation, in the same proportion it necessarily diminishes in value. The prosperity of the West, the value of its produce, the value of its land, and the extent of land cultivated—all depend, therefore, upon increased facilities for the conveyance of produce, and those facilities, canals and railroads, must afford. The American public ought never to be satisfied until they are able to calculate on fixed moderate prices for freight, and fixed periods for its delivery. The future of the West depends upon ample means of communication with the East; and the success of its means of communication with the East is expressed in a few words: "Prompt and economical delivery—in a fixed time and at a fixed price.'"

Nothing could be more true than these remarks. The talk of competition between railroads and canals, between one water line and another, or one railroad line and another, is wholly out of place. When there is more than enough trade for all, it is useless to consider the subject of competing interests.

A direct unbroken line of water transportation is urgently needed for the teeming products of the West. The necessity for it is becoming more and more imperious every year. How vast is the country producing tonnage, how wonderfully prolific is its production, how marvelously rapid its increase!

VAST EXTENT OF COUNTRY TO BE DRAINED.

The portion of the Mississippi valley and lake country interested in the opening of a direct line of transportation extending the navigation of the Ohio and Mississippi to the base of Chesapeake Bay, is composed of the following States and Territories, whose area and population, taken chiefly from the census of 1860, are attached:

	Sq. miles.	Population.		Sq. miles.	Population.
West Virginia.	24,000	376,688	Minnesota.....	83,531	172,023
Kentucky.....	37,680	1,155,688	Iowa..........	55,000	674,913
Tennessee	45,000	826,782	Missouri.......	64,039	1,182,012
Arkansas	52,198	435,450	Kansas........	83,000	107,206
Ohio..........	39,964	2,339,511	Nebraska.....	70,000	28 841
Indiana.......	33,809	1,350,428	Dakota.	220,000 (1865)	4,837
Illinois.......	55,409	1,711,951	Montana	150,000 (1865)	20,000
Michigan......	56,243	769 113	Colorado......	104,000	34,277
Wisconsin.....	53,924	775,881			
Total...				1,228,795	11,945,597

In the same geographical relations to trade and its markets, though not belonging to the same political jurisdiction, is another extensive region lying above our natural boundary line. The Red River of the North, and the Sascatchawan, in Northwest British America, traverse a territory in the heart of the continent, five hundred thousand square miles in extent, and capable of sustaining a population of thirty millions. "In the valleys of the Sascatchawan and Assiniboin," Professor Hand estimates that "there are eleven millions of acres of arable land of the first quality." Of this region about one-half is prairie and one-half is wood land; it is the only extensive prairie country open to the Canadas east of the Rocky Mountains; it is destined to be the Illinois or Iowa of British America. This is no inhospitable desert repugnant to the increase of the human race. Here is "a vast wedge-shaped tract of country, extending from 47 degrees to 60 degrees of northern latitude, 10 degrees of longitude, deep at the base, containing 500,000 square miles of habitable land subject to few and inconsiderable variations in climate. The summer at Buffalo is about ninety-five days, and it is ninety days at Cumberland House on the Sascatchawan, on 54 degrees north. The annual mean temperature is only 8 degrees lower than Toronto, with 17 inches more of rain and 33 inches less of snow than Toronto. Herds of buffalo winter on the wood land as far north as 60 degrees parallel. Corn grows on both sides of the Sascatchawan; wheat sown in the Red River valley in May is gathered in by the end of August.

The lake and river system of this region are almost as wonderful as our own: Lake Winnepeg having an area equal to that of Lake Ontario, and Lake Manitobah nearly half that of Winnepeg. The distance from a given point on the westerly end of Lake Superior to the navigable waters of Frazier's River in British Columbia, will not exceed 2,000 miles, about twice the distance between Boston and Chicago. The westerly end of Lake Superior is on the parallel of about 46 degrees, which passes from the heart of Germany through the British channel, across the Gulf of St. Lawrence, Lake Superior, Vancouver's Island and the rich and populous Archipelago of Japan.

The climate of Edmonton is milder in winter than at St. Paul. The Sascatchawan is clear of ice in the spring as soon as the Mississippi is between St. Anthony and Galena. Steamboat navigation, now established on the Red River of the North to Fort Gerry, by Americans, can readily be extended through Lake Winnepeg and up the Sascatchawan, to Fort Edmonton, the supposed eastern limit to the new gold district. This territory has now a population of about ten thousand. The valley of the Red River of the North will make one of the finest of wheat-growing countries, the yield being forty to sixty bushels to the acre. One hundred miles east of the Rocky Mountains, on the Sascatchawan, is an immense coal field, stretching away towards the Arctic Ocean.

The trade of all this region, equal in area to ten States of the size of New York, will, from necessity, seek an outlet by the Mississippi, or Lake Superior, or the Virginia water-line. The discovery of gold will ensure its early settlement.

ITS PROBABLE POPULATION.

Here is a great region within and bordering upon the United States, embracing 1,750,000 squares miles of territory, becoming rapidly populated, whose trade is to be brought to the seaboard. The population of the portion of it which lies within the United States has greatly increased since the census of 1860, and will continue to increase until this expanded region, one of the most fertile in the world, shall contain inhabitants approximating in numbers, per square mile, the populations of other districts of the earth no more fertile. As indicating the actual density of population in other quarters of the globe, the following table is given:

NUMBER OF INHABITANTS TO THE SQUARE MILE.

Belgium	397	Prussia	159
Saxony	353	Bavaria	156
England and Wales	307	Austria	142
Netherlands	250	Hanover	123
Sardinia	225	Denmark	114
Wurtemburg	210	Scotland	92
Ireland	205	Sweden	21
German States	199	Norway	13
France	176		

Few, if any, of these European States are more fertile than the valleys of the Mississippi and the lakes; many of them are far less fertile. It is, therefore, quite reasonable to assume that within another century the population of this region will average one hundred persons to the square mile, and will reach the imposing aggregate of one hundred and seventy-five millions of inhabitants.

The State of Illinois gained, between 1850 and 1860, one hundred per cent of population. To show how much room is open for an increase of population, one of the densest portions of the population of the west, that embracing the States of Indiana, Illinois, Michigan, Wisconsin, Iowa and Minnesota numbered, in 1860, only sixteen persons to the square mile. The increase of population in the entire Union during each of the last decades was 35½ per cent. At a rate of increase for the west, equal to only 33 per cent (it will be more than 50), the population of the seventeen States and Territories of the west that have been named, will be one hundred and twenty millions by 1940. But the increase will be much more rapid. There are persons now born who will live to see it reach more than that number.

But confining our attention to the affairs of the present time, it is important to know what amount of tonnage is now produced in the States and Territories under consideration; what portion of this production is necessary for consumption, and what part might be spared for market; whether all that might be spared does or does not actually go to market, and if it does not go, whether the failure is due or not to inadequate facilities of transport, and too great a cost of carriage.

ITS PRODUCTION IN TONS.

In 1860, the production of that portion of the West embraced in the seventeen States and Territories entering into the questions under discussion, was as follows:

Wheat	bush.	111,119,374	equal to	3,367,700	tons.
Corn	"	527,893,527	"	15,996,775	"
Rye	"	5,568,461	"	167,529	"
Oats	"	71,962,329	"	1,151,397	"
Barley	"	5,210,770	"	226,127	"
Buckwheat	"	4,286,566			
Beans and peas	"	1,648,558			
Irish potatoes	"	39,016,910	"	1,285,810	"
Sweet potatoes	"	4,981,759			
Clover seed	"	408,423			
Grass seed	"	546,170			
Flax seed	"	337,818			
Butter	lbs.	183,624,188	"	91,817	"
Cheese	"	28,575,213	"	14,287	"
Wool	"	28,267,123	"	14,133	"
Flax	"	2,130,823	"	1,056	"
Tobacco	"	222,329,886	"	111,165	"
Hops	"	272,892	"	136	"
Maple sugar	"	12,164,546	"	6,082	"
Honey	"	10,857,944	"	5,428	"
Beeswax	"	476,989	"	236	"
Hay	tons.			7,405,376	
Hemp	"			68,902	
Coal	"			1,928,466	
Pig iron	"			163,266	
Copper	"			7,422	
Orchard produce	value.	$7,481,517			
Market garden produce	"	3,695,696			
Home manufactures	"	9,774,577			
Slaughtered animals	"	99,837,933	equal to	713,123	tons.
Lead	"	915,481	"	4,577	"
Salt	"	3,620,418	"	250,000	"
Fisheries	"	351,479	"	5,859	"
Lumber	"	35,429,729	"	5,250	"
Wine	galls.	975,254			
Maple molasses	"	1,108,772			
Sorghum molasses	"	5,620,675			
Grand total				32,991,433	tons.

Here is a grand aggregate of thirty-three millions of tonnage. It is difficult to determine what amount of this total could be spared from consumption and sent to market. Some statisticians contend that a community occupying so fertile a country, and so situated as that of the Great West, can easily spare for market an amount of tonnage equal to three-fifths of the total production, which, in the case of the West and its production in 1860, would be twenty millions of tons. This estimate does not seem excessive when we find from the foregoing statement that if we deduct for home consumption a tonnage equivalent to that of all the oats all the hay (besides every other sort of fodder), all the butter and cheese and orchard and garden produce, all home manufactures, all the wine, molasses, fish, clover and grass seeds, hops, maple sugar, honey and bees-wax, all the wool, flax and hemp, all the coal and pig iron, three-fourths of all slaughtered animals, and of the Irish and sweet potatoes, peas and beans, five pounds of tobacco for each inhabitant, and six bushels of wheat to every man, woman and child of the population, there would still be eighteen millions of tons left to be sent to market, besides what live stock might go off on the hoof, by rail, or by boat. Such was the amount of tonnage which the West would seem to have been competent to send to the seaboard in 1860, if the facilities at hand for carrying it to market had been adequate in capacity to the herculean task, and if the rates of charge had been low enough to leave a profit to the producer.

WHY DID NOT THIS TONNAGE COME TO MARKET?

Bnt these facilities were not adequate in capacity, nor were the charges of transit sufficiently low to permit so vast an eastward movement of tonnage. In a comparative sense, the actual movement of tonnage as late as 1862, while the stimulus of war prices was active in bringing it forward, was very meagre.

"In 1862," says the report of the Board of Trade and Commerce of Buffalo, 1865, "the surplus products of the West sent eastward (through trade) to the tide water markets, including products of wood, agriculture, animals, manufactures, and miscellaneous commodities, was 5,176,499 tons. This includes the eastward movement of through freight over the four great roads of the United States, and the Grand Trunk and Northern railways, and the total exports from Buffalo and Oswego by canal. If the way freights received at the western terminal points of all these railways, and delivered in the interior, be added to the through freight, it is estimated that the total number of tons moved out of the West during that year exceeded 5,500,000. Of the eastward movement in 1862, 2,080,656 were sent from Buffalo, and 638,419 tons from Oswego, making nearly 50 per cent of the total movement by the New York canals, and the remaining portion by the five through lines of railroad."

Thus it seems that the great public works of the country already in operation did not attract from their places of production nor transport one-third of the products which the West could actually have spared. If the whole exportable production had offered itself for transit, it could not have been carried; and it did not offer itself, because the cost of carriage on a vast proportion of the exportable products was not low enough to tempt them forward.

PROBABLE INCREASE OF THIS TONNAGE.

Now, while the number and capacity of these works have been very slightly augmented, production in the West has grown apace. That this production grows at about an equal rate with the population, is shown by the following table for the country embracing Ohio, Indiana, Illinois, Missouri, Iowa, Minnesota, Wisconsin, and Michigan.

	Population.	Cereal Product.
1840...........................	3,840,542	165,698,832 bushels.
1850...........................	5,403,595	310 050,295 "
1860...........................	8,855,932	556,801,897 "

The decennial increase in the States, both of population and cereal production, exceeded 65 per cent. The actual exportation of the West in 1862 slightly exceeded five millions of tons. Distinguishing actual from possible exportation, the actual movement from the West, if it shall increase at equal pace with the population, will by 1880 become fifteen millions. How will this certain amount of exportable tonnage find exit? Unless the bulk of it go down the Mississippi, it will be unable to reach the seaboard without a great increase in the number and capacity of our public works. Even on the basis of actual exportations, a direct canal across the shortest passage of the Alleghanies to the seaboard is evidently necessary.

But, by 1880, the exportation will be far more than fifteen millions of tons, provided means are provided for carrying away the produce. In 1860, when the population was twelve millions, the West could have exported eighteen millions of tons. In the absence of facilities of cheap transportation, it actually did export less than five millions of tons. There was a difference of 250 per cent between the actual and possible exportation. At present the western population has reached eighteen millions, and it is capable of exporting fully twenty-five millions of tons of produce, if avenues of transportation were accessible, and if freights were cheap. To bring out this trade a short line of cheap navigation is necessary. Another canal on the most direct central route, with the attendant railroads that would spring up near its margin, is indispensable to the accommodation and development of Western trade.

COMPARATIVE VALUE AND CAPACITY OF CANALS AND RAILROADS.

Much has been said of the comparative merits of canals and railroads. When the discussion loses sight of distance and circumstances, it leads to no sound conclusion. The chief exports of the West are the bulky products of the farm, forest, and mine, and it is generally true that beyond certain distances, these commodities cannot afford the cost of railroad transportation. For instance, if a cent and a half a ton per mile (which is much below the average charge) be assumed as the lowest price at which railroads can profitably transport tonnage, and if the specie price of wheat in the market be $1 50 per bushel, or $49 50 per ton of 33 bushels, and if the cost of growing wheat be 60 cents per bushel, or $19 80 per ton, so that the margin between cost and market value is 90 cents per bushel, or $29 70 per ton, then, making no allowance for expenses of handling, storage, commissions and the like, it is clear that wheat cannot go farther than 1,980 miles by railway without the cost of carriage trenching upon cost of producing.

Price per ton in market	$49 50
Cost per ton of growing the crop	19 80
Margin for expenses of carriage	$29 70

Equal, at 1½ cents per ton per mile, to 1,980 miles.

But, as the cost of production varies in different localities, and even on different farms, and as the price in market varies almost weekly, it would not be proper to conclude either that railroads can invariably carry wheat as far as 1,980 miles, or that this is the distance beyond which wheat can never be transported in any season, under any state of the markets, between any points. It is generally true that in a region so remote from the seaboard as vast portions of the West, water transportation is essential to the purposes of farmers, lumbermen, and miners of bulky minerals, while railroads suit best the uses of manufacturers, merchants, and speculators. Both methods of transportation are necessary, each for its appropriate sort of trade, and, so far from their being antagonistic, they are mutually assistant and beneficial. Cheap navigation developes production in the first instance, and then commerce and art demand the assistance of railroads for their more rapid operations.

The respective distances for which canals, railroads, and ordinary highways command trade is approximately exhibited by the following table. It takes no account of charges other than for freight, and is made out for wheat at $1 50 per bushel, or $49 50 per ton, and corn 75 cents per bushel, or $24 75 per ton of 33 bushels. It assumes the cost of carriage at five mills per ton per mile on canals, fifteen mills on railroads, and fifteen cents on ordinary highways.

STATEMENT showing the value of a ton of wheat and one of corn at given distances from market, as affected by cost of transportation respectively by canal, by railroad, and over the ordinary highway.

	Canal Carriage		Railway Carriage		Com. R'd Car.	
	Wheat.	Corn.	Wheat.	Corn.	Wheat.	Corn.
Value at market............	49.50	24.75	49.50	24.75	49.50	24.75
do 10 miles from market..	49.45	24.70	49.35	24.60	48.00	23.25
do 20 do do	49.40	24.65	49.20	24.45	46.50	21.75
do 30 do do	49.35	24.60	49.05	24.30	45.00	20 25
do 40 do do	49.30	24.55	48.90	24.15	43.50	18.75
do 50 do do	49.25	24.50	48.75	24.00	42.00	17.25
do 60 do do	49.20	24.45	48.60	23.85	40.50	15.75
do 70 do do	49.15	24.40	48.45	23.70	39.00	14.25
do 80 do do	49 10	24.35	48 30	23.55	37.50	14.75
do 90 do do	48.05	24 30	48.15	23.40	36.00	11.25
do 100 do do	48.00	24.25	48 00	23.25	34.50	9.75
do 110 do do	47.95	24.20	47.85	23.10	33.00	8.25
do 120 do do	47 90	24 15	47.70	22.95	31.50	6.75
do 130 do do	47 85	24 10	47.55	22.80	30.00	5.25
do 140 do do	47.80	24.05	47.40	22.65	28.50	3.75
do 150 do do	47.75	24.00	47.25	22.50	27.00	2.25
do 160 do do	47.70	23.95	47.10	22.35	25.50	.75
do 170 do do	47.65	23.90	46.95	22.20	24 00	
do 320 do do	46 90	23 20	44.70	19.95	1.50	
do 330 do do	46 85	23.15	44.55	19.80		
do 340 do do	46.80	23.10	44.40	19.65		
do 350 do do	46.75	23.05	44.25	19.50		
do 1000 do do	44.50	19.75	34.50	9.75		
do 1650 do do	41.25	16.50	24.75			
do 1980 do do	39 60	14.85	19.80			
do 3300 do do	33.00	8.25				
do 4950 do do	24.75					
do 5940 do do	19.80					
do 9900 do do						

The table is merely theoretical. Of course the charges on produce, other than for carriage proper, would materially curtail the distances indicated by it. The exhibit is valuable, however, as showing by contrast for how much greater distances navigation commands trade than overland methods of transit. At 330 miles the cost of carriage on common roads consumes the whole value of wheat, leaving nothing at all for the farmer. At 1,980 miles the freight on railroads leaves but 60 cents per bushel ($19 80 per ton) for the grower; and at 3,300 miles sweeps off the total value. But on canals the cost of carriage does not trench upon the cost for production (of 60 cents per bushel) until the wheat has been carried 5,940 miles; nor is the value wholly exhausted within a distance of 9,900 miles.

Thus the question involved in this comparison is very far from being one of mere percentage. The railroad charges become prohibitory within actual practical distances from the seaboard, and it then becomes a question with the interior producer between water transportation and no transportation at all. If no cheap navigation is available, the crops of the far interior must rot in the fields, and the minerals must remain indefinitely emboweled in the earth.

It is very far from being the fact, therefore, that, in a country of such vast extent as ours, railroads have superseded, or can supersede, canals. In a small island like Great Britain they may do so, but not on this spacious continent. Here canals have not ceased, and they cannot cease, to be of essential importance to the great producing classes of the far interior.

GROWTH OF THE WESTERN GRAIN TRADE—ITS EFFECT UPON OUR FOREIGN EXPORTS OF BREADSTUFFS—NATURAL PREFERENCE OF THIS TRADE AMONG LINES OF OUTLET TO THE SEABOARD.

Forty years ago the surplus products of Ohio had accumulated beyond the means of transport, and wheat sold in the interior at 37 cents per bushel, and Indian corn at 10 cents. Then the Erie Canal was opened, and soon after the Ohio canals, and prices were raised more than 50 per cent. Now that the means of transport have been increased, the price of flour at Cincinnati is nearly double the price in 1826, the price of Indian corn is four times, and the price of pork three times as great. On the other hand, the prices of grain and meat on the seaboard have not been reduced in the least. It is therefore evident that the bulk of the grain obtained by the increased facility of transport has gone to the producer.

Not only has the transport of produce been cheapened, but also the cost of the transport of every article of manufacture required by the producer. Machinery and articles of foreign growth have been supplied him at almost seaboard prices. Sugar and coffee were no dearer at Cincinnati in 1860 than in 1835, although the population of the Western States in that interval had increased in enormous proportions.

Prior to the opening of the Erie Canal the only outlet to the ocean from the northwestern territory was by the river Mississippi. During the progress of the Erie Canal it was predicted that "it would never pay," for that the trade would follow the rivers, and was not likely to be diverted across the continent. It has turned out, however, that the artificial channels of trade, the canals and railroads, have completely diverted the course of the traffic as to a very large section of the West. There are various causes for this. The principal, no doubt, is the increase of the grain consuming population in the States of the Atlantic. Other causes are to be found in the uncertainty of river navigation during the summer months, the greater speed and security of transport by railway, the superior advantages of New York to New Orleans as a place of trade; and the greater risk of damage to grain and flour by "heating" in the southern latitudes of the gulf of Mexico. Thus it results that New Orleans has not become a leading shipping port for grain, although her trade in cotton, sugar and tobacco has largely increased.

Much has also been due to the energy of the north; and the graphically expressed complaint of Prof. De Bow was well grounded when he declared, thas "the bold, vigorous and sustained effort of the north has succeeded in reversing the very law of nature's God, rolled back the tide of the Mississippi and its ten thousand tributary streams, until their mouths, practically and commercially, are more at New York than New Orleans."

The first shipments of grain on the lakes, of which there is any record, was made in the year 1836, when the brig John H. McKenzie shipped at Grand Haven, Michigan, 3,000 bushels of wheat for the port of Buffalo.

The first shipment of grain from Chicago, consisting of 78 bushels of wheat in 39 sacks, was made in 1838. The first shipments from the State of Wisconsin were made three years later, in 1841. These shipments consisted of about 4,000 bushels of wheat purchased at Milwaukee on Canadian account.

In 1848 the Illinois and Michigan Canal was completed, opening up another great field of cultivation in the State of Illinois. In 1849 the era of railroad communication was inaugurated by the opening of the Chicago and Galena Union Railroad, traversing a widely cultivated district. This line of railroad led to a great and rapid development of the country which it traversed. In 1863 nearly eleven and a half million bushels of grain were carried over this line. These large shipments of grain to the seaboard soon began to excite an export movement.

The growth of the grain trade of the lakes is illustrated by the following table of

SHIPMENTS EASTWARD FROM MICHIGAN PORTS.

Year.	Bushels.	Year.	Bushels.
1858	27,879,298	1861	69,4 9,113
1859	25,829,758	1862	78,214,675
1860	48,211,448	1863	74,710,664

Such a record of progress is probably unparalleled. The production of grain in the Northwestern States is estimated to have increased from 218,463,583 bushels in 1840 to 642,120,366 in bushels 1860.

Thus the opening of the Erie Canal in 1825, which placed the Hudson River in communication with Lake Erie, inaugurated a new era in the trade of the United States. The shores of the great lakes were brought by this line of communication into connection with the Atlantic by a navigable water-course through the entire State of New York. This grand avenue did, indeed, "develop a new world to the pioneer, the agriculturist and the merchant."

The following official table shows the ratio of increase in the value of the grain exported from the United States, for a period of 40 years:

Years.	Aggregate value of exports of grain.	Per centage of increase.
1823 to 1833	$57,842,211	....
1833 to 1843	73,303,440	8 0
1843 to 1853	198,594,871	170.9
1853 to 1863	512,380,514	158.0

EUROPE BEGINS TO RELY CHIEFLY ON AMERICA FOR GRAIN.

The repeal of the corn laws of Great Britain in 1846 gave the greatest encouragement to the exportation of American grain. During the years 1862 and 1863 the total exports of grain, flour, and meal from the United States were of greater value, in either year, than the aggregate value of the whole grain trade of the Union for the ten years from 1833 to 1843.

Year.	Bushels.	Value.
1862	76,809,425	$83,692,812
1863	77,396,082	88,597,064

The years during which this very great supply of food was exported were, it should be remembered, years of civil war. Of the total amount of the exports, nearly two-thirds were shipped to Great Britain and Ireland. The proportion sent there is represented as follows:

Year.	Bushels.	Value.
1862	34,102,785	$47,916,266
1863	47,082,026	56,059,860

The supply of wheat from the United States to England and Ireland during the years 1861, '62 and '63, was estimated to amount to 37½ per cent of their whole import. Of the imports of flour into Great Britain, 58.3 per cent were from the United States.

It has been estimated by the *MarkLane Express*, a paper of authority on agricultural matters, that the average consumption of wheat in Great Britain is six bushels per head per annum; and as the population amounts in round numbers to thirty millions, this gives a total annual consumption of 180,000,000 bushels, and indicates the importance of Great Britain as a customer of our Western States. The exportations of wheat from eastern Europe to its western populations having reached their maximum magnitude, and being henceforth destined to decline, while the western European poplations are steadily increasing; the dependence of the latter upon American grain is becoming more and more absolute, and the Mississippi valley is becoming more and more emphatically "the granary of Europe." The rapid growth of our foreign exportations of grain will require, more and more imperatively, the opening of a direct water-line of navigation from the central West to the seaboard over the shortest possible line.

Western exportations are even at present much restricted on account of insufficient facilities of cheap transportation; and this restriction directly affects the foreign produce exportations of the Union. Since the great loss which the export trade of the United States has sustained from the decline of Southern production, it has become doubly important to the national prosperity that its exports of Western produce should be increasd by every possible means. The nation must look chiefly to the free labor of the West for compensation for the sacrifices it has incurred by emancition. That is the only source from which compensation can come in the form of exportations. These can be indefinitely enhanced by multiplying the channels of cheap transportation from the interior to the seaboard; and, of all such channels which can be possibly devised, none offers so many advantages as the Virginia water-line.

CHEAP TRANSPORTATION MAKES WESTERN TRADE PREFER THE WATER OUTLETS.

Notwithstanding the strong tendency of Western produce to seek markets by direct eastward routes, it is still diverted to the circuitous northern or southern water lines by the cheapness of water transportation, and dearness of railroad carriage. This strong tendency of trade to pursue the shortest route eastward to market, has for forty years given the lake and Erie route a great advantage over that by way of New Orleans. These two routes are subject to equivalent disadvantages; that by way of New Orleans to the damaging effect of excessive heat during the summer months upon produce; and that by way of the lakes to obstruction by ice in the winter. These disadvantages being nearly equivalent, the northern route secures more trade by reason of its being much shorter. If the direct railroads were liable to five months of obstruction in their operations, they would fail to secure any considerable proportion of through trade, and would be unable to carry through produce at prices which it could afford to pay.

WESTERN TRADE PREFERS THE SHORTER NORTHERN WATER OUTLET TO THE LONGER SOUTHERN ONE.

The advantage which its comparative shortness gives to the lake route, over that of the gulf, is exhibited by the statistics of the eastward movement of produce from the West; some of which are now given.

Andrews report on "Colonial and Lake Trade," gives the eastward movement of tonnage in 1851 as follows:

	Tons.	Value.
By New York canals	1,977,151	$53,727,508
By New York railroads	228,107	11,405,350
By St. Lawrence River	829,631	9,153,589
By Mississippi River	1,292,670	108,051,708

It seems that more tons went by the canals; but more value by the Mississippi; owing to the difference in price between farm produce and cotton.

The same authority gives a table of the value of property received at the seaboard by way of the Hudson and by way of the Mississippi, for the ten years ending with 1851. The totals for the ten years were as follows:

By way of the Hudson..	$484,924,474
By way of the Mississippi..	857,658,164

Here, too, although the value of the movement by the Mississippi was 85 per cent greater, the avoirdupois tonnage was but half that which went out by the canals.

The following were the shipments (not receipts) of flour, wheat and corn from Chicago eastward in the years designated:

SHIPMENTS FROM CHICAGO.

	Wheat & flour, bush.	Corn, bush.		Wheat & flour, bush.	Corn, bus.
1856....	9,419,365	11,129,668	1859	10,759,359	4,217 654
1857....	10,783,292	6,814,615	1860	15,892,857	13,700,118
1858....	10,909,243	7,498,212			

The shipments from Milwaukie and other lake ports, eastward, were proportionally large. Contrast with the shipments from Chicago alone, as above stated, the following table of shipments from New Orleans during the same period:

SHIPMENTS FROM NEW ORLEANS.

	Flour, bbls.	Wheat, bush.	Corn, bush.
1856..............................	251,501	1,096,783	2,941,711
1857..............................	428,436	1,858,480	1,084,402
1858..............................	474,906	596,442	1,134,147
1859..............................	133,193	107,031	111,522
1860..............................	80,541	2,189	224,382

The foregoing tables show not only how small a proportion of Western grain and flour sought a market by way of the channel of the lower Mississippi and New Orleans, but that this proportion was yearly and rapidly diminishing before the war. The natural tendency of these products is eastward, across the continent, on routes as near as possible to the same parallels of latitude as those on which they are grown. This tendency of trade is pointedly shown by the following tables, for four years, of—

SHIPMENTS FROM CINCINNATI.

	1857-'58.		1858-'59.	
	Shipped north.	Shipped south.	Shipped n'th.	Shipp'd s'th
Flour, bbls..................	445,650	162,565	544,570	17,569
Wheat, bush..................	601,214	80,446	270,531	1,182
Corn, sacks..................	17,225	1,927	24,796	3,707
	1859-'60.		1860-'61.	
Flour, bbls..................	385,389	92,919	268,033	158,592
Wheat, bush..................	310,154	11,841	477,264	47,801

The bulk of this trade took the line of the lakes. Thus strongly does the trade of the West itself appeal for a direct water-line along the shortest route to the seaboard.

(To be continued in next number.)

THE GENERAL DEPRESSION OF TRADE.

The inactivity of trade experienced throughout the United States is but a counterpart of what exists in nearly every commercial country. A deep rooted depression has set in everywhere, enterprise being held in check, and prosperity a rare exception. There is no real distress, labor being, as a rule fairly employed; yet industry nowhere exhibits energy or offers inducements to an expansion of operations. An universal dearness renders commodities and manufactures costly of production, and makes it impossible to market them at an average profit. Wealth, therefore, accumulates slowly and is not readily drawn into productive enterprises. As a natural consequence of these discouragements, money is returning from active circulation into the banking reservoirs and seeking temporary employment at unusually low rates of interest. On the continent of Europe, and especially in Germany, the plethora of idle funds has induced an active demand for securities; which again has produced a more or less extravagant speculation. It is the protracted prevalence of this commercial depression that has opened a market in Germany for fully $500,000,000 of our bonds, and which is now inciting railroad and other enterprises of a speculative character. The Governments of Europe, weakened by late wars, find the occasion favorable to the negotiation of loans, and are recruiting their finances upon easy terms. England has advanced a large amount of its idle capital for the development of India; and yet there are now proposals on the market for foreign and colonial loans amounting to £20,000,000 sterling. In our own market money is lending at unprecedentedly low rates and the special facility of borrowing has induced large speculative operations by capitalists, resulting in unnaturally high prices for stocks and bonds.

This industrial and commercial depression and its reflex results upon financial operations are the product of very obvious causes, the proper understanding of which will contribute materially to the remedy. In truth, we are in the midst of a reaction from a widespread series of wars, the effects of which are felt by all countries having commercial relations with each other. Scarcely had Europe recovered from the injury of the Crimean war, when a struggle broke out in Italy, resulting in a large loss of life. Then came a civil war in the United States, which has retired permanently from the ranks of labor fully one million of our ablest producers—an enormous per centage of our productive population. Contemporaneously, a bloody struggle occurred in Mexico, which has cost France heavily, and rendered Mexico a nullity in the commerce of the world for years to come. Next, came a brief but terribly severe struggle between Austria and Prussia, in which the needle-gun made sweeping havoc of human life, the loss to the belligerents being far greater in men than the material of war or the destruction of property; nor are we to overlook the injury to Holland from the Schleswig struggle, which was the first step toward the German contest. More recently, we have had the Quixotic Abyssinian expedition, costing England £10,000,000; and finally the South American war, which has caused much loss of life, and may entail the most serious injury upon the trade of the Argentine Republic and Brazil.

The injury to commerce growing out of this seven years of ceaseless hostilities is incalculable. An immense proportion of the population of the civilized world has been kept under arms, and literally millions have been slaughtered or so disabled as to become a burthen to the community. While production has been curtailed to a very material extent through this severe thinning of the ranks of producers, and industry has been diverted to the construction of stupendous navies and the production of a thousand new appliances of warfare, national debts have been augmented and the burthens of taxation made more oppressive. The fact to be most prominently noted, in connection with these causes, is that they have very largely reduced the proportion of producers to consumers in both the Old World and the New. The natural result of this condition of things would be to exact an increased amount of labor from those laborers who remain, and to compel some to become producers who had been non-producers. Most unfortunately, however, the former of these results has not been realised. By one of those perverse freaks which often deprive society of a much needed relief, the working classes have organized influential combinations for exacting unnaturally high wages, and, still worse, for curtailing the hours of labor; so that factitious restrictions have been imposed upon production, and the cost of products has been unnecessarily increased.

Under such a condition of things is it a matter of wonder that for three or four successive years we should have suffered from short crops? Is it not rather a marvel that we have not been afflicted with famine? For three years the world was deprived of the American cotton crop, and compelled to substitute more costly materials at high prices; and even since the war we have not been able to supply much more than half the average crop. The reduced supply of grain and of cotton, the great staples of food and clothing for the masses of the world's population, has laid the basis for higher prices for all other products, while that effect has been enhanced through a reduced supply of labor for every branch of industry. The consequence of this diminished production has been high prices everywhere. In England, there has been a steady decline in prices since the financial crisis of 1866, the general value of raw materials and manufactures at the present time being little different as regards many important articles of commerce from that of eight years ago; but such is the commercial depression in other countries, that the moderation of prices has not induced a corresponding demand for goods. On the Continent of Europe, there is perhaps a sound basis for a more active condition of business, consumption having been economised and trade placed generally upon a conservative footing; but the tendency to recuperation is held in check by a state of armed peace and the threatening attitude of large armies newly equipped, and itching to test their prowess.

These are the chief causes of the prevailing commercial depression. In our own case, they are augmented temporarily by the preparations for a presidential election involving unusually exciting issues and calculated to interfere more than usual with the ordinary course of trade. There is, however, reason to hope that we have passed the climax of the reaction. The derangement of the relations of the several branches of production is being rapidly remedied. The special dearness of certain products is inducing an increase of their production, so that an equalization of values is likely to be soon attained. It is especially hopeful that the grain crops of the world are being brought up to their old proportions; so that, if the seasons next year should prove favorable, we may hope to have then recovered average prices for food, the most important step toward the regaining of a healthy state of trade. After a long period of inactivity and suspense, trade is apt to break loose suddenly from its fears, and with a half-desperate and half-hopeful feeling rush into new enterprises and make the utmost of its resources. It would seem possible that such an outburst may occur in Europe upon the first symptoms of the abatement of belligerent purposes: and, with such a change, the United States could not fail to sympathise beneficially.

THE NATIONAL BANKS.

On page 132 will be found tables of the official statement of the National Banks for July. The figures show several changes which deserve and will command special examination. First of all, one is struck by the large increase in the deposits which since April have risen 47 millions of dollars, the aggregate being now 575 millions. It is impossible to conceive a more striking proof of the accumulation of capital in the great monetary centres and monetary institutions of the country. It is now highly probable that the accumulation has reached its highest point for the season, and in a week or two we shall see a return current setting in from New York and other seaboard cities towards the interior. This movement may be expected to be more brisk than usual for several reasons. The bounteous crops and the expected activity of the fall trade combine with many other causes to force on us the belief that a season of lively activity is before us, and that it will open earlier than usual. The reports of our associated banks will be scrutinized with extraordinary care for several weeks to come, and the symptoms of monetary activity will be looked for by our shrewd business men who aim to trim their ships to meet an expected gale.

We are far from thinking, however, that during this fall any panic in the money market is to be expected like that which desolated it last spring. Among the safeguards against such a catastrophe we may mention the 25 millions of three per cent certificates recently authorized. These will probably inflate the currency less than was predicted. At any rate they will ease the money market and will prevent any disturbance from the payment of the maturing compound notes.

As a further indication of the plethora of the loan market, we may mention the small increase of loans; which are only 28 millions more than in April, while the deposits increased 47 millions. This shows how idle capital is accumulating here, and how difficult it is for our capitalists to lend that capital at remunerative rates. It would be well for the country and would render our internal banking machinery more properly adjusted to the wants that machinery has to supply if such a plethora as the present were met by a general sending home of the National bank notes for redemption. During the summer months the country needs less currency by 20 or 30 millions to do its work. The banks which issue this superfluous currency ought there fore to redeem it and to put it out again in the fall when it will be wanted for the exigencies of business. Such a spontaneous and self-regulating method of giving elasticity to the currency, is the great want of our National banking system, and it must inevitably be ere long supplied. Without this our money market can not work with that stability which in times of pressure is indispensable if we would have our industry and trade prosperous and exempt from preventable evils.

We must not omit to notice the great strength of the banks in their legal tender reserve which has considerably increased. As will be seen from our tables the aggregate of gold and greenbacks is 187 millions against 164 millions in April. These figures give a reserve of over 23½ per cent upon the liabilities, and show that the banks are stronger than the law requires, though not stronger than is necessary for their thorough security.

NATIONAL BANKS OF EACH STATE—THEIR CONDITION JULY 6, 1868.

We are indebted to the Comptroller of the Currency for the following reports of the National Banks of each State and redemption city for the quarter ending the first Monday of July, 1868. As will be seen we have grouped them together in the following order:—First, the Eastern States, next the Middle States, then the Southern States, and last the Western States followed by the returns from the Territories. The reports of the Banks of all the States and Territories are included except Oregon, Montana and Idaho, and they are so far off that the reports have not yet been received by the Comptroller. In addition to the usual returns we add a separate table of the legal tender reserve held in the cities.

	Maine.	N. Hampshire.	Vermont.	Massachusetts.*	Boston.	Rhode Island.	Connecticut.	New York.†
RESOURCES.								
Loans and discounts	$10,423,129 14	$4,116,677 19	$5,459,505 51	$41,985,595 98	$65,891,620 08	$21,152,095 78	$27,911,250 26	$58,463,9[illegible]5 48
United States bonds to secure circulation	8,308,[illegible]50 00	4,836,000 00	6,478,000 00	35,317,050 00	29,876,350 00	14,185,600 00	19,736,200 00	33,819,850 00
United States bonds to secure deposits	749,400 00	826,650 00	683,000 00	2,977,250 50	1,850,000 00	410,000 00	1,152,000 00	3,724,650 00
United State bonds & securities on hand	693,650 00	362,[illegible]00 00	704,750 00	3,334,100 00	3,570,300 00	267,700 00	2,078,150 00	2,[illegible]25,800 00
Other stocks, bonds, and mortgages	209,715 05	54,750 00	106,600 00	971,335 00	455,600 00	358,525 08	724,722 11	3,018,481 06
Due from national banks	1,958,734 57	1,096,619 76	1,205,550 56	8,912,612 31	11,394,368 25	3,005,800 46	6,111,359 82	12,456,351 14
Due from other banks and bankers	6,534 62	118,475 55	15,420 89	175,995 67	290,109 91	42,028 66	236,602 00	532,700 87
Real estate, furniture and fixtures	246,320 33	107,140 22	1[illegible]5,553 51	828,522 76	1,292,814 58	581,504 23	685,529 08	1,586,030 67
Current expenses	19,159 18	17,660 00	38,300 68	186,443 86	316,059 70	84,820 77	50,895 33	271,533 58
Premiums	9,515 85	5,589 70	14,615 26	24,342 41	69,263 79	31,416 44	40,101 29	175,201 49
Checks and other cash items	271,710 40	119,220 49	116,526 13	700,152 24	6,1[illegible]2,953 23	664,697 95	772,697 48	1,745,563 61
Bills of national banks	208,911 00	145,752 00	78,364 00	588,528 00	1,641,854 00	225,9[illegible]6 00	428,292 00	643,806 00
Bills of other banks	763 00	311 00	420 00	346 00	2,772 00	8,811 00	4,199 00	37,728 00
Specie	41,227 01	6,598 20	48,126 26	232,258 73	2,2[illegible]1,301 85	32,726 81	163,159 07	386,122 51
Fractional currency	15,121 32	7,842 47	21,206 03	142,510 31	144,171 89	41,319 99	49,631 47	157,723 06
Legal tender notes	927,822 00	459,749 00	617,780 00	3,442,071 00	9,354,456 00	1,231,074 00	1,975,250 00	4,853,220 00
Compound interest notes	95,430 00	104,970 00	109,090 00	1,233,790 00	1,926,450 00	392,660 00	527,030 00	1,387,720 00
Three per cent certificates	30,000 00	65,000 00	60,000 00	285,000 00	4,490,000 00	125,000 00	200,000 00	1,30[illegible],0[illegible]0 00
Total	$24,215,898 47	$12,451,105 58	$15,892,808 88	$101,337,904 27	$140,510,444 73	$42,841,757 17	$62,842,068 91	$126,720,887 47
LIABILITIES.								
Capital stock	$8,985,000 00	$4,785,000 00	$6,563,512 50	$37,182,000 00	$42,750,000 00	$20,364,800 00	$24,622,220 00	$37,24[illegible],241 00
Surplus fund	1,156,887 10	475,620 55	556,645 41	6,841,792 89	7,932,584 10	1,229,703 06	3,362,963 11	5,044,550 59
Undivided profits	601,681 61	860,638 90	419,563 90	3,156,316 10	3,474,438 81	996,907 86	1,198,088 65	4,292,665 74
National bank notes outstanding	7,378,106 00	4,234,331 00	5,685,835 00	31,091,046 00	25,589,549 00	12,428,472 00	17,346,996 00	29,687,403 00
State bank notes outstanding	60,220 00	40,972 00	37,849 00	424,794 00	177,282 00	188,723 00	309,565 00	536,807 00
Individual deposits	5,259,987 12	1,906,173 45	2,228,045 11	20,512,311 00	43,768,[illegible]88 85	6,369,942 14	18,487,679 11	43,231,27[illegible] 54
United States deposits	405,182 54	887,986 27	349,126 98	1,698,934 19	999,807 08	327,754 51	689,172 66	2,547,264 84
Deposits of U. S. disbursing officers	183,2[illegible]5 67	125,9[illegible]3 59	24,668 85	25,193 19	31 80	12,018 75	31,520 46	125,140 19
Due to national banks	140,978 35	11,405 85	27,069 51	874,515 10	14,549,729 25	545,284 49	1,067,309 88	2,667,136 98
Due to other banks and bankers	44,185 03	122,998 97	493 07	81,001 80	1,268,583 84	378,156 36	226,534 54	1,352,903 09
Total	$24,215,393 47	$12,451,105 58	$15,892,808 88	$101,337,901 27	$140,510,444 73	$42,841,757 17	$62,842,068 91	$126,730,887 47

* Exclusive of Boston.

† Exclusive of New York city and Albany.

RESOURCES.

	City of N. Y.	Albany.	New Jersey.	Pennsylvania.*	Philadelphia.	Pittsburg.	Delaware.	Maryland.†
Loans and discounts	$177,271,463 13	$7,093,460 00	$18,123,082 77	$31,726,551 07	$36,292,900 33	$12,597,584 58	$2,[illegible]90,707 59	$2,850,042 68
United States bonds to secure circulation	42,284,950 00	2,488,000 00	10,615,650 00	23,467,450 00	13,009,000 00	7,677,000 00	1,348,200 00	2,058,250 00
United States bonds to secure deposits	4,804,200 00	200,000 00	805,500 00	2,378,000 00	2,035,000 00	550,000 00	60,000 00	250,000 00
United States bonds & securities on hand	14,943,750 00	893,950 00	447,300 00	8,275,450 00	1,998,250 00	320,000 00	59,850 00	318,200 00
Other stocks, bonds and mortgages	5,454,177 66	1,358,041 31	313,948 94	819,745 79	1,531,122 48	166,455 02	79,357 66	249,897 01
Due from National Banks	8,617,958 29	4,296,853 26	4,720,935 32	7,156,981 73	5,446,789 86	2,370,468 25	884,384 65	726,183 36
Due from other banks and bankers	1,885,[illegible]05 06	185,066 74	289,612 72	880,715 78	614,371 55	120,551 93	24,019 84	32,212 18
Real estate, furniture, &c	7,009,499 47	240,308 82	660,759 30	1,042,014 74	1,475,857 19	521,932 85	110,604 57	121,900 65
Current expenses	362,984 67	41 62	64,819 60	271,433 64	129,032 53	53,064 65	16,500 08	12,318 11
Premiums	1,075,825 79	8,479 01	21,422 40	134,278 06	154,224 57	41,078 43	7,155 79	20,335 38
Checks and other cash items	96,265,592 55	926,894 80	657,877 87	561,568 99	7,102,691 83	468,910 59	56,820 90	102,538 15
Bills of National Banks	2,427,397 00	111,435 00	350,239 00	506,628 00	696,115 00	123,017 00	18,755 00	91,390 00
Bills of other banks	20,065 00	4,959 00	5,090 00	12,178 00	15,810 00	1,336 00	2,518 00	1,941 00
Specie	15,297,975 63	40,379 51	58,586 71	93,716 00	283,714 47	41,521 40	10,257 53	51,841 80
Fractional currency	246,294 86	29,878 41	62,728 56	160,417 76	150,026 71	36,[illegible]76 51	3,738 07	5,709 36
Legal tender notes	30,423,822 00	885,215 00	1,722,567 00	4,865,667 00	10,118,245 00	2,234,157 00	192,431 00	465,695 00
Compound interest notes	7,312,190 00	634,840 00	453,430 00	842,760 00	1,488,200 00	129,470 00	65,230 00	95,090 00
Three per cent certificates	26,115,000 00	570,000 00	510,000 00	840,000 00	5,180,000 00	765,000 00	55,000 00	40,000 00
Total	$441,318,251 11	$19,962,297 48	$39,683,550 19	$78,535,536 56	$87,671,851 52	$28,217,628 71	$4,583,010 68	$7,558,794 08

LIABILITIES.

	City of N. Y.	Albany.	New Jersey.	Pennsylvania.*	Philadelphia.	Pittsburg.	Delaware.	Maryland.†
Capital stock	$74,809,700 00	$3,000,000 00	$11,483,350 00	$23,875,040 00	$16,517,150 00	$9,000,000 00	$1,428,185 00	$2,398,217 50
Surplus fund	18,714,018 36	1,200,000 00	2,27[illegible],228 33	4,158,181 18	5,903,868 48	1,926,897 30	306,782 99	319,980 00
Undivided profits	6,598,653 27	365,212 05	1,055,813 42	1,577,527 55	1,324,285 22	608,678 83	103,379 17	209,073 24
National bank notes outstanding	35,083,477 00	2,195,127 00	9,229,575 00	20,616,799 00	10,494,005 00	6,681,358 00	1,192,3[illegible]0 00	1,765,427 02
State bank notes outstanding	283,750 00	37,333 00	158,484 00	230,660 00	102,878 00	125,762 00	23,485 00	29,825 00
Individual deposits	217,666,[illegible]87 12	9,948,199 06	13,467,020 12	24,906,820 86	44,528,577 21	6,587,952 95	1,308,204 96	2,531,858 49
United States deposits	3,161,566 00	124,493 86	707,988 49	1,569,733 24	1,186,767 82	388,243 96	61,812 29	75,826 40
Deposits of U. S. disbursing officers	996 70	43,572 92	41,517 25	44,751 84	....	....	240 28	99,221 14
Due to National Banks	69,325,850 51	2,100,379 81	1,155,368 61	1,309,032 94	6,168,059 72	609,170 85	145,768 65	86,132 44
Due to other banks and bankers	15,674,022 15	947,980 28	114,204 97	247,089 95	946,290 07	295,064 85	12,792 38	46,232 35
Total	$441,318,251 11	$19,962,297 48	$39,683,550 19	$78,535,536 56	$87,671,851 52	$28,217,628 71	$4,583,010 63	$7,558,794 08

* Exclusive of Philadelphia and Pittsburg.

† Exclusive of Baltimore.

RESOURCES.

	Baltimore.	D. of Col.*	Washington.	Virginia.	West Virginia.	N. Carolina.	S. Carolina.	Georgia.	Alabama.
Loans and discounts	$14,837,112 59	$35,537 89	$1,571,106 58	$3,969,946 38	$2,431,436 77	$625,204 75	$931,915 66	$1,534,172 40	$350,560 96
U. S. bonds to secure circul'ion	8,007,500 00	113,000 00	1,205,000 00	2,329,800 00	2,243,250 00	365,500 00	204,000 00	1,383,500 00	310,500 00
U. S. bonds to secure deposits	800,000 00	50,000 00	1,050,000 00	250,000 00	350,000 00	210,000 00	....	200,000 00	....
U. S. bonds & sec'ties on hand	148,200 00	8,150 00	388,200 00	10,150 00	465,750 00	87,250 00	800 00	200,600 00	50,000 00
Other stocks, bonds and mort.	717,124 93	....	87,302 35	59,330 15	179,490 69	68,858 89	102,063 56	31,759 08	....
Due from National banks	1,997,066 82	25,967 24	411,413 64	975,411 37	565,432 78	86,976 93	620,760 47	693,709 03	96,091 77
Due from other banks & bank's	258,647 36	2,413 35	137,368 98	103,739 32	27,970 14	82,629 51	49,835 80	176,842 46	65,540 08
Real estate, furniture, &c.	580,515 67	14,753 63	260,215 45	290,837 74	213,611 05	64,974 00	23,836 96	86,573 68	13,997 50
Current expenses	30,380 69	....	34,870 91	37,474 62	33,447 77	9,584 31	28,439 55	37,112 09	69 81
Premiums	45,136 71	....	35,883 02	37,409 39	22,680 02	11,818 75	4,547 50	14,793 88	....
Checks and other cash items	1,810,650 62	1,311 61	141,525 14	320,311 79	114,271 36	21,858 47	4,027 64	16,704 96	26,157 92
Bills of National banks	425,012 00	6,560 00	131,495 00	93,916 00	51,580 00	66,552 00	100,169 00	228,112 00	37,083 00
Bills of other banks	3,567 00	....	302 00	884 00	27,586 00	....	....	89,130 00	....
Specie	430,196 32	368 50	61,803 63	112,025 66	38,403 24	17,202 46	17,390 53	28,441 51	61,746 46
Fractional currency	5,467 79	278 76	1,632 60	20,788 55	13,538 43	6,120 47	2,111 35	28,962 18	1,981 03
Legal tender notes	3,011,497 00	15,782 00	146,653 00	533,877 00	441,402 00	91,709 00	486,045 00	1,018,653 00	125,599 00
Compound interest notes	289,660 00	200 00	319,540 00	57,820 00	31,220 00	94,680 00	4,160 00	33,360 00	....
Three per cent certificates	1,125,000 00	......	240,000 00	15,000 00	75,000 00	....	....	90,000 00	....
Total	$34,522,735 50	$274,321 98	$6,224,012 30	$9,218,721 97	$7,326,070 25	$1,880,019 04	$2,579,603 02	$6,142,126 22	$1,139,949 53

LIABILITIES.

	Baltimore.	D. of Col.*	Washington.	Virginia.	West Virginia.	N. Carolina.	S. Carolina.	Georgia.	Alabama.
Capital stock	$10,191,935 00	$100,000 00	$1,250,000 00	$2,400,000 00	$2,216,400 00	$583,400 00	$685,000 00	$1,600,000 00	$400,000 00
Surplus fund	1,433,843 78	957 56	231,000 00	161,055 77	226,554 19	36,324 94	38,268 99	129,200 00	13,873 13
Undivided profits	465,469 39	14,950 41	183,943 70	195,879 12	131,227 19	32,865 1[illegible]	108,088 73	236,416 24	40,797 01
National Bank notes outst'ing	7,058,182 00	89,430 00	951,834 00	2,052,125 00	1,967,412 00	315,760 00	146,090 00	1,230,935 00	267,405 00
State bank notes outstanding	199,405 00	....	....	1,295 00	1,300 00	....	....	....	....
Individual deposits	12,394,683 65	35,523 23	1,440,626 79	3,740,267 79	2,418,961 93	554,108 04	1,479,776 05	2,520,166 25	378,821 15
United States deposits	443,019 68	33,233 56	1,219,300 61	157,851 53	191,771 15	88,095 42	....	111,945 20	....
Deposits of U.S. disb'g officers	749 73	....	11,884 61	172,792 79	42,105 96	107,418 34	....	206,963 84	....
Due to National banks	2,098,474 58	213 22	242,174 30	256,193 12	50,662 10	95,664 74	106,773 45	75,914 59	1,087 11
Due to other banks & bankers	236,922 69	.....	688,748 29	81,756 85	67,775 73	6,882 45	15,606 80	80,585 60	88,016 11
Total	$34,522,735 50	$274,321 98	$6,224,012 30	$9,218,721 97	$7,326,070 25	$1,880,019 04	$2,579,603 02	$6,142,126 22	$1,139,949 53

* Exclusive of Washington City

RESOURCES.

	Mississippi.	Louisiana.	Texas.	Arkansas.	Kentucky.*	Louisville.	Tennessee.	Ohio.†	Cincinnati.
Loans and discounts	$63,115 95	1,002,507 95	585,514 71	427,468 49	2,063,872 18	$972,204 44	1 721,377 53	20,501,092 39	5,112,102 09
U. S. bonds to secure circulat'n	45,000 00	1,206,000 00	472,100 00	200,000 00	1,760,900 00	905,000 00	1,179,800 00	14,864,800 00	8,768,000 00
U. S bonds to secure deposits.	....	....	200,000 00	150,000 00	161 000 00	150,000 00	511,000 00	2,123,500 00	2,267,500 00
U. S. bonds & secur. on hand..	....	....	1,050 00	74,000 00	15,000 00	36 650 00	479,050 00	1,418,200 00	634,950 00
Other stocks, bonds and mort..	....	67,000 00	49,110 00	7,220 59	25,715 00	8 800 00	291,207 48	305,456 72	16,000 00
Due from National Banks.. ...	525 19	269,877 30	271,986 49	122,094 27	388,802 73	102,668 25	691,418 77	4,115,062 89	1,030,669 65
Due from other b'ks & bankers.	....	77,401 59	68,983 46	947 55	90,694 16	32,078 92	127,874 09	777,403 59	85,292 17
Real estate, furniture, &c......	17,301 33	262,335 46	16,095 08	27,767 00	94,329 59	25,346 33	170,679 65	655,509 18	149,039 82
Current expenses..............	....	2 ,867 38	6,500 42	4,210 01	11,457 58	11,406 27	22,645 85	142,080 14	36,233 95
Premiums	4,236 63	69,683 75	....	939 18	17,317 76	2,750 00	42,045 49	47,413 09	13,990 38
Checks and other cash items...	....	184,833 04	7,438 61	8,220 95	11,176 67	1,589 66	39,207 81	348,712 23	134,735 70
Bills of National Banks.........	....	11 280 00	81,632 00	7,000 00	50,595 00	18,995 00	198,309 00	584,509 00	166,698 00
Bills of other banks	....	....	....	....	858 00	43 00	....	10,850 00	819 00
Specie	....	102,683 23	255,952 17	2,709 10	5,056 52	340 00	31,258 76	64,098 65	84,664 22
Fractional currency	1 38	4,871 66	6,653 38	1,922 75	5,682 83	3,280 17	12,727 87	187,894 88	10,672 20
Legal tender notes............	17,880 00	471,315 00	210,884 00	86,087 00	332,271 00	237,077 00	551,810 00	3,130,480 00	1,165,595 00
Compound interest notes.......	....	....	....	....	36,400 00	33 270 00	161,840 00	298,670 00	185,400 00
Three per cent certificates......	....	....	....	....	10,000 00	50,000 00	20 000 00	875,000 00	585,000 00
Total......................	148,062 48	$3,752,206 36	$2,133,900 32	$1,120,666 84	$5,080,457 47	$2,591,544 04	$6,194,251 00	$49,902,732 76	$15,447,362 18

LIABILITIES.

	Mississippi.	Louisiana.	Texas.	Arkansas.	Kentucky.*	Louisville.	Tennessee.	Ohio.†	Cincinnati.
Capital stock..............	$100,000 00	$1,300,000 00	525,000 00	200,000 00	1,885,000 00	1,000,000 00	1,625,300 00	15,604,700 00	8,651,000 00
Surplus fund..................	1,953 90	62,000 00	36,750 00	32,260 18	117,724 14	137,800 75	155,747 58	2,218,504 78	599,052 61
Undivided profits...	5,608 58	149,571 41	46,627 22	11,681 63	115,199 90	26,091 19	141,846 85	924,121 24	235,150 62
National bank notes outstand'g	40,500 00	1,059,920 00	391,775 00	179,415 00	1,536,621 00	785 597 00	928,163 00	13,191,062 00	3,241,215 00
State bank notes outstanding ..	....	....	....	....	....	....	....	82,513 00	....
Individual deposits...	....	1,060,893 24	717,445 67	556,415 46	1,153,591 62	871,628 59	2,761,397 43	15,964,814 21	8,754,748 69
United States deposits	....	....	146,206 04	28,937 84	137,407 55	79,896 83	346,969 43	1,259,550 39	1,510,858 18
Deposits of U. S. disbur. officers	....	....	214,894 86	80,044 84	11,373 08	....	141,736 49	84,002 57	262 81
Due to National Banks	....	76,991 57	41,857 60	81,912 89	20,829 27	112,483 86	30,937 23	336,345 02	2,156,255 35
Due to other banks & bankers..	....	43,030 14	13,343 93	....	93,710 96	78,045 77	67,152 94	237,119 55	298,229 42
Total	$148,062 48	$3,752,206 26	$2,133,900 32	$1,120,666 81	$5,080,457 47	$2,591,544 04	$6,194,251 00	$49,902,732 76	$15,447,362 18

* Exclusive of Louisville.

† Exclusive of Cincinnati.

RESOURCES.

	Cleveland.	Indiana.	Illinois.*	Chicago.	Michigan.†	Detroit.	Wisconsin.‡	Milwaukee.	Iowa.
Loans and discounts	$3,658,663 89	$13,881,180 58	$9,419,756 16	$13,164,499 29	$4,767,519 63	$2,823,963 54	$2,939,238 56	$1,469,953 84	$5,599,470 67
U. S. bonds to secure circulation	2,084,000 00	12,533,750 00	6,178,750 00	4,765,700 00	3,163,900 00	1,093,800 00	1,981,250 00	791,500 00	3,634,750 00
U. S. bonds to secure deposits	575 000 00	1,125,000 00	875,000 00	465,000 00	210,500 00	250,000 00	200,000 00	300,000 00	379,000 00
U. S. bonds and secur's on hand	3?,650 00	729,100 00	590,550 60	130,500 00	164,100 00	....	291,950 00	10,500 00	503,350 00
Other stocks bonds & mortg's.	9,249 88	160,460 78	225,321 35	78,910 00	155,255 40	36,652 96	22,931 83	22,375 68	154,420 21
Due from National Banks	740,606 02	2,493,379 12	3,088,183 85	4,500,493 29	1,146,426 23	1,286,402 25	1,033,849 14	771,708 84	2,439,352 75
Due from other banks & bankers	124,817 08	483,425 05	188,513 18	221,283 44	91,901 94	55,030 78	26,006 27	97,258 04	191,068 54
Real estate, furniture, &c	136,819 98	552,982 74	460,069 10	280,261 26	262,334 76	54,915 80	110,058 37	57,612 71	283,256 72
Current expenses	16,842 73	165,815 15	122,524 16	8,463 16	21,096 01	11,015 53	21,985 54	161 56	45,652 46
Premiums	....	29,437 38	11,566 30	13,818 13	17,935 89	1,586 66	7,88? 24	4,907 77	14,537 73
Checks and cash items	169,275 58	201,373 80	287,637 11	1,958,179 95	117,219 55	327,383 19	58,998 18	275,715 41	153,994 59
Bills of National Banks	102,394 00	390,568 00	366,858 00	627,583 00	124,895 00	64,094 00	81,421 00	53,961 00	305,444 00
Bills of other banks	4,165 00	11,787 00	10,?84 00	40,451 00	273 00	3,799 00	642 00	.....	5,368 00
Specie	14,529 49	66,901 61	93,432 15	46,162 34	23,565 70	1,687 05	23,213 25	10,598 97	64,268 47
Fractional currency	29,151 76	44,527 51	56,709 70	28,058 55	33,969 13	19,297 94	29,493 28	19,665 49	43,447 29
Legal tender notes	837,980 00	2,273,698 00	1,826,904 00	3,177,557 00	796,478 00	506,208 00	626,317 00	374,977 00	1,512,243 00
Compound Interest notes	138,960 00	250,450 00	182,500 00	146,720 00	100,120 00	103,54? 00	59,830 00	60,750 00	120,300 00
Three per cent Certificates	235 000 00	120,000 00	100,000 00	700,000 00	40,000 00	95,000 00	55,000 00	40,000 00	20,000 00
Total	$8,416,105 41	$35,516,836 72	$24,085,159 06	$30,350,640 41	$11,237,493 24	$6,734,376 70	$7,580,072 66	$4,361,576 81	$15,469,924 43

LIABILITIES.

	Cleveland.	Indiana.	Illinois.*	Chicago.	Michigan.†	Detroit.	Wisconsin.‡	Milwaukee.	Iowa.
Capital stock	$2,300,000 00	$12,767,000 00	$6,420,000 00	$5,550,000 00	$3,510,000 00	$1,550,010 00	$2,010,000 00	$850,000 00	$3,742,000 00
Surplus fund	527,833 85	2,012,773 78	1,1?5,860 11	1,336,723 69	596,693 45	402,460 90	828,963 96	194,212 53	536,712 98
Undivided profits	113,702 49	982,090 83	617,829 78	380,144 23	204,870 89	52,169 50	199,?77 25	54,544 61	318,131 63
National Bank notes outstand'g	1,840,540 00	10,985,239 00	5,404,854 00	4,150,636 00	2,774,411 00	949,025 00	1,747,519 00	693,370 00	3,142,772 00
State bank notes outstanding..	11,034 00	....	2,656 00	....	1,125 00	905 00	.... ..	48,593 00	4,689 00
Individual deposits	2,971,751 44	7,892,545 87	9,571,790 53	11 265,496 32	3,888,682 16	2,993,428 73	3,122,449 40	1,704,256 74	7,274,300 00
U. S. deposits	384,413 21	580,648 00	615,290 17	442,182 55	196,636 43	268,202 04	145,311 20	250,488 23	214,338 13
Deposits of U. S. disb'g officers.	86,308 12	94,?97 89	147,051 79	....	12,708 15	278,806 55	4,663 48	121,692 27	117,408 19
Due to National Banks	108,533 25	94,099 40	22,733 27	5,145,676 49	40,669 24	173,278 75	11,098 87	343,759 13	46,251 68
Due to other banks and bankers	71,989 05	107,741 95	127,093 41	2,079,732 18	11,696 92	67,090 23	10,795 05	100,659 80	73,320 27
Total	$8,416,105 41	$35,516,836 72	$24,085,159 06	$30,350,640 41	$11,237,493 24	$6,734,376 70	$7,580,072 66	$4,361,576 81	$15,469,924 43

* Exclusive of Chicago. † Exclusive of Detroit. ‡ Exclusive of Milwaukee.

RESOURCES.

	Minnesota.	Missouri.*	St. Louis.	Kansas.†	Leavenworth.	Nebraska.	Nevada.	Colorado.	Utah.
Loans and discounts	$2,459,890 48	$1,406,190 91	$9,965,894 49	$201,829 31	$241,798 76	$600,639 24	$148,876 83	$431,125 50	$156,988 70
U. S. bonds to secure circul'ion	1,622,200 00	797,900 00	3,926,150 00	182,000 00	200,000 00	225,000 00	155,000 00	297,000 00	150,000 00
U. S. bonds to secure deposits	100,000 00	150,000 00	485,000 00	50,000 00	300,000 00	350,000 00	....	150,000 00	....
U. S. bonds & sec'ties on hand	140,700 00	130,700 00	398,500 00	20,000 00	76,950 00	101,200 00	....	50,500 00	14,200 00
Other stocks, bonds and mort.	64,147 10	123,195 12	949,326 86	30,348 35	27,548 71	36,918 46	....	1,692 80	....
Due from National banks	545,579 78	508,846 32	1,569,263 56	168,346 61	178,663 24	228,140 61	16,112 52	360,474 68	15,615 44
Due from other banks & bank's	118,188 43	54,774 76	81,287 84	9,375 62	5,030 58	628,344 26	505 19	13,999 79	8,128 29
Real estate, furniture, &c	116,050 14	79,654 44	263,343 83	22,712 45	48,158 96	90,596 28	24,167 77	97,744 00	14,871 42
Current expenses	10,055 94	18,987 21	54,692 69	9,557 94	4,942 27	12,435 75	....	19,455 86	12,379 86
Premiums	7,689 65	14,285 81	54,958 37	5,884 21	9,999 21	6,618 82	....	3,777 22	10,015 32
Checks and other cash items	71,881 79	87,417 48	357,530 53	7,787 02	3,250 05	58,165 00	467 30	36,418 61	8,150 40
Bills of National banks	52,068 00	104,003 00	279,628 00	14,743 00	48,778 00	96,452 00	1,065 00	21,690 00	2,444 00
Bills of other banks	5,337 00	117 00	6,937 00	....	....	9 00	....	....	....
Specie	36,951 43	28,498 71	67,411 86	220 50	2,028 68	10,790 79	31,390 79	28,925 91	2,008 85
Fractional currency	7,549 41	5,599 17	26,351 04	901 30	4,831 98	22,564 08	4 77	6,185 71	85
Legal tender notes	442,653 00	366,449 00	1,364,513 00	85,994 00	109,665 00	242,409 00	26,785 00	157,645 00	20,680 00
Compound interest notes	38,110 00	25,450 00	197,470 00	5,090 00	18,160 00	8,230 00	....	500 00	....
Three per cent certificates	5,000 00	....	450,000 00	....	10,000 00	5,000 00	....	....	....
Total	$5,839,052 15	$3,847,068 93	$20,598,229 07	$809,285 31	$1,291,800 39	$2,718,543 87	$404,375 17	$1,677,080 08	$405,472 75

LIABILITIES.

	Minnesota.	Missouri.*	St. Louis.	Kansas.†	Leavenworth.	Nebraska.	Nevada.	Colorado.	Utah.
Capital stock	$1,600,000 00	990,000 00	6,810,300 00	200,000 00	300,000 00	375,000 00	155,000 00	350,000 00	150,000 00
Surplus fund	99,738 39	143,[illegible] 83	739,743 64	23,540 63	52,650 86	16,242 08	5,115 00	58,000 00	12,000 00
Undivided profits	170,117 49	134,113 83	475,527 01	32,443 77	26,920 17	121,681 96	26,264 72	116,109 57	33,852 84
National Bank notes outstand'g	1,376,698 00	663,990 00	3,293,2[illegible]7 00	159,316 00	178,000 00	168,700 00	131,010 00	254,000 00	135,000 00
State bank notes outstanding	2,078 00	....	41,833 01	....	....	....	....	....	....
Individual deposits	2,290,095 44	1,809,285 40	6,987,706 93	877,693 29	491,699 32	1,123,077 95	86,855 00	717,718 18	63,827 88
U. S. deposits	120,341 00	86,318 06	400,012 22	8,481 30	46,935 15	189,077 03	....	79,010 62	....
Dep'ts of U. S. disburs'g officers	....	....	....	....	262,359 04	481,859 11	....	82,290 21	....
Due to National Banks	44,118 32	3,595 13	1,074,268 18	521 43	24,304 46	18,267 95	79 91	67,889 02	184 12
Due to other banks and bankers	35,365 51	15,679 68	775,681 14	7,388 89	11,931 89	224,642 29	50 00	1,562 43	11,007 91
Total	$5,839,052 15	$3,847,068 93	$20,598,239 07	$809,285 31	$1,294,800 39	$2,718,548 87	$404,375 17	$1,677,080 08	$405,472 75

* Exclusive of St Louis.

† Exclusive of Leavenworth City.

LAWFUL MONEY RESERVE OF NATIONAL BANKS IN CITIES EXCEPT NEW YORK, JULY 6, 1868.

Cities.	No. of Banks reported.	Aggregate of Circulation and Deposits.	Reserve required. 2-5 of 25% or 10% required to be kept on hand.	½ of 25%.*	1-10 of 25% which may consist of 3% Certificates.	Aggregate amount of Reserve required.
Boston	46	$77,598,924 65	$7,759,892 46	$9,699,240 58	$1,939,848 11	$19,398,461 16
Albany	8	14,025,196 44	1,402,519 64	1,753,149 55	350,629 91	3,506,299 11
Philadelphia	30	53,596,742 66	5,359,674 27	6,699,592 83	1,339,918 57	13,399,185 66
Pittsburg	16	17,197,501 59	1,719,750 16	2,149,687 70	429,937 54	4,299,375 40
Baltimore	13	19,687,010 67	1,968,701 06	2,460,976 33	492,175 27	4,921,752 67
Washington	4	3,940,516 88	394,051 69	492,564 61	98,512 92	985,129 22
New Orleans	2	2,103,462 87	210,346 28	262,932 86	52,586 78	525,865 72
Louisville	4	1,249,750 12	124,975 01	156,218 76	31,243 57	312,437 53
Cincinnati	7	10,610,077 41	1,061,007 74	1,326,259 67	265,251 93	2,652,519 35
Cleveland‡	5	5,821,847 40	581,184 74	727,730 92	145,546 18	1,455,461 85
Chicago	14	18,975,436 47	1,897,543 65	2,371,929 56	474,385 91	4,743,859 12
Detroit	4	5,131,881 56	513,188 15	641,485 19	128,297 04	1,282,970 39
Milwaukee	5	3,144,081 09	314,408 11	392,010 13	78,602 03	786,020 27
Leavenworth‡	2	1,040,340 47	104,034 05	130,042 56	26,008 51	260,085 12
St. Louis	8	11,992,280 57	1,199,228 06	1,499,035 07	299,807 01	2,998,070 14
Total	168	$246,110,050 85	$24,611,005 07	$30,763,756 32	$6,152,751 25	$61,527,512 71

Cities.	Reserve available. On hand.	Per cent.	Due from Banks in N. Y. City.	Per cent.	Aggregate amount of available Reserve.	Per cent.
Boston	$18,032,707 35	23 2-10	$9,020,112 46	11 6-10	$27,052,819 81	34 8-10
Albany	2,130,434 51	15 2-10	2,241,746 59	15 9-10	4,372,181 10	31 1-10
Philadelphia	17,020,159 47	31 7-10	2,774,786 67	5 1-10	19,794,946 14	36 8-10
Pittsburg	3,170,148 40	18 4-10	1,645,202 27	9 5-10	4,815,350 67	27 9-10
Baltimore	4,856,353 01	24 6-10	1,304,198 48	6 6-10	6,160,551 49	31 2-10
Washington	767,996 63	19 5-10	317,370 87	8	1,085,367 50	27 5-10
New Orleans	573,998 23	27 2-10	160,532 67	7 6-10	734,530 90	34 8-10
Louisville	320,687 00	25 6-10	68,415 11	5 4-10	389,102 11	31
Cincinnati	2,020,659 22	19	809,491 98	7 6-10	2,830,151 20	26 6-10
Cleveland‡	726,469 49	12 4-10	527,800 63	9 1-10	1,254,270 12	21 5-10
Chicago	4,070,439 34	21 4-10	2,417,923 97	12 8-10	6,488,363 31	34 2-10
Detroit	706,435 05	13 8-10	828,890 29	16 1-10	1,535,325 34	29 9-10
Milwaukee	486,260 97	15 4-10	530,434 77	16 8-10	1,016,695 74	32 2-10
Leavenworth‡	139,853 63	13 4-10	61,346 96	5 9-10	201,200 59	19 3-10
St. Louis	2,079,394 86	17 3-10	1,393,342 48	11 6-10	3,472,737 34	28 9-10
Total	$57,101,497 16	23 2-10	$24,101,596 200	9 79-100	$81,203,093 36	32 99-100

Cities.	Items of Reserve on hand. (2-5 of 25% or 10% of Circulation must consist of these.) Specie.	Legal Tend.	Compound Interest Notes.	Three per Cent Certificates.	Amount of Specie, etc.*	Amount of available Reserve in excess of what is required.
Boston	$2,261,801 35	$9,354,456	$1,926,450	$4,490,000	$9,039,078 65	$7,653,838 65
Albany	40,379 51	885,215	634,840	570,000	702,348 51	865,881 99
Philadelphia	233,714 47	10,118,245	1,488,200	5,180,000	9,242,271 17	6,395,760 48
Pittsburg	41,521 40	2,234,157	129,470	765,000	1,594,966 40	515,975 27
Baltimore	480,196 01	3,011,497	289,660	1,125,000	2,715,934 31	1,238,798 82
Washington	61,803 63	146,653	319,540	240,000	118,278 23	100,238 28
New Orleans	102,683 23	471,315	......	......	468,006 23	208,665 18
Louisville	340 00	237,077	33,270	50,000	158,357 30	76,664 58
Cincinnati	84,664 22	1,165,595	185,400	585,000	9 6,137 72	177,631 85
Cleveland‡	14,529 49	337,940	138,960	235,000	167,352 09	....
Chicago	46,162 34	3,177,557	146,720	700,000	2,808,655 74	1,714,504 19
Detroit	1,687 05	506,2 8	103,540	95,000	412,902 05	252,354 95
Milwaukee	10,533 97	374,969	60,758	40,000	311,306 67	230,675 47
Leavenworth‡	2,028 63	109,665	18,160	10,000	93,898 63	....
St. Louis	67,411 86	1,364,518	197,470	450,000	1,098,419 86	474,667 20
Total	$3,393,957 16	$33,495,102	$5,672,438	$14,535,000	$29,858,403 56	$19,675,580 65

* One-half of 25 per cent, which may consist of balances due from approved associations in New York city, Three per Cents, or Compounds on hand.

† Amount of specie and legal tenders in excess of what is required to be kept *on hand* as reserve on circulation, *i. e.*, 2-5 of 25 per cent of circulation.

‡ In these two cities the aggregate amount of reserve is deficient as follows: in Cleveland $201,191 73 and in Leavenworth $58,884 53, the sum of which amounts—$260,076 26—is deduct.d from the sum of the amounts in the last column to show the excess

LAWFUL MONEY RESERVE OF NATIONAL BANKS OF THE CITY OF NEW YORK, JULY 6, 1868.

	No. of Banks reported.	Circulation outstanding.	Deposits (deducting exch. for clearing house) including balances due to Banks and Bankers.	Aggregate of Circulation and Deposits.
New York city........	57	$85,867,227	$212,336,746 86	$247,703,973 86

		Reserve on hand — 2-5 of the amount required *must* consist of lawful money.		Reserve on hand	
Amount of Reserve required.	Per cent.	Legal Tenders.	Specie.	3-5 of the amt. required may consist of Three per Cent Certificates.	3-5 of Res. for deposits only may consist of Comp. I. Notes.
$61,925,993 46	25	$30,423,822	$15,297,975 68	$26,115,000	$7,312,190

Aggregate amount of available Reserve	Per Cent.	Amount of Specie and Legal Tenders in excess of the amount required.	Amount of available Reserve in excess of the amount required.	Percentage of excess.
$79,148,987 63	31 9-10	$20,951,400 25	$17,222,994 17	6 9-10

THE COMMERCIAL OUTLOOK.

The fall trade opens with unusual encouragements, and yet with some peculiarly perplexing doubts. In our last issue, we pointed out the injurious effects upon trade of a succession of short crops; it is satisfactory to be able to state that the country is now nearing the end of this cardinal cause of commercial depression. It may now be considered as almost beyond doubt that the present harvest will prove the most abundant in the history of the country. Nor are we likely to be deprived of the commercial advantage of cheaper bread through scarcity in Europe; for there also the yield of grain promises to go far toward restoring stocks to their usual volume, the chief essential to the recovery of average prices for food. It is not easy to over-estimate the importance to commerce of a good supply of breadstuffs. The cheapening of food removes the most stuborn impediment to the reduction of wages, the high rates of which have, for five years, been the bane of our industries. With a reduced cost of the main staple of subsistence, we are apt to have lower prices for the other articles of food; and with a general contraction of the costs of subsistence, consumers have the more to expend upon other commodities. An abundant harvest thus favors at the same time an increased and a cheaper production and an enlarged demand, which is but another phrase for a profitable and active trade.

This prospect bodes good for the country generally, and the agricultural sections especially. There is, however, some uncertainty overhanging the great staple upon which the South is directly dependent and in which all sections are indirectly concerned. It is now universally conceded that a crop of 3,000,000 bales of cotton is not to be thought of. Present accounts from some sections of the cotton region represent the crop as suffering from rains and the worm, and it is feared that one-hal the crop of Alabama may be lost from this cause. It also remains to be seen how far the election excitement, acting upon the sensational propensity of the negroes, may divert labor from picking operations; the planters profess considerable apprehension on this ground. The South is likely to realize a handsome aggregate value for the crop, whatever may prove to be the yield; for with a light yield the price will correspondingly advance. It is hardly to be hoped, however, that the country is about to be benefited by a cheapening of the chief staple of clothing, contemporaneously with a decline in the price of food. We have a stock of but 75,000 bales of all qualities of cotton in the country to serve us until the new crop comes into the market; a condition of things by no means favorable to the season opening with low prices. The prospects of the cotton crop, therefore, cannot be reckoned among the causes helping to produce a generally healthier condition of trade, except so far as it promises to improve the trading position of the South. The sugar and rice crops of that section, however, give promise of a large increase, which again will have the important advantage to the whole Union of helping to cheapen food products.

There are certain fiscal considerations tending to impart confidence and steadiness to trade. Congress has declined to enact any further modifications of importance in the tariff, tending, as all such changes do, to embarrass our foreign trade. The pressure of political opinion has induced Congress to curtail the expenditures of the Government, and the internal taxes have been removed from all manufactures, a relief which, whether it may prove permanent or not, must have a material influence in encouraging trade. To this extent, we may congratulate ourselves upon having recovered from the derangements and extravagances incident to the late war. Although these changes are very far from amounting to the recovery of a normal condition of things, yet they indicate progress; they are a concession to a popular desire for a sounder condition of things; and they are the commencement of a course of recuperation which, though propelled rather by the popular instinct than statesmanship, must ultimately place affairs in a healthy condition. Thus much the commercial mind of the country will conclude; and trade will take courage accordingly.

In order, however, to arrive at a well balanced estimate of the future, it is necessary to take into the account certain facts and tendencies of a less favorable character. The political condition of the South is not such as to encourage enterprise in that section. Although a system of reconstruction has been established in most of the States, yet it remains to be seen how far political opposition may defeat its success, at least temporarily. The action of the Tennessee Legislature, in passing a law providing for a militia force to meet a present political emergency, is not assuring; and is the less so from the fact that other States may deem the same course necessary in view of election contingencies. The presidential canvass is being conducted with more than ordinary acrimony and passion, and during the latter stages may be attended with developments calculated to disturb confidence. These excitements are always attended with a diversion of attention from trade during the busiest period of the fall season; and, this year, the interruption is likely to be greater than usual.

Again, the course of our foreign trade is not at present wholly satisfactory. While it may be reasonably presumed that we have now reached a period when the remittance of bonds can be no longer available to any material extent in settlement for our imports, we see our exports of produce declining and our imports increasing; a course of affairs which has called for an unprecedented export of specie this year, and which, with the remittance of the Alaska purchase-money, has reduced the supply of gold in the country to an unusually low point. This course of affairs is inducing an active rise in the gold premium, and is likely to result in a great deal of speculation for the next few weeks; which would not only embarrass our foreign trade, but produce a good deal of financial uneasiness.

We would fain hope that no hindrance to trade may arise from banking sources; and yet we must confess to some misgivings on this point. For two successive seasons, last fall and this spring, we have seen merchants and manufacturers seriously embarrassed through the banks showing a preference for stock loans over discounts. Several failures arose from this cause, and much of the recent depression of trade is due to it. And the present condition of the banks is such as to tempt them strongly to a repetition of this reprehensible policy. It appears from the July quarterly statement of the National banks of the United States that the loans and discounts are $67,400,000 more than at the same period of 1867; and, considering the general quiet of trade and manufactures, it is reasonable to conclude that this expansion is due to an increase of loans upon securities. If then the banks are resolved upon paying due deference to the claims of their mercantile customers, it must be at the risk of their call borrowers; a risk which it requires much courage in the banks to challenge. The deposits of the interior banks with their New York correspondents appear to be very unusually large. When the crop movements set in, these deposits will be withdrawn; large amounts of grain paper will be sent here for discount; and the country banks will, in addition, require advances of currency. It is impossible to contemplate these movements without some anxiety as to the policy the banks may adopt toward the commercial community.

PHILADELPHIA, WILMINGTON AND BALTIMORE RAILROAD.

The roads owned, leased and operated by the Philadelphia, Wilmington and Baltimore Railroad Company are described as follows:

		Miles.
Main Line: Philadelphia, Pa., to Baltimore, Md.		95.95
Branch Line: Havre de Grace to Port Deposit		3.80
Second track on main line	80.00	
Sidings, turnouts, &c.	25.95	105.95
Total length of single track owned		205.70
Southwark (Philadelphia) Railroad leased ... miles	2.12	
Newcastle and Wilmington Railroad, leased	5.50	
Newcastle and Frenchtown Railroad, leased	6.00	
Delaware Railroad, leased	84.50	
Junction and Breakwater Railroad, leased	8.50	
Eastern Shore Railroad, leased	38.50	145.12
Total length (single track) owned, leased and operated		350.82

—and to this total may be added probably 10 to 12 miles for side tracks on the leased railroads. With exception of the Southwark Railroad, which carries the main line into Philadelphia from South street to Queen street, these leased roads are in Delaware and Eastern Maryland, and at Anamessix Sound connect with steamers running to and from Norfolk, Va. The branch from Havre de Grace to Port Deposit will be met at the last named place by the Columbia and Port Deposit Railroad, and with it form a short route from the coal ports of the Susquehanna to the seaboard.

An article published in the MAGAZINE of May, 1866, gives an extended review of the condition of the Philadelphia Wilmington and Baltimore Company up to October 31, 1865. The present article is a supplement to that referred to.

ROLLING STOCK AND TRAIN OPERATIONS.

The company owned, at the close of each of the seven fiscal years closing with October 31, 1867, the following engines and cars:

October, 31st.	Locomotives.	Cars in the several departm'ts— Pas'ger.	Freight.	Road.	Total.
1861	32	109	504	61	664
1862	37	110	630	61	801
1863	40	110	828	63	1,001
1864	41	109	948	88	1,145
1865	52	111	904	118	1,133
1866	52	98	870	118	1,086
1867	58	98	870	118	1,086

This enumeration includes the engines and cars used on the Delaware leased lines.

The mileage of trains, the number and mileage of passengers, and the tons and mileage of freight in the same years are stated in the following exhibit:

Fiscal years.	Train mileage.	Passengers. Number.	Passengers. Mileage.	Freight. Tons.	Freight. Mileage.
1860-61	439,780	629,098	28,128,521	165,352	9,553,103
1861-62	582,615	854,498	43,573,777	175,972	12,163,450
1862-63	675,865	1,041,961	54,301,469	217,034	15,612,542
1863-64	780,537	1,351,416	68,560,382	240,298	16,418,260
1864-65	981,465	1,385,921	77,791,162	235,929	15,549,635
1865-66	880,936	1,093,259	not stated.	260,294	not stated.
1866-67	892,376	963,934	not stated.	218,362	not stated.

OPERATING ACCOUNTS—EARNINGS, EXPENSES, &C.

The following statements show the earnings, expenses, and profits of operating the road yearly for the seven years ending October 31, 1867:

Fiscal Years.	Gross earnings. Passeng's.	Freight.	Other.	Total.	Operating expenses	Earnings less exp.	Dividend paid.
1860-61	1,067,275	363,552	63,847	1,494,676	609,835	884,830	364,000
1861-62	1,645,024	506,350	72,204	2,223,579	649,319	1,574,260	513,639
1862-63	1,834,133	619,562	86,552	2,540,248	956,561	1,583,686	690,077
1863-64	2,423,068	697,169	85,241	3,205,599	1,417 919	1,737,580	805,440
1864-65	2,992 656	771,176	64,631	3,828,464	2,253,909	1,574,554	932,347
1865-66	1,685,815	720,554	65,087	2,470,958	1,335,820	1,135,138	474,147
1866-67	1,503,297	818,511	110,721	2,432,531	1,541,800	890,730	856,338

The total income of the company for the same seven years was as exhibited in the following table:

Fiscal Years.	Earnings P., W. & B. RR.	Profits from leases. Frencht'n RR.	Delaware RR.	Other income.	Total Income.
1860-61	$884,830 94	$7,915 36	$........	$........	$892,746 30
1861-62	1,574,260 18	.....	... .	... .	1,574,260 18
1862-63	1,583,686 78	6,061 26	....	13,808 12	1,603,556 16
1863-64	1,737,580 84	23,335 83	46,976 18	....	1,807,892 85
1864-65	1,574,554 39	10,929 79	... .	....	1,585,484 18
1865-66	1,135,138 00	9,899 28	....	....	1,145,037 28
1866-67	890,730 29	18,294 08	12,907 35	9,795 00	927,726 72

From which deduct the following disbursements:

Fiscal years.	Interest paid.	Loss on leases. French-town RR.	Delaware RR.	Sinking fund.	Divid'ds to stock.	New works.	Total amount.
1860-61	$155,212	$ ..	$53,060	$46,666	$364,000	$97,044	$715,983
1861-62	143,479	710 32	23,438	43,666	513,639	325,636	1,050 570
1862-63	84,606	....	5,637	53,333	690,077	371 046	1,304,790
1863-64	32,283	....	....	...	805,440	1.114,689	1,952,413
1864-65	45,173	...	2,715	....	932,347	1,046,733	2,026,970
1865-66	51,187	....	34,603	....	474,147	77,450	637,389
1866-67	126,513	....	....	....	856,339	90,000	1,072,852

In the year 1865-66 the April dividend alone was paid, the dividend days in that year having been changed from April and October to January and July. The interest column shows the interest paid less the interest received.

ABSTRACT OF BALANCE SHEET.

The financial condition of the company at the close of each of the seven years ending October 31, 1861-1867, both inclusive, is shown in the following compilation from the yearly balance sheets. The changes in share capital and bonds from year to year till 1866 were chiefly the result of the conversion of the latter into stock. In the year named the bonded debt was increased by $1,000,000, and in 1867 by $415,000, which amounts were required for additional construction and improvements, including the bridge over the Susquehanna, second track (now completed), and other works. The addition to the construction account in the two last years amounted to the large sum of $2,025,634 63:

Year.	Capital stock.	Funded debt.	Ground rents.	Current accounts.	Revenue balances.	Total amount.
1861	$5,600,000	$2,455,500	$20,000	$175,993	$490,507	$8,742,000
1862	5 620,500	2,580,000	20,000	274,708	1,014,196	9,508,405
1863	7,460,000	1,237,500	20,000	291,926	1,813,052	10,332,478
1864	8,659,300	812,000	20 000	456,681	1,168,532	11,114,513
1865	8,973,8 0	496,000	20,000	452,895	727,046	10,669,242
1866	9,019,300	1,459,400	21,333	202,797	1,234,694	11,937,524
1867	9,058,300	1,825,000	20,000	463,230	1,088,568	12,467,099

Per contra, as follows, viz.:

Year	Railroad & Appurtenances.	Real estate.	Stock & securities.	Fuel & material.	Accounts & cash.	Advances & improvts
1861	$7.706,137	$205,650	$142,840	$55,318	$578,549	$58,509
1862	7,724,849	205,650	500,631	78,003	989,513	60,252
1863	8,246,144	205,6 0	755,762	108,560	894,220	125,140
1864	9,106,920	205,650	598,661	158,581	883,546	161,153
1865	9,106,547	55,650	892,183	227,418	639,481	247,961
1866	10,964.701	55,650	425.084	238,501	498,175	255,411
1867	11,182,181	......	554,234	171,243	459,087	15 ,847

Included in the column headed "Railroad and appurtenances" is the amount of $744,425, being the capital stock of the Newcastle and Frenchtown Railroad Company exchanged for capital stock of the P., W. and B. Company. The total capital of the N. and F. R. R. Company is $744,520. Their separate organization is kept up for State purposes; nor are their accounts included in this company's, except so far as to show the profit and loss on operations, and the capital and cost of the road as above.

PROPORTIONAL DEDUCTIONS.

The following table shows the cost of the P., W. and B. R. R. (not including the N. and F. R. R.,) absolute and per mile; the gross earnings, expenses and profits per mile; the expenses and earnings per cent, and the profits to cost of road per cent, with the dividends per cent to capital in each of the seven years ending Oct. 31, 1867:

Fiscal years.	Cost of road. Absolute.	Cost of road. Per m.	Earn'gs per mile.	Exp'es per mile.	Profits per mile.	Exp'es per cent.	Profits to cost, p c	Div. per cent
1861	$7,021,713	$73,143	$15,569	$6,352	$9,217	40.80	10.81	6½
1862	6,979,924	72,708	23,162	6,764	16,398	29.21	22.55	9
1863	7,503,719	78,451	26,461	9,964	16,497	37.66	21.10	10
1864	8,362,495	87,109	33,390	15,291	18,099	45.80	20.78	10
1865	8,362,122	87,106	39,880	23,478	16,402	58.88	18.38	10
1866	9,620,233	100,210	25,739	13,915	11,824	54.04	11.79	10
1867	10,387,756	103,877	24,325	15,418	8,907	63.38	8.57	10

The stock of this company is chiefly held in Boston, and sales are seldom made in other than the Boston market. The following table shows the monthly and yearly range of prices on a par of $50 per share, for the five years 1863–1867, both inclusive:

PRICES OF SHARES IN THE BOSTON MARKET

	Dividends April and October				Div. J. & J.
	1863.	1864	1865.	1866.	1867.
January	59¾@69½	65 @68	68¼@72	57½@59¾	54 @56
February	66½@70¼	67¼@71½	67¾@68½	55¼@57¼	55 @55¼
March	67 @72	70¾@74	60 @68½	56 @57½	54½@55¾
April	67¾@70¼	71½@77	59½@63	56½@62¾	52½@54½
May	68½@74¾	70¾@74	58¾@62½	57½@62¾	54 @56
June	67 @72	74 @75	58¼@60	59¼@60	52¾@56¼
July	68½@72½	72 @75¼	60 @66¾	55¾@57½	53¾@54½
August	65½@72	74½@74¾	65 @66½	55 @57	51½@55
September	67½@70¾	65 @74¾	61 @66	53¼@56½	53½@55
October	67¾@69	63½@65	60¼@62	55 @58¾	51¼@53¼
November	66¼@68½	68¾@68½	58½@61¼	56 @59	51¼@54
December	66 @67¾	67½@68¼	59¼@60	56 @59	53½@54¾
Year	59¾@74¾	63½@77	58¼@72	53¼@62¾	51¼@56¼

LAKE SUPERIOR COPPER MINES.

The following return has recently been published, showing in detail the product of the Lake Superior copper mines for 1867:

PORTAGE LAKE DISTRICT.

Mine.	Tons.	Lbs.	Mine.	Tons	Lbs.
Pewabic mine	1,178	1,412	Albany and Boston mine	65	1,724
Quincy mine	1,119	1,124	Concord mine	47	810
Franklin mine	962	1,408	Douglas mine	46	468
Calumet mine	500	1,481	South Pewabic mine	88	1,625
Huron mine	562	1,067			
Isle Royal mine	508	002	Total	6,424	565
Hancock mine	350	489	Product in 1866	5,650	1,747
Hecla mine	332	1,138			
Sheldon Columbia mine	315	1,375	Increase in 1867	773	818
Grand Portage mine	310	1,269			

KEWEENAW DISTRICT.

Mine.	Tons.	Lbs.	Mine.	Tons.	Lbs.
Copper Falls	1,086	1,077	Madison	15	....
Pittsburg and Boston	908	1,479	Eagle River	5	[illegible]
Central	783	1,714	Clark	5	1,303
Pennsylvania	311	877	Mendota	2	....
Phœnix	225	517			
Bay State	174	011	Total	8,8[illegible]1	777
St. Clair	116	1,0[illegible]5	Product of 1866	8,023	691
Amygdaloid	107	1,620			
Ætna	58	1,623	Increase in 1867	778	086

OCTONAGON DISTRICT.

Mine.	Tons.	Lbs.	Mine.	Tons.	Lbs.
Evergreen	320	812	Superior	42	169
National	324	364	Flint Steel River	14	114
Minesota	287	807			
Knowlton	1[illegible]9	1,267	Total	1,509	1,210
Ridge	128	1,669	Product of 1866	1,701	1,250
Rockland	84	1,618			
Oginia	59	678	Decrease of 1867	192	040
Caledonia	49	1,697			

For the purpose of comparing these returns with former years, we have compiled the table below, showing the extent of the yearly production in the three several districts.

Calendar Years.	Keweenaw District.	Portage Lake District.	Octonagon District.	Total Tons.
1858	2,282.9	1,184.1	2,658.6	6,075.6
1859	1,937.7	1,605.6	2,621.0	6,161.4
1860	1,940.9	2,797.6	3,688.4	8,426.9
1861	2,203.6	3,811.6	3,507.9	9,528.1
1862	2,450.3	3 942.5	2,730 6	9,123.4
1863	2,547.1	4,121.1	2,029.6	8,697.8
1864	2,539 8	4,292 9	1,734.7	8,567.4
1865	2,642.7	5,384.6	1,771.3	9,798.6
1866	3,023.3	5,650.9	1,701.6	10,375.8
1867	3,801.4	6,424 3	1,509.6	11,735.3
Ten years	25,319.7	39,215.3	23,953.8	88,488.3

It thus appears that the annual production of mineral in the last ten years has increased from 6,075.6 tons to 11,735.3 tons, or about 93.15 per cent. In 1863 and 1864 production was reduced on account of the withdrawal of the miners from their pursuits for the purpose of increasing the strength of the army in the field. Since the latter date, however, immense progress has been made, and so rapid has been the development that the Lake Superior mines for the last two years have produced one-half the estimated consumption of copper within the United States. California, Vermont, Maryland, North Carolina, Virginia and Tennessee together produce the other half. The imports from Canada, Cuba, Chili, &c., are counterbalanced by the export of our domestic copper. The estimated consumption of copper in the United States is from 25,000,000 to 30,000,000 pounds, the quantity varying more or less as it is affected by prices and other circumstances.

The above table refers only to the amount of mineral produced. Some of this is smelted at the mines, but by far the largest portion is manufactured into ingot at Detroit, Buffalo, Pittsburg, &c. The loss in smelting varies in the different samples operated upon, but is on the average from 25 to 30 per cent. This is a comparatively small loss. In Wales ores containing as low as 8 or 10 per cent of metal are reduced and the operation is profitable.

The total value of the products of the mines worked since 1845, as estimated by Whitney in his *Metallic Wealth of the United States*, and other reliable authorities, is given as nearly exact as possible in the following table, the mineral being reduced to ingot:

From 1845 to 1854 inclusive	7.642 tons		
From 1855 to 1857 inclusive	11,312 tons		
	18,954 tons at	$500 per ton	$9,477,000
1858	3,500 tons at	460 per ton	1,610,000
1859	4,200 tons at	460 per ton	1,932,000
1860	6,000 tons at	420 per ton	2,520,000
1861	7,400 tons at	420 per ton	3,180,000
1862	8,000 tons at	525 per ton	4,200,000
1863	8,000 tons at	800 per ton	6,400,000
1864	8,000 tons at	825 per ton	6,600,000
1865	8,500 tons at	850 per ton	7,225,000
1866	8,750 tons at	600 per ton	5,250,000
1867	9,000 tons at	500 per ton	4,500,000
Total	90,054 tons		$52,894,000

TRADE OF GREAT BRITAIN AND THE UNITED STATES.

The Board of Trade returns of Great Britain for May and five months ending May 31, have just been published. They show that the declared value of the exports of British and Irish produce and manufactures in May amounted to £14,670,035, against £15,936,864 in 1867, and £15,870,131 in 1866; the total for the five months being £70,668,103, against £72,123,393 and £78,327,710. The computed real value of the principal imports in April was £21,063,955, against £19,816,597 in 1867 and £24,034,877 in 1866. During the four months ending April 30 the value of the imports was computed at £68,373,049; against £64,142,642 in 1867, and £73,516,565 in 1866.

With regard to cotton the statement shows that in May there was imported 1,353,965 cwt.; of which 978,095 cwt. were from the United States, 104,494 cwt. from Brazil, 114,145 cwt. from Egypt, and 139,951 cwt. from the East Indies. In the corresponding month last year there was received 1,551,087 cwt., and in 1866 1,490,636 cwt. The following are the particulars for the five months:

	1866. cwt.	1867. cwt.	1868. cwt.
From United States	2,471,929	2,690,611	3,377,886
Bahamas and Bermuda	2,734	4,088	41
Mexico	3,145	22	....
Brazil	332,708	309,862	357,271
Turkey	76,794	40,847	10,714
Egypt	551,251	657,197	607,810
British India	1,649,553	538,815	517,019
China	....	2,041	....
Other countries	91,956	110,004	58,137
Total	5,180,070	4,353,482	4,928,878

The exports of cotton and cotton goods in the five months are subjoined:

OF COTTON.

	1866.	1867.	1868.
To Russia, Northern ports ... cwts.	86,542	78,803	40,771
Prussia	29,542	87,794	51,885
Hanover	5,618	3,088	1,671
Hanse Towns	396,076	299,331	296,875
Holland	210,184	202,015	218,768
Other Countries	567,117	438,166	442,010
Total	1,295,029	1,108,697	1,051,930

OF COTTON GOODS.

	1866.	1867.	1868.
Yarn ... lbs.	55,895,016	61,197,610	77,166,071
Piece goods ... yds.	985,540,574	1,068,164,225	1,164,730,645
Thread ... lbs.	2,482,972	2,655,588	2,781,389

The following statement shows the quantities of goods exported to the United States during the five months ending May 31, in the present and last two years:

	1866.	1867.	1868.
Alkali, cwts	751,351	593,998	637,160
Beer and ale, bbls	6,142	8,176	9,740
Coals, tons	55,926	58,118	44,871
COTTON MANUFACTURES—			
Piece goods, yards	63,470,107	53,100,941	42,691,085
Thread, lbs	637,736	621,882	752,069
Earthenware and porcelain, pkgs	49,217	47,557	38,995
Haberdashery and millinery (value)	£701,605	574,208	446,863

Hardwares and Cutlery—			
Knives, forks, &c. (value)	£122,180	107,750	68,782
Anvils, vices, &c. (value)	£52,907	40,951	30,203
Manufactures of German silver, &c (value)	£292,358	222,181	142,341
Linen Manufactures—			
Piece goods, yards	58,305,694	41,576,234	32,771,283
Thread, lbs	961,692	685,127	449,230
Metals—			
Iron—Pig, &c., tons	40,101	49,265	23,190
Bar, &c., tons	27,932	19,825	14,082
Railroad, tons	43,666	87,299	112,608
Castings, tons	584	210	107
Hoops, sheets and boiler plates, tons	12.817	10.214	4,450
Wrought, tons	4,929	8,096	1,660
Steel Unwrought, tons	8,589	8,946	5,410
Copper, wrought, cwts	5,191	2,947	1,139
Lead, pig, &c., tons	2,798	2,120	3,907
Tin plates, cwts	483,020	397,698	518,785
Oil seed, galls	469,145	823,955	145,644
Salt, tons	96,115	63,613	67,546
Silk Manufactures—			
Broad piece goods, &c., yards	409,235	215,539	155,455
Handkerchiefs, dozens	4,563	1,442	58
Ribbons, lbs	16,397	12,654	9,353
Other articles of silk (value)	£51,770	28,501	66,149
Silk manuf's mixed with other materials	£30,448	30,625	26,255
Spirits, British, galls	34,785	12,652	22,792
Wool, lbs	4,380	8,904	43,694
Woolen and Worsted Manufactures—			
Cloth, yards	2,759,526	2,267,163	1,684,027
Carpets and druggets, yards	1,940,157	2,166 804	1,390,119
Shawls, rugs, &c., number	48,487	71,163	46,601
Worsted stuffs and waistcoatings, yards	37,000,457	21,970,640	28,442,725

Annexed is a statement showing the extent of the exports of British and Irish produce and manufactures to the United States and France during the first five months of the present and last two years. The figures show a most important falling off in the extent of the trade with both countries. To the United States the decline, as compared with last year, is about 14,000,000 yards and lbs., and as much as 51,000,000 yards and lbs. as compared with 1866. To France the shipments exhibit a decline of about 11,700,000 yards and lbs., as compared with 1867, and of 3,000,000 yards and lbs. as compared with 1866. The statement is as follows:

TO THE UNITED STATES.

		1866.	1867.	1868.
Cotton piece goods	yds.	63,470,107	53,100,941	42,691,085
Cotton thread	lbs.	687,736	621.882	752,069
Linen piece goods	yds.	58,305,694	41,576,234	32,771,283
Linen thread	lbs.	961,692	685,127	449,230
Woolen cloth	yds.	2,759,526	2,267,163	1,684,027
Carpets and druggets	yds.	1,940,157	2,166,804	1,390,119
Worsted stuffs and waistcoatings	yds.	37,000,457	21,970,640	28,442,725
Total		160,075,869	122,838,791	108,180,580

TO FRANCE.

Cotton yarn	lbs.	1,248,488	1,971,216	1,696,477
Cotton piece goods	yds.	17,698,503	20,562,223	12,661,562
Cotton thread	lbs.	68,591	3[illegible],247	68,499
Linen yarn	lbs.	578,209	2,207,334	930,115
Linen piece goods	yds.	1,235,319	2,241,853	1,617,982
Woolen yarn	lbs.	767,721	726,481	3,401,776
Woolen cloth	yds.	1,027,098	2,960,523	829,012
Carpets and druggets	yds.	51,6[illegible]3	78,949	272,252
Worsted stuffs and waistcoatings	yds.	8,765,752	9,449,149	6,991,424
Total		31,441,744	40,240,975	28,469,009

COMMERCIAL CHRONICLE AND REVIEW.

The Money Market—Railroad and Miscellaneous Securities—Bonds sold at the New York Stock Exchange Board—Prices of Government Securities at New York—Course of Consols and American Securities at London—General movement of Coin and Bullion at New York—Course of Gold at New York—Course of Foreign Exchange at New York.

July has passed without any variation from the quiet usually characteristic of that month. The money market has retained its extreme ease, funds having been freely offered for temporary employment on Wall street at 3@4 per cent. Throughout the country there has been a marked quiet of business, and the banks of the interior have consequently allowed their balances with the banks of this city to accumulate to an unusual volume. It is due to this fact that the deposits and the loans now range higher than at any former period. The following comparison shows the totals of the statements of the New York banks on the 25th July, the 27th June, and at the close of July 1867:

	July 25, 1868.	June 27, 1868.	July 27, '67
Loans and discounts	$280,345,000	$276,504,000	$242,547,000
Specie	20,804,000	7,758,000	7,768,000
Circulation	33,968,000	34,048,000	33,542,000
Deposits	226,761,000	214,302,000	186,218,000
Legal Tenders	72,235,000	73,853,000	70,174,000

The following are the rates of Loans and Discounts for the month of May:

RATES OF LOANS AND DISCOUNTS.

	July 3.	Ju'y 10.	July 17.	July 24.	July 31.
Call loans	4 @ 5	4 @ 5	4 @ 5	3 @ 4	3 @ 4
Loans on Bonds and Mortgage	—@ 7	—@ 7	—@ 7	—@ 7	—@ 7
A 1, endorsed bills, 2 mos	6 @—	6 @—	6 @—	6 @—	6 @—
Good endorsed bills, 3 & 4 mos	—@ 7	—@ 7	—@ 7	—@ 7	—@ 7
" " single names	7 @ 7½	7 @ 7½	7 @ 7½	7 @ 7½	7 @ 7½
Lower grades	8 @10	8 @10	8 @10	8 @10	8 @10

It will be observed that the deposits are large in proportion to the amount of legal tenders; a fact suggestive of a sharp reaction from the present ease, in the event of a revival of business, consequent upon an abundant harvest and cheaper bread, causing the country banks to call home their deposits. The present high prices of securities are very much the result of the extreme facility of borrowing upon stocks; and when the country requires the very large balances was advanced upon Wall street collaterals, it is obvious that there must be a sharp calling in of loans, and that the value of securities must shrink to the measure of the diminished ability of the banks for carrying them. Toward the close of the month money has been freely offered to the brokers for 60 to 90 days; these offers, however, seem to have come not from the banks but from parties carrying very large amounts of stocks, and are probably designed to mitigate the prevailing apprehension of difficulty in carrying stocks through the fall money market, a fear which at present checks speculative purchases of stocks. There appears to be some reason for supposing that certain large manipulators of stocks have become interested in bank shares for the purpose of enabling them to control loans for their own speculative operations. This practice was resorted to in the spring, with much consequent inconvenience to trade; and it would appear that we are destined to see a similar tampering with bank management this fall.

There has been a brisker movement in stock speculation during the month. The wealthy cliques who at present are almost the exclusive holders of stocks have promoted an active manipulation of their respective shares. It would, however, be a mistake to regard the sales registered at the stock boards as representing so much business done between the cliques and the public. Outside operators, though co-operating more freely than of late, have yet done comparatively little, and a very important proportion of the reported transactions are to be regarded as simply exchanges between the cliques and their agents, known as "washed sales." We think it proper to speak thus of the character of current business in Wall street, for the reason that there is just now a more than ordinary resort to *finesse* and tricky deceptions, against which the public need to be on their guard. The sales of railroad and miscellaneous stocks a both boards, in July, amount to 1,344,967 shares, against 1,183,114 shares in June, and 2,240,991 shares in July, 1867, as will appear from the following statement:

Classes.	1867.	1868.	Increase.	Dec.
Bank shares	4,784	3,586	.....	1,198
Railroad "	1,888,124	1,149,707	.....	738 417
Coal "	31,563	2,280	.....	29,253
Mining "	68,110	19,425	.....	48,685
Improv'nt "	47,585	14,320	.....	33,265
Telegraph "	109,620	23,833	.....	85,787
Steamship "	58,138	55,204	....	2,934
Expr'ss&c "	37,067	76,412	38,345	....
Total—July	2,240,991	1,344,967	.....	896,224
" —since January 1	13,580,850	11,662,386	.....	1,918,464

United States securities have been subjected to a somewhat severe test through the proposal in Congress to tax heavily the interest upon the debt, and in connection with the declaration of the Democratic platform in favor of the payment of Five-Twenties in greenbacks. These symptoms of the current of opinion relative to the finances, have not appreciably affected the credit of the government in Europe; and the steadiness of bonds abroad, concurrently with the ease of money here, has sustained the market. Large shipments of bonds have been made to Europe, in return for coupons and bonds of 1848 sent home for collection. The active speculation in securities on the German bourses has also induced the shipment of bonds by the German bankers on own account. It is estimated that the total shipments for July amount to about $10,000,000. The withdrawal of such a large amount of bonds from the market has helped to sustain prices; and it is reasonable to suppose that, but for this special demand, quotations would have declined under the adverse causes above alluded to.

BONDS SOLD AT THE N. Y. STOCK EXCHANGE BOARD.

Classes.	1867.	1868.	Inc.	Dec.
U. S. bonds	$10,171,900	$26,264,200	$16,092,300	$.......
U. S. notes	4,170.600	282.000	......	3,888,600
St'e & city b'ds	3,683,000	17,360,500	13,677.500	....
Company b'ds	615,000	1,188,[illegible]00	573,500	....
Total—July	$18,640,500	$45,095,[illegible]00	$26,451,700	....
" —since Jan. 1	106,941,230	210,140,320	103,198,090	....

The daily closing prices of the principal Government securitics at the New

York Stock Exchange Board in the month of July as represented by the latest sale officially reported, are shown in the following statement:

PRICES OF GOVERNMENT SECURITIES AT NEW YORK.

Day of month.	6's, 1881. Coup.	6's, 1881. Reg.	6's, (5-20 yrs.) Coupon 1862.	1864.	1865.	new.	1867.	1868.	5's, 10-40 yrs. C'pn.	7-30. 3d sr.
1	113⅜	.....	112⅞	110⅛	110⅞	109	109⅛	109⅝	107	109⅞
2	113¼	112⅞	113⅛	110¼	111¼	108⅞	109	109	107⅛	.....
3	113¼	.....	.....	110⅜	111¼	108⅝	108⅞	.....	107	109
4				Holiday.						
6	113	.....	113⅛	110⅜	111⅛	108⅜	108¼	.....	107	.....
7	.....	112⅞	113	110	111	108	108¼	.....	107	.....
8	113⅜	112¾	113⅛	110¼	111⅛	108⅛	108⅛	.....	107¼	108⅛
9	.....	113¼	113¼	110⅜	111⅛	108⅝	108⅞	108⅞	107⅜	106⅞
10	.....	113¼	113⅛	110¼	111⅜	108⅝	108⅝	108⅞	107¾	.....
11	.....	.....	.....	.....	111⅜	108⅝	108⅞	.....	107⅜	108¾
13	113⅜	113⅜	113¼	110¼	111¼	108⅜	108⅞	.....	....	108¾
14	.....	.....	113⅛	110⅛	111⅜	108¾	108⅞	109	.....	.....
15	.....	.....	113⅛	110⅛	111⅜	108⅝	108¾	109	107¼	108¾
16	113⅜	.....	113¾	110⅜	111⅜	109	109¼	109¼	107⅜	.....
17	114	.....	114⅛	111	112⅛	109	109⅛	109¼	108¼	109⅛
18	114⅜	.....	114⅜	111⅛	112⅛	109⅜	109⅜	109⅛	108⅜	109¼
20	114⅛	.	114⅛	111¼	112¼	109¼	.....	.....	108¼	.....
21	115⅛	114⅛	114¼	111⅜	112¼	109¼	109⅛	109⅛	108⅜	.....
22	115¼	115⅛	114⅜	111⅛	112⅜	109¼	109⅛	109⅝	108⅜	109
23	115¼	115⅛	114⅛	.....	112⅛	109⅛	109⅜	.....	108¼	.....
24	115⅜	.....	114¼	111¼	112¼	109⅛	109⅜	109⅝	108⅛	.....
25	....	115⅝	114⅝	111⅜	112⅜	109¼	109⅛	109⅝	108⅜	.....
27	115⅛	115⅛	114⅜	111⅝	112⅜	109¼	109⅛	109⅝	108⅛	....
28	115⅝	.....	.....	111⅛	112⅝	109¼	109¾	109⅝	108⅛	.....
29	115⅛	.....	114⅛	.....	112⅛	109⅛	109⅛	109⅛	108⅛	.
30	115⅛	115⅞	114¼	111⅜	112⅜	109⅛	109¼	109⅛	108⅜	108⅞
31	115⅜	115¼	114⅜	111⅛	112⅜	108⅞	109⅛	109¼	108⅝	.....
First	113⅜	112⅞	112⅞	110⅛	110⅞	109	109⅛	109⅝	107	109⅞
Lowest	113	112¾	112⅞	110	110⅞	108	108⅝	108⅞	107	108⅜
Highest	115⅝	115⅝	114⅜	111⅝	112⅝	109⅜	109⅜	109⅝	108⅝	109⅞
Range	2⅝	2⅞	1⅝	1⅝	1¾	1⅜	1⅜	¾	1⅝	1⅜
Last	115⅜	115¼	114⅜	111⅛	112⅜	108⅞	109⅛	109¼	108⅝	108⅞

The closing prices of Five-Twenties at Frankfort in each week ending with Thursday, were as follows:

July 2.	July 9	July 16.	July 23.	July 30.	Month.
77⅛@77⅝	77¼@77⅛	76⅛@76⅝	76¼@76⅞	76⅛@76¼	76⅛@77⅝

The closing prices of Consols for money and certain American securities (viz U. S. 6's 5-20's 1862, Illinois Central and Erie shares) at London, on each day of the month of July are shown in the following statement:

COURSE OF CONSOLS AND AMERICAN SECURITIES AT LONDON.

Date.	Cons for mon.	Am. securities. U. S. 5-20s	Ill.C. sh's.	Erie shs.
Wedney.......1	94⅝	73¼	101½	45⅛
Thurs.......2	94⅞	73⅛	101⅛	45¾
Friday.......3	95⅛	73¼	101⅝	45¾
Sat'day.......4	95	73¼	101½	46⅛
Monday.......6	94⅞	73⅜	102	46
Tuesd y.......7	94⅞	73¼	102	46
Wedn'y.......8	94⅞	73	101⅞	46
Thursday.......9	94⅞	73	101⅞	45¾
Friday.......10	94¾	73⅛	101⅞	45⅞
Sat'day.......11	94⅜	72	101¾	46
Monday.......13	94⅜	72½	101¾	45½
Tu'sday.......14	94½	72¼	101¾	44⅛
Wednesday.......15	94¾	72⅝	x91⅞	43¾
Thursday.......16	94⅝	72½	93¼	45⅞
Friday.......17	94½	72½	94⅛	43¾
Saturday.......18	94⅜	72⅜	95⅛	43⅝
Monday.......20	94½	72⅜	95¼	43
Tuesday.......21	94⅝	72¾	96	42¾
Wednesday.......22	94½	72¾	96⅛	42¾
Thursday.......23	94⅛	72¾	96⅛	43
Friday.......24	94¾	72¾	95⅜	43⅜
Saturday.......25		(Holi	day.)	
Monday.......27	94⅝	72¾	95	43⅞
Tuesday.......28	94½	72½	95	43¾
Wednesday.......29	94⅜	72½	94⅝	43¾
Thursday.......30	94¼	72⅛	94⅛	43¾
Friday.......31	94⅜	72⅛	94⅞	43⅞
Lowest	94¼	72⅛	94½	42¾
Highest	95⅛	73⅜	102	46⅛
Range	⅞	1¼	7½	3⅜
Low } Since Jan. 1	91⅞	70⅛	84¾	41⅛
Hig } Since Jan. 1	96½	73½	102	50⅛
Rng } Since Jan. 1	4⅝	3⅜	17¼	8⅝
Last	94⅜	72⅛	94⅞	43⅞

The following are the closing quotations at the regular board June 5, compared with those of the five preceding weeks :

	June 26.	July 3.	July 10.	July 17.	July 24.	July 31.
Cumberland Coal	...	35	....	...	....	31
Quicksilver	24¼	22	22	21¼	21¼	22
Canton Co.	49¼	....	48	....	....	48¼
Mariposa pref	8¼	....	9	....	...	8¼
New York Central	134¼	134½	134¼	133	134¼	xd132¼
Erie	69½	70¼	70½	68½	68¼	68¼
Hudson River	140	...	....	....	....	138¼
Reading	104¼	xd96½	96½	96½	95	94½
Michigan Southern	92½	91½	92¼	92½	91½	xd88½
Michigan Central	....	....	....	....	118	118¼
Cleveland and Pittsburg	90¼	87½	87¼	86¼	88	89½
Cleveland and Toledo	103¼	103½	103¼	....	103	102½
Northwestern	69¼	75½	79½	79½	83¼	82½
" preferred	79¼	79½	81¼	81¼	83½	82¼
Rock Island	105¼	105½	108½	107¼	108	110½
Fort Wayne	112½	xd109½	109	108½	109½	110½
Illinois Central	156	157½	158	149¼	151½	151
Ohio and Mississippi	30½	29½	....	29¼	30½	30½

The following table will show the opening, highest, lowest and closing prices of all the railway and miscellaneous securities quoted at the New York Stock Exchange during the months of June and July, 1868 :

	June.				July			
Railroad Stocks—	Open.	High.	Low.	Clos.	Open.	High.	Low.	Clos.
Alton & Terre Haut	48	48	48	48	40	46	40	44¼
do do pref	68¼	68¼	67	67½	66	68	66	67
Boston, Hartford & Erie	15¼	15¼	15¼	15¼	16	18½	16	18¼
Buffalo N. Y. & Erie	85	85	85	85	....	....	....	....
Chicago & Alton	129	133	129	133	133	133	137	137½
do do pref	130	136	130	136	139½	139½	128½	133½
Chicago, Burl. & Quincy	151	154	151	154	164	165	164	165
do & Gt. Eastern	85	87½	85	87½	....	....	....	....
do & Northwest'n	68½	73	65¼	71¼	73¼	84¼	73	82½
do do pref	80	84½	77¼	77¼	79¼	84½	78¼	82¼
do & Rock Island	97	105½	96½	103¼	105¼	110½	105	110½
Cleve., Col., Cin. & Ind	91½	93	90½	90½	90	90¼	88½	88½
do Painesv. & Ashta	106	107	100½	100½	100¼	101	99	99¼
do & Pittsburg	88¼	91½	86½	89	89¼	90	84¼	90
do & Toledo	109½	110½	103¼	103¼	103½	104¼	102½	103
Del., Lack & Western	124½	124½	123	123	118	118	118	118
Dubuque & Sioux city	78	78	78	78	75	78	75	78
Erie	68¼	71¼	68	68½	70½	71	67½	68½
do pref	75¼	76	75	75	75	75½	74¼	75
Harlem	127	127	122	122	123	124	123	124
do pref	....	....	....	....	124	124	122	122
Hannibal & St Joseph	80½	87	80½	85¼	86	86	86	86
do do pref	86	91	86	87	88½	88½	87	87
Hudson River	141¼	143½	138	140½	139½	139½	138	138½
Illinois Central	149	158	149	157¼	158	159	141	151
Ind. & Cincinnati	53	53	50	50	50	52	50	51½
Joliet & Chicago	....	....	....	....	91	91	91	91
Mar. & Cincin., 1st pref	28¼	29	28¼	28½	28	29	28	29
do 2d pref	10½	10½	10	10	10	10	10	10
Michigan Central	120	121¼	117¼	118	116¼	119	116¼	119
do S. & N. Ind.	89	93½	89¼	92	92¼	93	88½	88½
Mil. & P. du Ch'n, 1st pr	103	105	103	105	105	106	104½	106
do do 2d pr.	98	98	98	98	99	100	99	99½
Milwaukee & St. Paul	66¼	67	62½	65¼	66	77¼	65	76¼
do do pref	78	79¼	76½	78	78½	85	78	88½
Morris & Essex	65	65	65	65	65	65	65	65
New Jersey	....	....	....	....	128	128	128	128
do Central	119½	126	119½	124½	124½	124½	120	120¼
New York Central	134	136½	132½	134	134½	136¼	131½	132½
do & N. Haven	151	151	145	145	145	145	145	145
Norwich & Worcester	90	92	90	92	92	92	92	92
Ohio & Mississippi	30½	31¼	29	29½	29½	30½	29	30½
do do pref	79½	79½	79	79	78½	78½	78½	78½
Panama	329½	339	329¼	330	330	330	330	330
Pittsb., Ft. W. & Chica	116	116½	109¼	109½	110	110¼	106¼	110½
Reading	95¼	106¼	93½	101	101½	101½	94¼	94½
Rensselaer & Saratoga	90	95½	90	95¼	95¼	95¼	95¼	95¼
Rome & Watertown	118	118	118	118	110	110	110	110
Second Avenue	....	....	....	...	40	46½	40	46½
Stonington	....	....	....	....	80	80	80	80
Toledo, Wab. & Western	51½	51½	46	48¼	48½	54½	48½	51½
do do do pref	69	69	69	69	69	73½	69	73¼

Miscellaneous—								
Central Coal	50	50	50	50	....	....	....	....
Cumberland Coal	85¾	85¾	83¾	83	83	85	83	83
Del. & Hud. Canal Coal	163⅛	163⅛	133	184⅛	140	142	130	131
Pennsylvania Coal	....	....	....		210	210	210	210
Pacific Mail	95	103⅛	95	99¾	100	101⅞	97⅛	101⅝
Atlantic do	30	30	30	30	29¾	29¾	28	28
Union Navigation	26⅛	28⅛	28¾	26⅛	26⅝	29⅛	26⅜	28¾
Boston Water Power	20⅛	23	17⅛	19	17	17	16	17
Canton	51⅛	51⅞	49	50	49	49	45	48¾
Cary Improvement	...	...	....	...	11⅛	11⅛	10	10
Brunswick City	4	9	4	8⅛	9	10¾	8⅛	8⅝
Mariposa	5	5	3	4	4	4	4	4
do pref	8⅛	9¾	6¾	8⅝	8¾	9⅛	8⅛	9
Quicksilver	29⅛	29⅛	22¾	22¾	22¾	24	19⅞	23¾
Manhattan Gas	....	....	....	....	210	210	210	210
West. Union Telegraph	88¾	88¾	33⅞	34¾	34⅝	35⅛	33⅜	35¾
Bankers & Brokers Ass.	111	114⅛	106	106	106	106	96¾	99
New York Guano	....	....	....	....	4	4⅛	4	4⅛
Express—								
American	53	54⅛	42⅛	46⅛	47⅛	48⅛	44⅛	45¾
Adams	56¾	58	51⅞	52⅝	53	54	51⅝	52¾
United States	56	56	45	48	48¾	49⅛	45¾	46
Merchant's Union	28	29	24	25⅛	25⅛	26	23	24¾
Wells, Fargo & Co.	25⅛	28	23¾	26⅛	25¾	27¾	24¾	27

The gold premium, during the latter half of the month, has shown a strong upward tendency. The unprecedentedly large exports of specie, and the increasing tendency of the imports, concurrently with a falling off in the exports of produce, have produced an expectation that the supply of gold in the country is likely to be reduced to an unusually low point ; while the agitation of financial ideas unfavorable to the public credit, and the prospect of a very excited presidential canvas have induced an unusually strong feeling among holders of gold. The supply of gold during the month has been $3,010,595 from California, $4,700,000 redemption of Loan of 1848, and $18,798,213 in interest upon United States bonds, making a total of $26,508,808. There has been withdrawn from the market, for export $8,812,715, and for customs $9,556,593, total $18,369,308.

The following formula furnishes the details of the general movement of coin and bullion at this port for the month of July, 1867 and 1868, comparatively :

GENERAL MOVEMENT OF COIN AND BULLION AT NEW YORK.

	1867.	1868.	Increase.	Decrease
In banks, near first	$7,763,996	$11,954,780	$4,185,784	$... ...
Receipts from California	2,662,139	3,010,595	348,456	....
Imports of coin and bullion	64,391	25,917	.....	38,474
Coin interest paid	16,306,871	18,798,213	2,491,842	....
Redemption loan of 1848	....	4,700,000	4,700,000	....
Total reported supply	$26,801,897	$38,489,455	$11,687,558	$........
Exports of coin and bullion	$14,301,702	$8,812,715	......	$5,488,987
Customs duties	9,794,404	9,556,593	....	237,711
Total withdrawn	$24,096,106	$18,369,308	$........	$5,726,698
Excess of reported supply	$2,705,791	$20,120,147	$17,414,356	$........
Specie in banks at end	8,733,094	20,801,101	12,066,007	......
Derived from unreported sources	$6,032,303	$688,954	$5,348,349	$........

The following exhibits the fluctuations of the New York gold market in the month of June, 1868.

COURSE OF GOLD AT NEW YORK.

Date.		Openi'g	Lowest.	High'st.	Closing.	Date.		Openi'g	Lowest.	High'st.	Closing.
Wednesday........	1	140¼	140⅛	140⅜	140⅜	Thursday..........	23	143¼	143⅛	143⅜	143¼
Thursday...........	2	140⅜	140¼	140⅜	140⅜	Friday...........	24	143⅝	143¼	143⅛	143¼
Friday...........	3	140¼	140¼	140¼	140⅜	Saturday..........	25	143⅛	143⅝	143⅜	143¼
Saturday...........	4		(Holi	day).		Monday..........	27	143⅛	143⅛	144⅛	144
Monday..........	6	140⅜	140⅛	140¾	140⅛	Tuesday..........	28	144¼	143¾	144⅛	144¼
Tuesday...........	7	140⅝	140⅜	141	140⅞	Wednesday..........	29	144	144	144⅛	144⅛
Wednesday..........	8	140⅞	140⅝	141	140⅜	Thursday..........	30	144¾	144⅝	145¼	144⅜
Thursday..........	9	140⅝	140⅝	140⅝	140⅝	Friday..........	31	145⅛	144⅝	145¼	145⅛
Friday.............	10	140⅝	140⅝	140⅞	140⅞						
Saturday.............	11	140⅞	140⅝	141¼	141⅛	July.. 1868..........		140⅛	140⅜	145¼	145⅛
Monday.............	13	141¼	140¾	141⅞	141⅞	" 1867..........		138¼	138	140⅝	140
Tuesday.............	14	142⅛	141⅝	142⅛	141⅞	" 1866..........		154⅜	147	155⅜	149
Wednesday........	15	142	141⅞	142⅝	142⅜	" 1865..........		141	138⅛	146⅛	144
Thursday.............	16	142¼	142¼	142⅞	142¾	" 1864..........		222	222	285	255
Friday.............	17	142⅝	142⅝	143¼	142⅝	" 1863..........		144¾	123¼	145	128⅜
Saturday.............	18	143⅛	143¼	144	143⅝	" 1862..........		109	108¾	120⅛	115
Monday.............	20	143⅜	143	143⅝	143⅛						
Tuesday.............	21	142⅝	142⅝	143¼	143	S'ce Jan 1, 1868..........		133⅛	133¼	145¼	145⅛
Wednesday..........	22	143¼	143	143⅜	143⅛						

The following exhibits the quotations at New York for bankers 60 days bills on the principal Eurcpean markets daily in the month of July, 1868:

COURSE OF FOREIGN EXCHANGE (60 DAYS) AT NEW YORK.

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.............	110⅛@110¼	513¾@512½	41¼@41⅜	79¾@80	36⅛@36¼	71⅞@72
2.............	110⅛@110¼	513¾@512½	41¼@41⅜	79¾@80	36⅛@36¼	71⅞@72
3.............	110¼@110⅜	513¾@512½	41¼@41⅜	79¾@80	36⅛@36¼	71⅞@72
4.............			(Holiday).			
6.............	110¼@110⅜	518¾@512½	41¼@41⅜	79¾@80	36⅛@36¼	71⅞@72
7.............	110¼@110⅜	518¾@512½	41¼@41⅜	79¾@80	36⅛@36¼	71⅞@72
8.............	110¼@110⅜	518¾@512½	41¼@41⅜	79¾@80	36⅛@36¼	71⅞@72
9.............	110¼@110⅜	513¾@512½	41¼@41⅜	79¾@80	36⅛@36¼	71⅞@72
10.............	110¼@110⅜	518¾@512½	41¼@41⅜	79¾@80	36⅛@36¼	71⅞@72
11.............	110¼@110⅜	513¾@512½	41¼@41⅜	79¾@80	36⅛@36¼	71⅞@72
13.............	110¼@110⅜	513¾@512½	41¼@41⅜	79¾@80	36⅛@36¼	71⅞@72
14.............	110¼@110⅜	513¾@512½	41¼@41⅜	79¾@80	36⅛@36¼	71⅞@72
15.............	110 @110⅛	513¾@512½	41¼@41⅜	79¾@80	36⅛@36¼	71⅞@72
16.............	110 @110⅛	513¾@512½	41¼@41⅜	79¾@80	36⅛@36¼	71⅞@72
17.............	110 @110⅛	518¾@512½	41¼@41⅜	79¾@80	36⅛@36¼	71⅞@72
18.............	110 @110⅛	518¾@512½	41¼@41⅜	79¾@80	36⅛@36¼	71⅞@72
20.............	110 @110⅛	518¾@512½	41¼@41⅜	79¾@80	36⅛@36¼	71⅞@72
21.............	110¼@	518¾@512½	41¼@41⅜	79¾@80	36⅛@36¼	71⅞@72
22.............	110¼@ ...	513¾@512½	41¼@41⅜	79¾@80	36⅛@36¼	71⅞@72
23.............	110¼@	518¾@512½	41¼@41⅜	79¾@80	36⅛@36¼	71⅞@72
24.............	110¼@	518¾@512½	41¼@41⅜	79¾@80	36⅛@36¼	71⅞@72
25.............	110¼@	518¾@512½	41¼@41⅜	79¾@80	36⅛@36¼	71⅞@72
27.............	110¼@ ..	513¾@512½	41¼@41⅜	79¾@80	36⅛@36¼	71⅞@72
28.............	110¼@	518¾@512½	41¼@41⅜	79¾@80	36⅛@36¼	71⅞@72
29.............	110¼@	518¾@512½	41¼@41⅜	79¾@80	36⅛@36¼	71⅞@72
30.............	110⅛@110¼	518¾@512½	41¼@41⅜	79¾@80	36⅛@36¼	71⅞@72
31.............	110⅛@110¼	518¾@512½	41¼@41⅜	79¾@80	36⅛@36¼	71⅞@72
July, 1868............	110 @110⅜	518¾@512½	41¼@41⅜	79¾@80	36⅛@36¼	71⅞@72
July, 1867............	109¾@110⅞	517⅛@511¼	40¾@41⅜	78 @79¼	36 @36⅛	71⅛@72⅛

THE FUNDING BILL.

The following is the Funding bill, as reported by the Committee of Conference, and passed by both Houses. The President has not signed it at latest advices and there is a difference of opinion as to whether it will become a law without his signature, Congress having taken a recess till Sept. 21, and not having adjourned:

AN ACT providing for the payment of the National Debt, and for the reduction of the rate of interest thereon.

e it enacted, &c., That the Secretary of the Treasury is hereby authorized to issue coupon or registered bonds of the United States in such fo m as he may prescribe, and of denominations of $100, or any multiple of that sum, redeemable in coin at the pleasure of the United States after thirty or forty years respectively, and bearing the following rates of yearly interest, payable semi-annually in coin, that is to say: The issue of bonds falling due in thirty years shall bear interest at four and a half per centum; and bonds falling due in forty years shall bear interest at four per centum, which said bonds, and the interest thereon, shall be exempt from the payment of all taxes or duties to the United States other than such income tax as may be assessed on other incomes, as well as from taxation in any form, by or under State, municipal, or local authority, and the said bonds shall be exclusively used, par for par, for the redemption of, or in exchange for an equal amount of any of the present outstanding bonds of the United States known as the five-twenty bonds, and may be issued to an amount in the aggregate sufficient to cover the principal of all such five-twenty bonds, and no more.

Sec. 2. And be it further enacted, That there is hereby appropriated out of the duties derived from imported goods the sum of $135,000,000 annually, which sum, during each fiscal year, shall be applied to the payment of the interest, and to the reduction of the principal of the public debt, in such a manner as may be determined by the Secretary of the Treasury, or as Congress may hereafter direct, and such reduction shall be in lieu of the sinking fund, contemplated by the fifth section of the act, entitled an "Act to authorize the issue of United States notes, and for the resumption or funding thereof, and for funding the floating debt of the United States," approved Feb. 25, 1862.

Sec. 3. And be it further enacted, That from and after the passage of this act, no percentage, deduction, commission, or compensation of any amount or kind shall be allowed to any person for the sale, negotiation, redemption, or exchange of any bonds or securities of the United States, or of any coin or bullion disposed of at the Treasury Department or elsewhere on account of the United States; and all acts and parts of acts authorizing or permitting, by construction or otherwise, the Secretary of the Treasury to appoint any agent other than some proper officer of his Department to make such sale, redemption, or exchange of bonds and securities, are hereby repealed.

VIRGINIA DEBT STATEMENT.

The Treasurer of the State of Virginia has made the following exhibit of the State's indebtedness, in a letter to Messrs. Thomas Branch & Co., of Richmond:

TREASURY OFFICE OF VIRGINIA,
RICHMOND, June 19, 1868.

In reply to yours of this date asking a statement of the debt of the State, I herewith submit the following:

Amount of old registered debt	$22,'04,298 38
Amount of old coupon debt	12,973,000 00
Amount of new debt (funded interest)	6,844,957 (0
Amount of unpaid interest yet to be funded	500,000 00
Amount of interest due to 1st July, 1868, on new debt—funded and yet to be funded	791,246 00
Amount of unpaid interest to 1st July, 1868, on old debt—rate 6 per cent, and only 4 per cent paid	656,966 00
Amount of interest due on old debt to 1st July, 1868—which will not be paid	985,448 00
Amount of interest due July, 1867, and January, 1868—and not collected	100,000 00
Total	$44,855,915 38

NOTE.—In the old registered debt there is embraced $2,042,655 44, which is held by the sinking fund and literary fund; but $1,800,000 of bonds guaranteed by the State is not included as part of the debt in this statement.

Balance in the Treasury, 17th June, 1867	$569,000
Balance in the Treasury, 17th June, 1868	197,000

GEO. RYE, Treasurer of Virginia, *ad interim*.

LOUISIANA DEBT STATEMENT.

The New Orleans *Republican* gives the following statement of the debt of Louisiana, from the report of the State Auditor; adding, however, the free school fund bonds which he had omitted:

Bonds loaned Consolidated Bank	$541,000 00
Bonds loaned Citizens Bank	4,297,333 33
Bonds issued in favor of Charity Hospital, Nashville Railroad, Mexican Gulf Railroad and for reli f of S ate Treasury	1,397,000 00
Bonds to Jackson Railroad	884,000 00
Bonds to Opelou-as Railroad	650,000 00
Bonds to Vicksburg and Shreveport Railroad	298,000 00
Bonds to Baton Rouge and Gros Tete Railroad	160,000 00
Bonds to Seminary fund	136,000 00
Bonds to Free School fund	529,000 00
Levee bonds	1,000,000 00
Bonds for payment of coupons	494,800 00
Additional Levee bonds	1,787,000 00
Floating debt	1,298,867 81
Total	$13,832,601 14

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 June and 1st of Augu t, 1868:

	June 1.	Aug st 1.	Increase.	Decrease.
DEBT BEARING COIN INTEREST.				
5 per cent. bonds	$220,812,400 00	$221,588,400 00	$776,000 00	$ ......
6 " '67 & '68	8,582,641 80	....	....	8,582,641 80
6 " 1881	283,677,200 00	283,677,300 00	100 00	....
6 " (5-20's)	1,494,755,600 00	1,583,106,100 00	88,350,500 00	....
Navy Pen. F'd 6 p.c.	13,000,000 00	....	....	13,000,000 00
Total	2,020,327,841 80	2,088,371,800 00	67,543,958 20	....
DEBT BEARING CURRENCY INTEREST.				
6 per ct. (RR) bonds	$25,902,000 00	$32,210,000 00	$6,308,000 00	$........
3-y'ars com. int. n'tes	21,604,890 00	21,604,890 00	....	....
3-years 7-30 notes	105,610,650 00	....	....	105,610,650 00
3 p. cent. certificates	50,000,000 00	50,000,000 00	....	....
Navy Pen. F'd 3 p.c.	....	13,000,000 00	13,000,000 00	....
Total	203,117,540 00	116,814,890 00	....	86,302,650 00
MATURED DEBT NOT PRESENTED FOR PAYMENT.				
7-30 n. due Aug. 15,'67, J'e & J'y 1, '68	$947,500 00	$8,433,800 00	$7,486,300 00	$........
6 p. c. comp. int. n'es	8,012,360 00	6,013,910 00	....	1,998,450 00
B'ds of Texas ind'ty	256,0 0 00	256,000 00	....	....
Treasury notes (old)	155,211 64	154,511 64	....	700 00
B'ds of Apr. 15, 1842, Jan 28, 1847 & March 31, 1848	6,000 00	1,925,941 80	1,919,941 80	....
Treas. n'e of Ma. 3,63	555,492 00	55 ,442 00	... .	....
Temporary loan	883,639 00	746,520 00	....	137,119 00
Certifi. of indebt'ess	18,000 00	13,000 00	....	5,000 00
Total	10,834,202 64	18,099,175 44	$7,264,972 80	....
DEBT BEARING NO INTEREST.				
United States notes	$356,144,212 00	$356,021,073 00	$........	$123,139 00
Fractional currency	32,531,589 94	31,867,818 37	....	663,771 57
Gold certi. of deposit	20,298,180 00	22,414,000 00	2,115,820 00	....
Total	408,973,981 94	410,302,891 37	1,328,909 43	....
RECAPITULATION.	$	$	$	$
Bearing coin interest	2,020,327,841 80	2,088,371,800 00	67,543,958 20	....
Bearing cur'y interest	203,117,540 00	116,814,890 00	....	86,302,650 00
Matured debt	10,834,202 64	18,099,175 44	7,264,972 80	....
Bearing no interest	408,973,981 94	410,302,891 37	1,328,909 43	....
Aggregate	2,643,253,566 38	2,633,588,756 81	....	10,164,809 57
Coin & cur. in Treas	133,507,679 64	110,054,276 14	....	23,453,403 50
Debt less coin and cur.	2,510,245,806 74	2,523,534,480 67	13,288,593 93	....

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

COIN AND CURRENCY IN TREASURY.

Coin	$90,228,559 31	$83,409,917 98	$...........	6,818,641 33
Currency	43,279,120 33	26,644,358 21	....	16,634,762 12
Total coin & curre'y	133,507,679 64	110,054,276 14	....	23,453,403 50

The annual interest payable on the debt, as existing June 1 and August 1, 1868 (exclusive of interest on the compound interest notes), compares as follows:

ANNUAL INTEREST PAYABLE ON PUBLIC DEBT.

	June 1.	August 1.	Increase.	Decrease.
Coin—5 per cents	$11,040,620 00	$11,079,420 00	$38,800 00	$........
" 6 " 67 &'68	514,958 50	....	....	514,958 50
" 6 " 1881	17,030,632 00	17,030,638 00	6 00	....
" 6 " (5-20's)	89,685,336 00	94,983,366 00	5,301,030 00	....
" 6 " N. P. F.	780,000 00	....	....	780,000 00
Total coin interest	$119,041,546 50	$123,086,424 00	$4,044,877 50	$.... ....
Currency—6 per cents	$2,854 413 40	$3,228,893 40	378,480 00	....
" 7.30 "	7,709,577 35	....	....	7,709,577 35
" 3 "	1,500,000 00	1,890,000 00	390,000 00	....
Total currency inter't	$12,059,990 75	$5,118,893 40	....	$6,941,097 35

ATLANTIC AND GREAT WESTERN RAILWAY.

The following terms have been agreed upon by the Debenture holders of this Company:

DEBENTURES £2,800,000, OR 14,000,000 DOLLARS.

1. The $5,296,600 first and second divisional bonds in trust to be taken by the debenture holders in part liquidation of their claim.

2. For the Erie and Niagara, the New Lisbon and the Oil Creek bonds and shares in trust, of the face value of $931,000, and for the money in the hands of the trustees, the debenture holders are to receive in cash $592,4 0, or at 4s 6d per dollar. £13 ,290.

3. In substitution for over-due coupons on the divisional bonds in trust, to the 15th inst., amounting to $1,171,000—income bonds, dollar for dollar, having ten and fifteen years to run and bearing 7 per cent in currency, from 15th November, 1868, are to be issued to the debenture holders *pro rata*—the coupons themselves to be held in trust, so that in the event of any failure in the payment either of interest or principal on the income bonds, the coupons may be revived as a first charge upon the undertaking.

Together these three items will amount to $7,000,000 or 50 per cent of the debenture claims.

4. For the other moiety of the debenture claims, also amounting to $7,000,000, the debenture holders are to have the option of taking dollar for dollar in Second Consolidated Mortgage Bonds, bearing 5 per cent interest, in sterling, from 15th November, 1870; the two years interest accruing between 15th November, 1868, and that date, to be paid in Income Bonds having twenty years to run, and bearing 7 per cent in currency, or the option of taking £ 80,000 in cash, being £10 for every £100 debenture held, which is equivalent to 20 per cent for the Second Consolidated Mortgage.

5. Income bonds for $381,516 having ten and fifteen years to run, and bearing 7 per cent in currency from 15th November, 1868, are also to be issued to the debenture holders in respect to coupons accruing on the first divisional bonds, from 16th July, 1868, to 1st April, 1869, and on the second divisional bonds, from 17th July, 1868, to 1st April, 1870, from which dates the payment of accruing coupons to be resumed; the coupons themselves to be held in trust as in clause 3.

6. Income bonds for $700,000, having twenty years to run, and bearing 7 per cent in currency, from 15th November, 1868, are to be issued to the debenture holders in respect of one year's interest on the debentures to 15th November, 1868, at 5 per cent. The divisional coupons referred to in clause 3 and 5 are to be held collaterally to secure this issue also.

7. On the completion of this arrangement, the £2,800,000 debentures and the $14,541,150 shares in the trust, are to be given up to the company for cancellation.

All claims against the trustees are to be abandoned and the bill in chancery to be withdrawn.

The effect of this arrangement will be as follows:

	Face value.	Market value.	Sterling.
Divisional bonds in trust...	$5,236,600	$3,141,960	£706,941
Income bonds (see clause 8)...	1,171,000		
" " " " 6...	700,000	1,126,258	253,408
" " " " 5...	881,516		
Cash ... " " 2...	592,400	592,400	133,290
" £280,000 " " 4, or second consolidated mortgage bonds bearing 5 per cent in sterling, from 15th November, 1870, for $7,000,000...	7,000,000	1,400,000	280,000
Total...	$15,081,516	$6,260,618	£1,378,639

—which will give for each debenture of £100—

	Face value, pr ct.	Market value, p.c.
Divisional bonds...	42·06	25·24
Income bonds...	18·10	9·05
Cash...	4·76	4 76
Cash, or $250—second consolidated mortgage bonds and income bonds for two years' interest at 7 per ct. currency...	50·00	10·00
	114 92	49·05

[This calculation is made at the rate of 60 per cent for the divisional bonds and 50 per cent for the income bonds.]

RECEIPTS AND EXPENSES OF THE U. S. GOVERNMENT.

Honorable David A. Wells, Special Commissioner of the Internal Revenue, in response to a letter of inquiry addressed to him has published a statement of the receipts and expenses of the Government for the fiscal year ending June 30th, 1868, from which we extract the following:

TREASURY DEPARTMENT,
OFFICE SPECIAL COMMISSIONER OF THE REVENUE,
WASHINGTON, July 15, 1868.

Hon. William B. Allison, M. C.:

SIR.—I have the honor to acknowledge the receipt of your note of July 9, and in response to the same I submit the following statements, premising, however, that only substantial accuracy can be claimed for the account of receipts and expenditures for the fiscal year ending June 30, 1868, inasmuch as sufficient time has not yet elapsed to allow of a perfect and exact settlement on the books of the Treasury Department of all the accounts of the last quarter of the last fiscal year:

RECEIPTS.

The national receipts of revenue from all sources, for the fiscal year ending June 30, 1868, were substantially as follows:

Customs (gold)...	$163,500,000
Internal revenue (currency)...	193,000,000
Miscellaneous (currency)...	47,000,000
Public lands and direct tax (currency)...	2,800,000
Total...	$406,300,000

EXPENDITURES.

If we divide the total expenditures of the last fiscal year into "ordinary expenses," or those which are required to support and maintain the Government, and "extraordinary expenses," or those which have been the unavoidable results of the war, we have the following classification:

Ordinary Expenditures.

	Fiscal year 1867–68. Actual.	1868–69. Estimated or Appropriated.
Civil List (legislative, executive, &c...	$53,009,846 95	$36,000,000
Interior (Indians)...	4,600,000 00	2,500,000
Navy Department...	25,775,502 72	17,300,000
War Department...	56,713,410 00	33,081,018
Engineer Bureau (rivers and harbors)...	6,182,620 00	1,500,000
Total...	$146,281,379 67	$90,381,013

Extraordinary] Expenditures.

	Fiscal year 1868-8, actual.	1868-9, estimated or appropriated.
Interest, public debt	$141,635,551	$126,000,000
Pensions	23,282,676	25,000,000
Bounties	88,000,000	40,000,600
Freedmen's Bureau	8,215,000	500,000
Reconstruction expenses	1,799,270	.. ...
Reimbursing States	10,330,188	....
Payments for property lost or destroyed in the military service of the United States	5,111,300	6,000,200
Subsistence of Indians	1,000,000	1,000,000
National cemeteries	792,860	....
Commutation of prisioner's rations	152,000	....
Total	$225,318,845	$198,5000,000

Reduction of Taxation.

The amount of taxes abated or repealed since the close of the war has been estimated as follows:

By act of July 13, 1868	$60,000,000
" " March 2, 1867	40,000,000
" " Feb. 3, 1868 (exemption of raw cotton)	23,768,000
" " March 31	43,500,000
Total	$167,268,000

RAILROAD EARNINGS FOR JUNE.

The gross earnings of the under-specified railroads for the month of June, in 1867 and 1868, and for the first six months of each year are exhibited in the subjoined statement:

GROSS EARNINGS FOR JUNE, AND FOR THE FIRST SIX MONTHS OF 1867 AND 1868

Railroads.	June 1867.	June 1868.	Six Months 1867.	Six Months 1868.
Atlantic and Great Western	$380,796	$352,167	$2,460,230	$2,236,900
Chicago and Alton	342,357	373,461	1,597,612	1,802,062
Chicago and Northwestern	898,367	1,167,544	4,596,294	5,841,623
Chicago, Rock Island and Pacific	261,480	366,200	1,582,801	1,892,091
Detroit and Milwaukee	136,713	135,020	717,576	683,205
Illinois Central	516,494	548,019	3,022,838	2,875,066
Marietta and Cincinnati	96,535	95,924	537,593	572,315
Michigan Central	284,977	325,501	1,944,688	2,065,398
Michigan Southern & North'n Ind	304,282	368,550	2,050,702	2,322,293
Milwaukee and St. Paul	368,395	458,094	1,990,501	2,512,100
Ohio and Mississippi	240,135	217,082	1,549,367	1,383,079
Pittsburg, Fort Wayne and Chicago	507,451	601,246	3,380,336	3,766,900
St. Louis, Alton and Terre Haute	156,065	143,211	969,115	928,771
Toledo, Wabash and Western	304,810	298,344	1,660,037	1,654,012
Western Union	60,558	77,835	262,857	323,045
Total (15 roads)	$4,722,642	$5,377,678	$27,704,906	30,296,255

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

Returns of the New York, Philadelphia and Boston Banks.

Below we give the returns of the Banks of the three cities since Jan. 1:

NEW YORK CITY BANK RETURNS.

Date.	Loans.	Specie.	Circulation.	Deposits.	L. Tend's.	Ag. clear'gs.
January 4	$249,741,297	$12,724,614	$34,134,391	$187,070,788	$62,111,201	$483,266,304
January 11	253,170,723	19,222,856	34,094,137	194,835,525	64,753,116	553,884,525
January 18	256,033,938	23,191,867	34,071,006	205,888,143	66,155,241	619,797,369
January 25	258,392,101	25,106,800	34,052,762	210,093,084	67,154,161	528,508,228
February 1	266,415,618	23,955,320	44,062,521	213,330,524	65,197,153	637,449,923
February 8	270,555,856	22,823,872	34,096,834	217,844,518	55,846,259	597,242,595
February 15	271,015,970	24,192,955	34,043,296	216,759,823	63,471,762	550,521,185
February 21	267,763,643	22,513,987	34,100,023	209,095,851	60,868,920	452,421,592
February 29	267,240,678	22,091,642	34,056,228	208,651,578	58,553,607	705,109,784
March 7	269,156,636	20,714,233	34,153,957	207,737,080	57,017,044	619,219,593
March 14	266,616,034	19,744,701	34,218,381	201,188,470	54,788,866	691,277,641
March 21	261,426,900	17,944,808	34,212,571	191,191,526	52,261,086	649,482,341
March 28	257,878,247	17,328,367	34,190,808	186,525,128	52,123,078	557,843,908
April 4	254,287,891	17,077,299	34,227,108	230,950,846	51,709,706	567,788,188
April 11	252,936,725	16,343,150	34,194,272	179,851,880	51,962,609	493,871,451
April 18	254,817,936	16,776,542	34,213,581	181,832,523	50,233,669	623,713,923

Date.	Loans.	Specie.	Circulation.	Deposits.	Legal Tend's.	Ag. clear'gs.
April 25	252,814,617	14,943,547	34,227,624	180,307,489	53,866,757	6 2,784,154
May 2	257,623,672	16,166,373	34,114,843	191,206,135	57,863,599	588,717,922
May 9	265,755,883	21 286,910	34,205,409	199,276,568	57,541,827	507,028,567
May 16	267,724,783	20,939,142	34,193,249	201,313,305	57,618,095	480,186,908
May 23	267,381,279	20,479,947	34,183,038	202,507 550	62,233,002	488,785,142
May 30	268,117,490	17,861,088	34,145,606	204,746,964	65,633,964	602,118,248
June 6	273,792,267	14,328,531	34,188,159	209,069,655	68,822,028	640,663,329
June 13	275,142,024	11,193,631	34,166,846	210,670,765	69,202,840	530,328,197
June 20	274,217,018	9,124,830	34,119,120	211,484,887	72,567,582	553,9?3,817
June 27	276,504,?36	7,753,300	34,048,721	214,302,207	73,853,303	516,726,075
July 3	281,945,931	11,954,7?0	34,032,466	221,050,806	72,125,939	525,646,693
July 11	284,147,708	19,235,318	34,068,202	224,820,141	68,531,542	591,756,395
July 18	282,912,490	20,399,031	34,004,111	228,180,749	71,847,545	505,462,464
July 25	280,345,255	20,304,101	33,963,373	226,761,662	72,235,583	487,169,387

PHILADELPHIA BANK RETURNS.

Date.	Legal Tenders.	Loans.	Specie.	Circulation.	Deposits.
January 4	$16,782,482	$52,00?,304	$235,912	$10,639,000	$36,621,274
January 11	16,037,995	52,593,707	400,615	10,639,096	37,131,830
January 18	16,827,423	53,013,196	320,973	10,641,752	37,457,089
January 25	16,836,937	52,325,599	279,393	10,645,226	37,312,540
February 1	17,064,184	52,604,916	248,673	10,638,927	37,922,287
February 8	17,063,716	52,672,448	287,878	10,635,926	37 396,653
February 15	16,949,944	52,532,946	263,157	10,663,328	37,010,520
February 22	17,573,149	52,423,166	204,929	10,632,495	36,453,464
February 29	17,877,877	52,459,757	211,365	10,634,484	35,798,314
March 7	17,157,954	53,081,665	232,180	10,633,713	34,826,861
March 14	16,662,299	53,367,611	251,051	10,631,399	94,523,550
March 21	15,661,946	53,677,337	229,518	10,643,613	33,836,996
March 28	14,348,391	53,450,878	192 838	10,643,606	32,428,390
April 4	13,908,625	52,209,234	215,835	10,642,670	31,278,119
April 11	14,194,385	52,256,949	250,240	10,640,932	32,255,671
April 20	14,498,287	52,989,780	222,229	10,640,479	33,950,952
April 27	14,951,106	52,812 6?3	204,699	10,640,312	34,767,290
May 4	14,990,834	53,333,740	314,366	10,631,044	35,109,937
May 11	15,166,017	53,771,794	397,778	10,629,0 5	36,017,596
May 18	15,331,545	53,494,583	3?3,525	10,632,665	36,030,063
May 25	15,823,099	5?,?63,225	230,302	10,661,276	36,000,297
June 1	16,184,865	53,562,449	239,371	10,626,937	36,574,457
June 8	16,078,308	53,491 864	226,581	10,630 945	42,910,499
June 15	15,837,117	53,122,521	175,308	10,630,979	43,016,968
June 22	15,993,145	53,381,820	182,711	10,631,220	43,243,562
June 29	16,414,877	53,072,878	198,563	10,630,307	43,936,629
July 6	16,443,153	53,653,471	238,996	10,625,426	44,824,898
July 13	16,664,232	53,791,546	182,524	10,626,214	45,156,620
July 20	16,747,440	53,994,618	183,252	10,647,854	45,637,975
July 27	16,855,891	54,024,355	195,836	10,622,247	45,5?3,290

BOSTON BANK RETURNS.

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

Date.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation: National.	Circulation: State.
January 3	$31,960,249	$1,466,246	$15,543,169	$40,856,022	$24,636,559	$228,730
January 13	97,800,239	1,276,987	15,560,965	41,496,320	24,757,965	227,953
January 20	97,433,468	926,942	15,832,769	41,904,161	24,700,001	217,372
January 27	97,433,435	841,196	16,349,637	43,991,170	14,564,?06	226,258
February 3	96,895,260	777,627	16,788,229	42,891,128	24,628,103	221,?60
February 10	97,973,916	652,939	16,497,643	42,752,067	24,850,926	221,700
February 17	98,218,828	605,740	16,561 4?1	41,502,550	24,850,055	220,452
February 24	97,469,436	616,953	16,309,501	40,387,614	24,686,212	216,490
March 2	100,248,692	633,332	16,304,846	40,954,936	24,876,089	2?5,214
March 9	101,?59,361	867,174	15,556,696	89,770,418	24,987,700	210,162
March 16	101,499,611	918,485	14,582,342	39,276,514	25,062,418	197,720
March 23	100,109,595	798,606	13,712,560	37,022,546	25,094,253	197,289
March 30	99,182,268	685,034	13,736,032	36,184,640	24,983,417	197,079
April 6	97,020,925	731,510	13,004,924	36,008,157	25,175,194	168,028
April 13	97,850,230	873,487	12,522,035	36,422,929	24,213,014	167,013
April 20	98,906,805	805,486	11,905,608	36,417,890	24,231,058	166,962
April 27	98,002,343	577,?63	12,298,545	36,259,946	25,231,973	164,331
May 4	97,624,197	815,469	12,656,190	37,635,406	25,208,234	160,885
May 11	97,332,283	1,132,668	11,962,368	37,358,776	25,225,173	145,248
May 18	96,932,524	1,186,831	12,199,422	37,844,742	25,234 465	160,241
May 25	97,041,720	1,018,809	12,848,141	38,398,142	25,210,660	160,151
June 1	97,458,997	766,553	14,188,806	40,311,569	25,204,939	159,560
June 8	98 116,632	631,149	14,368,900	41,470,376	25,194,114	159,313
June 15	99,513,988	561,990	14,373,575	41,788,706	25,190,565	159,150
June 22	99,389,631	476,493	14,564,614	42,583,871	25,197,317	158,908
June 29	99,477,074	436,699	15,195,550	42,506,316	25,182,920	158,812
July 6	100,110,830	1,617,638	15,1?7,307	43,458,654	25,214,100	144,689
July 13	101,493,516	1,198,529	15,743,211	43,116,765	25,216,184	141,588
July 20	102,430,433	1,521,393	15,469,406	43,376,800	25,218,727	135,799
July 27	102,408,771	785,641	15,837,748	43,580,894	25,254,906	142,450

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A CENTRAL LINE OF NAVIGATION FROM THE OHIO TO THE CHESAPEAKE BAY

BY R. W. HUGHES, VA.

(Continued from page 127, vol. 59, No. 2.)

OBJECTIONS TO THE RIVER AND GULF ROUTE.

Any reflecting mind would have concluded in 1820, when the success of steamboat navigation had been fully demonstrated on western waters, that the course of western trade was thereby determined; that it would never seek artificial lines of transportation where steam navigation could be applied; but would assuredly prefer the course of the Mississippi river to New Orleans and a market. But no sooner was the Erie canal opened in 1825, than produce from the region of the Mississippi began to seek that route to the seaboard. From the country in the region of the lakes, the new route had the advantage of being much shorter and more direct. From the country bordering upon the Ohio river, other considerations gave trade a northeastward direction towards the canal.

It is a well known fact that almost every article of up-country produce is liable to undergo a sweating, souring, and heating process from the warmth and humidity of the climate of the gulf. The loss in value from this deteriorating cause is sometimes very serious, and always greater or less; being variously estimated at from 5 to 25 per cent. on the value of produce; except when the transit is made in the winter months. Assuming, however, that the average deterioration amounts only to 5 per cent on bacon, lard, butter, tobacco, and ten per cent on wheat and flour, we have an average loss of $7 50 per ton on the former class of articles; and of $5 per ton on the latter; a sum which is sufficient to give the control of this trade for most of the year to northern routes. The addition of these items to the comparative estimates of cost of transportation by various routes, given in the report of Mr. Lorraine and the memorial of the Iowa legislature, would make a still greater difference in favor of the Virginia route over that by way of the gulf.

Besides the objection of climate, there are dangers in the navigation of the Mississippi, from snags and other casualties. During the last twenty-five years much has been done to relieve this evil; but the high rates of river steamboat insurance still attest the magnitude of the dangers attending the navigation of the river. Mr. Barrow, in a report to the Senate of the United States in 1843, stated the amount of the losses on the Mississippi and its tributaries, from snags alone, at a million of dollars per annum.

The navigation of the gulf of Mexico is subject to the sudden storms and hurricanes incident to the West India climate. In his speech at the Memphis convention in 1845, Mr. Calhoun said on this subject: "With all the advantages possessed by the coasting trade between the gulf and Atlantic, be it ever so well secured against interruption, there is one great objection to which it is liable. The peninsula of Florida projects far south; which makes the voyage from New Orleans and the other ports of the gulf to the southern Atlantic cities, not only long and tedious, but liable to frequent and great accidents in its navigation. A voyage from this place (Memphis), for instance, to Charleston, would be a distance of certainly not less than two thousand five hundred miles, and is subject to as great losses as any voyage of equal extent in any part of the world. It was estimated some dozen years since, that the actual loss between Cuba, the Bahama Islands and Florida, was not less than half a million of dollars a year, and it may now, with the great increase of our commerce, be put at not less than a million."

These dangers, coupled with those incident to the navigation of the boisterous coast of the Carolinas, and combined with the great length of the voyage from St. Louis to New York of 4,000 miles, make up a most imposing and formidable array of objections to the river, gulf and seaboard.

The far-seeing mind of Chief Justice Marshall perceived the effect of these objections as early as 1812. In his report in advocacy of the Virginia canal line, that eminent man said: "The whole of that extensive and fertile country [the valley of the Mississippi], a country increasing in wealth and population with a rapidity which baffles calculation, must make its importations up the Mississippi alone, or through the Atlantic states. When we take into view the certain growth of the country, we can scarcely suppose it possible that any commercial city on the banks of that river [near its mouth*] can keep pace with that growth and furnish a supply equal to the demand. The unfriendliness of the climate to human life will render this disparity between the commercial and agricultural capital still more sensible. It will tend still more to retard a population of that sound commercial character which would render some great city on that majestic river a safe emporium for the western world."

In answer to enquiries addressed by Mr. Cabell, former president of the Virginia canal, to eminent merchants largely engaged in trade, both in Richmond and New Orleans, he received the following replies. Several persons united in saying, that if the Virginia line should bring trade from the west to tide-water at two cents per ton per mile, (which is quadruple the charge at which it will be brought), it was their opinion "that the following articles would pay all the expenses of transportation and net the grower more in Richmond, than if taken to New Orleans free of charge; say tobacco, flour, pork, bacon, lard, butter, cheese, &c., for the following reasons:

"Independent of the freight down the river to New Orleans, these articles are all materially injured, by passing through a warm and humid climate; at New Orleans they have to pay exorbitant rates of drayage, storage, fire insurance and commission, and when shipped from thence to other markets, are subject to a rate of freight at times 50 per cent higher than from the James river." Genl. Steenbergen, an eminent man of business in the Ohio valley wrote, that "every avenue from the Ohio to the eastern cities at all practicable, and at prices of transportation that can possibly be borne by the shipper, is used in preference to the New Orleans route. It will always be the case. The climate and dangers of the one, against the certainty and even high prices of the other, will make the inland passage the favorite one."

Of late years, the construction at St. Louis and other points, of great stationary steam elevators for transferring grain from boat to boat, and the employment of floating steam machinery for performing the same office from boat to boat while in motion; and the substitution of barges towed in fleets by steam towboats, for the old plan of carrying the freight on the steamboat, has restored to water transportation an undisputed

* The context shows that he referred to an importing city near the seaboard.

superiority over railroad carriage and diminished the objections which formerly existed to the route by the lower Mississippi and the gulf. But the injurious effects of the semi-tropical climate upon agricultural produce, the great length of the circuitous gulf route, and the dangers of the gulf and coast navigation, still constitute enduring objections to that route.

DEFECTS OF THE ST. LAWRENCE ROUTE.

The outlet of the St. Lawrence into the ocean is not less than 1,000 miles northeast from lake Ontario; about 700 miles of the line consisting of the river itself, and 300 miles of the gulf of St. Lawrence, into which it falls. As to its natural features, this line of navigation, in both of its divisions, was accurately described in 1838 by an eminent English engineer and traveler, Mr. Stevenson, who had made a professional tour of observation in the United States and British America. Mr. Stevenson says of this river:

"Receiving the whole surplus waters of the North American lakes, and the drainage of a great tract of country traversed by the numerous streams which join it in its course to the ocean, the St. Lawrence, as regards the quantity of its discharge, presents abundant advantages for safe and easy navigation. The stream of the upper part of this river, however, is much distorted by numerous expansions and contractions of its banks, and also by declivities or falls in its bed, and clusters of small islands, which render its navigation exceedingly dangerous, and in some places wholly impracticable for all sorts of vessels excepting the Canadian batteaux, which are strong flat-bottomed boats, built expressly for its navigation. In several parts of its course the river expands into extensive lakes; and in its waters, which are thus distributed over a great surface, numerous shoals occur, among which the ship-channel is generally tortuous and narrow, and only navigable in day-light. In some places again the St. Lawrence forces its way between high banks which encroach on its bed, and leave a comparatixely narrow gullet for its passage: and in others it flows over a steep, rugged bottom. These sudden contractions and declivities interrupt the peaceful flow of the stream, and produce *chutes*, as they are called, or rapids, some of which are wholly impassable for vessels of large size, and others can only be navigated in certain states of tide. The islands, which occur chiefly in the upper part of the river between Montreal and lake Ontario, also disturb the channel, and give rise to rapids which are no less detrimental in a commercial point of view." —[*Stevenson's Civil Engineering in America.*

The navigation of the river is further embrarrassed by the general and strong current of the river, against which ascending vessels can make their way only by the aid of steam tow-boats of the most powerful description in any of the American waters. Since Mr. Stevenson wrote the rapids and shallows of the river have been flanked by canals and the falls of the Niagara river have been lapped by the Welland canal—all on the British side. The dimensions of these Canadian canals are as follows:

	Length in miles.	Depth in feet.	Size of locks, feet.	Lift, feet.	Number locks.
Lachine	8½	10	200x45	44¾	5
Beauharnais	11¼	10	200x45	82½	9
Cornwall	11½	10	200x45	48	7
Farrand's Point	9¼	10	200x45	4	1
Rapid Plat		10	200x45	11½	2
Point Iroquois		10	200x45	6	1
Gallop's		10	200x45	8	2
Welland	28	10	150x26¼	330	27
Total	69			534¾	54

The St. Lawrence canals can pass vessels of 800 tons. The Welland canal can pass vessels of 400 tons. These canals connect the lower river and gulf of St. Lawrence with the chain of the great lakes.

Of the gulf of St. Lawrence, Mr. Stevenson gives the following description:

The navigation of the gulf of St. Lawrence, through which the river discharges itself into the Atlantic, is very hazardous. In addition to dangers arising from the masses of ice which are constantly to be met with, for nearly one half of the year, it is subject to dense and impenetrable fogs, and its rocky shores and desolate islands, afford neither comfort nor shelter to the shipwrecked mariner. One of the most desolate and dangerous of the islands in the gulf, is Anticosti, which lies exactly opposite the mouth of the St. Lawrence, and is surrounded by reefs of rocks and shoal-water. Two light-houses have been erected on it, and also four houses of shelter, containing large stores of provisions, for the use of those who have the misfortune to be shipwrecked on its inhospitable shores.

In a memorial of citizens of New York, written by De Witt Clinton in 1816, addressed to the legislature of that state, in advocacy of the Erie canal, it is stated that "the St. Lawrence is generally locked by ice seven months in the year, during which time produce lies a dead weight on the hands of the owner." But Mr. Stevenson seems to imply shorter duration of the period of frost by remarking that it continues "for the space of at least five months in the year;" going on further to say: "The rigor of a Canadian winter, covering the face of the country with snow, and congealing every river, lake and harbor, produces a stagnation in trade which cannot fail to have a bad effect on the commerce of the country and the habits of the people, who are compelled to complete their whole business transactions during the summer and autumn months, and remain in a state of comparative indolence during the remainder of the year."

BRITISH PROJECTS IN CANADA.

These difficulties, attending the navigation of the St. Lawrence river and gulf, make that route a feeble competitor for the trade of the great West. Yet British enterprise and capital seem determined to overcome the disadvantages imposed by nature. Not to speak of stupendous railroads constructed from the upper lakes to points on the St. Lawrence, from which they are continued to Portland, Maine, and Boston, Massachusetts, the following plans of water navigations have been projected and are partially in progress.

The principal enterprise is that of a canal on the American side around the falls of Niagara, eight miles in length. It is proposed to make the locks 275 feet long, 46 feet wide, and 13 feet deep on the sills, giving capacity for the passage of vessels of twelve hundred tons.

There are many canals on the Canadian side projected, in progress or completed. The proposed Ottawa ship canal will pass from the easterly side of Lake Huron up the French River to Lake Nippisingue; from thence by canal across the elevation to Trout Lake, at the head of Mattawaco River, and down it to its junction with the Ottawa, following the latter to Montreal. The length of the canal proper is 37¾ miles, and the whole improvement will cost $24,000,000. A recent location makes a line of canal proper 29.32 miles long, and a route of canal and improved river and lake navigation 401½ miles in length from Montreal to Lake Huron. . It will effect a saving of distance, between Montreal and Chicago, of 842½ miles over the circuitous route of the great lakes. The locks on this route will be fifty feet wide, 250 feet long and 10 feet on the sills, which will pass vessels of one thousand tons. Lift 665½ feet.

The Georgian bay and Toronto canal will connect Toronto with Lake Huron by a route only 100 miles long, and 470 feet lift of locks. The locks will be 265 feet long, 55 wide, and 12 feet on the sills, costing $22,000,000. By this route the distance between Chicago and Montreal, compared with that by Lake Erie and Ontario, or by the Welland canal, will be 428 miles less.

OBJECTIONS TO THE ROUTE OF THE GREAT LAKES.

The determined enterprise of the British capitalists and colonists who are undertaking the expensive works in Canada, which have just been described, proves two important facts. It proves how much water transportation is still valued and relied on even in latitudes of frost where canals can be used only about 200 days in the year; and it proves that there is some insupperable objection to navigation on the great lakes, especially those of Erie and Ontario, which it is of great importance to avoid, by shorter lines across the northern peninsula.

The nature of that objection can be learned from the following facts:

After various unsuccessful experiments, it is perfectly ascertained that ordinary canal boats, such as are in use upon the Ohio and Erie canals, cannot be safely towed upon the stormy surface of the great lakes. The modern barge system cannot therefore, be applied on the lakes.

The board of the New York State canals, in their report for 1835, set forth the following state of facts:

The method of towing barges by means of steamboats has been very successfully practiced on the Hudson River; but on the lakes, though a great many steamboats have been in use for several years, the plan has not been adopted, because steamboats cannot manage barges in a storm. * * * An intelligent gentleman of several years experience in navigating steamboats on Lake Ontario informs us that he considered it impracticable as a regular business for steamboats to tow vessels with safety on the lakes, unless the vessels were fitted with masts and rigging, and sufficiently manned so as to be conducted by sails in a storm; that storms often rise very suddenly on these lakes, and with such violence as would compel a steamboat to cut loose vessels in tow in order to sustain herself.

Those who have not witnessed them can form no adequate idea of the violence of lake storms. The annual damage sustained by the massive masonry of the piers by which the harbors are protected, in which stones weighing upwards of half a ton are sometimes raised from their beds and completely upturned; the range of lofty trees rooted up and thrown upon the bordering shores, and the numerous vessels driven ashore and totally lost or seriously damaged, furnishing striking evidences of the power of an agency which nothing can resist. They are even more powerful than the "ground swells" of the ocean near the shore. In all land-locked bodies of water the waves are short and sudden in their movements, proving very destructive to whatever obstacle is opposed to their fury; but there is a characteristic slowness in the long movement of the ocean's swell, which, it is generally acknowledged, renders it less destructive to marine works exposed to its action than the waves produced in land-locked lakes or seas.

From Mr. Woodbridge's report to the Senate of the United States in February, 1843, upon the subject of the trade of the lakes, it appears "that from 1834 to 1841, inclusive, the number of wrecks upon lake Michigan amounted to eighty nine vessels; that those wrecks were accompanied by a destruction of property to the value of $1,052,450; and that one hundred and fifteen lives were sacrificed." The same report makes the disclosure, that during the year 1842 alone, "two steamboats, one ship, and seventeen schooners, were totally lost in the storms on the upper lakes; and that three other steamboats, two brigs, and ten schooners, were driven ashore, accompanied by the probable loss of nearly one half million of value in property, and more than a hundred lives."

From the shallowness of the water upon lake Erie, compared with that upon the other lakes, it is more easily and more permanently affected by frost, its navigation being generally obstructed by ice for some weeks every spring, after that of all the others is open and unimpeded. From the same cause this lake is likewise contradistinguished from all the others, by a slight current constantly setting from the West to East, which, together with the prevailing southwesterly winds, causes the floating ice in spring to drift down to accumulate to a vast extent about the head of the St. Lawrence river, thereby retarding the opening of the navigation at the entrance of the Erie and Welland canals some three weeks beyond the period at which it opens at the port of Erie upon the Southern side of the lake.

There is a significant fact disclosed by the last report of the New York canals. For the months of October and December of 1867, the receipts from tolls were about two millions, being a little more than half the receipts for the fiscal year, and more than half the estimated receipts for the next fiscal year. These figures show that the navigation closes just when the demand for transportation is greatest, and the comparative smallness of receipts for the other five months of open navigation shows that the freight which cannot use this canal gets to market over other and much more expensive avenues of transportation.

It is probably owing to this serious disadvantage of the lake route that so little success has attended the various efforts which have been made to institute direct exports from the lakes to Europe. Notwithstanding all these efforts, the following list will show the whole number of vessels that have passed from the lakes to the ocean from 1846 to 1865 (excepting 1864, 1851, 1852, 1853 and 1849, for which the statistics are not available):

1846	1	1856	1	1862	6
1847	2	1857	2	1863	36
1848	1	1858	13	1865	11
1850	1	1859	37		
1854	1	1860	39	Total	159
1855	1	1861	7		

When the magnitude of the western lake trade, and when the costliness and perfection of the canals which have been constructed for the passage of ocean shipping are considered, this must be confessed to be a meagre exhibit, and it affords conclusive proof that trade avoids the outlet furnished by the St. Lawrence, rather than seeks it.

For the trade of the vast country lying in the States West and Southwest of the lakes, this route does not seem to furnish a cheap outlet. In an able paper on the duty of the Federal government, in connection with the navigation of the Mississippi River and its tributaries, Prof. Sylvester Waterhouse, of St. Louis, remarks: "Under all the existing difficulties (of this navigation), the freight of cereals from the Upper Mississippi to New York is far cheaper by way of New Orleans than it is by the lakes and the New York canal. The comparative rates of transportation from Dubuque, Iowa, to New York, are:

Via the lakes	68 cents per bushel.
Via New Orleans	38 cents per bushel.
Difference in favor of southern route	30 cents.

The present cost of shipping grain from Chicago to Cairo *by rail*, and thence *via* New Orleans to New York by water, is no greater than the freight to the same point by way of the lakes. The existing water tariff on wheat in bulk from Chicago to New York is—

By the lakes	44 cents.
From Chicago to Cairo by rail	20 cents.
From Cairo to New Orleans by water	12 "
From New Orleans to New York by water	12 "

So extreme is the cheapness of river carriage, that the rates of the southern route, increased by 300 miles of costly railroad transit, do not exceed those of the northern line. If we take a point on the Mississippi south of the latitude of Chicago, such as Dubuque, the saving is 30 cents a bushel by the New Orleans route. This gives 38 cents as the cost; and it is believed that after the improvement of the rapids of the Mississippi, and the erection of elevators for the transfer of grain in bulk, the freight of cereals from the upper Mississippi to New York, by way of New Orleans, will be reduced to twenty-five cents per bushel."

Such a reduction, and even the present low rates, will powerfully affect the movement of western grain; for even as early as in 1865, out of 48,000,000 bushels of grain shipped to Chicago, 15,000,000 were brought from points on the Mississippi; and it is officially stated that three-fifths of all the wheat received in 1865 at Milwaukee and Chicago came from the towns on the banks of the Mississippi.

THE VIRGINIA WATER-LINE THE BEST SUBSTITUTE.

The serious disadvantages which have been here detailed attending the navigation of the lakes and the St. Lawrence River and Gulf, coupled with the other consideration, that in the event of a war with Great Britain, this important channel of transportation of the produce of the West to the East would be obstructed, have combined to impress upon the public mind of the East the great importance of auxiliary lines of railroad lying wholly within the national jurisdiction.

This well-grounded appreciation of railroads which grew gradually into a railroad mania, operated for several years to turn public attention away for a period from all artificial water-line routes of transportation. But now, it is discovered, after the fullest experiment, that railroads are inadequate to the performance of the immense transportation required, and that they are liable to the popular objection of being in charge of close corporations, and are not, like canals, open to indiscriminate public use at moderate rates of charge.

The Virginia canal, owing to the costliness of the work, did not reach completion before the railroad fever had taken possession of the public; and it has had to wait for its consummation to that returning appreciation, which is now again felt, of cheap water transportation. It offers now a channel of navigation from West to East shorter than any other, cheaper than any other, more expeditious, and more free from all obstructions arising from climate or a public enemy than all the rest. Its only rivals in capacity for western trade are the Mississippi and gulf route on one hand, and the great lake, Erie Canal and St. Lawrence River route on the other. Both of these boundary routes are circuitous, while this central one is direct. Both of the others take American produce out of the Union, in transporting it from one part of the Union to the other, subjecting it to the dangers of war; and while one of them subjects our national products to the damaging effects of a semi-tropical climate, and the hazards of gulf and coast navigation, the other renders it liable to be seized and held for months by the ice, or wrecked and lost by the lake storms.

Emphatically, in the case of the Virginia line, it is true, *in medio tutissimus ibis.* It offers the safest, the shortest, the most central, the cheapest, the most constantly open, and the most available of all the channels of outlet by water for western trade.

The rapid expansion and extension of inland navigation in the central basin of the continent is producing an increase in the quantity of trade demanding outlet to the seaboard, far exceeding the capacity of all existing avenues of outlet to discharge, and imperatively requiring the opening of a new line of direct water navigation to the seaboard equal in capacity to the Erie canal. The extent of this inland navigation will now be displayed in a few paragraphs.

VAST EXTENT OF OUR INLAND NAVIGATION.

The construction of a ship canal less than one mile in length between lakes Traver and Big Stone, in Minnesota, will unite the waters of the River St. Peter's with those of the great Red River of Northwest British America. The Red River of the North is navigable for steamboats for seven hundred miles to Lake Winnepeg; and from Lake Winnepeg this navigation is extended by the Saskatchawan seven hundred miles to the base of the Rocky Mountains, within a short distance of Frazier's gold digging. Thus navigation will soon be opened west of the Mississippi from St. Paul, on the Mississippi River, to Frazier's diggings in British Columbia, via the St. Peter's and Red rivers of the North. East of the river, the union of the headwaters of the Wisconsin and Fox rivers in Wisconsin, will make a navigable water route from the Mississippi to Green Bay, on Lake Michigan. Further south, one hundred miles of ship canal, from Chicago west to Peoria, with some improvements in the Illinois River, will make another navigable water route for large vessels from the Mississippi to Lake Michigan. A canal in Ohio connects Portsmouth, on the Ohio River, with Cleveland, on Lake Erie. Cincinnati, on the Ohio River, and Toledo, on Lake Erie, are connected by the Miami Canal. A canal from Toledo to Logansport, Indiana, with the Wabash River, unites the waters of the Ohio River with those of Lake Erie at Toledo. Should the wants of commerce require it, these latter canals can be enlarged through Ohio and Indiana to a capacity for passing steamboats of six hundred tons burden.

The proposed dimensions of the canal above described, as projected for uniting Prairie du Chien on the Mississippi with Green Bay on Lake Michigan, across the State of Wisconsin, are as follows:—The entire improvement will be 295 miles in length, of which 175 miles, chiefly of lake and river navigation, are in use. The locks will be 160 feet long by 35 feet wide. The upper Fox is not yet fully improved, but now passes barges of greater capacity than those of the Erie Canal. The dimensions of the water line through Illinois will be, when the canal is enlarged, length 100 miles, with locks 350 feet long by 70 feet wide; cost $10,000,000. These two latter works are not antagonistic, and will make a navigable water communication between the great chain of lakes, and upwards of twenty thousand miles of navigable rivers, including the Mississippi and its numerous tributaries, and the Red River of the North and Saskatchawan of British America. These improvements, in connection with the short ship canal, less than a mile long, between lakes Big Stone and Traver, will open steamboat navigation from Chicago or New Orleans to Lake Winnepeg, which is 700 miles distant from St. Paul. This great sheet of water is as large as Lake Ontario, and receives the Saskatchawan river from the west, which itself is navigable 700 miles to the Rocky mountains, within a distance of 50 miles from the Frazier's River gold mines. By means of these improvements and the various ship canals proposed or completed between Lake Michigan and the East, steamers from Quebec, New York or New Orleans could be passed to the head-waters of the Missouri, the Yellow Stone and the Saskatchawan, a distance of 5,000 miles of inland water navigation. This vast extension of navigation must exert a prodigious influence in stimulating western production, and produce an accumulation of trade requiring the opening of every possible channel of outlet to the seaboard.

The great lakes have a shore line of 3,620 miles on the American side, and 2,629 miles on the side of Canada. Lakes Huron and Superior are navigably connected by a ship canal around the rapids of the St. Marie river, with locks 350 feet long and 50 feet wide, having 12 feet lift.

The present extent of steamboat navigation in the valley of the Mississippi river, is shown by the following table, prepared by Col. Long, of the United States Army:

EXTENT OF WESTERN STEAM NAVIGATION.

Mississippi and branches.			
Mississippi proper	2,000	Iowa	110
St. Croix	80	Cedar	60
St. Peter's	120	Des Moines	250
Chippeway	70	Illinois	245
Black	60	Maramec	60
Wisconsin	180	Kaskaskia	150
Rock	250	Big Muddy	5
		Obion	60

Forked Deer	195
Big Hatchie	75
St. Francis	300
White	500
Big Black	60
Spring	50
Arkansas	603
Canadian	60
Neosho	60
Yazoo	300
Tallahatchee	[illegible]
Tallabusha	100
Big Sunflower	80
Little Sunflower	70
Big Black	150
Cumberland	400
Tennessee	720

Red River and branches.

Red river proper	1,500
Wachita	375
Saline	100
Little Missouri	50
Bayou D' Arbourc	60
Bayou Bartholomew	150
Bayou Bœuf	150
Bayou Macon	175
Bayou de Glaze	90
Bayou Carre	140
Bayou Lafourche	60
Bayou Rouze	40
Bayou Plaquemine	12
Bayou Teche	96
Grand River	12
Bayou Sorrele	12
Bayou Chene	5

Missouri and its branches.

Missouri proper	1,500
Yellowstone	300
Platte river	40
Kansas	150
Osage	275
Grand	90

Ohio and its branches.

Ohio proper	1,000
Alleghany	2[illegible]0
Monongahela	60
Muskingum	70
Kanawha	65
Big Sandy	50
Scioto	50
Kentucky	62
Salt river	[illegible]5
Green	150
Barren	30
Wabash	400
Bayou Louis	30
Tensas	150
Lacke Bistenaw	60
Lake Caddo	75
Sulphur Fork	100
Little River	65
Kiamichi	40
Boggy	40
Bayou Pierre	150
Atclafaloya	360

Total miles	16,674

Here are nearly seventeen thousand miles of steamboat navigation It would be a moderate estimate to reckon the slack water navigation of these rivers, for boats other than steamboats, at the same number of miles in addition. And, if we accept the assertion of an eminent European engineer that any stream having a volume of water 19 feet wide and 18 inches deep may be made navigable, and is considered a commercial stream in Europe, then there are still as many miles in addition of navigable water in the great basin; making a total navigation of 50,000 miles for purposes of commerce.

THE BARGE SYSTEM ON THE WESTERN RIVERS. ITS TENDENCY TO DIVERT TRADE FROM THE LAKES TO THE MISSISSIPPI RIVER, AND TO THE OHIO AND VIRGINIA CANAL.

The inadequacy of the present means of outlet for Western produce to the seaboard, other than the channel of the Mississippi, is universally acknowledged.* For the sake of cheapness, vast quantities of produce

* In 1865 Minnesota alone produced 10,000,000 bushels of wheat. Three-fourths of this harvest could have been exported if facilities of cheap transportation had offered sufficient inducement. In 1866, higher prices—which produce the same effect as cheaper freight—led to the exportation of 8,000,000 of bushels. It is such a state of freight charges or of market prices as will leave a profit to the producer which brings out products to market.

must take the river and gulf route, or not go to market at all. Notwithstanding the objections which exist, and are universally entertained, to that route, its trade is rapidly increasing from the very necessity of the case. Within the last three years it has received so great an impetus, that improvements in the facilities for transferring produce from vessel to vessel, and for towing it upon the water, have become indispensable. The barge system has accordingly been substituted for the old one of placing the produce on large steamboats. Steam tugs of immense strength are employed. They carry no freight. They are simply the motive power. They save delay by taking fuel for the round trip. Landing only at the large cities, they stop barely long enough to attach a loaded barge. By this economy of time and steady movement, they equal the speed of steamboats. The Mohawk made its first trip from St. Louis to New Orleans in six days, with ten barges in tow. The management of the barges is precisely like that of freight cars. The barges are loaded in the absence of the steam tug. The tug arrives, leaves a train of barges, takes another and proceeds. The tug itself is always at work. It does not lie at the levees while the barges are unloading. Its largest stoppage is made for fuel. The power of these boats is enormous. The tugs plying on the Minnesota River sometimes tow 30,000 bushels of wheat apiece. The freight of a single trip would fill 85 railroad cars. Steamboats are obliged to remain in port two or three days for the shipment of freight. The heavy expense which this delay and the necessity of large crews involve, is a grave objection to the old system of transportation. The service of the steam tug requires but few men, and the cost of running is relatively low. The advantages which are claimed for the *barge system* are exhibited by the following table:

	Tugs & barges.	Steamboats.
Stoppage at intermediate points	2 hours.	6 hours.
Stoppage at terminal points	24 "	48 "
Crew	15 men.	50 "
Tonnage	25,000 tons.	1,500 tons.
Daily expenses	$200	$1,000
Original cost.............	$75,000	$ 00,000

In addition to the ordinary precautions against fire, the barges have this unmistakable advantage over steamboats, they can be cut adrift from each other, and the fire restricted to the narrowest limits. The barges are very strongly built, and have water-tight compartments for the movement of grain in bulk. The transportation of grain from Minnesota to New Orleans by water costs no more than the freightage from the same point by railroad to Chicago. After the erection of a floating elevator at New Orleans, a boat load of grain from St. Paul will not be handled again till it reaches the Crescent city.

The dimensions of the vessels employed on the river between St. Louis and New Orleans are as follows:

TOWBOATS.

Light draft.	Depth of hold.	Breadth.	Length.	Tonnage.
$3\frac{1}{2}$ feet.	$5\frac{1}{2}$ feet.	30 feet.	180 feet.	6,500 bush coal

BARGES.

1 1-6 feet.	6 feet.	30 feet.	175 feet.	600 tons.
$1\frac{1}{3}$ "	8 "	34 "	190 "	1,000 "

The towboats have two engines each; the cylinders are 22 inches in diameter, with 20 inch stroke. One towboat will draw 8,000 tons of freight. The time from St. Louis to New Orleans is 6 days down, 10 days back; round trip, on the average, 18 days.

The Mississippi Valley Transportation Company has 5 towboats and 37 barges. They are crowded with business. They handle as much as 11,000 tons of freight in a week. The business is rapidly and largely developing. The barge system will soon supersede all other methods of transportation on western waters. An indispensable adjunct of it is the steam elevator for transferring grain from vessel to vessel in bulk. The St. Louis elevator cost $450,000, and has a capacity of 1,250,000 bushels. It is able to handle 100,000 bushels a day. It began to receive grain in October, 1865. Before the 1st of January, 1866, its receipts amounted to 600,000 bushels, 200,000 of which were brought directly from Chicago. The local receipts at the elevator in 1866 were 1,376,700 bushels. Grain can now be shipped by way of St. Louis and New Orleans to New York and Europe 20 cents a bushel cheaper than it can be carried to the Atlantic by the other existing routes. The effects produced by barge system is thus described by a New Orleans correspondent of the New York *Times:*

NEW ORLEANS, Sunday, April 5, 1868.

CHICAGO AND NEW ORLEANS.

Every one observes how this most enterprising people are prospecting for commercial expansion. Chicago owns about one-third of the whole tonnage of the Union. She controls the lakes, and is forcing her way by the St. Lawrence to the ocean. She is penetrating the upper country of the Northwest, and intercepting from St. Louis the productions of Iowa and Montana. Recently she has discovered that the Mississippi is the cheapest open way to the markets of the world, so she has sent her commercial explorers to mark her pathway to the ocean by way of New Orleans. The great Illinois Central Railroad has taken hold of the West India trade, and offered such inducements to western importers that Havana sends her products by this route instead of by New York. The Texas cattle dealers have adopted this route. Large capital has been put in grain elevators, and Western men who are here to conduct business claim confidently this important commerce. These explorers from the northwest seem delighted with the climate and local attractions of New Orleans, and with a rapid rail time between the snows of the north and the sunny *trottoirs* of New Orleans, we have crowds of business men, with their families, constantly among us. This has given an impulse to our Western trade, and has occasioned considerable investments in city and country real estate.

THE NORTHWEST ON POLITICS.

The giant northwest is, in fact, beginning to perceive and employ its physical ability in the commercial politics of the country. With the conviction that the Mississippi outlet was of indispensable importance, it has decreed that all obstacles to the navigation of that river shall be removed from its sources to its mouth. So the Des Moines Canal is under contract. It is to be 7 miles long, 300 feet wide, and 6 feet in depth. The smaller obstructions of the upper river, including the bridge at Rock Island, are to be removed, or so modified as no longer to impede navigation. Then the Government has ordered a dredgeboat, costing nearly $400,000, to go to work on the Belize Passes. Besides this, St. Louis is declared a port of entry, and hereafter goods will be imported direct to that city. This will, no doubt, make a great change in the values imported by way of this Custom House. There are other evidences that this great internal power will make itself felt in the legislation and foreign policy of the Government. It is a leviathan, which has only made itself known, so far, by spouting and an occasional lash of its tail. When its power shall be fully awakened, it will snap the ropes and splinter the lifeboats of the politicians who are after it for its blubber alone. The character of national politics will be fixed by the millions who inhabit the northwest. They are mostly of European origin, believe in the divine right of the majority, think that the minority ought to be hanged for the treason of a difference of opinion. In a word, they have transfused the doctrine of European despotism into the forms of a popular government. Whenever this numerical power shall demonstrate itself, we may anticipate a moral revolution in the political administration of this Democratic Republic.

The employment of the barge system on the Ohio river will, as to all trade accessible to that stream, neutralize the objection to the overland portage from Parkersburg to tide water at Baltimore, by way of the Baltimore and Ohio Railroad. At a recent meeting of the Board of Trade of New York, it appeared that transportation by rail to Cincinnati from that city cost 70 cents per hundred; while from Boston and Philadelphia along the Atlantic coast to the mouth of the Chesapeake, thence north to Baltimore, and thence by railroad to Cincinnati, the cost is 40 cents per hundred. The Baltimore *Gazette* of April 11th, 1868, gives the following table of freight charges respectively from New York and Baltimore to different points in the West on fourth-class goods:

	From N.York.	From Baltimore		From N.York.	From Baltimore
To Cincinnati	50	30	To Chicago............	55	38
To Louisville	66	48	To Indianapolis........	53	35
To St. Louis...	94	55			

These differences are producing a great diversion to the Baltimore route from the more northern ones, and demonstrate the strong tendency of trade to seek the shortest crossing from the west to tide-water.

THE QUESTION OF BACK-LOADING—PRODUCTS OF THE KANAWHA VALLEY.

Transportation by either of the two great routes of circuitous navigation, from the west to the sea, which have been considered, is conducted under the very costly disadvantage of a deficiency of return freights for the boats conveying the trade. The products moved eastward from the west, are gross and bulky, while the freights taken back to the west consist chiefly of articles much lighter and less bulky in proportion to their value. All the statistics of trade between east and west show, that the tonnage moving eastward exceeds by several fold, that moving westward. This condition of trade subjects the boats engaged in it to the necessity of returning westward either wholly or partially empty. In western New York, the deficiency of back loading thus occasioned, has produced a very great development in the salt manufacture, and swollen that business in that locality probably to the largest salt manufacture in the world.

The reverse state of things now exists in the trade of the Ohio river. A very large portion of the western population derives its coal from the mines on the upper waters of the Ohio. This mineral is bulky in proportion to its value, and boats carrying it down from the region about Pittsburg to the places of consumption, having no sufficient return loading eastward in consequence of there being no outlet of navigation to the seaboard from the upper Ohio, do not return at all, and are broken up for fuel or lumber, and sold at a sacrifice.

The opening of the water-line from the Great Kanawha river, through Virginia to the Atlantic, will correct both of these serious disadvantages incident now to western trade. The boats or barges which shall carry the heavy and bulky farm produce of the far interior to the mouth of Chesapeake bay, will refill in returning with the fine bituminous coals of West Virginia, and carry them back to the very hearths of those western farmers from whose granaries they were loaded for the eastward voyage. The coals of West Virginia would themselves supply all the return tonnage which the boats moving east would require; but in the event of any deficiency in this respect, the Salines of the Kanawha Valley, now producing two millions of bushels of salt per annum, would multiply their production to any possible requirement.

It is well know to geological men that the veins of bituminous coal which pervade the entire western slope of the Appalachian chain of mountains, have their maximum aggregate thickness in the Kanawha Valley.

From a late authentic work on the subject to the Kanawha coals, the following extract is made: .

THE GREAT KANAWHA COAL FIELDS.

The coal fields of the Great Kanawha region, in West Virginia, are superior to those of Great Britain or Pennsylvania. They are regarded by eminent geologists as the finest deposit of coal in the world. The quality of Kanawha Cannel coal is equal to the best English Cannel; the quality of its bituminous coal is equal to the best found in Pennsylvania; and Kanawha splint coal, for smelting iron ore, is unsurpassed. The veins lie horizontally, and vary from three to fifteen feet in thickness; and the aggregate thickness of the various veins in some localities amounts to forty and even fifty feet of solid coal.

The advantages of the Great Kanawha Coal Fields over those near Pittsburg may be summed up as follows:

1. The Kanawha Coal Fields contain as good bituminous coal as the best found on the Monongahela and Youghiogheny, and, in addition thereto, large deposits of Cannel Coal, equal in quality to the best English Cannel—none of which is found in the Monongahela coal fields.

2. The veins of coal are thicker and more numerous on the Kanawha than on the Monongahela. Veins of splint and bituminous coal on the Kanawha are from 4 to 15 feet thick, and the Cannel from 30 inches to 5 feet thick.

3. Coal lands on the Monongahela and Youghiogheny sell for $300 and $400 per acre, whilst better coal lands on the Kanawha can now be purchased from $10 to $20 per acre.

4. The Kanawha coal fields are 230 miles nearer to Cincinnati and the southwest cities than the Monongahela coal fields are. This gives to Kanawha coal an advantage of at least one cent per bushel in cost of transportation to such markets over the Monongahela and Youghiogheny coal.

5. The navigation of the Ohio at Point Pleasant is greatly better than it is at Pittsburg; therefore Kanawha coal can be more frequently shipped from Point Pleasant than Monongahela coal can from Pittsburg.

6. The navigation of the Kanawha and Lower Ohio is not interrupted by ice to the extent that the navigation of the Monongahela and Upper Ohio is, as New River, the chief tributary of the Kanawha, rises in North Carolina—whilst the Alleghany (which, with the Monongahela, forms the Ohio,) rises near Lake Erie This gives to the Ohio River at Point Pleasant an advantage of two weeks and more every winter over the Ohio at Pittsburg—and at a time when fuel is most needed in Cincinnati and Louisville.

7. The Kanawha coal fields are situated on what must be, in time, a great highway for the trade and travel of the Mississippi Valley to the Atlantic seaboard. The vast and rapidly increasing trade of the Great West is seeking new routes for transit to the cities of the seacoast; and the route through the Kanawha valley has advantages over all others in shortness of distance, grade of road, and mildness of climate.

COALS FOR THE SEABOARD CITIES AND FACTORIES.

The coals of the Kanawha region are now shipped around by way of New Orleans and the Gulf to New York, at a profit to the miner and dealer. The quality of the cannel coals of West Virginia is fully equal to that of the coals of England and Nova Scotia imported into New York. It has become of vital importance to the manufacturing interests of the seaboard cities to obtain adequate supplies of the best qualities of bituminous coals from shorter distances than those from which they are now derived, and at cheaper rates. The most intelligent manufacturers, and dealers in coal, of New York and the eastern cities, recognize the neces sity of a resort to the excellent cannel and bituminous coals of the Kanawha, Coal, Guyandotte, and Sandy rivers of West Virginia for fuel;—a fact which is fully established by the shipments that are now making o the coals of that region by the roundabout route of New Orleans to the Atlantic seaboard.

The opening of the Virginia Canal will finally settle the question of an adequate coal supply for the eastern cities, and forever relieve the appre. hension and scarcity now felt by eastern manufacturers on that vital subject. Valuable as this water-line will be to the West, as shown in these pages, its importance is doubled by the fact that the work is vital to the success of the manufacturing system of the East, as a means of supplying the best coals of the continent from the nearest mines by the most direct navigation and at the cheapest rates.

DUTY OF CONGRESS ON THE SUBJECT OF INLAND NAVIGATION.

"The invention of Fulton has, in reality for all practical purposes, converted the Mississippi, with all its great tributaries, into an inland sea. Regarding it as such, I am prepared to place it on the same footing with the Gulf and Atlantic coasts, the Chesapeake and Delaware bays, and the lakes, in reference to the superintendence of the general government over its navigation. It is manifest that it is far beyond the power of individuals or of separate States to supervise it, as there are eighteen States, including Texas and the Territories—more than half the Union—which lie within the valley of the Mississippi or border on its navigable tributaries."—J. C. Calhoun in Memphis Convention of 1845.

Pertinent to this question of Congressional duty, with reference to the Western rivers, there is an important provision in that great organic law of the northwest, the Ordinance of 1787. By that law, enacted by Congress for the government of the territory of the United States northwest of the Ohio river, it is declared that "the navigable waters leading into the Mississippi and St. Lawrence, and the carrying places between the same, shall be common highways and forever free, as well to the inhabitants of the said territories as to the citizens of the United States and those of other States that may be admitted into the Confederacy, without any tax, impost, or duty therefor." It may be asked—How can the people of the United States at large enjoy the benefits of this common right, unless they have avenues of access opened to them by a competent power? and how can the people of the country bordering those streams enjoy the benefit of their navigation if that inland navigation be not connected with the seaboard by direct lines of artificial navigation, opened by competent authority? This ordinance is in the nature of a compact between the General Government and the people of the States, and it reserves certain rights and imposes certain duties, in which all citizens of the United States are interested. It is a part of the fundamental law of the land. Reserving the rivers as common highways for all, it divests all the States, and each particular State, of any jurisdiction over them, and gives Congress full power to extend their advantages to every citizen of the Union.

Having guaranteed to all the people the navigation of these rivers forever, the United States is bound to open avenues to them from all directions, and keep them in a condition to be freely navigated and fully enjoyed. But how can an inland navigation be fully enjoyed if Congress shall supply no direct and convenient outlet to the seaboard and to the markets of the world?

It is now conceded that Congress has power, as proprietor of the public lands, to do what any prudent landowner may do for the enhancement of the value of his patrimony, and can lawfully appropriate part of its lands in aid of public works which would commensurately enhance the lands retained. If this be so, what method could be conceived of that would more certainly enhance the value of every acre of public lands in the West than the opening of another canal of the capacity of the Erie, on a more central, more southern, and shorter route?

The attentive reader of these pages cannot fail to have arrived at the conviction that water navigation affords greater advantages to greater numbers of people, at lower rates, and for far more numerous tons of produce than railroad transportation. Yet railroads have received nearly all the bounties which Congress has been willing to bestow upon public roads.

The Commissioner of the General Land Office, in his report for 1865 (pp. 34–5) gives the following information:

"The immense railroad grants [of land by Congress] embrace, by estimate, the quantity of 125,000,000 of acres, exceeding by 8,000 000 of acres the aggregate area of the States of Maine, New Hampshire, Vermont, Connecticut, New York, New Jersey, Pennsylvania, Delaware, and Maryland. These enormous grants are within about one-fourth of being twice the united area of England, Scotland, Wales, Ireland, Guernsey, Jersey, the Isle of Man, and islands of the British seas, and less than a tenth of being equal to the French Empire proper, with its 89 departments and its 37,510 communes.

"Why is it that the Congress of the United States, as the national trustee, charged under the Constitution with the disposal of the public lands, have made grants on such a stupendous scale as this? The answer is found not merely in the indemnifying principle of duplicating the reserved sections, but in the higher purpose of opening speedy communication by the iron railway across the continent to unite the great industrial interests of the Atlantic slope, the valley of the Mississippi, and the declivity from the Rocky Mountains to the Pacific."

Does not a line of direct eastward navigation, promising similar results to those which followed the opening of the Erie Canal, present a very strong claim upon the bounty of Congress?

A CROWNING ACT OF RECONSTRUCTION.

The effect upon public opinion in the Southern States of liberal grants of aid by Congress in behalf of public works of national importance within their borders, would be unspeakably happy. And no act of such assistance would be more gratefully received, or be more beneficial in result, than a donation of lands and loan of bonds in behalf of so important an enterprise as the completion of the Virginia water-line. Such an act, giving earnest of a broad beneficent policy, would exert as great an influence in securing thorough and permanent reconstruction as any measure that could be adopted by the Federal power. It would completely identify Virginia with the Great West, and utterly and finally obliterate every sentiment and trace of sectional alienation. It would give that bounding prosperity to the State which brings solace for every grievance, and sweeps away every remnant of the poverty and privation which are the sure nurses of disaffection and resentment. The completion of a great line of trade across the territory of Virginia would bind that great leading Southern State to the bosom of the Union by the strong ties of prosperous commerce, and hold her in indissoluble allegiance for all time to come.

The bestowal of such a bounty at a period of so much need as the present upon a commonwealth which, at a former era of the national history, made notable sacrifices in behalf of the national cause, would be a requital not inappropriate, and would do as much to restore an era of good feeling and sterling loyalty as any measure that could be taken to that end.*

MONEY OR CURRENCY IN RELATION TO THE PRINCIPLES OF POLITICAL ECONOMY.

There is an article upon the subject of currency in the June number of the MAGAZINE by Mr. Chas. H Carroll, in which he discusses to a considerable extent the economical principles which appear to him relevant to the question, though, as it seems to me, he has not given due weight to others of equal importance.

In combatting the assumption that an increase of currency at the West would lower the rate of interest, Mr. Carroll takes occasion to say that "interest is not the price of money merely; it is the rent of capital. It is not, therefore, currency that is needed at the West, but capital, since the more capital there is the less is its rent; and capital can only be obtained by labor, or it is the fruit of labor, wherever and however obtained."

We shall not attempt to discuss all the principles involved in this paragraph, as that would open up most of the difficult problems of political economy, for which we have neither time nor space at present, and it would, to some extent, be a repetition of matter contained in articles lately contributed to this magazine.

That interest is the rent of capital permanently invested upon undoubted security, under ordinary circumstances, none will deny; but under the present system and practice of banking, gold-getting, stock-jobbing, &c., and the very extensive financial operations of almost all the governments of the world, that principle can have but the least possible effect at present in regulating the interest or discount on money.

In Europe we find that the interest of money or discounts fluctuate continually, and even from 1½ to 10 per cent; and these constant variations also take place in New York and all the large cities of the Union, which seems to argue that the rate of profit and the quantity of capital have but very little influence upon the rate of interest. That the increase of capital should lower the rate of interest or profit, is one of the fallacies of Adam Smith, which receives countenance from no other English economist. There is certainly as much real capital at the West at present, proportionally to the number of people, but, perhaps, not the same proportion of exchangeable wealth as in older States; and, although this last circumstance might command a larger circulation of currency, it would be a fallacy to assume that it would lower the rate of interest; notwithstanding, a lower rate of interest might be an incident of that state of society. Nevertheless, what would cheapen loans would increase prices, and such an amount of currency must eventually be withdrawn; if of bank paper, with fluctuation and loss, and if of gold and silver it would flow off naturally, with a little less inconvenience. But if one principle of political economy has been better ascertained and oftener demonstrated than another, it is that the amount of money in circulation in any given locality must necessarily conform to the exchangeable value of the commodities which have to be exchanged; and therefore no unnecessary or artificial increase of currency can be permanently maintained in circulation for any length of time. Nor is it logical to assume that an "increase of currency in relation to capital is a safe way to increase the rate of interest." It might cause it to fluctuate and induce other inconveniences, but it could not permanently increase it.

Many years ago I made the assertion in this magazine that any superior increase of money must develop its own employment, as there can be no use nor scope for it in circulation without increasing prices, or of pushing out of circulation a like quantity of some other kind of money. An undue increase of money must therefore always be forced into the loan market, and its first effect, no doubt, will be to lower the price of loans (rate of discount); but afterwards, when commerce becomes deranged in consequence, and the demand for loans increased, their price will be regulated only by the exigencies of the borrower and the ability and disposition of the lender.

It is assumed, however, by political economists in general that there is a natural or necessary rate of profit to which all businesses, more or less, tend, and which, to some extent, regulates the interest of money, and no doubt this may have been true before the era of banking, and ought to be true still. We may be satisfied of one thing, nevertheless,—that the principle in question has not at present the least possible effect upon the interest or discount on loans. We must therefore beg leave to differ with Mr. Carroll's proposition, although we may think it just as futile as he does to attempt to lower the rate of interest permanently by an increase of money. Nor are we more fortunate with respect to the next proposition, as we can see no necessary connection between a high rate of interest and the exportation of money; yet Mr. Carroll seems to think that one is the cause and the other the effect.

He says: "I presented the example of California, and stated that money runs away from a high rate of interest all the world over, as it runs away from that State, where it is from 24 to 30 per cent per annum, to New York, where it is from 6 to 9 per cent; thence to London, where it is 4 per cent; and thence to Paris, Hamburg, &c., where it is only 2 or 3 per cent.

Now I venture to say there is no truth or reality in this theory laid down by Mr. Carroll. That money will necessarily be exported from where it is relatively cheap or in excess, there can be no doubt. In Europe, under such circumstances, we see exactly the same phenomenon of the exportation of the metals from countries where the rate of interest is comparatively low to countries where it is comparatively high, and it is always this comparative low rate of interest which is the predisposing cause of exportation, and, as we should very naturally assume, the rate of interest is increased for the purpose of compelling the gold to return, or at least to prevent further exportation.

With respect to gold leaving California while interest is at 25 or 30 per cent, I can only say that it is a very natural circumstance, as a stream must always be highest at its source. Gold leaves California because it is continually produced there. If you could contract the issues by raising the rate of interest, you would soon see gold returning to California, as it does to London or Paris, under the same operation; but to make Mr. Carroll's doctrines feasible this stream of gold should stop and remain where interest is at the lowest point. This, however, is not the case, for it has no sooner arrived in England and Paris than it again takes its flight up the Levant towards Asia, Hindostan and China, where interest is understood to be at a much higher rate than in Europe.

It is very true that gold or "money is but one of the exchangeable commodities of commerce, and that the demand for it is without limit;" but we say, under present circumstances: Money is neither wealth nor capital; it is only a convenience by which labor is eased or time saved. Mr. Carroll claims that it is capital, and in this instance seems rather at issue with himself, for in that case it ought to remain in California to be applied to reproduction and, according to his teaching, to lower the rate of interest. But it is true, notwithstanding, "that the miners and the

State of California are as much enriched by producing it (money), although cheapening it all the while, as they would be by producing a like value of wheat." That is to say, with this qualification, unless the wheat were consumed at home; but supposing the wheat to be exported, it might have been added that they have a much better chance of being enriched by the production of the gold than the wheat, as the same exchangeable value could not always be guaranteed for the wheat, but gold cannot be produced in excess under present monetary arrangements. All the banks in the world might be glutted and gorged with gold, but the demand for loans and discounts would never cease, and, therefore, gold will continue to be produced in California and elsewhere, and to follow its usual course.

It is quite against the conclusions of political economy, that any commodity can be thus constantly produced and constantly cheapened unless the facilities for such production are continually increased; so that the same amount of labor must produce a sufficiently increased quantity of the commodity to demand an equal exchangeable value of any other product. This also presumes an effectual demand; or, in other words, an increased consumption to the full extent of the increased production, or the commodity will cheapen from redundancy, which must cause a cessation of production eventually. There cannot, therefore, according to the principles of political economy, be any effectual demand for a constantly increasing amount of money, without a constant increase in price; and certainly very little increase could possibly get into circulation unless loaned out to jobbers and speculators.

The reason why California gets rich by the production of gold, is not because gold is either capital or wealth, but because the absurd regulations of commerce effectually protect that production from the effects of redundany. If a bushel of wheat were made the measure of value for all other commodities, as well as the equivalent, which should satisfy all debts at a certain price, much beyond its cost of production, the demand for wheat would constantly increase; so that all agriculturalists that could would produce wheat, and get rich at the expense of the community; in the same manner, if not to the same extent, as California gets rich at the expense of the world, by the production of an unnecessary amount of gold. Suppose that all the laws were repealed in the different countries of the world which stipulate the quantity of gold to be contained in the various coins which are a legal tender in those countries, what would be the consequence? Gold getting would very soon colapse in California as every where else, nobody would require gold, it would be nearly an useless commodity; that intenseness of value would cease; it would cease to run its regular course from country to country as at present, until it reaches the remotest corners of the earth. Each country that required it in future, would have to import it directly from the mines for its own purposes; but it would not necessarily be required for currency, and none would be wanted to pay the balances of foreign exchange.

We must get rid of our prejudices in favor of the standard of value, then we should get rid of the evils of monetary fluctuation, as well as the tax of the constant production of gold. The governments might issue the money, which could always be kept at par, by reference to the price of gold or of foreign exchange. Gold would then have a price, which it has not at present. All other commodities have a price in gold, but gold has no price in other commodities; and notwithstanding the dictum of our friend Carroll and Professor Leiber, there are and must be such terms and acts as buying and selling, they are the necessary outgrowth of the monetary system, and, therefore, will be used as long as it continues, and must be correct. A certain weight of gold being the universal medium and measure by which all other things are exchanged, without any reference whatever to any change which may have taken place in its own value or quantity necessarily gives price to all other commodities. The value or price of gold is fixed for the time being, and can only be cheapened eventually by the slow increase of its quantity in the universal market of the world. Money is the commodity which every one reserves to purchase all other things, and is not a consumable article; and in the estimation of the public its value never varies. Therefore it is never sold, nor exchanged, nor bartered, technically, so to speak, nobody haggles about its price, it merely buys all other commodities, and, as Mr. Carroll says: "it is the only universal recompense accepted without question." This property money will always retain, and for that reason its relative quantity should never be allowed to increase. And it would make no difference if, as Mr. Carroll suggests, we were to call the coin by the name of a weight, if all values were still to be measured by it, and all debts liquidated with a like quantity. There was a time no doubt when gold and silver were not the standards by which other things were exchanged, but gradually became so as commerce became more extensively practised. Most students of the Bible are aware, no doubt, that the words "pieces of silver," and "pieces of money," are translated in the margin "Lambs," lambs of silver, &c. The Romans also valued other things by reference to cattle. But enough upon this point, as it is not at present of the least importance.

Mr. Carroll, after assuming that the rapid strides to wealth making at present by California, puts to shame the speculative theory of certain scholars and writers that money is not capital, proceeds to say, "it would be as absurd to oppose the cheapening of money by its increase, as if Indian corn or wheat, by an increase of crops."

Now this seems to be an unaccountable error on the part of Mr. Carroll, unless it may be that he is extensively interested in the production of gold. In that case, we should suppose that his interest had blinded his judgement. Indian corn or wheat can be consumed, and there is always a demand for it at some price, and if it happens to be otherwise it is in some locality which has not sufficient means of transport, or it is prevented from finding a profitable market by the effect of some absurd tariff regulation or other; but notwithstanding these infrequent instances the price of grain steadily appreciates, whereas it is far otherwise with money; it is not a useful or consumable commodity. But to proceed: the next sentence is rather paradoxical, it is as follows: "But to cheapen money as currency, without increasing it as capital, to compensate the depreciation and to supply the export demand which that depreciation creates is quite another thing; that should be restrained as rigidly as counterfeiting; for it amounts to the same thing in its effects upon the wealth of the nation." How can the addition of any commodity be an increase of capital if its exchangeable value depreciates in the ratio of its addition? This admission is fatal to the hypothesis that gold is capital. No addition can be made to wealth, or value, by an increase of currency. It is true that Mill, as well as Smith, is blind and inconsistent upon this point. He believes that a country exporting gold from an excess of money, obtains value in return; but this is only the case in a country that produces gold, as they seldom export any other produce but for which they have also peculiar facilities of raising. But let us hear what Mr. Mill says upon the point at issue, (page 299).

"It is to be remarked that this ratio would be precisely that in which the quantity of money had been increased. If the whole money in circulation was doubled prices would be doubled. If it was only increased one-fourth, prices would rise one-fourth. There would be one fourth more money, all of which would be used to purchase goods of some description.

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Even if some prices were raised more and others less, the average would be one-fourth. This is a necessary consequence of the fact that a fourth more money would have been given for the same quantity of goods."

According to this, nothing can be obtained by an increase of money—it is an evil and a tax. Mr. Carroll is very much against an increase of currency in contradistinction to money, but I think it preposterous that the world should be taxed to humor the silly conceit that money is wealth.

I have no issue with Mr. Carroll upon the subject of banking, he is welcome to fight it as hard as he can, and I think the community are much indebted to him for the many clear and forcible exposures he has given to it; though, I confess, that I can see no difference in principle between the English, French or American systems, their operations all tend to increase money, and they differ only in unimportant details.

The banks of the United States are enabled through the fixed standard of value to add to their profits or capital every year the proportionate amount of the increase of the currency of the world which is constantly taking place; and they could do this legitimately, if managed with prudence, under a system of specie payments; therefore, there can be no reason why it should not be done under present circumstances; and it seems to follow, as a matter of course, that the banks and Government of the United States will never return to specie payments without an absolute reduction of the currency.

After quoting a short paragraph from De Quincy, apparently intended to show that there is resident in each and every commodity some mysterious force which induces it to be exchanged for some other commodity regardless of the principle of supply and demand. Mr. Carroll proceeds as follows:—"It is by this law of equivalents, this isodynamic, or equal force and intensity of value, tending to an equilibrium constantly but never resting, that money moves from place to place, and that every fraction of capital is attracted by and to every other fraction of capital throughout the commercial world."

It seems somewhat difficult to understand this specious proposition—"this law of equivalents, or equal force and intensity of value." Nothing, however, is plainer than the rule, supply and demand being equal, that a commodity, being the product of a given amount of labor, will always exchange for another commodity being the product of a similar quantity; but money is not naturally an equivalent for any commodity as money, it being neither wealth nor capital, but representave only. Nobody wants it for itself, but merely to purchase something else, or to pay for some other commodity already consumed. It is only when gold and silver shall cease to be money that they will be in a condition to be bartered or exchanged against other commodities possessing an equivalent amount of value or labor. Until then, a great part of their assumed value is fictitious and of the same nature as money of paper. It is true that the laws and customs of the world have made a certain weight of the precious metals equivalent to a certain amount of labor, although it may not have cost one-fourth of it. The arrangement is just of the same nature, and nearly as artificial, as making a greenback a legal tender for debts and taxes; excepting that gold cannot be quite produced in unlimited quantities. A greenback is much cheaper and more convenient to the community, but because we have not sufficient confidence in the wisdom and honesty of the government, we give the banks and the producers of the precious metals the opportunity to rob us of the full amount of that constant addition to the currency which we have just noted. And whether we altar or abolish the system or not, fidelity to science demands that we should expose our error, notwithstanding it may have the sanction of time-honored names.

Money, then, is not an international equivalent, as the exports or imports of a country must always be balanced by an equal amount of labor exclusive of money, exactly as if no money existed. Gold and silver are merely surplus commodities, purchased at a monopoly price through the fiction of a standard value, and circulated gratis from those countries that are unfortunate enough either to import them direct from the mines or to produce them in sufficient quantities to increase price, having at the same time a large preponderance of other commodities to export.

If the principles of political economy laid down by all standard writers be true, there can be no necessary demand for money beyond the amount sufficient to keep the prices of other commodities steady and uniform. If it increases beyond that rate it must cheapen from over-supply. This, all parties admit, though Smith and Mill both assume that this incident would shortly react upon the interest of the producer and force him to cease his production. But they seem to forget that the markets of the of the whole world would have to be glutted before that period arrived; and therefore a vast amount of injury would accrue to some particular nations in the mean time. If Congress were to repeal the law which designates the amount of gold to be contained in a dollar, no one would be injured, but gold would be no longer imported at New York from California to be sent to other countries, it must take a less circuitous route. But suppose all countries should become wise and abolish their standard of value. Each country must then import all the gold she might require directly from the mines for her own purposes; but currency would hardly be one of them, at least for some time to come. That expense would be saved to the world in future whether at present it be borne equally or not; and gold would cease to be required in future to balance the exchanges between nation and nation.

Mill seems to differ with us, however, upon this subject of the demand for money. He says (page 298) "The demand for money differs from the demand for other things, in this, that it is limited only by the means of the purchaser. The demand for other things is for so much and no more, but there is always a demand for as much money as can be got."

Now it seems to me that these two demands must always be equal, the one precisely balancing the other. It perhaps might be admissible to assume that the desires of man are insatiable; but we are speaking of the principles of a science which are said to check and balance each other. No doubt all traders having commodities to sell would like to dispose of them, at least as early as their neighbors, and would endeavor to do so, if they could obtain the cost, and the profit, upon their goods; but at this point their demand ceases. It is not an affectual demand for money; but only a desire for profit. Therefore an increased quantity of money could never get into circulation from such a demand, unless artificially created, and loaned for the purpose of speculation. And yet California gets rid of her money, and gets value in return, and would do the same thing if she produced three times as much; as she could pay her debts with it, as she does at present in any country in the world. And she may, notwithstanding, export a few millions worth of agricultural produce, for which she may have peculiar facilities of production. But her trade will probably be fitful, and chiefly with neighboring countries similarly circumstanced with herself. It is possible, also, that she may produce, if she has cheap labor, the coarsest kinds of clothing for domestic use, but beyond this she will hardly progress while the production of gold is profitable.

A bank currency no doubt would be an evil to California, as it has been to all other countries where it has been used; but it could not permanently increase prices even in California, nor lower the rate of interest. It is not necessary, however, that California should be troubled with such a currency, any more than with the credit system which has been built upon it. All honest people, if they were intelligent, would vote for the abolition of bank currency, as well as the credit system, and all other modes of unduly increasing money. Mr. Carroll talks of the law of equivalents, but no such thing exists, nor can exist, except by accident, under the present system of money and banking. And it is of no use splitting hairs upon the subject of notes, or bills on time, being money, or merely securities for money, as nothing can possibly be gained by it. Mr. Carroll is mistaken, however, Mr. Mill agrees with him, upon the very point upon which he seems to think they differ. Let us quote (page 314):

"A bill of exchange, when merely discounted and kept in the portfolio of the discounter until it falls due, does not perform the functions of money, but is itself bought and sold for money. It is no more currency than the public funds or any other securities." Mr. Carroll expresses himself to the following effect upon the same point.

"The effect of selling such bills in market is to convey the equitable ownership of so much of his goods or capital; it is to demand money or currency, and so far to appreciate general prices.

Now to me, these two ideas seem to be equivalent to each other, or rather they appear to be the same, though Mr. Mill does not carry it out to the same extent. It is not important, however, what relation any particular kind of bill or note, manipulated in a particular manner, bears to the currency, as all bills given for goods under a regular system of credit, will be sure to create others long before the goods are consumed; therefore, if any of them should be dishonored, the equitable ownership of the goods, which might have been conveyed half a dozen times, might not prove very good security in the end, and perhaps no security at all. But what is the use of following out these fanciful distinctions? Suppose we admit with Mr. Mill at once, "That bank notes, bills, as cheques, as such, do not act on prices at all; but what *does* act on prices is credit, in whatever shape given, and whether it gives rise to any transferable instruments capable of passing into circulation or not."

Here we have the whole matter in a nutshell. Whatever accelerates consumption, without demanding in return an equivalent production, must increase price, by altering the relative quantity of commodities to money or currency; operating exactly, upon the same principle, as an undue increase of money.

No doubt the whole credit or banking system ought to be abolished without delay, but the world will not be very easily pursuaded to abolish paper money. But if the subject should ever be really understood, it will abolish banks and banking, as there is no real necessity for such institutions as at present conducted. Banks of *deposit* for security and convenience merely, and not for the loaning of money, would be useful, and, therefore, admissible under strict regulations.

An inconvertible government currency, always kept at par with the currencies of other countries, would be infinitely preferable to the present system of banking and bank paper. The undue increase of money, and the credit system engendered by it, creates all kinds of uncertainty and fraud, and all kinds of commercial immorality, speculation and stockjobbing and the thousand social evils which grow out of it, and cannot be abated without the total destruction of this rotten foundation.

A government currency would benefit the whole people, while this system of fraud and wickedness is for the benefit *only* of a class of private individuals. Therefore it ought to be abolished without delay—the subject taking precedence of all others in the mind and action of the statesman as the most important and effective movement towards the much needed social reform. In fact, without it all other efforts at moralization must fail.

RICHARD SULLEY.

THE NEW WAR RUMORS FROM EUROPE.

One clear and luminous fact emerges from the cloud of war rumors which once more covers the surface of things political in Europe. This is the immense increase of importance which economical questions have gained over dynastic and political questions in the cabinets of Western Europe during the last ten years. It is quite possible that this fact may not avail to prevent an absolute shock of war on the Continent; but it is quite certain also that thanks to this fact, or rather to the influences which it shows us to be at work in the bosom of the European world, the shock of war if it comes will be greatly circumscribed in its sphere, and curtailed in its duration. Let us make this plain, for to do so, will be to render our readers a better service than we can do them by entering upon general speculations as to the truth or the falsehood of the fears and hopes with which the Atlantic Cable has been alternately charged during the last month.

The attention of diplomats, statesmen and the press in Europe has during this last fortnight been particularly fixed upon the relations of Belgium to the two great powers—France and Prussia—whose duel for the control of the Continent, all the world is now watching with an uneasy apprehension, lest at any moment the combatants may exchange the pen for the sword, and the protocols of prime ministers for the field-batteries of marshals. Placed, like what the railway men call "a buffer," between the frontiers of France and those of Prussia, Belgium occupies a political position not less compromising than her geographical position. She is in no received sense of the word a "nationality." Her people are neither sprung from one race, nor do they speak a common language; nor are they united by the ties and the associations of a long cemented political unity. Although nearly twice as populous as Switzerland, Belgium cannot be pretended to be nearly so strong and well-established a political fact in the European family as is the Helvetic Republic. For the Swiss, though widely separated from one another by blood and by religion, made up of Catholics in one canton and of Protestants in another, here speaking an antique dialect of the Italian, and there a modern patois of the German, Franks in Geneva and Romansch in the Tessin, are still essentially and predominently Swiss. As Swiss they have been banded together in war and peace for centuries, as Swiss they have conquered and kept a national independence which stands them in the stead of national greatness. Nothing like this can be said of the Belgians. The only concentrated and vigorous nationality which can be said to exist within the Kingdom of Leopold II., the Flemish, has nothing in common with the very modern history of the actual Belgium, and overlaps the frontiers of France even more completely than the Basque nationality of Northeastern Spain overlaps the Pyrenees, or than the Savoyard nationality of Northwestern Italy overlaps the Alps. Belgium was called into existence a little less than forty years ago, partly by the resistance of the Flemish Catholics to the union with Protestant Holland, which had been forced upon them by the Great Powers at the Congress of Vienna in 1815, and partly by the co operation of France, which had her own objections to the perpetuation of a really powerful State on her Northeastern frontiers. England also, for reasons of her own, in 1839, joined in a guarantee of the independence of Belgium, and until within the last decade, it has been a recognized fact in European politics that Belgium must be considered, for all practical purposes, as an outwork of British power and British policy on the Continent.

The events of the last two years, which have so gravely modified the relations of Prussia with France have now brought forward the annexation of Belgium by the French Empire as one of the by no means remote possibilities of the existing situation; and the discussions excited by the mere suggestion of so important a consummation have thrown into a strong light the great change which has been wrought by recent economical influences in the relations of Belgium with France and with England, and of those two great powers with each other. While France maintained her protective policy, Belgium bore to the trade of Great Britain, with the central part of the European Continent, a relation not unlike that borne by Portugal to the trade of Great Britain with the Peninsula. Belgium, it is true, had a protective tariff of her own, and in this respect she cannot be exactly compared with Portugal, which for years had practically been a coast line of British "free ports" on the South Atlantic. But the Belgian tariff was far less restrictive than the French; and it was the commercial policy of Belgium on the one hand to make herself a grand depot of contraband trade with France, and of imitations of the French manufactures, and on the other hand, to secure the import trade of Great Britain by a partial discrimination in favor of British products. While this state of affairs continued England was the necessary friend, ally and defender of Belgian independence. Lord Palmerston always made the maintenance of Belgium one of the cardinal points of his European system; and it was a maxim of British politics that France must never on any account be permitted to make herself mistress of the formidable harbor and fortress of Antwerp.

The customs-reform inaugurated between England and the Continent by the co operation of the Emperor Napoleon with Cobden, Chevalier, and other enlightened economists in England and France, has, however, put an end to this state of affairs. In 1865 the Belgian government, acting in harmony with England and with France, systematized the Belgian tariff, and recast its whole code of customs duty. All differential duties were suppressed, a general tax of *ten per cent* imposed on manufactured goods and raw materials, with the exception of iron, and castings of iron admitted free of duty.

The result of these economical changes in the legislation of the three countries has been to make the union of Belgium with France desirable rather than undesirable to England. Such an union would at once increase the already enormous trade of Great Britain, both with France and Belgium. How greatly it would develop what would then become the internal trade of Belgium united with France, we may judge, in a measure, from the simple fact that the trade of independent Belgium with France, which, in the six years between 1856 and 1862 had increased only from 200,000,000 francs to 321,000,000 francs, rose in a single year after the commercial revision of 1865 from 350,000,000 francs to 442,000,000 francs. But the point on which we desire to fix the reader's atttention to-day is not so much the probable advantages to Belgium, to France or to Great Britain of a union between the Belgian monarchy and the French empire as the instructive and striking fact that by simply opening the door of trade between England and France and Belgium, the Emperor Napoleon has in three year's time undone the political work of a generation, and made possible at least without the firing of a French or British gun in anger, that which even ten years ago could not have been attempted without involving France and Great Britain in a tremendous war. The opposition which a project of annexation between France and Belgium would now encounter will come not from England, but from Prussia and from a party in Belgium itself. The reigning sovereign of Belgium is a member of the House of Orleans. Brussels, which is, in fact, a kind of little Paris, has throughout the whole period of the empire, been the refuge of discontented or exiled Frenchmen, who have there been able to print and to say the things and the books suppressed by the police of Napoleon in the French capital. A large and respectable party of Belgians, too, regard with extreme dislike the existing regime in France, and would be very averse to the swamping of the Belgian Parliament in the *Corps Legislatif* of Imperial France. Prussia, too, will do her best to persuade Belgium that it will be better to see Holland absorbed by the North German Empire, and to put herself under the protection of that empire against France, than to join with France in preventing the extension of the North German Empire by Holland to the North Sea.

These influences and others of less weight and power will, no doubt, conspire to adjourn the absorption of Belgium by France, or to make that absorption the price of a severe continental war. On this head speculation may indulge itself liberally. But as it is demonstrably certain that the most powerful bulwark of Belgian independence has already been destroyed by the pacific operation of great commercial laws, so we may be permitted to believe and to hope that by the operation of the same laws in other regions of Europe, whatever convulsions may attend the completion of the new order of things abroad will be notably mitigated and robbed of their power for working protracted evil.

THE GOLD PREMIUM.

The wide fluctuations of late in the gold premium, and the possibility that the price may settle at a higher point than has ruled during the past year gives rise to much uneasiness amongst those directly connected with foreign trade. The illusion which for a while existed, that the gold premium was to decline gradually until it reached par, and then the banks and government would resume specie payment without any effort, has quite passed away. Of course there never was any foundation whatever for such an expectation. The idea would never have had sufficient buoyancy to float itself had it not been for the vitality given it by the low rate (25 per cent) which obtained for some time in 1866. Some argued that if it had fallen to such a point why should it not go further; failing to realize that the decline was a temporary one induced by temporary causes. Gold is now merchandize. Its price within certain limits is the result of supply and demand. A free sale of bonds in Europe during 1866, together with large shipments of cotton at high prices, furnished all the exchange the market required. Hence, there being but little demand for gold except for duties, the Treasury, by more than supplying that demand, established temporarily a low rate for it. But it is not our object at present to suggest what point gold is to reach hereafter, or whether even the price now ruling will be maintained, but simply to enquire whether (the actual depreciation of the currency remaining the same) a further advance in the gold premium will be advantageous or otherwise to the general interests of the country.

The immediate effects of such an advance are self evident. Take our greatest branch of production, agriculture. We will suppose for the sake of simplicity, that two commodities represent the agricultural interests of the country, Cotton and Wheat, for as these are affected, so will the value of all exportable products be determined. If, then, gold goes up to 100 per cent premium, and cotton is worth in New Orleans, in gold, 16 cents to ship to Liverpool, the planter will get 32 cents minus commissions, &c. If, on the other hand, the premium is but 50 per cent the cotton will sell for 24 cents in currency, and will realize but about three-fourths as much as if the gold were at 100. Very clearly (all other things remaining stationary), it is greatly for the planters' interest that the premium be advanced as much as possible, since the higher it goes the more he gets of what he is obliged to accept as money.

The same will be true of the western farmer. If his wheat is worth $1 50 in gold at New York for export (and whatever it is worth for that purpose will determine its price), and the gold premium is 100, he will get $3 00 per bushel for his wheat in currency; while if the premium is but 50 per cent he will receive but $2 25. The farmer, then, will desire that the premium should be very high—because the higher it is the richer he is *in greenbacks*, unless the expenses of production correspondingly increase.

The position of the wool grower is unlike that of the producers of cotton or grain. As there is no surplus of wool that must necessarily be exported, the currency price of it will not be directly raised by the advance of gold premium, as in the case of cotton and breadstuffs, but so far as wool is protected by the tariff, the protection will increase as the premium on gold rises. For example, if the duties are 20 per cent in gold, and the premium on gold 50, the protection is equal to 30 per cent in currency; but, should the gold advance to 100, the protection is 40 per cent, and so far as foreign competition is concerned, the wool grower may demand a higher price than he otherwise could; but, on the other hand, if he would purchase foreign stock or raw material, the price of it will of course be enhanced by the rise of gold.

Another great national interest is that of the cotton manufacturers, who are also situated quite differently from those engaged in agriculture; for, as the premium on gold advances, so the currency price of their raw material rises, as we have just seen, while at the same time the protection afforded by tariff duties is increased. But the export trade in manufactured cottons having been annihilated by the depreciated currency of the country, the manufacturer cannot gain in the price of his commodities from the rise of the gold premium as the planter does upon his cotton. Furthermore, if his goods are of such a character that the protection, when the premium on gold is 50 per cent, is sufficient to prevent foreign competition, then the rise of the premium above that point is of no advantage to him, but, on the contrary, he will suffer by the enhanced prices of foreign articles he may be obliged to consume.

The remaining interest we shall notice is that of labor. How does a rise in the gold premium affect wages and salaries? They will rise, but not instantaneously, nor to an equal extent with the general rise of those commodities that are particularly influenced by the price of gold.

The events of the last five years have demonstrated in a remarkable manner the effects upon wages of a general rise of prices occasioned by a depreciation of the currency. Probably at no time, nor in any part of the world, has the result of a false standard of value upon prices and wages been so fully exhibited as in the United States within the last five years; and the evidence is most conclusive that wages neither rise as soon, nor as high, as the commodities which the laborer consumes. It has been satisfactorily ascertained that the rise of wages, take all kinds of labor and services together, is but about half as much as that of commodities. We cannot go into the reasons for this, but the fact is not disputed that wages do not rise in proportion to the rise of those things which labor creates, when the rise is occasioned by an expanded currency. If this be true, then the laboring class must lose by the advancing premium on gold, so far as that causes a temporary rise of prices.

From this brief and necessarily imperfect sketch of the direct effects of a rise in the gold premium, it is quite apparent that there is a wide difference in its influence upon different classes—no two being affected in precisely the same manner, or to the same extent; and it would also appear on a close examination that what is gained by a particular interest in one direction, is lost in another; that while the farmer and planter gain by a rise of prices occasioned by an advance in gold, they lose this advantage in the additional price they pay for whatever they consume, and in the rise in wages. The same is true of every other interest, except labor, in regard to which there is this distinction, that while other interests may gain more than they lose, labor must lose more than it can gain; and therefore it is that upon the laboring classes falls mainly the loss which the country suffers from a defective standard of value. A little reflection upon the gains and losses to which we have referred, is sufficient to convince any intelligent mind, that under an irredeemable and depreciated currency the whole trade and industry of the country is in a perturbed and unnatural condition; the fluctuations in gold so affecting values that chance reigns instead of law, chaos instead of order.

But there is a point below which it is not desirable (while the currency remains the same) that the gold premium should fall; for the premium should always be so high as to represent as fairly as possible the real depreciation of the existing currency. The value of gold as measured by the currency, should be the same as the value of commodities in general when measured by the same standard. Gold should be no cheaper than other articles of commerce, for if so the country will be drained of it. That is the process that has been going on in the United States for the last three years. The fact that we have a large amount of National bonds, and that Europeans are willing to buy them at the low rate, (about 70 cents on the dollar) at which they have been selling, has enabled us in the past to pay our increasing foreign balances with them. This has temporarily checked, or, we should say, diminished the outflow of gold. But with about fifty millions of gold interest to pay in the future, we should most fear any influences used to keep down the price making gold cheaper than other commodities. A depreciated currency causes of itself evil enough, as we all too well know; but a depreciated currency continually doctored by legislation, and restrained in its movements by official interference, is far more injurious in its final results. We may be able to depress the price of gold for a time, or in other words cheapen it, while we thus increase our imports and decrease the currency value of every exportable article; but like a rising river the natural flow of which has been stayed by artificial means, when it once breaks away from its bonds, the injurious results will only be the more widespread and complete.

There is but one conclusion we will draw in view of these facts, and that is that the general interests of the country require a speedy return to a specie basis. How long can we submit to the drain of gold and bonds which for the past few years has been going on? If our trade balance in the past has been against us so that we have been compelled to ship a large amount of government securities to settle it, how will it stand when this bond movement stops, and with our foreign interest account added?

PACIFIC RAILROAD OF MISSOURI.

The Pacific Railroad of Missouri extends from St. Louis directly west to the Kansas line, 283 miles, where it forms a close connection with the Union Pacific (E. Div.) Railroad, already completed to Coyote, 356 miles beyond that point, making the whole distance from the Mississippi River to the present western terminus of the joint lines, 369 miles. It also connects at Kansas City with the Missouri River Railroad, extending thence to Leavenworth, 33 miles, and operated under lease by the Pacific Company.

This company is one of the great Land-Grant and State-Aid corporations of Missouri. It was chartered February 12, 1849, and organized January 30, 1850. In June of the latter year the surveys for the projected line were commenced, and July 4, 1851, the formal breaking of ground took place. Construction was carried on with frequent interruptions through the following fifteen years, and was completed only in October, 1865, when the whole line was brought into operation. The details of operations through the intermediate years are given in an article published in the CHRONICLE of October 27, 1866. We refer to this article also for other valuable statistics not repeated in our present number.

The Southwest branch of the Pacific Railroad, constructed chiefly on credit and State aid, and which formerly belonged to this company, has been sold to a new organization, and will form the first link in the projected Atlantic and Pacific Railroad. In the following review its accounts have been separated from those of the present Pacific Company.

The equipment of the Pacific Railroad is now sufficient for the business transacted on it. The number of engines placed on the road since the commencement of operations has been 63. On the 1st March, 1868, there were on the line 52, 5 of the 63 having been condemned, and 6 turned over to the Southwest branch. At the same date the company had 41 passenger, 6 mail, 17 baggage and express, 30 caboose, 270 box, 224 flat, 175 stock, and 7 other cars; also 25 stationary engines for pumping water. The sleeping car company had 4 cars on the road, and the St. Louis and Pacific Express freight line 50 box cars.

The list of engines and cars owned and in use by the company on the first of March, 1864–68, both inclusive, was as follows:

	1864	1865.	1866.	1867.	1868.
Locomotives	38	42	48	47	52
Passenger Train Cars—					
Passenger	24	26	31	41	41
Mail	6	6	7	7	6
Baggage and express	8	8	17		17
Freight Train Cars—					
Caboose	18	20	28	29	30
Box	164	184	230	269	270
Flat	118	218	211	221	224
Stock	88	98	183	144	175
Service cars	4	4	15	7	7

The mileage made by engines in the same five years, with the total cost and cost per mile for repairs, &c., is shown in the following exhibit:

	1864.	1865.	1866.	1867.	1868.
Engine mileage	....	698,977	831,438	1,199,660	1 405,886
Cost of repairs, &c	$....	$232,895	$348,942	$464,829	$525,434
Cost of rep'rs, etc., per m	....	33¼c.	42c.	38¾c.	37¼c.

These figures, meagre as they are, will serve to explain in some measure the general operating expenses given in the following paragraph.

The gross earnings from operations in the years ending with February, 1864–1868, both inclusive, have been as exhibited in the following comparative statement:

	1864.	1865.	1866.	1867.	1868.
	$	$	$	$	$
Passenger earnings	318,790 41	453,880 41	831,245 11	1,166,818 31	1,264,398 01
Freight earnings	560,744 59	609,272 14	924 075 86	1,465,373 25	1,694,233 38
Mail earnings	23,350 00	30,487 50	37,996 25	44,183 28	45,049 92
Rents	3,860 95	5,127 64	1,039 00	......	......
Total gross earnings	906,745 95	1,097,967 69	1,794,356 22	2,675,874 84	3,003,681 31
Operating expenses	546,161 99	886,483 23	1,393,530 08	1,956,644 84	2,030,626 38
Nett revenue	360,583 96	211,484 46	400,826 14	719,230 00	973,054 93

The gross earnings were divided proportionately as follows:

Operating exp's. p.c.	60.23	80.74	77.66	73.10	67.61
Nett revenue, p. c.	39 97	19 26	22.34	26.90	32.39

The increase of gross earnings, operating expenses and nett revenue yearly, over each preceding years, is shown in the annexed statement:

	1864 over 1863.	1865 over 1864.	1866 over 1865.	1867 over 1866.	1868 over 1867.
Gross earnings, per cent	83.35	21.09	63.42	49.13	12.25
Operating expenses, p. cent	20.69	62 31	57 19	40.41	3.78
Nett revenue, per cent	58 57	.	89.05	79.44	35 29
Nett revenue decreased	....	41.84	....	....	....

The following shows the average length (miles) of road operated in each of the above years, and the gross earnings, operating expenses and net revenue per mile:

	1863-4.	1864-5.	1865-6.	1866-7.	1867-8.
Miles of road operated	194	214	253	263	283
Gross earnings, per mile	$4,673 95	$5,130 69	$7,120 46	$9,455 38	$10,613 71
Operating expenses, per mile	2,815 26	4,142 44	5,529 88	6,913 94	7,175 36
Nett revenue, per mile	1,858 69	988 25	1,590 57	2,541 44	4,438 35

The whole line from St. Louis to Kansas City (283 miles) was brought into operation October 2, 1865. For the year ending February 29, 1866, the gross earnings per mile were $7,100 46, and in the year ending February 29, 1868, they were $10,613 71, an increase of $3,493 25, or 49·07 per cent. The operating expenses in the latter year were greater than the gross earnings of the former year. In the meanwhile the nett revenue rose from $1,590 57 per mile to $3,438 35, an increase of $1,847 78, or 116 per cent. The decrease in operating expenses is remarkable: in 1864 5 they were 80·74 per cent of gross earnings, and in 1867-8 67.61 per cent, a decrease equivalent to 16·26 per cent. These facts are encouraging; they show not only that the business of the line is rapidly increasing, but also that it has been managed with an intelligent economy that augurs well for the future of the enterprise. One great drawback has been experienced in the fact that the guage of the road is different from that of the lines connecting at either terminus. The guage of the Pacific (Mo.) Railroad is 5 feet 6 inches, while the guage of the Illinois lines, and also of the Union Pacific (E. D.) Railroad is 4 feet 8½ inches. To remedy this anomaly and to secure more complete connections the company have decided to change the guage of their road to that of the neighboring roads. This will secure a great uniform line of roads from New York, Boston, Philadelphia, Baltimore, &c., to the furthest west. Improvements in the way of auxillary lines will be adopted. The Osage Valley and Southern Kansas Railroad, nearly completed from Boonville to Tipton is the pioneer. Its ultimate destination is Fort Scott in Kansas. The Pacific Company have taken a thirty years' lease of this road, and will probably open the first section early in September.

In order to show the progress of the Pacific (Mo.) Railroad *ab initio* we compile from the record the following statement of the mileage operated, and the earnings thereon yearly, since the opening of the first section in December, 1852:

Years.	Miles.	Earnings.	Years.	Miles.	Earnings.
1852 (8 days)	6	$108 15	1860-61	174	$683,644 28
1853 (year)	22	41,323 29	1861-62	189	457,183 69
1854-55 (14 mos.)	71	97,178 39	1862-63	189	679,956 06
1855-56	82	330,222 84	1863-64	194	906,745 95
1856-57	125	426,285 97	1864-65	214	1,097,967 69
1857-58	125	663,846 59	1865-66	252	1,794,856 22
1858-59	152	674,948 95	1866-67	283	2,675,874 84
1859-60	165½	648,600 00	1867-68	283	3,003,681 31

The financial condition of the company, March 1, 1864–68, yearly, is shown in the following exhibit, being abstracts from the general balance sheets made up at date:

	1864.	1865.	1866.	1867.	1868.
	$	$	$	$	$
Capital stock	3,493,715	3,497,085	3,581,598	3,609,115	3,614,515
State loan	7,000,000	7,000,000	7,000,600	7,000,000	7,000,000
Land grant sales and rents	109,188	112,432	131,295	200,258	219,300
Transportation receipts	5,567,957	6,645,300	8,401,010	11,092,480	13,963,585
Mortgage construction b'ds	....	1,314,000	1,500,000	1,500,000	1,500,000
St. Louis county bonds	...	12,850	700,000	700,000	700,000
Real estate (land) bonds	....	....	....	....	149,000
Bills payable	48,144	241,909	911,688	1,100,328	649,555
Accounts audited	75,908	408,003	238,754	255,807	156,726
Total	16,294,845	19,229,380	22,524,847	25,458,089	27,952,682

Against which aggregates are charged the following, viz.:

	1864.	1865.	1866.	1867.	1868.
Construction	8,507,998	10,115,728	11,238,133	11,418,791	11,479,695
Rolling stock, etc.	761,447	1,101,970	1,504,015	2,049,674	2,195,655
Missouri River Railroad	....	....	....	6,511	10,901
Office expenses	119,471	133,635	151,259	173,989	194,478
Contingencies	73,026	75,062	76,110	75,960	80,553
Interest account	718,828	750,241	953,297	1,176,259	1,388,358
Discount on construction, &c., bonds	8,860	8,860	8,860	8,860	8,865
Commission on purchases	17,375	17,375	17,375	17,375	17,378
Interest, disc'ts & commis.	1,137,994	1,141,078	1,238,933	1,238,988	1,238,930
Land grant expenses	5,357	5,362	6,044	6,634	7,243
Transportation expenses*	4,616,148	5,502,631	6,896,161	8,852,806	10,883,052
Balance, March 1	828,442	377,482	439,156	482,089	447,297
Total	16,294,845	19,229,380	22,524,847	25,458,089	27,952,682

RAILROAD STOCKS AND EARNINGS.

We have repeatedly directed attention to certain considerations connected with the management of our railroads, calculated to affect injuriously the value of their stocks for investment. The now unsettled condition of the stock market, and the fall in the prices of leading shares, comes in as a direct confirmation of our views. For several months past, the stock market has been in a "cliqued" condition. The major

* Including $1,222,721 54 charged against transportation receipts for interest on State bonds prior to January, 1859.

portion of the stocks of the principal roads has been bought up by combinations of capitalists, who, having secured the direction of the companies' affairs, conduct the management with a view to the inflation of the value of the stocks. In some instances, the necessary expenditures for keeping the roads in condition have been severely curtailed, so as to secure larger net earnings and pay increased dividends; and in others, where a cash dividend has not been fairly earned, large dividends in stock have been made, (said to represent money sunk in the permanent improvement of the roads), the addition to the share capital of the principal roads upon the New York Stock Exchange having been fully $45,000,000 within the last fifteen months. By these means, and by holding the prices of stocks steady under the fluctuations of the money market, the aim has been to establish a higher scale of prices for stocks, and thereby enable the cliques to sell out at a profit. The result of this policy is now beginning to appear. The public seem to have understood the tactics, and have stood aloof from the stock market with remarkable persistency, the transactions at the boards during the summer months having been little over half what they were at the same period of 1867, although the extreme ease of money has been very favorable to speculation; and, judging from the very general testimony of brokers, we should conclude that parties holding stocks as an investment have unloaded, to a large extent, upon the combinations at the late high prices. These combinations having thus proved a failure, the more conservative members of them are becoming wearied of a fruitless effort to practice upon the public, and are said to be throwing their stocks upon the market. The near approach of the usual activity in money connected with crop movements, warns them that they cannot hope to carry their burdens through the fall months without embarrassment, and the more so because the banks have very prudently declined to make time advances upon stocks, a course which they have heretofore adopted with very serious inconvenience to the commercial interests of the country, but which they feel indisposed any further to follow. The consequence of this realizing movement has been a considerable fall in the price of railroad shares generally, but in Erie and New York Central especially. Erie has fallen from the late average price of 70 to 44½; while New York Central has fallen about 10 per cent. The decline in these stocks has been, to a certain extent, connected with schemes for controlling Erie so as to run the road in opposition to the Central Company. On Wednesday the Erie transfer books were closed, about thirty days in advance of the usual period, with the purpose, as is stated, of insuring the continuance in power of the present management of the road, a majority of the stock standing registered in their names at that date; and it is now reported that the directors have bought four lines of Sound steamers, and leased the Boston and Providence Railroad, with a view to diverting eastern traffic from the New York Central road, the funds for said object to be raised by the issue of $6,000,000 more of convertible bonds. At present we are not aware whether these things are accomplished facts; but negotiations have certainly been in progress to the effect stated. These developments are but another illustration of the reckless management of our railroads, and have materially aggravated the demoralization of the stock market.

The late improvement in the railroad earnings has doubtless laid a basis for a proportionate increase of confidence in stocks, as a source of investment, had the management been at all conservative or prudent. But the public have so entirely lost confidence in the stability of stocks, that they appear indisposed to take them, except at prices below what may be considered a fair value, based upon earnings; and nothing but a thorough reform of management can restore this lost confidence. These remarks, we are glad to say, do not apply to all the roads. We think we have discovered a growing disposition in some boards to separate themselves from all suspicion of using the property they hold in trust for their own private ends. Legislation also can do much to increase this improving tendency and check this evil wherever it exists. We have called the attention of our legislators frequently to this subject. If every State would require every railroad corporation existing under its laws to publish monthly a statement of its earnings and expenses, and a more detailed account quarterly, directors would be robbed of much of their present speculative power. Other remedies have been suggested by us from time to time, and we have not space to repeat them here; but we think if the publication referred to is required, one long step on the road to a thorough reform in management will have been taken.

From the subjoined statement it will be seen that the gross earnings of the principal roads for July exceed those of the same month of 1867 by about 9 per cent; while for the first seven months of the year there is an average gain of 10 per cent. There has been a slight increase in the mileage of the roads, but not sufficient to affect this result; the average gross earnings per mile, for the seven months, being $5,311 against $4,891 in 1867, an increase of 10 per cent. It is to be presumed that there has been also an increase of expenses; but probably not in proportion to the gain in earnings, the cost of some materials of repair, especially iron, having declined during the interim. The large amount of grain to be moved over the roads the next six months is likely to keep up this increased rate of earnings. The gross earnings of the under-specified railroads for the month of July, in 1867 and 1868, and for the first seven months of each year are exhibited in the subjoined statement:

GROSS EARNINGS FOR JULY, AND FOR THE FIRST SEVEN MONTHS OF 1867 AND 1868.

Railroads.	July 1867.	July 1868.	Seven Months 1867.	Seven Months 1868.
Atlantic and Great Western	$400,116	$341,266	$2,860,246	$2,578,166
Chicago and Alton	354,244	405,617	1,951,856	2,208,279
Chicago and Northwestern	880,824	1,091,466	5,476,618	6,933,089
Chicago, Rock Island & Pacific	274,800	329,800	1,857,601	2,221,991
Cleveland and Pittsburg	210,134	229,978	1,297,153	1,393,100
Illinois Central	525,242	576,458	3,548,075	3,501,524
Marietta and Cincinnati	106,594	108,413	624,187	680,728
Michigan Central	313,021	321,013	2,257,709	2,406,411
Michigan South. & North. Ind	312,679	301,500	2,363,581	2,618,793
Milwaukee and St. Paul	365,156	423,200	2,355,557	2,935,300
Ohio and Mississippi	284,633	194,455	1,783,940	1,577,534
Pittsburg, F.t W. & Chicago	537,381	571,834	3,917,747	4,338,734
Toledo, Wabash and Western	309.591	283,838	1,969,628	1,937,855
Western Union	58,262	59,762	321,119	382,307
Total	$4,862,377	$5,238,590	$32,585,217	$35,709,211

The following statement shows the gross earnings per mile of the same roads during the first seven months of the two years:

GROSS EARNINGS PER MILE DURING FIRST SEVEN MONTHS OF 1867 AND 1868.

Railroads.	Miles 1867.	Miles 1868.	Earnings 1867.	Earnings 1868.	Differ'e Incr.	Differ'e Dec.
Atlantic & Great Western.	507	507	$5,642	$5,085	$...	$557
Chicago and Alton	280	280	6,971	7 886	915	...
Chicago and Northwestern	1,152	1,152	4,754	6,019	1,265	...
Chicago. Rock Isl. & Pacific	410	452	4,531	4,916	385	...
Cleveland and Pittsburg	229	229	5,664	6,083	419	...
Illinois Central	708	708	5,011	4,945	...	66
Marietta and Cincinnati	251	251	2,488	2,712	224	...
Michigan Central	285	285	7,922	7,922	521	...
Michigan South. & North. Ind	524	524	4,507	4,984	477	...
Milwaukee and St. Paul	827	827	2,861	3,549	688	...
Ohio and Mississippi	340	340	5,246	4,637	..	609
Pittsburg, Ft. W. & Chicago	468	468	8,371	9,271	900	...
Toledo, Wabash and Western	521	521	2,778	3,719	....	59
Western Union	180	180	1,784	2,127	343	...
Total	6,682	6,724	$4,891	$5,311	$420	$...

CONDITION OF THE NATIONAL BANKS.

The July quarterly statement of the condition of the National banks, published in our last number, presents some features to which the attention of the banking interest needs to be directed, and the interesting and elaborate table given below, furnished by the Comptroller of the Currency, affords all the details necessary for making the examination. In certain respects, the return is a satisfactory one; in others, it is not so. The deposits show a very large increase upon those of the same period of last year, there being in all the banks of the country $575,644,604 of individual deposits, against $537,882,949 for the same period of 1867. This indicates a relaxed condition of business, and is so far an unhealthy symptom. The generally low rates of interest are a natural result of this plethora of idle funds, and simply means that at present business is not sufficiently remunerative to tempt capital into employment. When legitimate business, however, is least active, speculation is apt to be most so: and the present condition of the loans aptly illustrates this rule. The loans and discounts of the banks stood, on the first Monday of July, at the very large total of $655,525,346, which is about $67,000,000 over the aggregate at the same period of 1867. Considering that the general business of the country is unusually dull, none of this increase can be regarded as due to an addition to the discounts, and it is, therefore, to be concluded that the expansion is mainly upon demand loans, consisting chiefly of advances upon stock collaterals. The amount of railroad stocks has been increased during the year $40,000,000 to $50,000,000 by share dividends or by other issues of new stock, and the prices of stocks are generally much higher than a year ago, as will be seen from the following comparison of prices of leading shares:

	June 28, '67.	July 3, '68.		June 28, '67.	July 3, '68.
New York Central	104¾	134¾	Northwestern pref	65⅝	79⅝
Erie	66⅝	70¾	Rock Island	95¾	105⅝
Hudson River	109¾	139	Fort Wayne	108¾	x.d109⅝
Michigan Southern	78¾	91⅝	Illinois Central	121½	157⅛
Michigan Central	110¾	119			
Northwestern	42⅝	75¾	Total prices	898¾	1,082⅞

It is thus seen that railroad shares ranged, at near the date of the quarterly statement, about 20 per cent above the prices of a year previous; which, of course, called for a proportionate increase of advances upon this class of securities. This is an expansion of loaning operations in a direction least to be desired, inasmuch as it indicates a growth of speculation rather than of legitimate business operations. The expansion implies a certain degree of danger, when the trade of the country assumes more activity; but it is the speculators rather than the banks that are threatened.

It cannot be said that the loans and discounts of the banks are out of reasonable proportion to either their capital or deposits. The capital and deposits combined amount to $995,451,511, against $655,525,346 of loans and discounts; so that the loanable resources are 52 per cent in excess of the advances actually made. In 1860 the capital and deposits together aggregated $675,000,000, while the loans and discounts were $692,000,000. So that the condition of the banks, in respect to loans, is much more conservative now than eight years ago. There is, however, this difference between the two periods; the banks in 1860 made their advances to a larger extent upon capital than at present, their capital being $422,000,000, and deposits $253,000,000; while the capital of the national banks now is $419,806,511, and the deposits $575,644,604. Or, to present the difference in another aspect, in 1860 the capital was 62 per cent of the loans, and in 1868, 64 per cent; while the deposits were, in 1860, 36½ per cent of the loans, and in 1868, 88 per cent. But although the loans now are less upon capital and more upon deposits than in 1860, yet considering the very large amount of deposits, it can hardly be fairly assumed that the loans are imprudently expanded. The very large amount of deposits, as compared with eight years ago, very strikingly illustrates the present comparative stagnancy of trade; and, at the same time, it suggests a ready explanation of the fact of the prices of securities being so much higher than in former years.

But the Comptroller's exhibit given below is particularly important as showing the condition of the reserves of the banks, since these figures give us light as to their stability. No subject is so important to the people; and if they are once convinced that the financial machinery is working more smoothly, more efficiently, and with more safety than any other we are likely to have in its place, we shall soon hear far less in favor of those unfortunate destructive measures which are urged before each succeeding Congress. Fears have been expressed lest the contraction of the greenback circulation, and especially the redemption of the Compound Interest Notes, would induce the banks to run upon a much smaller reserve. These apprehensions are now, however, proved to have been groundless. The official returns show that the banks are much more than living up to the law. The New York city banks held, at the date of the statement, $17,200,000 of available reserve, in excess of the amount required by sections 31 and 32 of the National Currency Act, the surplus being 6.9 per cent over the legal requirement. In the other cities named in section 31 of the Act, there is an excess of reserve amounting to $19,600,000 or 7.02 per cent beyond the legal limit of 25 per cent. The per centage of excess is largest at Philadelphia, being there 11.8; and next at Boston, Chicago, and New Orleans. At Cincinnati, the available reserve is only 1.6 per cent beyond the amount required; while at Cleveland and Leavenworth it falls below the limit. These points are illustrated in an official exhibit given in our last issue. The table subjoined gives an analysis of the reserve of those banks required to maintain a reserve of 15 per cent, commonly designated the country banks. While in the redemption cities the reserve averages 7½ per cent beyond the lawful requirement, the reserve of the country banks averages nearly 9 per cent in excess; a fact which satisfactorily refutes the impression that the latter class of banks have not maintained a very conservative regard for their reserve. The reserve stands lowest in the District of Columbia, Utah and Texas, where the excess ranges from 2.2 to 4.2 per cent; and highest in the Southern States, ranging from 21.4 per cent in Georgia, to 46 per cent in South Carolina. In the New England States the ratio of excess is comparatively low, ranging from 6.4 per cent in Vermont to 8.6 per cent in New Hampshire. In New York State the excess is 7.7 per cent, in Pennsylvania 7.8 per cent, and in New Jersey 9.9 per cent. In the Western States the excess varies between 6.2 per cent in Indiana to 17.4 per cent in Iowa. The amount of reserve required at the date of the statement, to be kept in the vaults of the country banks was $25,100,000; whereas they actually held $48,800,000. That portion of required reserve allowed by law to consist of balances due from redeeming agents was $37,700,000, while the actual amount was $51,700,000. In a word the [illegible] as a whole, must be viewed as satisfactory, not only as measured by [illegible] standard, but also as tested by the requirements of conservative banking. Below we give the exhibit as sent us by the Comptroller of the Currency.

STATEMENT OF THE CONDITION OF THE LAWFUL MONEY RESERVE, REQUIRED BY SECTIONS 31 AND 32 OF THE NATIONAL CURRENCY ACT, OF NATIONAL BANKS LOCATED OUTSIDE OF THE CITIES NAMED IN SECTION 31, AS SHOWN BY THE QUARTERLY REPORT OF THE CONDITION OF EACH BANK ON THE MORNING OF MONDAY, JULY 6, 1868.

States, &c.	No. of Banks reported.	Circulation outstanding.	Deposits including balances due to Banks and bankers.	Aggregate of Circulation and Deposits.	Reserve required. 2-5 of 15% required to be kept in the vaults of the Bank.	Reserve required. 3-5 of 15% which may consist of balances due from redeeming agents.	Per cent.	Aggregate amount of Reserve required.
Maine	60	$7,438,326	$5,983,781	$13,422,107	$805,326	$1,207,989	15	$2,013,316
New Hampshire	40	4,275,303	2,441,807	6,717,110	403,026	604,539	15	1,007,566
Vermont	40	5,723,684	2,678,041	8,401,725	504,103	756,155	15	1,260,258
Massachusetts	161	31,515,840	22,644,150	54,159,990	3,249,599	4,874.399	15	8.123,998
Rhode Island	62	12,617,195	7.321,335	19,938,530	1,196,311	1,794,467	15	2,990,779
Connecticut	81	17,656,561	14,566,458	32,223,019	1,933,381	2,900,071	15	4,833,452
New York	299	30,224,210	48,195,713	78,419,923	4,705,195	7,057,793	15	11,762,988
New Jersey	54	9,388,059	14,555,330	23,943,389	1,436,603	2,154,905	15	3,591,508
Pennsylvania	152	20,847,459	26,978,811	47,826,270	2,869,576	4,304,364	15	7,173,940
Delaware	11	1,215,845	1,451,639	2,667,484	160,049	240,073	15	400,122
Maryland	19	1,795,252	2,728,593	4,523,845	271,430	407,146	15	678,576
District of Columbia	1	89,430	68,761	158,191	9,491	14,237	15	23,728
Virginia	19	2,053,420	4,087,800	6,141,220	368,473	552,709	15	921,183
West Virginia	15	1,968,712	2,675,673	4.644,385	278.663	417,994	15	696,657
North Carolina	5	315,760	811,597	1,127,357	67,641	101,462	15	169,103
South Carolina	8	146,090	1,525,446	1,671,526	100,292	150,438	15	250,730
Georgia	8	1,230,935	2,854,726	4,085,661	245,139	367,709	15	612,849
Alabama	2	267,405	378,821	646,226	38,773	58,160	15	96,933
Mississippi	1	40,500	....	40,500	2,430	3,645	15	6,075
Texas	4	391,775	1,087,578	1,479,353	88,761	133,142	15	221,903
Arkansas	2	179,415	692,252	871,667	52,300	78,450	15	130,750
Kentucky	11	1,536,621	1,330,630	2,867.251	172,035	258,052	15	430,087
Tennessee	11	923,163	3,284,799	4,207,962	252,477	378,716	15	631.194
Ohio	123	13.273,575	17,421,466	30,695,041	1,841,703	2 762 553	15	4,604.256
Indiana	70	10,985,239	8,601,801	19,587,040	1,175,222	1,762.833	15	2,938,056
Illinois	69	5,407,510	10,334,132	15,741,642	944,498	1,416,747	15	2 361.246
Michigan	37	2,775,536	4,127,895	6,902,431	414,205	621,303	15	1,035,514
Wisconsin	31	1,747,519	3,275,292	5,022,811	301,368	452,052	15	753,421
Iowa	44	3,147,461	7,645,975	10,793,436	647,606	971,409	15	1,619,015
Minnesota	14	1,378,776	2,410,936	3,789,712	227,382	341 074	15	568,456
Missouri	10	663,990	1,895,633	2,559,623	153,577	230,366	15	383,943
Kansas	3	159,316	386,124	545,440	32,726	49,089	15	81,816
Nebraska	4	168,700	1,825,620	1,994,320	119,659	179 488	15	299,148
Colorado Territory	3	254,000	829,019	1,083,019	64,981	97.471	15	162,452
Utah "	1	135,000	71,450	206,450	12,397	18.580	15	30,967
Nevada "	1	131,010	86,855	217,865	13,071	19,607	15	32,679
Total	1,411	$192,068,592	$227,255,956	$419,324,548	$25,159,472	$37,739,209	15	$62,898,651

States, &c.	Reserve available. On hand.	Per cent.	Due from redeeming and reserve agents.	Per cent.	Aggregate amount of available reserve.	Per cent.	Items of Reserve on hand. (2-5 of 15% of Circulation must consist of these.) Specie.	Legal Tenders.	(2-5 of 15% of deposits may consist of) Comp'nds.	Three per cent Certificates.	Reserve exceeds what is required by law by the following amounts of— Specie and Legal Tenders.	Other items making up the reserve.	Total amount of excess of reserve.	Per centage of excess.
Maine	$1,094,479	8 1-10	$1,796,979	13 4-10	$2,891,458	21 5-10	$41,227	$927,822	$95,430	$30,000	$522,749	$714,419	$878,142	6 5-10
N. Hampshire	636,317	9 5-10	946,002	14 1-10	1,584,319	23 6-10	6,598	459,749	104,970	65,000	209,829	511,432	574,752	8 6-10
Vermont	834,996	9 9-10	970,236	11 5-10	1,805,232	21 4-10	48,126	617,780	109,090	60,000	322,485	383,170	544,973	6 4-10
Massachusetts	5,193,119	9 6-10	8,060,107	14 9-10	13,253,226	24 5-10	232 258	3,442,071	1,233,790	285,000	1,783,379	4,704,497	5,129,228	9 5-10
Rhode Island	1,781,460	8 9-10	2,604,588	13 1-10	4,386,049	22	32,726	1,231,074	392,660	125,000	506,769	1,827,780	1,395,269	7
Connecticut	2,865,439	8 9-10	4,592,830	13 9-10	7,358,269	22 8-10	163,159	1,975,250	527,030	200,000	1,079,015	2,319,788	2,524,816	7 8-10
New York	7,877,062	10	9,951,664	12 7-10	17,828,724	22 7-10	336,122	4,853,220	1,387,720	1,300,000	3,875,889	5,581,589	6,065,736	7 7-10
New Jersey	2,544,583	10 6-10	3,437,080	14 3-10	5,981,664	24 9-10	58,586	1,742 567	453,430	310,000	1,217,370	2,045,605	2,390,156	9 9-10
Pennsylvania	6,142,143	12 8-10	4,781,689	10	10,923,832	22 8-10	93,716	4,965,667	842,760	840,000	3,208,585	2,160,085	3,749,892	7 8-10
Delaware	320,918	12	327,612	12 3-10	648,531	24 3-10	10,257	192,431	63,230	55,000	129,737	205,768	248,408	9 3-10
Maryland	652,826	14 4-10	408,704	9	1,061,530	23 4-10	51,841	465,895	95,090	40,000	410,021	136,648	382,953	8 4-10
Dist. of Col.	16,350	10 3-10	10,893	6 9-10	27 243	17 2-10	368	15,782	200	....	10 784	....	3,515	2 2-10
Virginia	718,722	11 7-10	560,964	9 1-10	1,279,636	20 8 10	112,025	533,877	57,820	15,000	522,697	81,074	358,503	5 8-10
W. Virginia	586,025	12 6-10	349,987	7 5-10	936,012	20 1-10	38,403	441,403	31,220	75,000	361,682	38,212	239,354	5 1 10
N. Carolina	203,591	18 1-10	72,126	6 4-10	275,717	24 5-10	17,202	91,709	94,680	....	89.965	65,344	106,614	9 5-10
S. Carolina	507,595	30 4-10	511,949	30 6-10	1,019,544	61	17.390	486,045	4,160	....	494,670	865,670	768,814	46
Georgia	1,170,154	28 6-10	319,783	7 8-10	1,489,938	36 4-10	23,441	1,018,653	33.060	90,000	973,239	75,134	877,089	21 4-10
Alabama	187,345	28 9-10	82,283	12 7-10	269,628	41 6-10	61,746	125,599	....	....	171,801	24,122	172,694	26 6-10
Mississippi	17,880	44 1-10	525	1 3-10	18,405	45 4-10	....	17,880	...	....	15,450	....	12,330	30 4-10
Texas	466,836	31 5-10	291,983	19 7 10	758,819	51 2-10	255,952	210,884	....	....	443,829	158,841	536,916	36 2-10
Arkansas	88,796	10 2-10	78,848	9	167,644	19 2-10	2,709	86,087	....	....	78,031	398	36,894	4 2-10
Kentucky	433,727	15 1-10	220,409	7 7-10	654,136	22 8-10	5,056	382,271	33,400	10,000	295,130	8,756	224,048	7 8-10
Tennessee	707,408	16 8-10	341,935	8 1-10	1,049,844	24 9-10	31,258	551,810	104,340	20,000	527,678	87,558	418,149	9 9-10
Ohio	3,868,248	12 6-10	2,829,874	9 2-10	6,698,128	21 8-10	64,098	3,130,480	298,670	375.000	2,398,164	740,990	2,093,867	6 8-10
Indiana	2,711,049	18 8-10	1,453,188	7 4-10	4,164,238	21 2-10	66,901	2,273,698	250,450	120,000	1,681,485	60,805	1,226.182	6 2-10
Illinois	2,202,836	13 9-10	1,907,707	12 1-10	4,110,543	26	93,432	1,826,904	182,500	100,000	1,595,885	773,459	1,749,297	11
Michigan	960,163	13 9-10	871,201	12 6-10	1,831,365	26 5-10	23,565	796,478	100,120	40,000	653,511	390,012	795,850	11 5-10
Wisconsin	764,360	15 2-10	621,737	12 3-10	1,386,097	27 5 10	23.213	626,317	59,830	55,000	544,679	284,514	632,676	12 5-10
Iowa	1,716,811	15 9-10	1,785,427	16 5-10	3,502,239	32 4-10	64,268	1,512,243	120,300	20,000	1,387,668	954.318	1,883,223	17 4-10
Minnesota	522,714	18 8-10	310,740	8 2-10	833,454	22	36,951	442,653	38,110	5,000	396 877	12,775	264,997	7
Missouri	420.397	16 4-10	304,359	11 9-10	724,757	28 8-10	28,498	366,449	25,450	....	355,108	99,443	340,814	13 3-10
Kansas	91,304	16 7-10	121,575	22 3-10	212,880	39	220	85,994	5,090	....	76,655	77,576	131,064	24
Nebraska	266,429	13 4-10	726,205	36 4-10	992,635	49 8 10	10,790	242,409	8,230	5,000	248.077	559,946	693,487	34 8-10
Colorado Ter.	187,070	17 3 10	125,684	11 6-10	312,755	28 9-10	28,925	157,645	500	....	171,830	28,713	150,302	13 9-10
Utah "	22,688	10 9-10	15,570	7 5-10	38,259	13 4-10	2,008	20,680	....	....	14,568	....	7,291	3 4-10
Nevada "	58,175	22 1-10	13,044	5 9-10	71,220	28	31,390	26,785	....	....	50,815	....	38,540	13
Total	$48,840,031	11 6-10	$51,705,501	12 3-10	$100,545,533	23 9-10	$2,119,441	$35,721,260	$6,755,330	$1,240,000	$26,319,686	$24,962,622	$37,646,851	8 9-10

Of the above Banks having balances, to be counted as part of their reserve, due from Associations, there are in—

New York City	894,	amounting to	$32,094,701 42
Boston	311,	"	9,385,279 49
Albany	32,	"	934,336 62
Philadelphia	120,	"	3,347,762 55
Pittsburg	18,	"	314,435 25
Baltimore	23,	"	391,265 60
New Orleans	2,	"	48,224 77
Louisville	4,	"	27,811 66
Cincinnati	76,	amounting to	1,380,582 40
Cleveland	6,	"	29,848 27
Chicago	94,	"	3,155,665 45
Detroit	6,	"	22,253 92
Milwaukee	16,	"	270,512 85
St. Louis	18,	"	307,821 71
Total			$51,7[illegible]5,501 46

WATERING OF RAILROAD STOCKS.

Much has been said of late with regard to the burden which is being placed upon our internal commerce by the stock dividends of railroad corporations. Of course additions to stock or bonds of any company beyond the requirements of construction make necessary an increase in the transportation charges to pay interest on debt and capital. The extent of this practice we propose to illustrate by one through route from New York to the West. The roads constituting this, route are named not because their extra stock issues have been in excess of others, but simply, as we said, for illustration.

The plan of thus increasing railroad capital appears to have been initiated by the New York Central Railroad Company in 1853. This company in that year was, as our readers are aware, formed by the consolidation of eleven independent companies, whose roads made up the great line between the Hudson, at Albany and Troy, and Lake Erie, at Buffalo. The share capital of these companies amounted together to $22,858,600 as follows:

Albany and Schenectady	$1,635,800	Syracuse & Utica Direct	$600,000
Schenectady and Troy	650,000	Rochester, L'port & N. Falls	2,016,109
Utica and Schenectady	4,500,000	Rochester and Syracuse	5,606,700
Mohawk Valley	1,575,000	Buffalo and Rochester	3,000,000
Syracuse and Utica	2,700,000	Buffalo and Lockport	675,009

This amount was increased to $23,067,400, by the conversion of convertible bonds; and further, by the addition of the stocks of the Buffalo and Niagara Falls Railroad, $565,000; of the Lewiston Railroad, 217,600; and the Rochester and Lake Ontario Railroad, $150,000—which companies were united with the Central subsequent to the general consolidation. These additions brought the capital stock up to the neighborhood of $24,000,000, since increased by the conversion of bonds and the purchase of the Athens Branch Railroad to $28,537,000.

The stocks of the several companies varied largely in productive value, and hence were received into the new company at a premium above the

Schenectady and Troy stock, which was made par, being the lowest in the scale. The convertible bonds shared the same treatment. To pay this premium the company issued Six Per Cent Debt Certificates, the principal payable through the instrumentality of a sinking fund by May 1, 1883. These were issued to the stockholders of the old companies, in accordance with rates agreed upon in the articles of consolidation, and as shown in the following statement:

Companies.	Stock & convertible bonds.	Rates of premium awar'd. Per cent	Am't of pre'm.
Albany and Schenectady	$1,621,800	17	$275,706
Utica and Schenectady	4,500,000	55	2,475,000
Mohawk Valley	1,575,000	55	866,250
Syracuse and Utica	2,700,000	50	1,350,000
Syracuse and Utica Direct	600,000	50	300,000
Rochester and Syracuse	5,608,700	30	1,682,610
Rochester, Lockport and Niagara Falls	2,155,100	25	538,6[illegible]4
Buffalo and Lockport	675,000	25	168,750
Buffalo and Rochester	3,000,000	40	1,200,000
Rochester and Lake Ontario	150,000	25	37,500
Schenectady and Troy	650,000	0	......
Total	$23,235,600		$8,894,500

No premium was allowed the Schenectady and Troy stock. Of these certificates, $2,604,546 have been retired by the operations of the sinking fund, leaving outstanding $6,189,954. Not a cent of the $8,894,500 issued is represented by property, but is made a charge, principal and interest, against "future income." As respects the Mohawk Valley Railroad, the charges for stock and premium have never been availed of, that line being still in abeyance, with no intention of having it brought into use. Here, then, we have at least $11,000,000 calling for 6 per cent or $660,000 a year to be paid from traffic receipts; or in other words, all this amount and a yearly sinking fund contribution for the final settlement of the principal is drawn from the public for the sole benefit of the holders of these certificates, which are in reality so much guaranteed stock.

Leaving Buffalo west, the Buffalo and Erie Railroad, 88 miles in length, extends to Erie. This has for many years been a 10 per cent stock. It is a consolidation (1867) of the Buffalo and State line, the capital of which company was $2,200,000, and the Erie and Northeast, whose capital was $600,000, or, together, $2,800,000. The consolidated company came out with a capital of $5,000,000, the increase going into the pockets of its few stockholders. Should the usual 10 per cent dividend be paid hereafter, this operation loads the public with a contribution to private pockets for no tangible advantage of the sum of $220,000 a year forever.

The Cleveland. Painesville and Ashtabula Company's Railroad extends from Erie to Cleveland, 96 miles, and is another link in this through route. In 1861 its stock capital was $3,000,000, and its bonds $1,353,000. In that year a stock dividend of 4 per cent was distributed. In 1862, 10 per cent in stock and $13\frac{1}{3}$ in bonds were given to the stockholders, and in 1863

10 per cent in stock. In 1865, 25 per cent was divided, and in 1867, 75 per cent in stock and 20 per cent in bonds. These several distributions brought the stock up $8,750,000 and the bonds to $2,500,000, being an increase by stock and bond issues amounting to $6,897,000, or more than twice the amount of the original capital. In the meanwhile the cost of the road advanced from $3,986,537 to $4,868,427, or less than one million. These extra dividends on outstanding capital from 1861 to 1867, both inclusive, were no less than 157½ per cent. What this dividend would be on the original capital, is simply a matter of arithmetical calculation. But these are only the *extra*-dividends. The total dividend yearly was 14, 33½, 23, 26, 35, 10 and 95 per cent respectively, and the amount distributed $9,388,000, or 319 per cent on $3,000,000 in seven years.

The Cleveland and Toledo Railroad (in all 148 miles) carries the Lake Shore Line by one arm to Sandusky and by another arm to Toledo. In 1867 it was leased to the Cleveland, Painesville and Ashtabula Company, which agreed to pay its stockholders dividends equal to those paid on its own stock. Previous to the execution of this lease the company divided 25 per cent in stock, increasing its capital from $5,000,000 to $6,500,000.

The Cleveland, Columbus and Cincinnati Railroad, which leaves the lake at Cleveland in the direction of Cincinnati, has also inflated its capital, in 1862 by a division of 5 per cent on $4,746,200, or $237,310; and in 1863 by 20 per cent on $5,000,000, or $1,000,000. Its capital is now $6,000,000, one fourth part of which is not represented by property.

The Michigan Southern and Northern Indiana Railroad carries the Lake Shore Line into Chicago. The main line has a length of 242 miles, and the total length is 516 miles. It is a great but unfortunate enterprise, and has never had opportunity to expand its non-earning capital. It is borne down by unremunerative laterals and branches, but has nevertheless added to its capital and bonded debt in settlement of dividends accumulated on its guaranteed stock and the conversion of the same. Probably a million and a half has been added to capital on these accounts.

Transferring our review to the place of beginning (Albany and Troy), we have the Hudson River Railroad. This company doubled their capital in 1867, raising it from about $7,000,000 to $14,000,000. Only 50 per cent of the increase was paid in, and that was applied to the purchase of St. John's Park in New York City, and improvements required on the line of the road. The balance is a present to stockholders.

As stated above, we have selected the companies spoken of simply because they are conspicuous for their position and direction, forming one continuous line from the seaboard to the beginning of the Great Western system of railroads, and are among the best known on the Continent. They have their peers in other parts of the country. For instance, the

Philadelphia and Reading Railroad have declared the following stock dividends:

On Common Stock—1846, 12 per cent; 1847, 12 per cent; 1852, 8 per cent; 1854, 10 per cent; 1855, 4 per cent; 1862, 7 per cent; 1863, 7 per cent; 1864, 15 per cent; 1865, 10 per cent; 1866, 10 per cent; 1867, 5 per cent, and 1868, 5 per cent. Total, 105 per cent.

On Preferred Stock, (payable in common stock)—1863, 3½ per cent; 1864, 15 per cent; 1865, 10 per cent; 1866, 10 per cent; 1867, 5 per cent, and 1868, 5 per cent. Total, 48 per cent.

It should be stated that the dividends of 1865 and 1866 were made payable in stock or cash, at the option of the stockholder. At these dates the stock was considerably above par in New York.

In a word, wherever business has been prosperous, and dividends large, stocks have been increased by distributions undervarious pretenses. Is it wise to allow a continuance of this policy?

THE SUPREME COURT AND THE LEGAL TENDERS.

Wall street has been during the last month troubling itself about certain rumors which have been set afloat to the effect that the Legal Tender Act is about to be declared unconstitutional by the Supreme Court. The story is supposed to have been started from the Treasury Department, and Chief Justice Chase is declared to have concurred in the decision. Some of our financial prophets have accordingly been busy searching out the probable consequences of such a decision and how its operation would affect banks and bank notes, mercantile debts and mortgage securities, existing engagements and future contracts. Before we follow these gentlemen into so tangled and pathless a jungle, it is probably worth while to challenge the fact which they make their starting point. Perhaps we may find that they have been wrong at the start. If no such decision as they talk of is imminent, nor any decision tending to disturb the foundations of our greenback currency, or to impair contracts made in its standard dollars, or to produce any general perturbation whatever, then our ingenious friends have spent their labor upon imaginary difficulties, and there is nothing to do but to wait and see their "castles in the air" vanish, frowning but harmless.

Now, in the first place, this report is no new thing. It is a very old story. Several years ago it was quite current. And it has several times perished and died away, only to revive again like some oft-uprooted but vivacious weed. The truth is that dishonest debtors have in a few cases been availing themselves of the ambiguity of the acts of February and July, 1863, by which greenbacks are made "a lawful money and legal tender in payment of all debts, public and private, within the United States, except duties on imports and interest upon bonds." By a perversion of the plain meaning of this statute these men, after making contracts to pay so many dollars in coin, have tendered greenback dollars to their creditor, who has appealed to the Supreme Court for redress. Several such cases are at this moment pending. And it is no doubt to a misinterpreted rumor about one of these cases that we are indebted for the stories that have been disturbing the equilibrium of the financial circles around us.

Another mischievous perversion of the legal tender act is the proposal to pay off some 500 millions of old Five-Twenties by a new special issue of greenbacks. If greenbacks are a legal tender for "all debts public and private," these greenbacks, it is argued, will pay off the Five-Twenties, for these are a public debt. And "since greenbacks can be had for the mere cost of printing" these wise men argue, there is a vast saving in the scheme. This monstrous and absurd proposal has fewer abettors than it once had. There is no doubt that well-meaning persons have given the Supreme Court "canard" a more welcome hearing in consequence of their dread of an inundation of paper money to pay off the Five-Twenties.

However this may be, it is certain that in an active commercial country like ours, the thousands of millions of dollars of semi-matured indebtedness which at all moments exist in various forms throughout the country, must not be disturbed by any decision of the Supreme Court in any such way that if we have made a *bona fide* engagement to pay a currency dollar we shall be compelled to pay one third more, that is a dollar in coin.

The same thing may be said of our banks. No holder of a bank note which represents currency dollars will be permitted to acquire, from any decision of the Supreme Court, any right to demand gold coin for his note at par. Such a contingency would break every bank in the country, and would bring on us an overwhelming flood of misfortune, financial chaos and irremediable ruin.

In such instances as these, which, in some form or other, are continually occurring, we have a suggestive commentary on the evils of paper money when depreciated so that the currency dollar shall be worth less than the standard dollar of coin. Here we have two currencies side by side—a gold and silver currency of the old standard, and a new standard paper currency, every dollar of which is worth considerably less than coin. In these small paper money dollars for six years the nation has founded its contracts and done its vast business, so that every dollar of our vast changing current of mercantile indebtedness has been incurred on the basis of the small paper dollar throughout the country. This, then, is the great problem of specie resumption. How shall we transmute this vast mass of obligations so that although they have been incurred in small paper dollars they shall be payable and shall be liquidated in the larger standard of the coin dollar? and how shall we do all this so that no debtor shall pay any more than his contract, and that neither debtor nor creditor shall lose or suffer any injustice.

Of course any sudden change, such as would result from the prophesied decision, would entail fearful consequences upon the country, and these threatening results will present themselves with unusual force to any court having the question of the constitutionality of the legal tender act before it. Not that the consequences of a decision are to rule where the law is plain, but if there is doubt as to the law, or, in other words, if there is any ground upon which the court can consistently uphold the act, they will do so rather than entail upon the country the ruin which a contrary decision would inevitably bring. All know the influence such considerations have, during times past, had in modifying and directing the conclusions of our judiciary, and we have reason to believe they will be no less potent now.

But it may be claimed that to affirm that the government has the right to issue when it pleases legal tenders, would be the greatest of all evils. Very likely this is so; yet it is unnecessary to hold any such doctrine in order that what has been done may be upheld. The court may decide, and very likely will decide, that this power, under ordinary circumstances, is not delegated by the constitution, and that new legislation to issue legal tenders now would be an unauthorized act, and therefore void. But where that act is necessary as a means for preserving the life of the nation, such a power must be one of the incidents of every government. Of course many will insist that it was not necessary; that the war might have been successfully prosecuted without it. We shall not argue the point. Congress affirmed that it was necessary, and a very large majority of the people were, and still are, of a like opinion. The United States Court can now very reasonably be of the same mind. They see the harm and wholesale injury which threaten the country if they decide the legal tender clause to be void, and hence will be inclined to hold that it was an act necessary for preserving the life of the nation, even if they do decide that under any other circumstances such legislation would be unauthorized and void.

CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD.

The Chicago, Rock Island and Pacific Railroad Company is a consolidation under date of August 2[illegible], 1866, of the Chicago and Rock Island Company of Illinois and the Chicago, Rock Island and Pacific (late Mississippi and Missouri) Company of Iowa, and at the date of the last annual report (just published) which refers to the year ending March 31, 1868, the consolidation owned and operated the following lines:

Chicago and Rock Island RR.—Chicago, Ill., to Rock Island, Ill.	182 miles.
Rock Island Bridge & RR.—Rock Island, Ill., to Davenport, Iowa	1 "
Chicago, R. I. & Pacific RR.—Davenport, Iowa, to Des Moines, Iowa	175 "
Oskaloosa Extension RR.—Wilton, Iowa, to Washington, Iowa	50 "
Total owned by company	408 miles.
Peoria and Bureau Valley Railroad (leased)	46 "
Total owned, leased and operated	454 miles.

The track between Kellogg and Des Moines, 44 miles, was completed Sept. 9, 1867. On the first of August, 1868, the track was laid from Des Moines, 30 miles west, and the grading and bridging completed to Middle River, about 22 miles further, to which latter point the track was to be completed by the 15th of the same month (probably now in use). The remainder of the line to the Missouri is rapidly progressing, and it is anticipated that next year a bridge will be built over the river to connect the Rock Island road with the Union Pacific, thus making, on the completion of the latter road, an unbroken line from the Atlantic to the Pacific.

The equipment of the line has been increased during the past year, and it is designed to continue to add to it by construction and purchase as the increasing business of the road may require. For this purpose large shops have been erected near Chicago and tools and machinery contracted for. These will be occupied in the fall of the current year. The following is a statement showing the amount of the motive and carrying power in use on the road at the close of the years named:

	1861-2.	1862-3.	1863-4.	1864-5.	1865-6.	1866-7.	1867-8.
Engines (coal)	59	61	61	59	65	57	58
" (wood)						35	37
Engines of all kinds	59	61	61	59	65	92	95
Passenger, &c., cars	57	57	59	63	63	66	70
Freight, &c., cars	960	960	1,195	1,459	1,568	1,780	2,010
Cars of all kinds	1,017	1,017	1,254	1,5[illegible]2	1,631	1,846	2,080

In the statements which follow, the annual accounts for the past six years are given, showing the changes in the condition of the company from year to year:

MILEAGE OF ENGINES HAULING TRAINS.

Engines.	1862-3.	1863-4.	1864-5.	1865-6.	1866-7.	1867-8.
Passenger	354,267	348,8[illegible]8	347,[illegible]2	364,870	46[illegible],7[illegible]3	575,218
Freight	579,115	734,008	783,056	79[illegible],3[illegible]7	1,058,136	1,150,489
Wood & gravel	97,502	90,004	82,014	98,594	95,408	171,235
Total	1,030,884	1,162,880	1,212,656	1,234,8[illegible]7	1,631,307	1,896,937
Cost per mile run...(cents)	20.78	21.15	33.11	38.30	33.68	32.64

PASSENGER TRAFFIC—ITS DIRECTION AND AMOUNT.

Passenger-thro'	29,852	45,180	70,284	61,871	44,491	52,833
" -way	223,892	279,114	393,682	376,378	418,609	507,471
" -west.	122,566	166,167	227,854	204,848	242,684	289,051
" east	130,678	158,077	236,012	233,401	220,416	271,253
Pas'gs of all k'ds	253,244	324,244	463,866	437,744	463,100	560,304
" one mile	14,206,292	20,401,500	29,888,967	26,934,579	22,701,661	23,185,470
Rate per pas'ger p. mile..(cts.)	3.05	3.15	3.41	3.73	4.36	4.19

FREIGHT TRAFFIC—ITS DIRECTION AND AMOUNT.

Loaded cars, W	16,895	20,811	24,015	23,995	36,126	35,746
" " East	31,228	31,589	32,708	31,099	30,176	39,359
" " W & E	47,623	52,400	56,723	55,097	66,352	75,105
Tons (2,000 lbs), carried	379,879	441,570	472,557	459,986	598,914	654,435
Tons, per load	7.98	8.42	8.46	8.35	9.05	8.14
Tons one mile	38,558,462	56,539,150	68,414,831	59,218,3[illegible]5	79,565,908	87,522,492
Rate per ton per mile.....(cts).	2.69	2.56	3.50	3.45	3.05	3.35

The following is a statement of the business between the Illinois and Iowa shores, illustrated by the number of loaded cars and tons of freight, and number of foot passengers passing over the Mississippi River Bridge at Rock Island in the same years:

		1862-3.	1863-4.	1864-5.	1865-6.	1866-7.	1867-8.
Loaded cars.	Going west	5,866	7,998	9,913	8,438	11,247	12,529
	Going east	8,306	10,116	10,109	9,067	12,630	11,832
	Both ways	14,172	18,114	20,022	17,505	23,877	24,361
Freight (tons).	Going west	39,039	50,741	68,844	59,573	88,582	103,849
	Going east	71,542	89,914	81,157	82,752	123,562	11[illegible],400
	Both ways	110,581	140,655	150,001	142,325	212,144	217,249
Foot Passengers.	Going west	4[illegible],277	70,962	57,384	50,712	42,712	37,412
	Going east	40,166	69,932	58,371	50,963	41,451	37,258
	Both ways	80,443	140,894	115,755	101,675	83,163	74,670

It will be seen by this that the trade between Iowa and Illinois has increased from 110,581 tons in 1862–3, to 217,249 tons in 1867–8, or by 106,668 tons or 96.4 per cent, viz.: going West by 64,810 tons or 166.0 per cent, and going East by 47,858 tons or 58.5 per cent.

The navigation at this point on the Mississippi is illustrated by the number of steamers, barges, and rafts passing the draw of the bridge, yearly, as follows:

		1862-3.	1863-4.	1864-5.	1865-6.	1866-7	1867-8
Steamers.	Going north	353	106	162	473	679	462
	Going south	354	233	167	453	673	468
	Both ways	707	398	329	926	1,352	930
Barges.	Going north	...	155	125	238	342	244
	Going south	...	129	110	255	466	238
	Both ways	..	284	235	493	848	482
Rafts going south		287	276	296	576	838	684

FINANCIAL RESULTS OF OPERATIONS.

The gross earnings from operations, the cost of working the road and machinery, and the profits from this source of revenue yearly for the same years, are shown in the following condensed abstract:

	1862-3.	1863-4.	1864-5.	1865-6.	1866-7.	1867-8.
	$	$	$	$	$	$
Passenger earnings	4[illegible]8,297	642,775	1,0[illegible]1,779	1,005,872	988,961	1,181,564
Freight earnings	1,034,850	1,448,965	2,222,309	2,016,306	2,42[illegible]24	2,9[illegible]4,5[illegible]4
Mail earnings	21,200	21,200	21,200	21,200	21,200	36,742
Expresses, rents, &c	[illegible]9,794	35,935	91,102	110,857	135,048	298,[illegible]68
Total gross earnings	1,529,141	2,143,875	3,[illegible]59,390	3,154,235	3,574,023	4,451,974
Working expenses, &c	8[illegible]0,987	1,040,462	1,467,681	1,711,454	1,827,852	2,0[illegible]0,192
Nett earnings (profits)	728,154	1,103,4[illegible]3	1,8[illegible]1,709	1,442,781	1,746,181	2,[illegible]31,78[illegible]

The net earnings or profits were disposed of as follows:

Peoria & Bureau Valley RR	$125,000	$125,000	$125,000	$125,000	$125,000	$125,000
United States taxes	5,353	16,415	64 770	93,723	52,291	82,110
Tax on real estate	35,001	38,978	54,318	63,462	106,301	107,930
Legal expenses	3,908	4,061	5,608	7 362	8,590	23,594
Extraordinary repairs, &c	45.791	67,754	68,190	46,428	...	.....
Interest on funded debt	100,185	102,690	102,532	101,535	256,132	576,240
Interest on bridge bonds	......	22,934	40,000	40,000	40,000	......
Dividends (incl. U. S. tax)	328,239	343,438	875,041	631,579	820,879	957,821
Balance to income account	74,726	332,142	1,056,250	333,682	336,988	609,087

GENERAL ACCOUNT—LEDGER BALANCES.

The financial condition of the company at the close of the fiscal years, as above, is shown in the abstract which follows:

	1863.	1864.	1865.	1866.	1867.	1868.
	$	$	$	$	$	$
Capital stock	5 603,000	6,000,000	6,000,000	6,500,000	9,100,000	14,000,000
Mortgage bonds	1,397 000	1,397,000	1,397,000	1,397.000	8,099,524	8,230,000
Income bonds	70,000	70,000	53,500	51,000	47, 00	42,000
Chic., R I.& Pac. RR. of Iowa	.....	......	......	... ..	635,486	590,852
Sundries	12,078	......	......	......	......	146,264
Bal. of Income	660,961	977,833	2,034,062	2,367,764	624,753	1,151,665
Total	7,743,039	8,444,833	9,484,562	10,315,766	18,506,763	24,160,781

Accounted for in the exhibit following, viz.:

R'd & equipment	7,069,727	7,429,433	7,480,923	8,050.132	15,318,823	17,251,433
Fuel & materials	42 268	156,976	207,260	257,218	......	......
Other assets, &c	401,414	232,523	745,738	1,126,931	1,717,169	3,609.302
Cash and bills	209,830	625,700	726.661	881,483	1,475,771	3,300,046
Total	7,743,037	8,444,832	9,485,582	10,315,764	18,506,763	24,160,781

GENERAL REVIEW FOR TEN YEARS.

The following table gives the cost of the road and equipment (estimating the cost of the Peoria and Bureau Valley Railroad at $1,250,000); and the earnings, expenses and profits from operations, &c., yearly, for the ten years ending March 31, 1868:

Years.	Cost of road and equipment	Gross earnings.	Ordinary operating expenses.	Profits or net earnings.	Interest on funded debt.	Divid'd paid on stock.	Bal. after lease taxes, &c.
1858–59	$8,026,119	$889,3[illegible]0	$537,668	$351,6[illegible]	$97,790	$......	$92,685
1859–60	8,163,554	1,093,[illegible]34	622,661	471,273	97 790	167,597	44,181
1860–61	8,237,710	1,164,018	708,054	455,964	97,990	....	12[illegible],134
1861–62	8,273,936	*1,054,701	*531,387	523,317	*97,790	168,090	82,866
1862–63	8,319,727	1,529.141	800,987	728,154	100,135	328,239	74.726
1863–64	8,87[illegible],433	2,148,875	1,010.462	1.108.418	102,690	343,438	332,142
1864–65	9,054,928	3,359,390	1.467,681	1,891.709	102,532	875.011	1,056,250
1865–66	9.300,132	3,154,235	1,711,454	1 442.781	101,535	631.579	333,682
1866–67	16,563,823	3,574,032	1,827,852	1,746,181	296 132	820.879	336,988
1867–68	18,501,433	4,451,974	2,[illegible]20,192	2,431,782	576,240	957,821	609,087

In the following table will be found deductions from the foregoing, giving the cost of road, &c., per mile, the earnings &c., per mile, and the rates of expenses to earnings and of profits to cost, with the dividends, &c., annually:

Years.	Miles of road open.	Cost of road per mile	Per mile of road— Earnings.	Expenses.	Profits.	Expenses to Earnings.	Profits to cost.	Dividends.
1858–59	228.4	$35,203	$3,893	$2,354	$1.539	60.47	4.98	nil.
1859–60	228.4	35,805	4,789	2,726	2,063	56 97	5.76	3
1860 61	228.4	36,1[illegible]0	5,096	3,100	1,996	60.[illegible]8	5.53	nil.
1861–62	228.4	36.285	4,617	2,326	2,291	5[illegible].38	6 31	6
1862–63	228 4	36,488	6,695	3,705	2,990	52.38	8 19	6
1863–64.	228.4	38,067	9,386	4.556	4,830	48 53	12 70	6
1864–65	228.4	39,714	14,[illegible]39	6,426	8,243	4[illegible].81	20.75	8
1865–66	228.4	40,790	13,834	7,506	6,328	54.25	15.51	10
1866–67	410.0	40,899	10,512	5,376	5,136	51.14	13.83	10
1867–68	454.0	40,752	10.475	4,754	5,721	45.39	13.14	10

* Operations for 9 months only.

The average length of road operated in 1866–7 was 340 miles, and in 1867–8 about 425 miles.

MARKET VALUE OF STOCK AT NEW YORK.

The monthly ranges of prices in the New York market of the stock of the company are shown in the subjoined statement (dividends April and October):

	1862–3	1863–4.	1864–5.	1865–6.	1866–7	1867–8.
April	53¾–56½	88½–95	110–134	8[illegible]–103	110–123½	85½–93½
May	56–66	94–108	105–119	91–105	90–96½	86½–92½
June	62¾–69½	93½–104	110–117½	93–102	91–95½	87½–95½
July	60¼–68¾	93–106	107½–114	101½–109½	94½–103	9[illegible]–104
August	[illegible]	103½–117	109½–114½	103–109	102½–110	99½–103½
September	66½–78½	103–118	95–109½	10[illegible]–113½	108½–117½	99–105
October	77½–85½	106½–111½	85½–97	105–11[illegible]	106–111½	94–104
November	77½–88½	102–111½	99–110	104½–109½	100–112½	94½–97½
December	7[illegible]–86½	106–123½	101½–108½	105½–108½	102–10[illegible]	90½–99½
January	8[illegible]–96½	122½–149½	88½–105½	96½–[illegible]	91–104½	98½–100½
February	87½–95	117½–144½	89½–98½	98–107	95–100½	96–102½
March	89–95	119½–127½	85½–100	104½–118½	92½–98½	96½–102½
Year	53¾–96½	88½–149½	84½–134	81½–118½	90–123½	85½–105

ST. LOUIS, ALTON AND TERRE HAUTE RAILROAD.

The lines of railroad owned by the St. Louis, Alton and Terre Haute Company are made up as follows:

Main line	Terre Haute, Ind., to Alton, Ill	175	miles.
Branch lines	Wood River (Alton) Junct., Ill., to Bloody Island, Ill	20	"
	East St. Louis, Ill., to Belleville, Ill	14	"
Total length of road owned by the company		209	"

The main line of this road was constructed by the Terre Haute and Alton Railroad Company, chartered in Illinois, January 28, and in Indiana, February 11, 1851. Construction was commenced in May, 1852, and worked from both termini. On the 13th November, 1854, the section from Terre Haute to Paris, 19 miles, and on the 3d December that from Paris to Grandview, 9 miles, were opened, and on the 11th December of the same year the section from Alton to Litchfield, 38 miles. In 1855 (Jan. 26) the road was opened to the Embarras River, 14 miles from Grandview, and (July 2) to Mattoon, 14 miles beyond the Embarras. In the same year the western division was completed (June 25) from Litchfield to Hillsboro', 11 miles, and (Nov. 12) from Hillsboro' to Pana, 28 miles. The remaining gap between Mattoon and Pana, 42 miles, were closed up on the 1st March, and the whole line opened to traffic on the 1st April, 1856. The Belleville and Illinoistown Railroad Company was chartered June 21, 1852, with authority to construct a road between those two places, and also a line from Wood River, a point on the Terre Haute and Alton Railroad, 4½ miles east of Alton to Illinoistown. The first was completed in the fall of 1854, and the latter, subsequently extended to Bloody Island, opposite St. Louis in October, 1856. By agreement these roads, so necessary to the Terre Haute and Alton Company in the transaction of their St. Louis business, were consolidated with the main line under date of October 30, 1856, the consolidated company taking the title of Terre Haute, Alton and St. Louis Railroad Company. The capital stock and funded debt of the company at the date of consolidation was as follows:

	T. H. & A.	B. & I.	Consolid'n.
Capital stock	$2,672,050	$498,7'0	$3.170,800
1st mortgage bonds	(7s) 1,000,000	(7s) 6 0,000	1,600,000
2d mortgage bonds	(8s) 2,000,000	(7-) 500,000	2,500.000
Stock and bonds	$5,672,050	$1.598,750	$7,270,800

Soon after this consolidation the company became embarrassed, and defaulted on all their bonds (including two issues under the consolidation); and in December, 1859, went into liquidation. The bondholders and other creditors, however, agreed upon terms of reorganization, which were carried into effect on the 1st July, 1862, the consolidated company taking the name of the St. Louis, Alton and Terre Haute Railroad Company, to distinguish them from their predecessors. The basis on which the reorganization was consummated was as follows: The 1st mortgage bonds and certain other liabilities of the old company, with all back interest to June 30, 1862, were converted into new 1st bonds. This issue embraces two series of $1,000,000 each, the one marked A, with coupons payable October and April 1, and the other, B, with coupons payable January and July 1, the first coupon to be paid Oct. 1, 1862, and Jan. 1, 1863, respectively. A sinking fund of $25,000 per annum, commencing with Jan. 1, 1864, was provided for the final redemption of these bonds. The second bonds, and certain other liabilities, with interest to Jan. 1, 1863, were exchanged for new second bonds. This issue was divided into two classes, viz.: "preferred" $2,800,000, and "income" $1,700,000, both to carry interest from Jan. 1, 1863. The preferred bonds were issued in two series, C and D, each of $1,400.000, the coupons of C being payable February and August 1, and of D, May and November 1, annually. All these bonds are sevens, and redeemable in 1894. The third and fourth bonds of the old company, and other junior liabilities, with interest added to Jan. 1, 1863, were changed for 7 per cent preferred stock, the issue of which was limited to $1,700,000, increasable only under the expressed sanction of a majority of the stock and bondholders. The first dividend was payable May 1, 1864, and if not paid was to become accumulative and a charge against income. The common stock of the old company was converted into new common stock at the rate of 40 per cent of its face. The result of these conversions placed the capital of the new company at $10,700,000, the same as it stood up to 1867, when the preferred stock was increased by a 20 per cent dividend in kind, issued in liquidation of arrears of interest up to Jan 1, 1867. The addition to the amount of liabilities under this issue was $340,000, increasing the capital account to $11,040,000. In 1867 the main line of the company's railroad was leased to the Indianapolis and St. Louis company, a corporation engaged in the construction of a railroad between Indianapolis and Terre Haute. Since this lease the Bellville branch is the only line operated by this company. It is essentially a coal road, and derives the greater part of its revenues from the transportation of that mineral to St. Louis. "A negotiation has been pending for some time with the Bellville and Southern Illinois Railroad Company for the extension of the branch to Duquoin, and it is hoped that some satisfactory arrangement will yet be made." Should this project be accomplished a very direct line will be formed between St. Louis and Cairo at the confluence of the Ohio with the Mississippi. The terms of the contract referred to above are set forth in the company's report for 1867, as follows:

"An operating contract with the Indianapolis and St. Louis Railroad Company was duly executed, and actual possession of the road and its equipment was formally delivered to that company on the 11th day of September last, since which date the main line has been operated under the contract. By the terms of the contract it took effect on the first of June previous, from which last date up to the 11th of September it was operated on account of and for the Indianapolis and St. Louis Railroad Company, and the accounts have been adjusted accordingly. By the terms of the operating contract they are to put the road, with its equipment, in good condition and equal in every respect to first class roads of the Western States and so to keep and maintain it. They are to pay to this company 30 per cent of the first $2,000,000 of gross earnings; 25 per cent of the next or third million, and 20 per cent of all earnings above that during the existence of the contract (99 years). These payments are to be made in monthly instalments, with an agreed minimum of $37,500 per month, or $450,000 per annum. The performance of this contract is guaranteed by the Pittsburg, Fort Wayne and Chicago Railway Company, one-third; the Indianapolis, Cincinnati and Lafayette Railroad Company, one-third; and the Bellefontaine, Cleveland, Columbus and Cincinnati, and the Cleveland, Painesville and Ashtabula Railroad Company, jointly, one-third."

The stock of engines and cars used in operating the road at the date of reorganization, and on the 1st January, 1864–68, both inclusive, is shown in the statement which follows:

	July 1,'63	1864.	1865	1866.	1867.	1868.
Engines (wood)	30	32	30	30	30	No statement for this date; chiefly sold to the contractors of the main line, excepting coal cars used on B Branch.
" (coal)	7	10	16	16	16	
Total engines	37	42	46	46	46	
Passenger coaches, 1st class	23	23	25	25	23	
" " 2d class	5	5	5	5	5	
Baggage and express cars	3	4	4	4	6	
" and mail cars	4	5	5	5	4	
Caboose cars	..	20	21	21	21	
Box freight cars (common)	240	238	242	242	242	
" " (compromise)	..	81	93	93	103	
" " (Blue Line)	..	17	17	17	22	
Lime cars	..	12	12	12	12	
Stock cars	60	94	92	92	88	
Platform cars	85	165	168	168	142	
Gravel and coal cars	163	319	328	328	378	
Total cars	583	983	1,032	1,032	1,051	

The following statement shows the gross earnings, working expenses and cost of improvements, and revenue after all costs, yearly since the reorganization of the company, July 1, 1862:

	1862 (6 m)	1863.	1864.	1865.	1866.	1867.
Passenger earnings...	$174,025	$511,234	$655,146	$853,960	$820,563	$767,194
Freight earnings	429,659	969,886	1,324,896	1,251,161	1,291,258	1,265,808
All other earnings	29,027	73,792	104,231	135,621	138,320	185,399
Operating expenses..	......	919,028	1,289,909	1,415,375	1,622,860	......
Extraordinary expenses	......	212,305	293,898	336,809	100,526	......
Total expenses	354,281	1,131,333	1,583,807	1,752,185	1,723,378	1,621,858
Revenue over costs	278.430	423,579	500,766	488 558	526,764	596,54[illegible]
Total gross earnings	632,712	1,554,913	2,084,074	2,240,743	2,250,142	2,218,462

The income account, showing the whole financial transactions of the company yearly, is condensed in the following statement:

	1862-63. 18 mos. $	1864. 12 mos. $	1865. 12 mos. $	1866. 12 mos. $	1867. 12 mos. $
Balance from last year	37,667	294,228	201,449	89,507	47,272
Earnings from all sources	2,211,163	2,084,074	2,240,743	2,250,142	1,030,819
Contractors of main line, from June 1 to Nov. 30, 30 per cent. of gross earnings, $1,038.001 48	.....	......	......	......	311,400
Contractors of main line for Dec (minimum; excess payable February 1, 1868)	.....	......	......	......	37,500
Interest on balances, contractors accounts	......	.....	......	......	5,570
Total	2,248,880	2,378,302	2,442,193	2,339,650	1,432,562

—which amounts are charged with the following:

Payments for improvements, new iron and rolling stock, and transportation	1,497,764	1,583,307	1,752,185	1,728,378	777,168
Coupons and sinking fund	456,837	593,545	600,500	494,000	494,000
Paid to Wiggins Ferry Co.	....	......	......	75,000	......
Balance to next year	291,228	201,449	89,507	47,272	161,394
Total	2,248,830	2,378,302	2,442,193	2,339,650	1,432,562

The earnings from all sources for 1867 are divided thus: Earnings on all the lines from January 1 to June 1 (5 months), $842,447 19, and on the Belleville Branch Line only, from June 1 to December 31 (7 months), $188,372 56. The earnings on the Main Line for the 6 months (June 1 to Nov. 30), as shown in the account, amounted to $1,038,001 48, of which 30 per cent ($311,400 44) was paid by the contractors to the St. Louis, Alton and Terre Haute Railroad Company. The amount set down for the month of December ($37,500) is the minimum stipulated for by the company in their contract with the lessees. The payments for improvements, &c., for 1867 are for all lines to June 1 ($857,141 33 less amount assumed by contractors for locomotives and supplies on hand $118,089 09) $739,052 24. The payments for the Belleville Branch for the last 7 months of the year are stated separately at $38,116 10—total as above, $777,168 34.

The first balance sheet of the reorganized company bears date January,

1864. The following abstract shows the financial condition of the company at that date and yearly thereafter :

	1864.	1865.	1866.	1867.	1868.
	$	$	$	$	$
Capital stock—common	2,200,000	2,300,000	2,300,000	2,300,000	2,300,000
" " —preferred	1,700,000	1,700,000	1,700,000	1,700,000	2,040,000
Bonds—1st mortgage	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000
" —2d mort., pref	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000
" —2d mort., income	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
Stock and bonds	10,600,000	10,700,000	10,700,000	10,700,000	11,040,000
Earnings from July 1, 1862	2,187,625	4,271,699	6,512,443	8,762,545	9,645,033
Due on accounts	219,242	302,861	200,113	242,411	162,465
Sales of real estate	14,790	25,230	43,080	57,647	....
T. H., A. & St. L. RR, being earnings prior to July 1, 1862, and since collected	37,667	37,682	37,683	37,682	37,682
Contractors, main line	....	....	....	....	348,900
Interest	....	....	....	....	5,426
Total	12,059,325	15,350,828	17,493,319	19,700,326	21,199,507

Per contra, the following charges are made :

Cost of property, as reorganized	10,600,000	10,700,000	10,700,000	10,700,000	11,040,000
Accounts audited	1,485,615	3,068,922	4,821,108	6,544,486	7,283,538
Charter liabilities	12,149	12,490	13,4 5	14,023	17,444
Profit and loss	....	1,490	1,998	2,281	3,321
Cash in Bank of N. America	661,070	205,647	128,595	107,209	13,215
Cash on hand	55,133	58,003	88,878	122,657	....
Due on accounts	245,351	333,330	183,014	158,632	69,105
Contractors, main line	....	..	....	....	179,143
1st mortgage, coupons	....	302,864	448,7 9	593,557	787,877
2d mort., pref. coupons	....	320,240	517,325	709,055	918,274
2d mort., income coupons	....	211,207	328,941	446,489	572,150
Interest on pref. stock	....	111,128	234,311	23 ,311	237,937
Sinking fund	...	25,000	37,500	67,592	87,500
Total	12,059,325	15,350,828	17,493,319	19,700,326	21,199,507

The increase in the capital account in 1867 was caused by a divident of 20 per cent in kind to the preferred stock in settlement of accumulated interest. This amounted to $340,000, otherwise the account has remained without alteration since July 1, 1862.

The stocks of the St. Louis, Alton and Terre Haute Railroad Company are occasionally but not frequently sold at the New York stock boards. So far as sales have been reported, we give the monthly range for the two years 1866 and 1867 :

	Common.		Preferred.	
	1866.	1867.	1866.	1867.
January	33 @33	31 @39⅞	56 @71⅛	60 @67
February	30 @36	32 @35	58 @61	62⅛@63
March	29 @35	30⅛@34⅛	59⅛@61	60⅛@64
April	30 @38	31 @35	61 @63	60 @61
May	30 @34⅛	35¼@40⅛	61 @64⅛	66 @70⅛
June	30 @32	40⅛@58⅛	61 @63	75 @85⅛
July	31 @35	50 @55	64⅛@[illegible]⅛	83 @84
August	34⅛@41	50 @51	67 @73⅛	78 @83
September	36⅛@38	....@....	71 @71⅛	67 @67
October	38⅛@50⅛	49 @52	72⅞@78	64 @68⅛
November	38 @53	50 @50	69 @78	66⅛@67
December	37⅛@41	....@....	65 @65	66 @67
Year	29 @53	30⅛@58⅛	56 @78	56 @85⅛

The common stock is now quoted at 36@37½ and the preferred at 60 @69.

THE HAY CROP.

The failure of the usual second hay crop, and partial failure of the root and green crops of England, in consequence of the protracted severe drought, has directed attention to the hay crop of the United States, and the more so because there has recently been an unusually large shipment of the product from this port. That there must be a scarcity of cattle food in Great Britain until next summer there can, we suppose, be little doubt, judging from the general tenor of reports; and the deficiency will doubtless require to be supplied, to a certain extent, from other countries. The bearing of this state of things, however, upon the foreign demand for our own hay crop may be easily over-estimated. As in all cases of deficient supply substitution must first be duly allowed for. The principal demand for cattle food comes from the farmers who are always strongly disinclined to increase the costs of feeding their live stock. If their crop of hay or clover falls short they are not apt to buy, but to increase the rations of coarser feed; which has been facilitated by the now general use of the strawcutter; and if the turnip crop fails, they simply feed their horned cattle more plentifully with straw and manufactured food. The high price of oats and beans only induces the farmer to sell them in preference to distributing them among his own cattle. He undoubtedly suffers in the deterioration of the condition of his stock, and perhaps in the diminution of his next year's supply of straw manure; but here the evil ends. This process of substitution, together with the economy of consumption, go far toward compensating for the loss of supply, and the result is that little in the shape of cattle food has to be imported. The scarcity of this class of products is calculated to tell most directly upon oats and Indian corn; for the former is apt to come in from foreign countries upon an advance in the home prices; while the latter is available for the production of manufactured cattle food, which is now used to a large extent in the towns of England, though little among the farmers.

In view of these facts, it is not difficult to estimate what may be the effect of the drought in England upon our own hay crop. The foundation is a very slender one for counting upon any large additions to our exports from this source, an expectation which has been encouraged in some quarters. The exports of hay from New York for the last four weeks have been 8,631 bales, worth about $20,000, which is about one-fifth of the average annual shipments from this port. This, to be sure, shows a large increase; but the shipments are in value still insignificant, and appear to have been made principally on shipowners' account, and merely in the way of stowage and for filling up deficient cargoes. The bulkiness of such freight prohibits it from being available to any important extent for shipment to Liverpool. Hay, indeed, is a purely domestic crop, and, although exceedingly valuable as such, is not raised in sufficient quantity to admit of our supplying a trans-Atlantic deficiency, even were it susceptible of importation thither. Three-fourths of our entire exports go to the near ports of the West Indies and Mexico, while ordinarily our shipments to England are nominal. The following statement shows the exports of hay from the United States for four late years, and the ports to which they were destined:

	1863-'64.		1864-'65.		1865-'66.		1866-'67.	
Ports of destinat'n.	Tns.	Value.	Tns.	Value.	Tons.	Value.	Tons.	Value.
England	..	$.....	928	$27,161	....	$......	....	$......
British North Am.	1,823	23,279	847	8,846	189	2,768	28	777
British Columbia	....	......	700	15,890	738	10,850	256	3,068
Russian America	40	900	35	1,045	24	483	13	192
British West Ind.	1,561	36,294	1,682	29,603	1,782	33,178	1,136	26,167
French W. I. & C.	39	880	55	1,679	30	684	14	329
Spanish West Ind.	1,285	34,564	2,339	56,448	3,964	72,158	1,246	40,014
Danish West Ind.	16	353	17	536	21	451	2	73
Dutch W.I. & Col.	33	882	27	810	96	2,066	74	1,931
Bremen	..	......	....	....	....	....	26	738
Azores, &c.	1	35	2	38	....	....	....	....
Canary Islands	....	......	....	....	..	....	15	675
Liberia	6	104	....	....	....	....	....	....
Hayti & San Dom.	99	2,460	648	21,185	208	3,717	47	1,174
Mexico	354	11,996	1,476	29,893	1,748	29,223	2,058	32,489
Central America	....	.....	6	202	1	23	3	73
N. Granada & Ven.	5	145	35	1,254	1	27	....	....
Chili and Peru	....	.....	180	3,900	11	165	....	....
Brazil	9	187	5	100	84	1,481	2	55
Pacific ports & Is.	12	280	1	40	15	260	41	526
China and Japan	48	1,273	....	....	71	895	67	1,560
Total	4,836	$113,563	8,457	$198,784	8,976	$159,016	5,028	$109,776
Average per ton	....	23 49	....	23 51	....	17 71	....	21 83

It is not easy, however, to over-estimate the importance of this crop as a product for home consumption. It ranks, in point of value, with our most important productions, even rivalling the cotton crop, but, not appearing in the local export returns, its value is less generally appreciated. Exclusive of the Southern States, the value of the crop is estimated, in official returns, at $247,000,000 in 1863, at $365,000,000 in 1864, at $273,000,000 in 1865, and at $306,000,000 in 1866. The quantity of hay (absolute and per acre in tons) and the value per ton thereof at the place of production, as shown in the statistics of the Department of Agriculture for the seasons of 1864, '65, '66, and '67, were as follows:

	1864-5.			1865-6.			1866-7.		
	Quantity.		Value,	Quantity.		Value,	Quantity.		Value,
States.	Absolute.	p. a.	p. t.	Absolute.	p. a.	p. t.	Absolute.	p. a.	p. t.
Maine	1,085,705	0.88	$21 00	1,429,511	1.00	$11 81	957,772	0 80	$19 28
N. Hamp.	694,161	1.00	21 00	793,327	1.00	14 70	665,895	0.84	17 88
Vermont	850,127	1.00	17 95	991,814	1.29	11 50	862,878	1.00	15 61
Massachus.	760,517	1.00	29 00	844,178	1.38	21 00	742,872	1 00	26 39
R. Island	62,044	1.00	31 50	64,812	1.13	22 50	58,879	1.00	31 66
Connectic't	446,956	1.20	27 00	596,191	1.25	23 50	536,527	1.40	25 60
New York	3,921,264	1.12	23 05	5,288,352	1.40	12 83	4,759,516	1.20	16 18
New Jersey	436,496	1.57	26 72	461,958	1.75	18 89	869,506	1.26	25 00
Pennsylva.	1,796,336	1.30	24 55	2,463,545	1.60	11 23	1,970,836	1.20	16 14
Delaware	33,111	1 50	30 00	29,800	1.25	17 00	26,820	1.10	17 50
Maryland	167,909	1.33	27 00	181,341	1.50	16 43	181,341	1 30	20 27
Kentucky	112,325	1.33	20 16	127,301	1.40	12 10	115,844	1.37	12 80
Ohio	1,475,096	1.13	19 38	2,158,021	1.66	8 00	1,963,799	1.30	11 00
Indiana	962,805	1.50	17 81	1,251,646	1.66	9 40	1,08[illegible],932	1.28	9 44
Michigan	847,737	1.12	19 33	1,231,278	1.80	12 17	1,218,959	1.30	13 75
Illinois	2,166,725	1.50	15 83	2,600,070	1.50	9 30	2,340,063	1.47	9 27
Wisconsin	789,765	1.14	13 00	1,066,182	1.50	10 14	1,151,477	1.30	12 25
Minnesota	248,289	1.50	9 86	274,217	1.70	8 59	350,000	1.50	10 00
Iowa	814,764	1.68	9 51	1,018,455	1.75	7 36	1,161,039	1.90	6 20
Missouri	899,599	1.43	18 12	519,479	1.75	12 38	654,544	1.90	9 91
Kansas	82,569	1.67	18 00	118,348	2.00	8 00	123,082	2 00	7 18
Nebraska	18,391	1.33	7 33	29,425	2.00	5 64	29,720	1.50	6 43
Total	18,116,601	1.20	$20 18	23,538,740	1.44	$11 63	21,394,361	1.28	$14 46

The hay crop of the Southern States in the season of 1866 was as follows:

	Quantity. Absolute.	Quantity. p. a.	Value, p. t.		Quantity. Absolute.	Quantity. p. a.	Value, p. t.
Virginia	203,698	1.80	$14 28	Louisiana	$[illegible]6,90[illegible]	1 00	$30 00
North Carolina	168,229	1.30	13 00	Texas	15,[illegible]43	1.50	[illegible]3 00
South Carolina	70,069	1.00	22 00	Arkansas	7,573	1.30	26 43
Georgia	46,448	0.90	23 62	Tennessee	140,5[illegible]0	1.40	18 68
Florida	9,754	3.00	20 62				
Alabama	80,854	1.00	18 68	Total	$804,266	1.19	$17 81
Mississippi	29,611	0.87	27 50				

The following compares the total crops of 1863, '64, '65, and '66:

	Absolute. Product: tons.	Absolute. Acreage.	Absolute. Value.	Tons, p. a.	Value. p. t.	Value. p. a.
1863*	18,316,730	15,641,501	$247,680,855	1.17	$13 48	$15 83
1864	18,116,691	15,034,564	365,707,074	1.20	20 19	24 32
1865	23,528,740	16,328,852	273,812,617	1.44	11 68	16 77
1866	21,324,361	17,265,112	306,732,957	1.23	14 46	17 80
1866 (S. States)	804,266	674,682	14,326,880	1.19	17 81	21 23

These statistics are suggestive. It will be noted that the value of the crop runs very irregularly with the yield. In 1863, when the yield averaged 1.17 tons per acre, the price was $13 48 per ton while in 1865, with a yield of 1.44 tons, the price averaged only $11 63., This apparent discrepancy, however, is to be accounted for from the fact that the crop was 4,800,000 tons greater in 1865 than in 1863. The yield per acre and the value will be seen from an examination of the table to vary very widely in the several States, the yield being most abundant in New Jersey, Illinois, Iowa, Wisconsin, Minnesota, and Kansas.

TRADE OF GREAT BRITAIN AND THE UNITED STATES.

The British Board of Trade returns for June and the six months ending June 30, have been published. They show that the outward trade has fallen off not only from last year, but also from the previous month, owing, no doubt, to the diminution in the trade with China, the United States and France. During the month the declared value of the exports of British and Irish produce and manufactures amounted to £13,933,054, against £15,490,091 last year and £14,630,120 in 1866; while in the six months ending June 30 it reached a total of £84,601,157 against £87,613,484 in 1867 and £92,857,830 in 1866. The computed real value of the imports in the five months ending May 31 was £90,167,617, against £88,547,811 last year and £98,315,826 in 1866.

In June the imports of cotton reached a total of 1,086,630 cwt., of which 608,910 cwt were from the United States, 98,923 from Brazil, 4,820 from Turkey, 139,655 from Egypt, 211,964 from British India, and 22,358 from other countries. The total received in June last year was 1,293,724

* Kentucky and Nebraska were not returned in 1863.

cwt., and, in 1866, 1,677,672 cwt. The following figures show the imports into the United Kingdom in the six months ending June 30:

From—	1866. cwt.	1867. cwt.	1868. cwt.
United States	3,231,069	3,401,483	3,966,796
Bahamas and Bermudas	5,931	9,916	41
Mexico	3,145	22	....
Brazil	406,679	898,878	456,194
Turkey	78,531	53,307	15,534
Egypt	619,588	702 831	747,465
British India	2,378,199	939,636	728,983
China	.....	4.707	......
Other countries	132,631	141,526	88,495
Total	6,857,742	5,647,206	6,015,508

As regards the exports of cotton there is a considerable falling off as compared with last year. In the six months the diminution is about 280,000 cwt., the heaviest decline being in the shipments to Russia and Prussia. The following are the particulars for the six months:

To—	1866, cwt.	1867, cwt.	1868, cwt.
Russia	129,471	153,546	70,196
Prussia	31,388	114,927	56,947
Hanover	5.618	3,214	1,671
Hanse Towns	405,076	365,014	316,068
Holland	236,531	254,127	253,362
Other countries	742,874	577,837	483,159
Total	1,550,958	1,469,165	1,181,490

The exports of cotton piece goods were less in June, current year, than in the corresponding month in 1867, in consequence of diminished shipments to Egypt, the Continent and the United States. The official return however, shows extensive shipments to India and China. The following are the total exports in the six months:

		1866.	1867.	1868.
Yarn	lbs.	63,481,909	76,183.031	87,484,793
Piece goods	yds.	1,196,185,533	1,304,110.060	1,373,762,414
Thread	lbs.	3,054,889	3,214,965	3,219,022

The annexed return shows the exports of the principal British and Irish productions and manufactures to the United States during the first six months of the current year, compared with 1867 and 1866:

	1866.	1867.	1868.
Alkali, cwts	869,627	692.709	793,918
Beer and ale, bbls	7,545	9,753	10,807
Coals, tons	65,141	67,601	55,187
COTTON MANUFACTURES—			
Piece goods, yards	69,867,096	57,474,454	45,469,869
Thread, lbs	821,757	733,162	883,112
Earthenware and porcelain, pkgs	57,703	54,937	45,904
Haberdashery and millinery (value)	£75[illegible],318	596,921	475,792
HARDWARES AND CUTLERY—			
Knives, forks, &c. (value)	£145,544	120,405	78,171
Anvils, vices, &c (value)	£55,540	47,986	35,459
Manufactures of German silver, &c (value)	£345,826	263,745	165,753
LINEN MANUFACTURES—			
Piece goods, yards	61,871,909	45,696,325	38,848,573
Thread, lbs	1,129,750	749,834	549,676

Metals—			
Iron—Pig, &c., tons	44,732	57,905	31,339
Bar, &c., tons	30,866	22,018	18,056
Railroad, tons	54,396	97,073	148,544
Castings, tons	695	246	219
Hoops, sheets and boiler plates, tons	15,021	13,482	5,789
Wrought, tons	5,589	3,661	1,745
Steel Unwrought, tons	9,930	10,281	6,641
Copper, wrought, cwts	5,618	2,947	1,189
Lead, pig, &c., tons	2,918	5,698	3,900
Tin plates, cwts	554,040	491,582	645,119
Oil seed, galls	747,189	1,170,872	156,274
Salt, tons	100,112	70,842	75,125
Silk Manufactures—			
Broad piece goods, &c., yards	431,645	227,028	178,495
Handkerchiefs, dozens	4,623	2,323	118
Ribbons, lbs.	17,007	12,854	9,858
Other articles of silk (value)	£68,758	26,049	69,370
Silk manuf's mixed with other materials	£35,177	33,207	31,874
Spirits, British, galls	57,321	14,885	30,759
Wool, lbs.	4,380	8,904	48,894
Woolen and Worsted Manufactures—			
Cloth, yards	3,144,385	2,884,596	1,783,879
Carpets and druggets, yards	2,251,802	2,335,934	1,554,590
Shawls, rugs, &c., number	58,803	71,972	50,555
Worsted stuffs and waistcoatings, yards	42,466,342	23,553,440	31,804,821

BRITISH STATISTICS.

From official documents we gather the following statistics relating to the National Debt, as also to the progress of commerce in Great Britain and Ireland:

At the close of the financial year on the 31st of March, 1855, the funded debt amounted to £752,064,119; the unfunded debt was £23.151,400; and the estimated capital of terminable annuities, £26,763,244; making the total amount of the National Debt £801,978,763. A year later, at the corresponding date in 1856, at the close of the Crimean war, the amount was £829,579,798; at the like date in 1857, £831,722,963; in 1858, £826,134,640; in 1859, £823,931,880; in 1860, £819,070,310; in 1861, £818,048,896; in 1862, £817,389,290; in 1863, £817,559,322; in 1864, £813,230,134; in 1865, £808,289,398; in 1866, £802,842,949; in 1867, £800,848,847; and on the 31st of March, 1868, £797,031,650;—viz., £741,190,328 funded debt, £7.911,100 unfunded, and £47,930,222, the estimated capital value of the terminable annuities, which in that year amounted to £3,447,270. Since 1855 the increase of debt incurred for the Crimean war has been wiped out, and the proportion of debt payable by terminable annuities has been materially increased.

The total gross revenue of the country for the year ended March, 1868, amounted to £69,600,218 sterling. Of this sum £22,650,000 was derived from customs, and £20,162,000 from excise duties; £9,541,000 from stamps; £6,177,000 from property and income tax, and £3,509,000 for other taxes; £4,630,000 from the post office, £345,000 from crown lands, and £2,586,218 from miscellaneous receipts. The charges of collection of revenue amounted to £4,883,294, and the total expenditure, after deducting charges of collection, to £66,353,038, which is thus epitomized:—£26,571,750 for interest and management of the National Debt; £11,193,757 for the civil list and civil charges of all kinds; £15.418,582 for the army, including ordnance and all other military charges; and £11,168,949 for the navy. The customs revenue was derived—from duties on sugar and molasses, amounting to £5,582,473; on tea, to £2,827,317; on coffee, to £390,161; on corn, meal and flour, to £869,323; on spirits, to £4,298,-403; on wine, to £1,468,993. on tobacco and snuff, to $6,542,250; on other imported articles, to £581,481; and on miscellaneous receipts, to £104,580. The excise duties consisted of £10,511,530 derived from spirits, £6,302,419 from malt, £2,640,237 from licences, and £736,152 from other receipts. By an abstract of alterations of taxes from 1853 to 1867, it is found that taxes were repealed or reduced to the extent of £40,292,904, and were imposed to the extent of £28,448,596, causing at the end of 1867 an actual diminution to the extent of £11,844,308 sterling. The total value of imports during the past year was £275,249,853, or £9 2s. 6d. per head of population of the United Kingdom. The total value of exports (British, foreign and colonial produce) was £226,067,136, and the total value of imports and exports represented £16 12s. 5d. per head of the population. The actual receipts at the Exchequer fell short of the sum estimated in the budget by a sum of £369,782 and the actual payments out of the Exchequer (excluding fortifications) were less than those estimated in the budget (including supplemental votes) by £50,785.

ASSISTANT TREASURER'S STATEMENT FOR AUGUST.

The following is the official statement of the business of the office of the Assistant Treasurer of the United States, in New York, for the month of August 1868:

RECEIPTS AND DISBURSEMENTS.

Balance, July 31, 1868		$80,133,185 56
Receipts during the month:		
On account of customs	$12,263,888 91	
do Gold notes	9,075,920 00	
do Internal revenue	239,632 47	
do Three per cent. Certificates	12,835,000 00	
do Post-office Department	880,983 45	
do Transfers	17,251,000 00	
do Patent fees	3,059 80	
do Miscellaneous	4,520,446 53	
do Disbursing accounts	24,180,294 83	
do Assay office	1,341 85	
do Interest accounts	41,722 30—	81,253,234 64
Total		$161,386,420 00
Payments during the month:		
Treasury drafts	$50,337,076 99	
Post-office drafts	253,163 85	
Disbursing accounts	21,827,458 71	
Assay-Office	149,104 89	
Interest accounts, viz.:		
In coin	1,222,446 79	
In currency	41,722 30—	73,830,963 03
Balance		$87,555,452 17
Balance to Cr. Treasurer U. S	$70,168,120 14	
Balance to Cr. disbursing accounts	15,058,596 60	
Balance to Cr. Assay office	2,328,735 43	
Receipts for Customs in the month of August, 1868		$12,263,883 91
Receipts for Customs in the month of August, 1867		12,903,740 08
Decrease for August, 1868		$639,856 17

UNITED STATES ASSAY OFFICE FOR AUGUST.

Below we give the statement of business at the United States Assay Office at New York for the month ending August 31, 1868:

DEPOSITS OF GOLD.

Foreign coin	$8,900 00	
Foreign bullion	144,100 00	
United States bullion	1,302,500 00	$1,455,500 00

DEPOSITS OF SILVER, INCLUDING PURCHASES.

Foreign coins	$4,000 00	
Foreign bullion	13,500 00	
United States bullion (contained in gold)	12,500 00	
Montana	3,500 00	
Colorado	16,500 00	
Lake Superior	2,000 00	
Nevada	18,500 00	$70,500 00
Total deposits, payable in bars	$1,426,000 00	
Total deposits, payable in coins	100,000 00	1,526,000 00
Gold bars stamped		1,142,785 25

SAN FRANCISCO TREASURE MOVEMENT FOR SIX MONTHS.

We have received from Thomas P. Kettell, the San Francisco *Commercial List* of July 13, containing a review of the trade of San Francisco for the six months ending June 30th, from which we extract the following:

The receipts of bullion, as reported by Wells, Fargo & Co., distinguishing that from Nevada, have been for six months in three years as follows:

	1866.	1867.	1868.
Nevada	$7,263,218	$9,341,949	$6,481,427
Northern mines	10,329.958	9,647,5?7	10,229,998
Southern mines	1,769,2?8	1,519,958	1,470,428
Coastwise	1,775,349	1,683,?57	1,495,502
Total	$21,137,733	$22,193,291	$19,678,355

The great decline, as compared with last year, is in the Nevada product; but there has been an increase in the gold of the Northern California mines.

These are the returns of the express company which embrace nearly all the bullion that comes do n. Much comes, however, in private hands, but which finds its way either to the mint, to the custom house or for export. These returns account for rather more than the express deliveries, as follows:

	1867.	1868.
Gold bars at mint	$7,701,903 11	$8.923,660 41
" " sent per steamer	9,582,510 16	11,046,824 64
" " " sail	348,193 45	384,852 72
Silver bars per steamer	5,453,851 00	6,170,797 77
" " sail	2,520,155 00	715.397 18
Total coined and shipped	$25,606,611 72	$22,226,532 92
Report Wells, Fargo & Co	22,193,291 09	19,678,355 00
Excess over reported receipts	$3,413,320 72	$1,563,177 92

This excess indicates the quantities that came down through irregular channels. It is obvious that these figures do not embrace the stocks of bullion on hand, as thus some $600,0· 0 was shipped on the first week of July, which was on hand at the close of June; but the amount on hand January 1st was about the same as that held July 1st. ence the figures give nearly the actual movement for the quarter. The official report of the exports of treasure, showing the destination, embraces the coin shipment with the bullion, and is not to be relied upon as an indication of the actual gold product of the coast.

The shipment of treasure for the six months, distinguishing the kinds of metals sent forward have been as in the following to tables, showing the description by each conveyance:

EXPORT OF TREASURE VIA PANAMA PER STEAMERS.

	Gold bars.	Silver bars.	Gold coin.	Totals.
Jan. 1	$757,768 18	$169,834 39	$67,083 01	$994,705 58
" 11	701,922 85	497,073 43	614,000 00	1,812,995 83
" 18	503,884 96	232,629 92	72,986 78	809,501 66
" 30	639,236 53	303,137 89	146,991 96	*1,093,161 83
Feb. 10	644,979 73	330,568 64	83,233 00	1,058,781 37
" 18	279,327 26	176,786 43	105,302 59	561,416 28
" 29	351,093 62	277,312 60	25,654 94	654,061 16
Mar. 5	374 000 00	100,009 67	....	474,009 67
" 10	306,654 90	....	55,353 17	362,008 07
" 18	460,035 49	223,763 95	21,000 00	704,799 44
" 25	303,000 00	....	....	303,000 00
" 31	553,145 32	380,993 06	19,632 00	953,820 38
Apr. 6	60,900 00	193,179 09	220,500 00	474,579 09
" 14	370,176 30	348,406 59	22,000 00	740,582 89
" 15	314,500 00	....	....	314,500 00
" 23	285,866 70	368,872 56	24,619 34	679,358 60
" 30	496,570 41	184,231 71	46,196 96	696,999 08
May 5	93,597 33	115,102 67	....	208,700 00
" 6	426,318 34	135,304 43	49,260 25	610,883 02
" 14	584,305 25	376,270 01	46,245 16	1,006,820 52
" 20	....	196,777 28	....	196,777 28
" 22	536,935 68	113,376 65	26,184 06	676,496 39
" 30	626,364 35	415,360 11	30,573 54	1,072,298 00
June 5	....	118,108 69	....	118,108 69
" 6	526,928 72	76,953 86	18,500 00	622,382 58
" 13	387,107 66	447,264 04	10,000 00	†859,371 60
" 22	316,225 79	185,412 66	25,744 62	527,383 08
" 30	205,899 77	234,067 39	30,700 00	470,667 16
Total 6 months '68	$11,016,824 64	$6,170,797 77	$1,261,311 88	$18,498,169 29
Total 1867	9,582,540 16	5,452,871 85	1,766,188 78	16,801,600 79

EXPORT TO CHINA, ETC., PER STEAMERS AND SAIL VESSELS.

	Gold bars.	Silver bars.	Gold coin.	Mex. dollars.	Total.
Jan. 13	$111,700 10	$58,531 24	$29,832 00	$176,581 00	‡$378,844 34
" 18	1,100 00	....	....	....	1,100 00
Feb. 19	....	59,707 82	....	....	59,707 82
" 29	....	107,463 11	....	36,000 00	143,463 11
Mar. 7	43,089 87	....	39,105 00	208,377 00	§291,159 47
" 14	....	52,673 25	....	41,174 00	93,847 25
" 19	....	34,566 37	....	....	34,566 37
" 24	....	35,104 05	....	....	35,104 05
Apr. 18	76,638 35	125,006 23	26,029 00	121,760 00	‖350,387 58
May 8	....	....	....	1,000 00	1,000 00
June 3	141,978 00	191,628 16	69,833 25	225,384 00	**635,478 41

TO JAPAN.

	Gold bars.	Silver bars.	Gold coin.	Mex. dollars.	Total.
Jan. 18	....	50,716 66	....	154,642 80	205,359 46
June 8	....	....	....	8,000 00	8,000 00

TO VICTORIA.

	Gold bars.	Silver bars.	Gold coin.	Mex. dollars.	Total.
Jan. 21	....	....	25,000 00	....	25,000 00
Apr. 4	....	....	50,000 00	....	50,000 00

TO SANDWICH ISLANDS.

	Gold bars.	Silver bars.	Gold coin.	Mex. dollars.	Total.
Feb. 8	....	....	25,000 00	....	25,000 00
Mar. 17	....	....	25,000 00	....	25,000 00
Total 6 mon's	$374,506 32	$715,397 18	$289,849 25	$972,918 50	$2,363,017 85
Total 1867	348,193 45	2,520,155 68	146,419 00	775,179 65	3,789,947 78

* $3,735 50 foreign gold coin included in total.
† $15,000 Mexican dollars included in total.
‡ $2,200 gold dust included in total.
§ $587 60 " " "
‖ $954 " " "
** $6,605 " " "

By recapitulation, the whole treasure exported has been as follows:

	Via Isthmus.	China, &c.	Total.
Gold bars	$11,046,824 64	$374,506 32	$11,421,330 96
Silver bars	6,170,797 87	715,397 18	6,886,194 95
Gold coin	1,261,811 38	289,849 25	1,551,660 63
Gold dust	....	10,346 60	10,346 60
Mexican dollars	15,000 00	972,918 50	987,918 50
Foreign gold coin	8,735 50	....	8,735 50
	$18,498,169 29	$2,363,017 85	$20,861,187 14
Duties, coin	4,028,521 37		4,028,521 37
Total			$24,889,708 51

There has been a great decline in the shipments of silver to China, mostly owing to the derangement of the exchanges there, in the attempt to change the customary usance on England. At the same time the opposition lines to the East greatly reduced the cost of treasure in that direction, and therefore not only reduced the quantity of silver sent to China but increased that sent to the East, at the same time reducing the quantity of silver to be refined in the local refineries, because only fine silver is sent to China, and crude bars are shipped East. The mines also produced less than last year. The gold production is arrived at by taking the official returns of all the bullion bars received. These are as follows for gold:

	1867.	1868.
Deposited at mint	$7,701,902 11	$3,928,660 41
Shipped per steamers	9,682,510 16	11,046,824 64
" steamers, dust	17,907 54	....
" sail, China, etc	848 193 45	374,506 32
" sail, China, dust	....	10,346 60
Total gold	$17,750,513 26	$15,349,991 37

This approximates the actual gold product by accounting for all the gold received.

The remittances of silver in the last six months, as compared with the corresponding six months of 1866 and 1867, were as follows:

	Per steamers.	To China.	Total
1866	$3,558,264	$2,107,356	$5,665,620
1867	5,453,851	2,520 155	7,974,006
1868	6,170,797	715,397	6,886,194

This rise and fall in the silver exports indicates the Nevada production. It is to be understood that the bars sent to China are fine, while those sent East are partly gold; hence the total value of the China shipments would be fifty per cent greater in unparted bars, or $3,780,232 last year, which with the Eastern shipments would make $9,234,083 Nevada bars. This year the total value would be $7,243,892 showing a decline of $1,990,241 in Nevada bars, which is the measure of the diminished production in that region.

The coin movement for the same period has been as follows:

		1867.		1868.
Coinage		$7,701,902 11		$3,928,660 41
Shipped	1,926,561 98		1,566,660 63	
Duties	3,578,221 00		4,028,521 37	
		5,504,782 98		5,595,182 00
Excess coinage		$2,197,119 13		
Deficit coinage				$1,666,521 59

This small supply of coin has been the result of the low rates of transportation which have carried the bullion East. The movement of coin to and from the interior has been as follows:

	Sent inland.	From interior.	Surplus sent.
First quarter	$2,288,408	$1,497,619	$790,789
Second quarter	2,947,012	1,803,385	1,143,627
Total six months	$5,235,420	$3,301,004	$1,934,416
Total six months, 1867	4,724,573	2,554,859	2,169,714

The internal drain has not been quite so great as at the same time last year.

UNITED STATES DEBT.

The subjoined letter from the Secretary of the Treasury, shows the amount of the several gold-bearing loans of the United States outstanding July 1, 1868:

TREASURY DEPARTMENT, July 15, 1868.

In reply to your letter of 18th inst., inquiring the amount outstanding of various loans, I would respectfully state that on July 1, 1868, there was of—

Five per cent bonds, due 1871, outstanding	$7,022,000
Five " " " 1874, "	20,000,000
Five " ten-forties outstanding	198,449,800
Six " bonds of 1847-8 outstanding	6,878,442
Six " " 1881 "	283,677,200
Six " five-twenties, Feb. 25, 1862, outstanding	514,771,600
Six " " June 30, 1864, "	125,561,300
Six " " 1865, May and November, outstanding	197,777,250
Six " " 1865, consols, Jan. & July, "	334,972,950
Six " " 1867, " " "	361,123,900
Six " " 1868, " " "	17,648,950
Total	$2,060,682,392

The 1865 consols, 1867's and 1868's cannot be definitely given, as these loans are being continually increased on account of the exchange of Seven-Thirty notes.

H. MCCULLOCH, Secretary.

To Messrs. HENRY CLEWS & Co., New York.

Comparing the above with the Public Debt Statement of June 1 we notice the following changes:

	June 1.	July 1.
Ten-Forties	$193,790,400	*$198,449,800
Five-Twenties, 1862	514,780,500	514,774,600
Five-Twenties, 1864-'65-'67	979,975,100	1,022,435,400
Five-Twenties, 1868	.....	17,6 8,250
Old Loans, 1847-8	8,582,642	6,87 ,442
Fives of 1871-74	27,022,000	27,022,000
Sixes of 1881	283,677,200	283,677,200
Total	$2,007,827,842	$2,060, 83,392

POSTAL CONVENTION BETWEEN GREAT BRITAIN AND THE UNITED STATES.

A Postal Convention has just been concluded between the United States and the British Post-office Department for establishing and regulating an exchange of mails between the United States, the Straits settlements and the British East Indies by means conjointly of the line of United States mail steamers plying between San Francisco and Hong Kong, and of the line of British mail packets plying between Hong Kong and Singapore, Calcutta, Madras, Bombay and Aden. Its leading provisions are as follows: On and after the 1st of November, 1868, (the date on which this Convention is to be carried into operation) the postage to be levied and collected in the United States upon correspondence of all kinds posted in the United States and addressed to the Straits settlements or the British East Indies for transmission by this route, will be ten cents per single rate of half ounce or under on letters; two cents each on newspapers, and eight cents per four ounces or fraction thereof on books, packets, patterns and samples. The correspondence thus prepaid in the United States will be delivered at the proper destinations in the British East India possessions free of all charges whatever. Pre-payment is obligatory on newspapers, book packets and patterns, but letters posted unpaid, or insufficiently paid, will, nevertheless, be forwarded and charged at

* Now within $1,550,200 of the authorized limit.

the place of destination in the Straits settlements or the British East Indies with a postage of ten pence (twenty cents) per single rate, together with a fine of sixpence (twelve cents). Paid correspondence of all kinds received from the Straits settlements and the British East Indies by this route will be delivered at the office of destination in the United States free of all charge whatever; but unpaid or insufficiently paid letters so received will be charged on delivery with a postage of ten cents per single rate of half an ounce or under, together with a fine of twelve cents each. No accounts will be kept between the respective post departments of the correspondence thus exchanged, each department retaining all the postage which it collects both on paid matter sent and unpaid matter received. New York and San Francisco are the offices of exchange on the side of the United States, and Singapore, Calcutta, Madras, Bombay and Aden are the exchange offices in the Straits settlements and the British East Indies.—*Washington Despatch.*

COMMERCIAL CHRONICLE AND REVIEW.

The Money Market—Rates of Loans and Discounts—U. S. Securities—Bonds sold at the New York Stock Exchange Board—Prices of Government Securities at New York—Course of Consols and American Securities at London—Closing prices of all the Railway and Miscellaneous Securities—Course of Gold—General Movement of Coin and Bullion at New York—Course of Gold at New York—Course of Foreign Exchange at New York.

August has been characterised by the usual ease in the money market The banks have held large amounts of idle funds, the deposits of the Western banks having perhaps been unusually large; and, with but a moderate demand for discounts, the supply on call has been very abundant at 3@4 per cent, with a brief interval at 4@5 per cent. About the 10th of the month there was a very active demand from the West, which continued for two weeks, causing a loss of about $10,000,000 of currency, chiefly national bank notes. This demand was to provide for the moving of the earlier grain crop in the more Southern sections of the West, and was followed by a suspension of remittances. The outflow of currency almost exhausted the supply of bank bills, but had little effect upon the loan market. The loanable resources of the banks, however, were undoubtedly largely curtailed, and the fact of the rate of interest on call loans not being enhanced was perhaps due to the banks anticipating a renewal of the Westward outflow in September, and holding themselves prepared for such a movement whenever it may occur. In August of last year the movement corresponded closely with that of last month, the banks sending a large amount of currency West from the 10th to the 25th of the month, after which the shipments fell off, and the rate of interest declined one per cent. But in September the outflow of currency was renewed, with the loss of a large amount of legal tender, and the advance of the rate of interest to seven per cent in gold toward the close of the month.

The following comparison shows the totals of the statements of the New York banks at the close of each week in August and at the close of August, 1867:

	August 8.	August 15.	August 22.	August 29.	Sept. 3, '67
Loans and discounts..	$279,755,786	$277,808,620	$275,24[illegible],761	$271,780,726	$24,787,[illegible]
Specie..	24,784,427	22,958,850	19,768,681	16,949,108	7,271,5[illegible]
Circulation...	34,074,374	34,1[illegible]4,087	34,137,627	34,112,139	33,715,128
Deposits.............	231,[illegible]16,492	223,561,087	216,435,405	210,314,646	190,892,315
Legal Tenders.......	74,051,548	72,935,481	69,757,645	67,757,376	67,932,571

The following are the rates of Loans and Discounts for the month of August:

RATES OF LOANS AND DISCOUNTS.

	August 7.	August 14.	August 21.	August 28.
Call loans	3 @ 4	3 @ 4	4 @ 5	3 @ 4
Loans on Bonds and Mortgage	—@ 7	—@ 7	—@ 7	—@ 7
A 1, endorsed bills, 2 mos	6 @—	6 @—	6 @—	6 @—
Good endorsed bills, 3 & 4 mos	—@ 7	—@ 7	—@ 7	—@ 7
" " single names	7 @ 7½	7 @ 7½	7 @ 7½	7 @ 7½
Lower grades	8 @10	8 @10	8 @10	8 @10

The transactions in securities have exhibited rather more activity than in July. The speculative combinations upon the leading stocks having found it impracticable to effect long loans, so as to enable them to carry their stocks through the usual fall activity in money, appear to have turned their attention to distributing their load upon the market, and have been successful to a considerable extent, although at the expense of some reduction in prices. Late in the month the returning ease in the money market revived the spirit of speculation, and produced a general advance in the price of securities, further facilitating the distribution of stocks by the cliques; and at the close of August, railroad shares appear to have been much more generally held by brokers and the smaller class of operators than for some months past. The sales of the various classes of shares at both boards for the month aggregate 1,151,003 shares, which is an increase over the same period of last year of 18,227 shares, as may be seen in the following statement:

Classes.	1867.	1868.	Increase.	Dec
Bank shares	2,467	2,332	.....	135
Railroad "	931,606	1,003,925	72,319	......
Coal "	4,854	2,421	.....	2,433
Mining "	18,920	6,700	.....	12,220
Improv'nt "	9,405	7,200	.....	2,205
Telegraph "	98,114	23,660	.....	74,454
Steamship "	33,666	33,957	291	....
Expr'ss&c "	33,744	70,808	37,064	....
Total—August	1,132,776	1,151,003	18,227	..
" —since January 1	14,663,626	12,813,389	.....	1,850,237

United States securities have exhibited very considerable speculative activity. The shipment of bonds to Europe continued during the earlier part of the month, and the total sent during July and August is estimated at $25,000,000 to $30,000,000. These shipments have been almost wholly consignments upon speculation, and it yet remains to be seen whether they will be all ultimately distributed or some part will be returned; for the moment, however, this movement has the effect of taking off a large amount of bonds thrown upon this market by home investors, under apprehensions created by the agitation of financial questions. There has been considerable fluctuation in prices, encouraged by the operations of large dealers, who have alternately had to buy heavy amounts from domestic holders and been able to sell freely to foreign bankers. The month closes with generally lower quotations, and apparently with large supplies in the hands of the larger brokers.

BONDS SOLD AT THE N. Y. STOCK EXCHANGE BOARD.

Classes.	1867.	1868.	Inc.	Dec.
U. S. bonds	$15,772,150	$29,432,650	$13,660,500	$.......
U. S. notes	4,458, 00	1,750	......	4,456,450
St'e & city b'ds	1,973,500	8,205,900	6,232,400	....
Company b'ds	728,000	989,.00	261,500	......
Total—August	$22,931,850	$38,629,800	$15,697,950	....
" —since Jan. 1	123,256,990	248,770,120	125,513,130	....

The daily closing prices of the principal Government securities at the New York Stock Exchange Board in the month of August as represented by the latest sale officially reported, are shown in the following statement:

PRICES OF GOVERNMENT SECURITIES AT NEW YORK.

Day of month.	6's, 1881. Coup.	6's, 1881. Reg.	6's, (5-20 yrs.) Coupon 1862.	1864.	1865.	new.	1867.	1868.	5's, 10-40 yrs. C'pn.
1	115⅝	.....	113⅞	111¼	112⅛	108⅝	109	.....	108⅛
3	115⅛	115¼	114⅝	110⅞	112¼	108¾	108⅞	109	108⅝
4	115⅝	.....	114⅛	110⅞	.....	108¾	108⅞	108⅞	109
5	116	115⅝	114⅝	111	112⅜	108¾	109	109	109⅛
6	116	.....	114¼	110⅞	112⅛	108¾	109	109	109⅜
7	115⅞	.....	114⅝	.....	112⅛	108⅝	108⅛	108⅞	109⅛
8	115¼	.....	114¼	110¼	112⅜	108⅝	108⅞	109	108⅜
10	115⅞	115¼	115	111	112⅜	109	109⅛	109	109⅜
11	115¾	115⅜	114⅝	110¼	112⅛	109	108⅞	109⅛	109⅜
12	115¾	.....	114¾	110⅞	112⅛	109⅛	109¼	109⅜	109⅛
13	115¾	115⅜	114¾	110¼	112⅜	109¼	109⅛	109⅛	109⅜
14	114¼	.....	114⅜	109⅞	112	108⅜	108⅜	108⅜	109
15	115	.....	113¾	.....	111¼	108	108	.....	108⅛
17	.....	.....	113¾	109¼	111⅝	108	107¾	107⅞	108⅝
18	114	.....	113⅛	10[illegible]¾	111⅜	107¼	107⅝	107⅝	108⅜
19	113⅞	.....	113⅛	108⅞	110⅞	107¾	107⅜	107⅝	108⅜
20	.....	113	113⅛	108⅞	111⅛	107⅞	107⅛	107⅞	108⅜
21	.....	113⅛	113¼	108⅜	111⅛	107¾	107¼	108⅛	108⅜
22	113⅛	.....	113¼	109	111¼	107¾	107⅝	107⅝	108⅜
24	113⅝	.....	113⅛	108¾	111⅛	107¼	107⅛	107¼	108¼
25	113¼	113	113¼	108⅝	110⅞	107⅛	107⅛	107⅛	108⅛
26	113⅝	113⅛	113⅛	109¼	110⅞	108¼	108⅛	108¼	108¼
27	114	113⅝	113⅝	109⅞	111⅜	108⅜	107⅞	108	108¼
28	114¼	114	114¾	110	111⅛	108⅝	108⅜	108⅛	108⅜
29	114⅛	.....	114⅛	110⅛	112	108⅝	108⅜	108⅝	108⅞
31	114¼	114	114	109¾	111⅝	108⅛	108	.....	109
First	115⅞	115¼	113⅞	111¼	112⅛	108⅝	109	109	108⅛
Lowest	113⅛	113	113⅛	108⅝	110⅞	107⅛	107⅛	107¼	108⅜
Highest	116	115⅛	115	111¼	112⅛	109¼	109⅛	109⅜	109⅜
Range	2⅞	1⅛	1⅞	2⅝	2⅛	1¾	2	2⅛	1⅜
Last	114¼	114	114	109¾	111⅝	108⅛	108	108⅝	109

The closing prices of Five-Twenties at Frankfort in each week ending with Thursday, were as follows:

Aug 6.	Aug. 13.	Aug. 20.	Aug 27.	Month.
75¼	75¼	75¼	75	75@75¼

The closing prices of Consols for money and certain American securities (viz U. S. 6's 5-20's 1862, Illinois Central and Erie shares) at London, on each day of the month of August are shown in the following statement:

COURSE OF CONSOLS AND AMERICAN SECURITIES AT LONDON.

Date.	Cons for mon.	Am. securities U. S. 5-20s	Ill.C. sh's.	Erie shs.
Sat'day 1	94⅛	72	94⅝	43⅝
Monday 3	94⅜	71⅞	94	42¾
Tuesday 4	94⅜	71¾	93⅝	41
Wedn'y 5	94⅛	71⅛	92¾	37⅛
Thursday 6	94	71	91⅞	39
Friday 7	93⅞	71⅛	92⅛	38
Sat'day 8	93⅞	71⅞	92⅛	37¾
Monday 10	94⅛	71⅞	92	37¾
Tu'sday 11	94	71⅞	92¼	37
Wednesday 12	93⅞	72	92¼	37
Thursday 13	93⅞	71⅝	92	36⅛
Friday 14	94⅛	71⅜	92¼	36
Saturday 15	94¼	71⅛	92	
Monday 17	94	71⅛	91⅛	34⅛
Tuesday 18	94	71⅛	91	33¾
Wedney 19	93⅞	71⅝	91	31⅛
Thurs 20	93⅞	71¾	90⅛	31¾
Friday 21	93⅞	71¾	91	31

Date.	Cons for mon.	Am. securities U.S. 5-20s	Ill.C. sh's.	Erie sh's.
Saturday 22		(Holi	day.)	
Monday 24	94	71¾	91⅛	31¾
Tuesday 25	94¼	71¾	91	31⅝
Wednesday 26	94⅛	71⅝	92	33
Thursday 27	94⅛	71⅛	91¼	31⅛
Friday 28	94	71¾	91⅛	31¼
Saturday 29	94	72⅛	90⅛	31
Tuesday 31	93⅞	72	91⅛	30
Lowest	93⅞	71⅛	90⅛	30
Highest	94⅛	72⅛	94⅝	43⅝
Range	⅝	1	4⅛	13⅝
Low since Jan. 1	91⅞	70⅛	84¾	30
Hig since Jan. 1	96⅛	73⅛	102	50⅛
Rng since Jan. 1	4⅝	3⅜	17¼	20⅛
Last	93⅞	72	91⅛	30

The following table will show the opening, highest, lowest and closing prices of all the railway and miscellaneous securities quoted at the New York Stock Exchange during the months of July and August, 1868 :

	July.				August			
Railroad Stocks—	Open.	High.	Low.	Clos.	Open.	High.	Low.	Clos.
Alton & Terre Haut	40	46	40	44¼	....	....	....	....
do do pref	66	68	66	67	....	....	....	....
Boston, Hartford & Erie	16	18⅝	16	18¼	19½	24	18½	21½
Chicago & Alton	138	138	137	137½	136½	144	136	142
do do pref	139½	139½	128½	138½	138½	145	138¼	145
Chicago, Burl. & Quincy	164	165	164	165	170	178	170	171
do & Gt Eastern	....	....	....	.	40	40	40	40
do & Northwest'n	78¼	84¼	78	82⅝	82¼	83½	80	83¼
do do pref	79¼	84½	78¼	82¼	81½	83¼	79½	83½
do & Rock Island	105½	110½	105	110½	110¼	112½	97¼	101¼
Cleve., Col., Cin & Ind	90	90¼	88½	88½	88	88	81	82
do Painesv. & Ashta	100¼	101	99	99¼	100	100	97½	98
do & Pittsburg	89¼	90	84¼	90	89¼	89½	85	86¼
do & Toledo	103½	104¼	102½	103	102¼	102¼	98½	101⅝
Del., Lack & Western	118	118	118	118	118	120	118	119
Dubuque & Sioux city	75	78	75	78	72½	72½	72½	72½
Erie	70½	71	67½	65½	68⅝	68½	45½	48
do pref	75	75½	74¼	75	73¼	73¼	68	69
Harlem	128	124	123	124	....	....	....	....
do pref	124	124	122	122	....	....	....	....
Hannibal & St. Joseph	86	86	86	86	85⅝	85⅝	84	84
do do pref	88½	88½	87	87	86	86	83	83
Hudson River	139½	139½	138	138½	140	140	133	140
Illinois Central	158	159	144	151	151	151½	142½	144½
Ind. & Cincinnati	50	52	50	51½	....	....	....	....
Joliet & Chicago	91	91	91	91	....	....	....	....
Mar. & Cincin., 1st pref	28	29	28	29	28	28	28	28
do 2d pref	10	10	10	10	....	....	....	....
Michigan Central	116¼	119	116¼	119	119¼	121	118	119
do S. & N. Ind.	92¼	93	88¼	88⅝	88½	88½	82	84¼
Mil. & P. du Ch'n, 1st pr	105	106	104½	106	106	107	106	107
do do 2d pr	99	100	99	99½	....	....	....	....
Milwaukee & St. Paul	66	77¼	65	76⅝	76	77	69	76
do do pref	78½	85	73	88½	84	84¼	79½	83¼
Morris & Essex	65	65	65	65	63	64	63	64
New Haven & Hartford	....	....	....	....	213	225	213	225
New Jersey	128	128	128	128	....	....	....	....
do Central	124½	124½	120	120¼	121	121	118	119
New York Central	134½	136¼	131½	132½	132¼	132½	122⅝	125⅝
do & N. Haven	145	145	145	145	145	145½	143	143
Norwich & Worcester	92	92	92	92	91	91	91	91
Ohio & Mississippi	29½	30⅝	29	30½	30½	30½	28½	28¼
do do pref	78½	78½	78½	78½	78½	79	77½	78
Panama	330	330	330	330	340	368	340	368
Pittsb., Ft. W. & Chica	110	110¼	106¼	110⅝	110¼	110¼	105	108¼
Reading	101½	101½	94¼	94⅝	94¼	95	88½	90⅝
Renesselaer & Saratoga	95¼	95¼	95¼	95¼	....	....	....	....
Rome & Watertown	110	110	110	110	....	....	....	....
Second Avenue	40	46½	40	46½	....	....	....	....
Stonington	80	80	80	80	80	80	80	80
Toledo, Wab. & Western	48½	54½	48½	51½	51	53¼	49	53¼
do do do pref	69	73⅝	69	73¼	73	73	73	73
Miscellaneous—								
American Coal	....	....	....	....	45	45	45	45
Cumberland Coal	33	35	33	33	30	31	29	29
Del. & Hud. Canal Coal	140	142	130	131	131	131	119½	127
Pennsylvania Coal	210	210	210	210	200	200	200	200
Pacific Mail	100	101⅝	97½	101½	101½	104½	98¼	101½
Atlantic do	29¼	29¼	28	28	15	19⅝	15	19½
Union Navigation	26½	29½	26½	28¼	27	27½	27	27½
Boston Water Power	17	17	16	17	17¼	17½	15½	15½
Canton	49	49	45	48¼	48	48	45½	45½
Cary Improvement	11½	11½	10	10	10½	11½	10½	11
Brunswick City	9	10¼	8½	8½	8½	8½	8½	8½
Mariposa	4	4	4	4	....	....	....	....
do pref	8¼	9½	8½	9	7	7	7	7
Quicksilver	20¼	24	19⅝	22¼	21½	22½	20	21½
Manhattan Gas	210	210	210	210	....	....	....	....
West. Union Telegraph	34⅝	35½	33⅝	35¼	35	35	33	34⅝
Bankers & Brokers Ass.	106	106	96¼	99	99	105	99	105
New York Guano	4	4½	4	4½	....	....	....	....
Express—								
American	47½	48½	44½	45¼	45½	45½	40	41
Adams	58	54	51⅝	52¼	52⅝	58	46	48
United States	48¼	49½	45¼	46	46	46½	41	42½
Merchant's Union	25½	25	23	24¼	24¼	24¼	18½	21
Wells, Fargo & Co.	25¼	27¼	24¼	27	26½	27⅝	24¼	24¼

The course of the gold premium has fluctuated widely. The month opened with a very strong feeling caused by fears of a commercial drain of gold to Europe and by the anticipation of election excitement, carrying the price up to 150 during the first week of the month. When the large extent of our shipments of bonds became understood, the upward tendency abated, and parties holding largely for a further rise became sellers, being satisfied that the irregularities of the foreign trade movement were largely set off by the export of securities. The specie movement of the month has been of a somewhat irregular character. The receipts from California were $736,853 below those of August, 1867; but, *per contra*, we have received from foreign ports $335,833 more than last year, while the Treasury has paid $601,380 in the way of interest more than then, and has disbursed $372,150 in the payment of bonds of 1847 and 1848. The Alaska purchase money, $7,200,000, on being paid to the agents of the Russian government, went into one of the banks, and of the total amount over $6,000,000 was remitted in the form of bills, thus augmenting the supply of coin on the market. As will be seen from a subjoined statement, the supply on the market for August was $19,537,153 in excess of that of 1867. In the same month of last year, however, there was $8,939,720 received from unreported sources, chiefly from Treasury sales; while no supply whatever came from that source last month. The exports of specie for the month was $1,559,776 in excess of that of August, 1867. The amount of specie in the banks at the close of the month was $9,677,513 in excess of that at the same period of 1867.

The following formula will show the movement of coin and bullion during the month of August, 1867 and 1868, comparatively:

GENERAL MOVEMENT OF COIN AND BULLION AT NEW YORK.

	1867.	1868.	Increase.	Decrease
In banks, near first	$8,738,094	$20,502,737	$11,764,643	$......
Receipts from California	3,967,100	3,230,247	..	736,853
Imports of coin and bullion	492,000	827,833	335,833	....
Coin interest paid	621,067	1,222,447	601,380	....
Redemption of loan of 1847-'48	....	372,150	372,150	....
On account of Alaska purchase	....	7,200,000	7,200,000	....
Total reported supply	$18,818,261	$33,355,414	$19,537,153	$........
Exports of coin and bullion	$2 639,178	$4,198,954	1,559,776	$.......
Customs duties	12,903,740	12,263,884	....	639,856
Total withdrawn	$15,542,918	$16,462,838	$919,920	$.......
Excess of reported supply	$.......	$16,892,576	$16.892,576	$....
Excess of withdrawals	1,724,657	... ...	....	1,724,657
Specie in banks at end	7,271,595	16,949,108	9,677,513	......
Derived from unreported sources	$8,906,252	$56,582	$.......	$8,939,720

The following exhibits the fluctuations of the New York gold market in the month of August, 1868.

COURSE OF GOLD AT NEW YORK.

Date.	Openi'g	Lowest	High'st	Closing	Date.	Openi'g	Lowest	High'st	Closing
Saturday ... 1	145⅜	144⅝	145⅜	145¼	Saturday ... 22	144	143⅞	144⅛	144¼
Monday ... 3	145⅜	145	145⅝	145⅜	Monday ... 24	144⅝	144⅝	145⅛	145⅜
Tuesday ... 4	145⅝	145⅝	146⅝	146⅛	Tuesday ... 25	145⅞	144⅛	146	144⅝
Wednesday ... 5	147¼	147	148⅛	148	Wednesday ... 26	144¼	144	145	145
Thursday ... 6	149⅜	148⅛	150	148⅜	Thursday ... 27	144⅝	144⅞	14 ¼	144⅝
Friday ... 7	148¼	147⅝	148⅛	147⅞	Friday ... 28	145¼	144¾	145⅛	145
Saturday ... 8	147⅜	147	147⅞	147¼	Saturday ... 29	144⅞	144¾	145	144⅞
Monday ... 10	146⅛	146⅛	147¾	146⅝	Monday ... 31	145	144⅛	145	144⅝
Tuesday ... 11	146	145⅝	146⅜	146⅛					
Wednesday ... 12	146⅜	146⅛	146⅞	146⅝	Aug... 1868	145⅛	143⅛	150	144⅝
Thursday ... 13	147⅜	147⅛	147¾	147⅝	" 1867	139⅞	139⅞	142⅛	141⅜
Friday ... 14	147⅞	146⅞	148	146⅞	" 1866	149	146⅛	152⅛	147⅜
Saturday ... 15	146⅛	146¾	146⅞	146⅜	" 1865	144⅛	140¼	145⅛	144¾
Monday ... 17	147⅛	146¼	147¼	146⅛	" 1864	255	231⅛	261¾	233
Tuesday ... 18	146⅜	145⅞	146⅝	145⅞	" 1863	129¾	122⅛	129¾	127⅛
Wednesday ... 19	145⅜	144⅞	145⅛	145⅞	" 1862	115¼	112⅛	116¼	115⅛
Thursday ... 20	144¾	143⅛	144⅞	143⅝					
Friday ... 21	143⅞	143⅞	144¾	144¼	S'ce Jan 1, 1868	133⅛	133⅛	150	144⅝

The following exhibits the quotations at New York for bankers 60 days bills on the principal European markets daily in the month of August, 1868 :

COURSE OF FOREIGN EXCHANGE (60 DAYS) AT NEW YORK.

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	110 @110¼	513¾@	41¼@....	79⅝@80	36⅛@36¼	72 @72¼
3	110 @110¼	515 @513¾	41¼@41⅜	79⅝@79⅞	36⅛@36¼	71⅞@72
4	110 @110¼	515 @513¾	41¼@41⅜	79⅝@79⅞	36⅛@36¼	71⅞@72
5	110 @110¼	515 @513¾	41¼@41⅜	79⅝@79⅞	36⅛@36¼	71⅞@72
6	110 @110¼	515 @513¾	41¼@41⅜	79⅝@79⅞	36⅛@36¼	71⅞@72
7	110 @110¼	515 @513¾	41¼@41⅜	79⅝@79⅞	36⅛@36¼	71⅞@72
8	109⅞@110	515 @514⅜	41¼@41⅜	79⅝@79⅞	36⅛@36¼	71⅞@72
10	110 @	514⅜@513¾	41⅛@41¼	79⅝@79¾	36 @36⅛	71¾@72
11	109¾@109⅞	515 @514⅜	41⅛@41¼	79⅝@79¾	36 @36⅛	71¾@72
12	109⅞@	516¼@514⅜	41⅛@41¼	79⅝@79¾	.. @....	71¾@72
13	109¾@109⅞	517½@516¼	41 @41⅛	79½@79⅝	36 @36⅛	71⅝@72¼
14	109¾@109⅞	517½@516¼	41 @41⅛	79½@79⅝	36 @36⅛	71⅝@71¾
15	109¾@109⅞	517½@516¼	41 @41⅛	79½@79⅝	36 @36⅛	71⅝@71¾
17	109¾@109⅞	517½@516¼	41 @41⅛	79½@79⅝	36 @36⅛	71⅝@71¾
18	109¾@109⅞	517½@516¼	41 @41⅛	79½@79⅝	36 @36⅛	71⅝@71¾
19	109¾@109⅞	517½@516¼	41 @41⅛	79½@79⅝	36 @36⅛	71⅝@71¾
20	109¾@109⅞	517½@516¼	41 @41⅛	79½@79⅝	36 @36⅛	71⅝@71¾
21	109¾@109⅞	517½@516¼	41 @41⅛	79½@79⅝	36 @36⅛	71⅝@71¾
22	109¾@109⅞	517½@516¼	41 @41⅛	79½@79⅝	36 @36⅛	71⅝@71¾
24	109¾@109⅞	517½@516¼	41 @41⅛	79½@79⅝	36 @36⅛	71⅝@71¾
25	109¾@109⅞	517½@516¼	41 @41⅛	79½@79⅝	36 @36⅛	71⅝@71¾
26	109¾@109⅞	517½@516¼	41 @41⅛	79½@79⅝	36 @36⅛	71⅝@71¾
27	109⅝@109¾	518¾@517½	40⅞@40¾	79¼@79⅜	35⅞@35⅞	71½@71⅝
28	109 @	518¾@517½	40⅞@40¾	79¼@79⅜	35¾@35⅞	71½@71⅝
29	109 @	518¾@517½	40⅝@40¾	79¼@79⅜	35¾@35⅞	71½@71⅝
31	108⅞@109⅛	518¾@517½	40⅝@40¾	79¼@79⅜	35¾@35⅞	71½@71⅝
Aug., 1868	108⅞@110¼	518¾@513¾	40⅝@41⅜	79¼@80	35¾@36¼	71½@72¼
Aug., 1867	109¼@110⅝	518¾@512½	40⅝@41⅜	78 @79¼	35¾@36½	71½@72½

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 Augu t and 1st of September, 1868 :

DEBT BEARING COIN INTEREST.

	Aug st 1.	September 1.	Increase.	Decrease.
5 per cent. bonds	$221,588,400 00	$221,588,400 00	$	$ ....
6 " 1881	283,677,300 00	283,677,300 00	... ...	....
6 " (5-20's)	1,583,106,100 00	1,591,226,050 00	$8,119,950 00	....
Total	2,088,371,800 00	2,096,491,750 00	8,119,950 00	....

DEBT BEARING CURRENCY INTEREST.

6 per ct. (RR) bonds	$32,210,000 00	$35,314,000 00	$3,104,000 00	$.....
3-y'ars com. int. n'tes	21,604,890 00	10,595,410 00	... ...	11,009,480 00
3 p. cent. certificates	50,000,000 00	62,205,000 00	12,205,000 00	....
Navy Pen. F'd 3 p.c.	13,000,000 00	13,000,000 00	....	....
Total	116,814,890 00	121,114,410 00	$4,299,520 00	....

MATURED DEBT NOT PRESENTED FOR PAYMENT.

7-30 n. due Aug. 1,'67, J'e & J'y 15, '68	$8,433,800 00	$4,650,000 00	$.........	$3,783,800 00
6 p. c. comp. int. n'es	6,013,910 00	5,033,490 00	....	980,420 00
B'ds of Texas ind'ty	256,000 00	256,000 00	....	....
Treasury notes (old)	154,511 64	154,111 64	....	400 00
B'ds of Apr. 15, 1842, Jan 28, 1847 & Mar 31, 1848	1,925,941 80	1,258,200 00	....	667,741 80
Treas. n's of Ma. 3, 63	555,492 00	555,492 00	.. ..	....
Temporary loan	746,520 00	744,920 00	....	1,600 00
Certifi. of indebt'ess	13,000 00	13,000 00	....	....
Total	18,099,175 44	12,665,213 64	$.........	5,433,961 80

DEBT BEARING NO INTEREST.

United States notes	$356,021,073 00	$356,021,073 00	$........	$ ....
Fractional currency	31,867,818 87	31,802,218 37	... .	65,600 00
Gold certi. of deposit	22,414,000 00	25,161,620 00	2,747,620 00	....
Total	410,302,891 87	412,984,911 37	2,682,020 00	. ...

RECAPITULATION.

	$	$	$	$
Bearing coin interest	2,088,871,800 00	2,096,491,750 00	8,119,950 00	....
Bearing cur'y interest	116,814,890 00	121,114,410 00	4,299,520 00	....
Matured debt	18,099,175 44	12,665,213 64	....	5,433,961 80
Bearing no interest	410,801,891 37	412,984,911 37	2,682,020 00	....
Aggregate	2,633,588,756 81	2,643,256,285 01	9,667,528 20	....
Coin & cur. in Treas	110,054,276 14	107,641,971 98	....	2,412,304 16
Debt less coin and cur	2,523,534,480 67	2,535,614,313 03	12,079,832 36	....

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

COIN AND CURRENCY IN TREASURY.

Coin	$83,409,917 93	$92,570,901 21	$9,160.983 28	$..........
Currency	26,644,358 21	15,071,070 77	....	11,573,287 44
Total coin & curre'y	110,054,276 14	107,641,971 98	....	2,412,304 16

The annual interest payable on the debt, as existing August 1, and September 1, 1868 (exclusive of interest on the compound interest notes), compares as follows:

ANNUAL INTEREST PAYABLE ON PUBLIC DEBT.

	August 1.	September 1.	Increase.	Decrease.
Coin—5 per cents	$11,079,420 00	$11,079,420 00	$	$..........
" 6 " 1881	17,020,688 00	17,020,688 00	....	....
" 6 " (5-20's)	94,983,366 00	95,473,563 00	487,197 00	....
Total coin interest	$123,086,424 00	$123,573,621 00	$487,197 00	$..........
Currency—6 per cents	$1,932,600 00	$2,118,840 00	186,240 00	....
" 3 "	1,890,000 00	2,256,150 00	366,150 00	....
Total currency inter't	$3,822,600 00	$4,374,990 00	552,390 00	$..........

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

Stolen Fifty Dollar Bank Notes of the First National Bank of New Jersey.—Returns of the New York, Philadelphia and Boston Banks.

A very important question of law has been raised the past month by the discovery of one of the fifty dollar bank notes of the First National Bank of Jersey City, which was stolen from the Department at Washington before it was signed by the officers of the bank. The thief, or one of his confederates, has forged the requisite signatures, and the note, after passing probably through the hands of ten thousand innocent holders, has at length been stopped. It was deposited in one of our city banks, forwarded to the Jersey bank for redemption, and so was detected. Now the question arises who is to lose the amount. Is the Jersey bank, on which the note was forged to make it good? Or must the last holder to whom it can be traced bear the loss? Or is the burden to fall on the Department through whose negligence or misfortune the theft was made and the loss in the first instance incurred?

In some form these questions will be submitted to the courts, and how they will be decided we do not presume to affirm. There are, however, one or two other questions on which we will inform our readers. The first is, as to the amount of such stolen national notes which are in circulation. If this point is incapable of being ascertained, the public confidence in the National Bank currency will be very much shaken, for the people in general cannot tell whether the signatures are forged, and no one will know how to distinguish the spurious notes from the true one. Even at the Department itself the discrimination can scarcely be made if, as is not impossible, the numbers of the notes have been altered. Moreover, it makes a great difference to the public whether or no the aggregate amount of these stolen notes is large, of what denominations they are, and on which of the 1,639 National Banks the forgeries have been done. In the last annual report of the Comptroller of the Currency we find the following statement of the whole case. We quote from page 3:

It is an unpleasant task, but nevertheless the performance of a duty, to submit the following statement relative to the abstraction at various times of unfinished national bank notes:

In the summer of 1864 it was ascertained that packages of notes forwarded to certain Western banks were each found to be short of the required amount by one impression (a sheet containing four notes). This happened at intervals for several months. Then, for nearly a year, no losses occurred. But in the fall of 1865, impressions began to be missed from the packages of notes in the counting room of the office; and in December a package containing $4,500 in fifty and one hundred dollar notes of the National City Bank of Lyon, Massachusetts, was missed. From this time there was a cessation in the thefts, until about the first of May last, when a package containing $1[illegible],000 in fifties and hundreds of the First National Bank of Jersey City, New Jersey, was stolen.

At each of the periods when these frauds took place, investigations were instituted, and diligent efforts were made to discover the perpetrator, but without success. The last robber was discovered almost immediately upon its taking place, and vigorous measures were at once taken to detect and bring the guilty party to justice. There is reason to believe the effort was not unsuccessful, as a man who had been employed in the counting room from the time of its first organization, in a confidential capacity, was arrested and upon examination before the proper authorities, held under bonds until the next session of the grand jury of the District. As this has not yet taken place, the case is still pending; it is, therefore, not deemed expedient to enter more into details at present, as the whole matter is in a fair way to be investigated by the Criminal Court.

A full official list of the stolen impressions is appended to the report, which is as follows:

Impressions *	Designation and name of Bank.	Plate.				Bank Number.	Treasury Number.	Amt.
1	First, Peru, Ill	5	5	5	5	1	18,565	$20
1	First, Macon, Ill	5	5	5	5	1,201	894,600	20
1	First, La Salle, Ill	5	5	5	5	1,962	211,586	20
1	First, Canton, Ill	5	5	5	5	1,144	996,281	20
1	First, Canton, Ill	5	5	5	5	1,145	696,2[illegible]2	20
1	First, Centreville, Iowa	5	5	5	5	2,[illegible]00	45,134	20
1	First, Milwaukee, Wis	5	5	5	5	2,327	617,016	20
1	First, Washington, Iowa	5	5	5	5	843	834,067	20
1	Mechanics', Chicago, Ill	10	10	10	20	900	149,179	50
1	Appleton, Lowell, Mass	5	5	5	5	3,000	310,144	20
1	Merchants', Milwaukee, Wis	5	5	5	5	993	...	2[illegible]
1	Sussex, Newton, N. J	5	5	5	5	1,56[illegible]	463,539	20
1	Mechanics', Boston, Mass	5	5	5	5	2,553	404,244	20
1	Central, Cherry Valley, N. Y	10	10	10	10	188	493,897	40
1	Importers' & Traders, N Y	10	10	10	10	3,835	507,848	40
1	Washington, Boston, Mass	5	5	5	5	7,904	....	20
1	Tremont, Boston, Mass.	5	5	5	5	3,465	....	20
1	Atlantic, Boston, Mass	5	5	5	5	8,000	....	20
1	Revere, Boston, Mass	5	5	5	5	1,422	....	20
1	Tioga, Owego, N. Y	5	5	5	5	905	....	20
1	Lee, Lee, Mass	5	5	5	5	3,601	....	20

Impressions.	Designation and name of Bank.	Plate.				Bank Number.	Treasury Number.	Amt.
1	First, Knightstown, Ind	5	5	5	5	419	....	20
1	Nat. State B'k, Lafayette, Ind	5	5	5	5	1	....	20
1	Salem Nat. Bank. Co., N. J.	5	5	5	5	1,500	....	20
1	Mech. & Farm., Albany, N. Y	5	5	5	5	1,734	....	20
1	Savannah N. B'k, Savannah, Ga	5	5	5	5	1,999	....	20
1	Pacific, New York	5	5	5	5	500	....	20
1	Chicopee, Springfield, Mass	5	5	5	5	3,767	...	20
1	Nat. Union, Kinderhook, N. Y	5	5	5	5	1	....	20
1	Norwalk, Norwalk, Ohio	5	5	5	5	2,300	....	20
1	Metacomet, Fall River, Mass	5	5	5	5	10,064	....	20
1	Nat. B'k of Republic, N. Y.	5	5	5	5	646	....	20
1	Third, Baltimore, Md	5	5	5	5	6,152	....	20
1	Third, Baltimore, Md	5	5	5	5	6,167	....	20
1	Washington, Westerly, R I	5	5	5	5	660	....	20
1	Mechanics', Newark, N. J	10	10	10	10	1	....	40
1	Peoples', Pittsburg, Pa	10	10	10	20	4,840	....	50
1	Rockport, Rockport, Mass	10	10	10	20	741	....	50
1	Newark City, Newark, N. J		..	50	100	213	....	150
30	Nat. City Bank, Lynn, Mass	..	..	50	100	121–150	66,796–66,825	4,500
80	First, Jersey City, N. J	..		50	100	671–750	19,609–19,688	12,000
	Total amount							$17,560

Such is the whole story. When properly understood it is calculated to reassure the public mind. For, in the first place, the aggregate amount is small, only $17,560 altogether. Secondly, the denomination of the notes and the banks are known, and, we trust, will be widely promulgated, and finally the Government is, perhaps, responsible to an innocent holder. For the bills were all finished so far as the Government endorsement is concerned, and it was while in the possession of the Government officers that they were stolen. It is obviously of the most pressing necessity that no cloud should rest upon the credit of the national currency. The principle involved in this case is vastly wider and more far-reaching in its scope than would appear from the somewhat trivial incident out of which it has arisen.

Below we give the returns of the Banks of the three cities since Jan. 1 :

NEW YORK CITY BANK RETURNS.

Date.	Loans.	Specie.	Circulation.	Deposits.	L. Tend's.	Ag. clear'gs.
January 4	$249,741,297	$12,724,614	$34,184,397	$187,070,786	$62,111,201	$483,266,304
January 11	253,170,723	19,222,856	34,094,137	194,835,525	64,753,116	553,884,525
January 18	256,033,938	23,191,867	34,031,006	205,883,148	66,155,241	619,797,369
January 25	258,392,101	25,106,800	34,0 2,762	210,093,084	67,154,161	528,503,228
February 1	266,415,613	23,955,320	44,062,521	213,330,524	65,197,153	637,449,923
February 8	270,555,356	22,823,372	34,096,834	217,844,518	55,846,259	597,242,595
February 15	271,015,970	24,192,955	34,048,296	216,759,828	63,471,762	550,621,185
February 21	267,763,648	22,513,937	34,100,023	209,095,851	60,860,910	452,421,592
February 29	267,240,678	22,091,642	34,0 6,223	208,651,578	58,553,607	705,109,784
March 7	269,156,636	20,714,238	34,153,957	207,737,080	57, 17,044	619,219,598
March 14	266,816,0 4	19,744,701	34,218,881	201,188,470	54,778,866	691,277,641
March 21	261,426,900	17,944,308	34,212,571	191,191,526	52,261,086	649,482,341
March 28	257,378,247	17,823,367	34,190,808	186,525,128	52,123,078	557,843,908
April 4	254,287,891	17,077,299	34,227,108	280,956,846	51,709,706	567,783,138
April 11	252,936,725	16,343,150	34,194,272	179,851,880	51,982,609	493,371,451
April 18	254,817,936	16,776,542	34,218,581	181,832,523	50,833,660	623,713,923
April 25	252,314,617	14,943,547	34,227,624	180,307,489	53,866,757	6 2,784,154
May 2	257,623,672	16,166,378	34,114,843	191,206,135	57,863,599	588,717,322
May 9	265,755,888	21,286,910	34,205,409	199,276,568	57,541, 27	5 7,028,567
May 16	267,724,783	20,939,142	34,193,249	201,313,805	57,613,095	480,186,908
May 23	267,881,279	20,479,947	34,183,138	202,507,550	62,233,102	488,735,142
May 30	268,117,490	17,861,088	34,145,606	207,746,964	65,633,964	602,118,248
June 6	278,792,767	14,328,581	34,188,159	209,089,655	68,822,028	640,663,329
June 13	275,142,024	11,193,631	34,166,846	210,670,765	69,202,840	530,328,197
June 20	274,117,608	9,124,880	34,119,120	211,484,387	72,567,584	553,983,817
June 27	276,504, 36	7,753,800	34,018,721	214,302,207	73,853,303	516,726,075
July 3	281,945,931	11,954,730	34,032,466	221,050,806	72,125,939	525,646,698
July 11	284,147,708	19,235,348	34,068,202	224,820,141	68,531,512	591,756,355
July 18	282,912,490	20,399,031	34,004,111	228,180,749	71,847,545	505,462,464
July 25	280,345,255	20,804,101	33,963,373	226,761,662	72,235,585	487,169,357
August 1	279,811,657	20,502,737	33,957,805	228,101,867	73,738, 61	409, 34,169

* Date of theft of the first was Sept. 18, 1864 and the last in 1867.

Date.	Loans.	Specie.	Circulation.	Deposits.	Legal Tend's.	Ag. clear'gs.
August 8	279,705,786	24,784,427	31,074,374	231,716,498	74,051,518	587,004,881
August 15	277,808,620	22,958,85[illegible]	34,114,087	223,561,087	72,9[illegible]5,481	482,5[illegible]3,952
August 22	275,315,781	19,768,681	34,187,627	210,485,405	69,757,645	610,908,551
August 29	271,780,726	16,949,108	34,112,139	210,334,646	67,757,376	480,785,665

PHILADELPHIA BANK RETURNS.

Date.	Legal Tenders.	Loans.	Specie.	Circulation.	Deposits.
January 4............	$16,782,432	$52,00[illegible],304	$235,912	$10,639,000	$36,621,274
January 11............	16,037,995	52,593,707	400,615	10,639,096	37,131,830
January 18............	16,827,428	53,013,196	320,973	10,641,752	37,457,089
January 25............	16,836,937	52,325,599	279,398	10,645,226	37,312,540
February 1............	17,064,184	52,604,916	248,673	10,638,927	37,922,287
February 8............	17,063,716	52,672,448	287,878	10,635,926	37,396,653
February 15............	16,949,944	52,532,946	263,157	10,668,828	37,010,520
February 22............	17,573,149	52,423,166	204,929	10,632,495	36,453,464
February 29............	17,877,877	52,459,757	211,365	10,634,484	35,798,314
March 7............	17,157,954	53,081,665	232,180	10,633,713	34,826,861
March 14............	16,662,299	53,367,611	251,051	10,631,399	34,523,550
March 21............	15,664,946	53,677,337	229,518	10,643,613	33,836,996
March 28............	14,348,891	53,450,878	192,858	10,648,606	32,428,390
April 4............	13,2[illegible]8,625	52,209,284	215,835	10,642,670	31,278,119
April 11............	14,194,385	52,256,949	250,240	10,640,932	32,255,671
April 20............	14,498,287	52,989,780	222,229	10,640,479	33,9[illegible]0,952
April 27............	14,951,106	52,812,6[illegible]3	204,699	10,640,312	34,767,[illegible]90
May 4............	14,990,833	53,333,740	314,366	10,631,044	35,109,937
May 11............	15,166,017	53,771,794	397,778	10,629,0[illegible]5	36,017,596
May 18............	15,381,515	53,491,583	3[illegible]3,525	10,632,665	36,030,063
May 25............	15,823,099	53,[illegible]63,225	230,302	10,661,276	36,0[illegible]0,[illegible]97
June 1............	16,184,865	53,562,449	239,371	10,626,937	38,574,457
June 8............	16,078,308	53,491,364	226,581	10,630,945	42,910,499
June 15............	15,837,117	53,122,521	175,308	10,630,979	43,016,968
June 22............	15,993,145	53,381,820	182,711	10,631,220	43,243,562
June 29............	16,414,877	53,072,878	198,563	10,630,307	43,936,629
July 6............	16,448,153	53,653,471	233,996	10,625,426	44,824,398
July 13............	16,664,232	53,791,5[illegible]6	182,524	10,626,214	45,156,620
July 20............	16,747,440	53,994,618	188,252	10,647,852	45,637,975
July 27............	16,855,894	54,024,355	195,886	10,622,247	45,5[illegible]8,220
August 3............	17,402,177	54,341,163	187,231	10,623,646	47,[illegible]05,867
August 10............	17,792,503	54,592,015	184,007	10,6[illegible]2,751	45,04[illegible],718
August 17............	17,819,300	54,674,758	196,530	10,624,772	46,636,377
August 24............	17,[illegible]14,195	55,151,724	185,186	10,628,360	45,985,616
August 31............	17,616,325	55,255,474	181,268	10,622,581	46,063,150

BOSTON BANK RETURNS.

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

Date.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation National.	Circulation State.
January 3	$34,960,249	$1,466,246	$15,543,169	$40,856,022	$24,636,559	$228,730
January 13	97,800,239	1,276,987	15,560,965	41,496,320	24,757,965	227,953
January 20	97,433,468	926,942	15,832,769	41,904,161	24,700,001	217,372
January 27	97,433,435	811,196	16,349,687	43,991,170	14,564,[illegible]06	226,258
February 3	96,895,260	777,627	16,738,229	42,891,128	24,628,103	221,[illegible]60
February 10	97,973,916	652,939	16,497,643	42,752,067	24,850,926	221,700
February 17	98,218,828	605,740	16,561,4[illegible]1	41,502,550	24,850,055	220,452
February 24	97,469,436	616,953	16,309,501	40,387,614	24,686,212	216,490
March 2........	100,248,692	633,332	16,304,846	40,954,936	24,876,089	2[illegible]5,214
March 9........	101,[illegible]59,361	867,174	15,556,696	39,770,418	24,967,700	210,162
March 16........	101,499,611	918,485	14,5[illegible]2,342	39,276,514	25,002,416	197,720
March 23........	100,109,595	798,606	13,7[illegible]2,560	37,022,546	25,094,253	197,289
March 30........	99,132,268	685,034	13,786,032	36,184,640	24,983,417	197,079
April 6........	97,020,925	731,540	13,004,924	36,008,157	25,175,194	168,023
April 13........	97,850,280	873,487	12,522,035	36,422,929	24,213,014	167,013
April 20........	98,906,805	805,486	11,905,608	36,417,890	24,231,058	166,962
April 27........	98,302,343	577,[illegible]63	12,2[illegible]8,545	36,259,946	25,231,978	164,331
May 4........	97,624,197	815,469	12,656,190	37,635,406	25,208,234	160,385
May 11........	97,332,283	1,133,668	11,962,368	37,358,776	25,225,173	145,248
May 18........	96,938,524	1,186,881	12,199,422	37,844,742	25,234,465	160,241
May 25........	97,041,720	1,018,809	12,848,141	38,398,14[illegible]	25,210,660	160,151
June 1........	97,458,997	766,553	14,188,806	40,311,569	25,204,939	159,560
June 8........	98,116,632	631,149	14,368,900	41,470,376	25,194,1[illegible]4	159,313
June 15........	99,513,988	561,990	14,373,575	41,738,706	25,190,565	159,150
June 22........	99,389,63[illegible]	476,483	14,564,614	42,553,871	25,197,3[illegible]7	158,908
June 29........	99,477,074	436,699	15,195,550	42,506,316	25,182,920	158,812
July 6........	100,110,830	1,617,638	15,[illegible]7,307	43,458,654	25,214,10[illegible]	144,689
July 13........	101,493,516	1,198,529	15,743,211	43,116,765	25,216,181	141,538
July 20........	1[illegible]2,430,433	1,521,393	15,469,406	43,876,300	25,21[illegible],7[illegible]7	13[illegible],799
July 27........	102,408,771	785,641	15,837,718	43,580,894	25,254,906	142,450
August 3........	102,[illegible]80,658	7[illegible]6,254	15,796,059	43,389,523	25,016,[illegible]92	......
August 10........	103,860,686	634,968	15,7[illegible]8,958	44,962,268	25,197,164	......
August 17........	103,956,603	664,698	15,551,590	43,702,501	25,182,658	.....
August 24........	103,6[illegible]4,691	779,1[illegible]2	16,810,343	42,360,049	25,214,5[illegible]6	......
August 31........	103,550,020	767,819	15,843,796	41,214,607	25,190,091	......

THE

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AND

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AMERICAN SECURITIES IN EUROPE.

It is much to be regretted that so little can be definitely ascertained respecting the amount of American obligations held in Europe. The question has very important bearings, both theoretic and practical; and now that there is a possibility of the speculative mania on the Continent of Europe attracting to Germany more of our bonds than can be permanently carried there, it is especially important to be able to form a satisfactory estimate of the amount of our loans held abroad. The materials for an estimate are scant and shadowy; but, carefully used, they nevertheless may indicate a conclusion approximately accurate. The Director of the Bureau of Statistics recently attempted a solution of this problem in a letter to the Philadelphia *Press*, but with a result which we cannot but regard as calculated to seriously mislead the public mind. The Director remarks:

In the year 1854 American securities were held abroad to the nominal amount of $222,225,315, of which United States stocks amounted to $27,000,000, the balance being stocks and bonds of States, cities, and railroad and other private companies. The real amount which these securities cost to foreigners is estimated at $200,000,000 gold. Before the war broke out it is considered probable that this amount of American securities held by foreigners had fully doubled, for, with the exception of the temporary check of 1857, this was an era of almost continued prosperity, during which the opportunity for the favorable investment of foreign capital in the United States were very great and much sought after. Be this as it may, we have no precise data on the point until the year 1866, when, at the instance of the Secretary of the Treasury, I ascertained from direct inquires on the point, that there were held by foreigners American securities to the nominal value of $600,000,000, as follows:

United States stocks, approximate	$350,000,000
State, municipal and other stocks, approximate	150,000,000
Railroad companies, stocks	48,801,550
Railroad companies, bonds	50,667,000
Total	$599,468,550

The real amount which these securities cost is estimated as follows:

United States stocks	$175,000,000
All the rest	173,627,985
Total, in gold	$348,627,985

It would thus appear that American securities which cost $200,000,000 in gold were held by foreigners in 1854. It is believed that this amount was subsequently increased to $400,000,000 before the breaking out of the war in 1861. During the following years nearly all of the State and corporation securities were remitted to this country in exchange for United State stocks, which were thrown upon the market during the war at prices varing from thirty-eight to sixty cents in specie per nominal dollar. Assuming that little or no change has occurred since 1867—an assumption that is tolerably safe—the value of American securities now held by foreigners is, therefore, but one hundred and forty-eight millions of dollars greater than it was fourteen years ago, and no greater, but rather less, than it was immediately before the breaking out of the war, the only noticeable thing connected with the whole subject being the fact that the securities of the several States and corporations, costing nearly par in 1854, have been exchanged for the securities of the Federal Government, which cost during the war, on the average, not over half par. This is due to the fact that the former, with but rare exceptions, paid their interest in paper, while the latter paid in gold. There are but few American, State, or corporation stocks now held in Europe besides a small amount of Massachusett 5's, a still smaller amount of Virginia 5's stock, and a few Erie and Atlantic and Great Western shares.

We do not care to inquire into the accuracy of the Director's statement of the amount of our securities held abroad in 1854. The minuteness of his figures suggests the supposition that he possesses complete and accurate data relative to that period; which it is to be regretted he has not given to the public, especially as it is generally understood that there is no material upon which to base such a precise estimate. It is also quite possible, and perhaps probable, that he is right in supposing that the amount of our securities held abroad was nearly doubled between 1854 and 1861. The point of real consequence is in ascertaining what amount is held in Europe now. The Director states the amount, in the Fall of 1866, at $600,000,000, including $350,000,000 of Government bonds, and $250,000,000 of State, municipal and corporate securities. These figures are said to be based upon "direct inquiries." It would be interesting to know where the inquiries were directed, and what ground they covered. The minuteness of his figures relative to railroad stocks and bonds, incites curiosity to know how such precise data could be ascertained; for practical men entertain a very decided opinion that accurate information upon the matter is an impossibility. We are unable to reconcile these figures with the Director's assertion that "there are but *few* American, State or corporation stocks now held in Europe, besides a small amount of Massachusett's 5's, a still smaller amount of Virginia 5's stock, and a *few* Erie and Atlantic and Great Western shares.

Our railroads have issued a considerable amount of bonds payable in sterling money, all of which are constantly held abroad. The principal of such loans now running are as follows:

STERLING BONDS ISSUED BY AMERICAN RAILROADS.

Atlantic and St. Lawrence Railroad, sterling bonds	$484,000
Eastern Railroad (Mass.), sterling bonds	610,000
Western Railroad (Mass.) " "	4,369,000
Erie Railroad " "	4,850,000
Panama Railroad " "	1,912,000
Camden & Amboy Railroad " "	1,740,000
South Carolina Railroad " "	2,275,000
Pennsylvania Railroad " "	2,126,000
Philadelphia and Reading Railroad sterling bonds	970,000
Baltimore & Ohio Railroad (Md. guar.) " "	3,000,000
Eaton and Hamilton Railroad " "	1[illegible]0,000
Marietta and Cincinnati Railroad " " about	200,000
Detroit and Milwaukee Railroad " "	150,000
Michigan Central Railroad " "	8[illegible]7,000
Chicago, Burlington and Quincy Railroad bonds (Frankfort)	1,552,000
Illinois Central Railroad sterling bonds	3,104,000
Troy & Greenfield Railroad " "	509,000
Mobile and Ohio Railroad " "	4,[illegible]93,000
Total	$33,443,000

To this we may add the following sterling canal and water bonds

Boston Water Bonds	$1,949,000	
Chesapeake and Ohio Canal Bonds	4,375,000	
Susquehanna and Tide-water Canal Bonds	816,000	
Illinois Canal Bonds	1,850,000	
Total canal sterling bonds		$8,980,000
Add further for dollar bonds, railroad and other, including $35,000,000 of Atlantic and Great Western bonds and $6,000,000 Illinois Central		60,000,000
Add further for railroad stocks:		
Atlantic and Great Western	$15,000,000	
Erie	6,000,000	
Illinois Central	17,500,000	
Philadelphia and Reading	10,000,000	
All other roads	7,500,000	
Total railroad stocks		56,000,000
Total transportation securities		$158,423,000

These estimates of the amount of railroad shares held by foreigners are based upon inquiry at the transfer offices of the companies. Assuming their approximate accuracy, it would appear that about $160,000,000 of bonds and stocks issued by our transportation corporations are now held in Europe; an estimate which exceeds by $60,000,000 that of the Director as to the amount held two years ago. Our official Statistician, in a communication to the New York *Times* of the 28th ult., says that since 1866 about $150,000,000 of State and corporation securities have been returned in exchange for an equal amount of United States bonds, so that now, he supposes, about $500,000,000 of Governments and $100,000,000 of other securities are held out of the United States. We do not think this supposition at all accords with the experience of those engaged in the negotiation of our securities with foreigners. It is doubtless true that a large additional amount of United States bonds has been sent out within the last two years; and it is possible that the Director's estimate of $150,000,000 may not be far from the truth, especially as fully $30,000,000 is generally conceded to have been exported within the last two months. But, at the same time, it is notorious that the improved earnings and condition of our railroads, concurrently with the plethora of money in Europe, have extended the market for our railroad stocks, so that they are more largely held abroad than at any other time. No portion of the $42,500,000 of sterling canal and railroad bonds could be returned, having no regular market here; the bonds and stock of the Atlantic and Great Western road are still held principally in England; and three-fourths of the whole $25,000,000 of Illinois Central stock has gone abroad. To say the least, therefore, there can have been no reduction of foreign investments in our transportation securities. Nor does it accord either with our observance of the course of the market, or with probability, that any material amount of State stocks have been returned within the period specified. The stocks held abroad are chiefly those of the Southern and border States; and as these have been steadily appreciating in value, under the prospect of an early resumption of regular payments of interest, there has been every inducement for foreign holders to retain them. The Director appears to have an exaggerated idea of the amount of this class of securities held in Europe. The amount of investments in "State, municipal and other stocks" (exclusive of railroad) he takes to be $150,000,000. Now, as the total amount of the debts of the Southern and border States, including their bonds issued to railroad and other companies, is only about $125,000,000, this estimate must be viewed as eggregiously exaggerated; and the more so as only a small proportion of the $150,000,000 can be apportioned to municipal and miscellaneous stocks. We think that $60,000,000 will be very generally endorsed by foreign bankers as the probable amount of State stocks proper held abroad.

Much surprise has also been felt in financial circles at the Directors estimate of the amount of United States bonds held abroad, viz., $500,000,000. Of course, he could only guess at the amount, for there is no record of either shipments or arrivals of bonds, and it is quite impracticable to procure from all our foreign bankers a statement of the result of their transactions extending over a period of five orsix years; but the Director can hardly have informed himself sufficiently to make an intelligent guess, representing the average opinion of dealers. It is susceptible of easy demonstration that this estimate is far below the truth.

The issue of the Five-Twenties of 1862 is $514,000,000; and from the extreme scarcity of those bonds it is very generally conceded that they are nearly all held abroad. Of the Sixes of 1881 there are $283,000,000 outstanding; which also are principally in the hands of foreigners. The preference for Ten-Forties, on account of the specific pledge for the payment of the principal in gold, cannot have drawn out of the country less than $25,000,000 of those bonds; while the minor amounts of all other issues combined cannot be estimated at less than $50,000,000. So that the total amount of United States bonds held abroad must be very nearly $700,000,000, or possibly more. Putting together, then, the foregoing items, we have the following result, as the amount of all kinds of American securities held in Europe:

United States bonds	$700,000,000
Sterling bonds issued by Railroad Companies	83,500,000
" " issued by Canal and Water Companies	8,900,000
Dollar bonds of Railroads and other Companies	60,000,000
Railroad stocks	56,000,000
State bonds	60,000,000
Miscellaneous stocks	20,000,000
Total estimated amount of American securities held abroad	$938,400,000

We thus see that European investors hold our securities to the extent of nearly one thousand million dollars, distributed among the various classes of investments. Of this total, $76,000,000 consists of stocks, which carry no obligation to pay principal, but only convey to the holder a proprietary interest and entitle him to a share of the profits of the corporation issuing them. The balance of $862,000,000 is made up of bonds, specifying an obligation to pay a given amount of principal with interest. There is an important difference in the bearing of these two classes of securities upon our financial interests. The stocks take nothing out of the country but what has been earned; and the remittance of dividends upon this class of investments, being only proportioned to the prosperity of the corporation issuing the stock, cannot be deemed open to objection upon economic grounds. With respect to the bonded obligations held abroad, and especially the large portion consisting of government obligations, a different opinion very generally prevails.

The $700,000,000 of United States bonds estimated to be held in Europe, perhaps have not realized to the American sellers more, on an average, than 57½ on the par in gold; while the $162,000,000 of corporation, State and other bonds have not realised for us much over 75; so that upon $862,000,000 of obligations which will probably be, for the main part, liquidated in gold, we have received only about $525,000,000 in gold. The fact then is, that Europe has bought up $862,000,000 of claims upon us at an average discount of 40 per cent, upon which the holders will ultimately realise a difference approximating $340,000,000.

It is unquestionably a great misfortune that we should have had to put out this enormous amount of debt at such a heavy depreciation; nor is it less surely a heavy drain upon our resources that we should have to pay 9@10 per cent. interest upon the capital actually received for these obligations.

The question of real interest, however, is whether it would have been on the whole better for the country that these securities should have been retained at home, and the difference between the value at which they were exported and that at which they will be redeemed secured by our own people. The answer is not so obvious as it appears to be. It is clear that in that case our own citizens would have received the advantage accruing on both principal and interest which has gone into the hands of foreigners; but it is not to be overlooked that the general trade and industry of the country would be equally taxed to provide interest and to pay the principal whether the obligations were held at home or abroad; so that, so far as respects national fiscal interests, it is immaterial where the bonds are held. When our people parted with their bonds to foreigners they did so for a consideration; deeming that consideration more valuable to them than the securities. Were they mistaken? The obligations have been sent out mainly in the way of settlement of trade balances; so that the country has received in exchange actual capital in the form of raw materials, merchandise and produce. These importations, which but for the export of securities could not have been made, have become a part of our actual possessions, promoting enjoyment, sustaining and employing population, and aiding the developement of the country and the reproduction of capital. Will the use of the capital thus received in exchange for our bonds yield a sufficient return to pay the interest and compensate us for the depreciation at which the bonds were sold? If it will, the exchange is not a bad bargain. The fact of such an enormous amount of national securities going out of the country is not likely to have occurred without some substantial cause. The industrial and commercial bent of our people causes them to prefer the active employment of capital to living idly upon mere paper investments. A distinctive bondholding class as little accords with our commercial habits as with our social and political sympathies. We can make larger profits upon the active employment of capital than are realised in the same way in Europe; and under these circumstances the exchange of American bonds for European capital has much about it that is natural and reasonable. The retention of the whole of our Government obligations at home would have had a tendency to foster social distinctions by no means consonant with democratic institutions. It would have multiplied our idle population and strengthened the aristocratic bias among the wealthier classes, by the same process as the accumulation of a large national debt in England has consolidated the class distinctions of that country. Had we, in the United States, a larger population corresponding to the nonproductive bondholding class of Europe, fewer of our national securities would have left the country. Our capitalists, however, prefer the enterprise and excitement of a business life to retired inactivity; they have immense virgin as well developed resources offering a high rate of remuneration for industry; and giving this preference to trade, industry and agriculture over bonded investments, they hold bonds at a value which induces foreigners to accept them in exchange for real capital.

It is clear then, taking all the circumstances into consideration, that our bonds have gone to Europe because they were of more value to Europeans than to ourselves, and because the capital we received in exchange is of more value to us than the bonds. We have no doubt that the ultimate course of events will show that this exchange has been more beneficial to us than it now appears to be. It is reasonable to expect that ere long we shall attain a financial position which will enable us to reduce the rate of interest upon the public debt, thereby limiting our interest remittances to Europe. Those who predict disaster upon the ultimate payment of the Government obligations held abroad will learn that the rapid payment of large national debts is a thing more easily promised than fulfilled, and that such liquidations have to follow the commercial convenience of the couutry. Should Congress be prudent enough to effect a reduction of the interest upon the debt consistently with the bondholders' ideas of good faith, it is quite likely that a still further large amount of our securities will go abroad, owing to the disparity between the interest upon bonds and our profits upon the active employment of capital; and in that event there will be the less inducement to hasten the liquidation of the debt. It would then be argued that it would pay us better to allow foreigners to carry our obligations at a low rate of interest than to pay them off in hard capital, the profit upon which, in our own hands, would greatly exceed what we should save by terminating our interest payments to the bondholders.

We frequently hear it urged, as an objection against our bonds being held abroad, that upon the occurrence of political or financial irregularities in Europe or at home, we are liable to have large amounts of securities sent back, with the result of serious derangement to our monetary and trading movements. It is not to be denied that there is a certain force in this objection; and yet, we think, it is much exaggerated in the popular apprehension. There are natural laws which under all circumstances must place this liability under restraint. War or panic in Europe would naturally be accompanied with a fall in the price of our bonds. Provided the decline at London or Frankfort were greater than at New York, there would be a return of bonds to this side, which might have to be paid for in gold. But the moment it was found that the return of bonds was in such volume as to threaten inconvenience here, the price of bonds at New York would fall to a oint stopping their export from Europe. This self-regulating tendency of the market may always be relied upon to prevent any serious inconvenience from this source.

At the outbreak of the war in Germany, in 1866, Five-Twenties fell in Europe to such an extent as to induce a return of bonds to this side generally estimated at $10,000,000; immediately following there was a preference for our securities, owing to our Government not being involved in the European complications, and a re-export of bonds set in, which did not stop until about $15,000,000 of Five-Twenties had been sent out. This case is precisely in point, and shows how little is to be apprehended from derangements of this character. Upon a review of the main considerations affecting the question, therefore, we conclude that it is not such a great misfortune as is generally imagined that so large a proportion of our obligations are held abroad.

BRITISH ASSOCIATION FOR THE ADVANCEMENT OF SCIENCE.

At the meeting of the British Association which has just come to a conclusion at Norwich several papers upon subjects interesting to our subscribers were read. We give abstracts of some of these communications.

THE MANUFACTURE OF STEEL.

In the Mechanical Section, Mr. F. Kohn read a paper on the recent progress of steel manufacture. He had at the previous meeting at Dundee drawn attention to a process of manufacturing steel upon the open hearth of a Siemens' furnace, by the mutual reation of pig iron and wrought iron upon each other, a process which had been in operation for some time in France, and had more recently been resorted to in England. This process realized the old idea of melting wrought iron in a bath of liquid pig iron, and thereby converting the whole mass into steel. It was distinguished from previous unsuccessful attempts by the high temperature, and the non-oxidising flame produced by the regenerative gas furnace of Mr. Siemens, and by the method of charging the decarburised iron into the bath of pig iron in measured quantities. The process had been experimented upon in Birmingham and Bolton, and was being worked commercially in Middlesborough. Mr. Kohn here described in detail the construction of the Middlesborough furnaces, and the mode in which the process was carried out by the workmen, and stated that the production of any desired temper of steel could by this process be relied upon with absolute certainty. In the most successful charges made by Messrs. Samuelson, the owners of the ironworks referred to at Middlesborough, the ball was made from a mixture of white Swedish iron and of Spiegleisen, and a quantity of the latter was added at the end of the operation. In these charges, Cleveland bars entered in the proportion of one half. The steel thus produced was very soft and of fine quality, and was chiefly used for boiler plates. The prime cost of the steel thus manufactured was about £7 10s. per ton, which was the same as the prime cost of the Bessemer steel ingots made from hematite pig iron. The process seemed to be one of vast importance to the ironmasters of many localities. It was applicable to the conversion of old materials of wrought iron and steel, could utilise the waste and offal of other processes of steel manufacture, and could be introduced into localities where the ore had hitherto been deemed unfavorable to the production of steel. Mr. Kohn was of opinion that there need be no rivalry between the new process and the Bessemer process, as the two worked with different materials.

Mr. Siemens said one of the chief applications of the new process described by Mr. Kohn was that of the conversion of old iron rails into steel.

Dr. Fairbairn expressed his belief that in the process of time the improvements now being made in the manufacture of steel would tend to reduce its price almost to the present price of iron.

THE ECONOMICAL MANUFACTURE OF IRON.

On the 23d inst., Mr. J. Jones read a paper on some points affecting the economical production of iron. The author alluded, in the first place, to the national importance of utilising to the fullest extent the minerals necessary in the manufacturing of iron. He estimated the production of pig iron in Great Britain at 4,500,000 tons per annum, and the make of finished iron at about 3,000,000 tons, when trade was brisk, and adduced these statistics to show the immense issues involved in the improvement he wished to notice. He then referred to the economical application of fuel in the iron manufacture, more particularly in the finished iron processes, and remarked that the newer blast furnace plant left little to be accomplished in the economical use of fuel, except in utilising the waste products given off in cooking the fuel. In puddling, however, great waste of fuel went on, and two modifications of the ordinary puddling furnance were to be noticed as calculated to save from 20 to 25 per cent of fuel, and to consume all the smoke usually produced. The Wilson furnance, in its most improved form, consisted of a sloping chamber into which the fuel was fed at the top, and the volatile matters generally forming smoke were reduced by passing over the incandescent mass of fuel farther along the chamber. The air for combustion was delivered into the furnace in a heated condition, and a steam jet was delivered underneath the grate, by means of which the formation of clinkers was avoided. The Newport furnace (Middlesborough) had a chamber constructed in the ordinary chimney stack, and in this were placed a couple of cast-iron pipes with a partition reaching nearly to the top. These pipes were heated by the waste gases from the puddling furnace, and through them the air required for combustion was forced by means of a steam jet, and was delivered in front of the grate in a highly heated condition. These furnaces, of which a considerable number were in operation at the Newport Works, effected a saving of at least 35 per cent in fuel. The structural modification would involve comparatively little outlay, and the saving to be effected would recoup itself in a single year. The economy represented by applying the new plans to the whole iron trade would amount to about 1,500,000 tons of coal per annum. The author next proceeded to describe the manufacture of iron by what is termed the Radcliffe process, which had been for some time in operation at the Consett Iron Works, Newcastle. The puddled iron, which was usually allowed to get cool; then cut up, piled, heated, rolled into blooms, re-heated, and finally rolled into finished iron after a complicated series of operations, was, by the new method, finished off by a continuous and simple process. Five or more puddled balls were put together into a large bloom, under a very heavy steam hammer, shingled down into a bloom, passed for a short time through a heating furnace, and rolled off into finished iron not more than half an hour after the iron left the puddling furnace. Specimens of iron made by the process were exhibited. A great saving in the cost of manufacture was represented by this process in all departments of the manufacture of finished iron, and it was calculated that a saving of 1,500,000 tons of coal alone would result from the general application of this system. Particular stress was laid upon the fact that in carrying out this process no extensive or expensive alteration of existing works was required, and a saving of from 3½ to 4 cwt. of puddled iron would be secured upon each ton of finished rails or plates now turned out, the cost of making malleable iron being reduced to a very considerable extent. The importance of the whole question in a national point of view was also dwelt upon.

Mr. Bramwell said he believed that we in England owed the method we had adopted in the utilization of the waste gases to our continental neighbors. There could be no doubt that those who were worst off for fuel were the most economical in its use. The weight of coke used in the production of a ton of iron depended very much on the amount of iron in the ore, a lean ore requiring a larger consumption of fuel than a rich ore. He was afraid that, as a rule, the waste gases were not utilized as they might be. The author of the paper had alluded to a plan by which the pig iron was not suffered to get cold; this plan had been often proposed, and had even been tried, but it was found that there were certain difficulties in the way, and people were chary of resorting to it; when this plan was adopted, it was not till the pig iron was cold that they could ascertain its quality; but if it were run direct from the blast into the puddling furnace, it would be difficult to know the nature of the charge. As to the Wilson furnace, no doubt it was one in which the fuel would be well burnt. He believed that the invention of Mr. Siemens would set people thinking, and that those who did not adopt his furnace would, at all events, be driven to adopt something which would be a vast improvement on the old method. The Radcliffe process had been known for some years. It was one by which four or five puddle balls were put together, and he thought the plan was a right one, although it was difficult. He concurred with what had been said by Prof. Cooper at a recent sitting as to the desirability of obtaining uniformity of quality in the manufacture of iron and steel.

Mr. Webster, Q. C., passed a strong eulogium on Mr. Siemens' furnace, and said the main difficulty in getting real improvements generally introduced among the manufacturers was owing to the fact that they frequently involved costly adaptations of machinery.

DYNAMITE, THE NEW BLASTING AGENT.

Mr. A. Nobel read the following paper on "Dynamite, a recent preparation of the nitro glycerine as an explosive agent":

Scientific and other papers have lately given much attention to a new blasting agent named "Dynamite." It is nothing but nitro-glycerine absorbed in highly-porous silica; and if I have given it a new name, it is not by way of disguise, but its explosive powers are so much altered as fully to warrant a new denomination.

Dynamite consists of 75 per cent of nitro-glycerine, and 25 per cent of porous silica. Hence it appears to possess only three-fourths of the power of nitro-glycerine, the specific gravity of both substances being very nearly the same. But practically there is no advantage in the greater concentration of power of nitro glycerine. It cannot, or at least ought not to be poured direct into the borehole, since it easily causes accidents by leakage into crevices, where it explodes under the miners' tools. It must, therefore, be used in cartridges, which leave considerable windage; whereas dynamite, being somewhat pasty, easily yields to the slightest pressure, so as completely to fill up the sides of the borehole and leave no windage whatever. For this reason a given height of dynamite charge in a hole will contain quite as much nitro-glycerine as when the latter is used in its pure liquid state.

It is necessary, even at the risk of some lengthiness, to make this point clearly understood, for if the advantages otherwise desired from the transformation of nitro-glycerine into dynamite were obtained at the expense of a great depreciation of its power, the substitute might be a safe but not a useful one.

As it is, the block of wrought iron here deposited will bear testimony to its great power. It was originally a cylinder of 11 feet diameter and 12 feet height, of best scrap iron, and cut off from a shaft. The borehole through its centre was exactly one foot, and the charge of six ounces was put in without securing either end by any sort of plug or tamping. The cylinder was blown at Merstham on the 14th of July, in the presence of a large audience. Allowing for the hole, and putting the tensile strength of the iron at 20 tons per square inch, the strain necessary to effect the rupture must have been equal to 2,400 tons; and since there was no plug at either end of the hole, it is evident that the charge was too much for the work. Besides blasting the cylinder, it had hurled the one-half here deposited with such violence against a three-quarter boiler-plate at some distance as to break it.

No wonder that a substance which tells so well on iron should be effective against rock.

Coupled with this great power is a safety, for proofs of which I will simply refer to the test publicly made both at Glasgow and Merstham. A box containing about 8 lbs. of dynamite (equal in power to 80 lbs. of gunpowder) was placed over a fire where it slowly burned away; and another box with the same quantity was hurled from a height of more than 60 feet on the rock below, no explosion ensuing from the concussion sustained.

It is difficult to see what more can be required from a blasting material in order to be called safe; but some experiments made lately at Stockholm have put it to a still more severe test. A weight of 200 lbs. was dropped from a height of 20 feet on a box containing dynamite, which it smashed, of course, yet no explosion took place. An account of this experiment is to be found in the Stockholm paper, *Afton Aladit*, of this month.

Such a test can leave no doubt that dynamite offers sufficient safety against concussion for all practical purposes, and we may say, as a Prussian Military Commission recently reported, that it appears to be the safest of all known explosives.

To those not fully acquainted with the nature of nitro-glycerine, it seems puzzling that a mere absorption should be sufficient to produce such a radical change in its essential properties, but when we come to examine the matter closely it is easily accounted for.

The greatest and almost the only drawback on nitro-glycerine is its liquid form. Much as has been written on the danger of congealed nitro-glycerine, I can confidently assert that if the solid form was its natural state at the ordinary temperature, we should hardly have had to deplore a single one of those fatal accidents which it has caused. Moreover, it is a very erroneous notion that crystallized nitro-glycerine is more sensitive to concussion than the liquid one; the reverse is the case, and in a very remarkable degree; but that is immaterial to the present question, and I only mention it to show how fancy notions take root and defy even the plain truth of simple investigation.

Nearly all the calamities caused by nitro-glycerine have, in my opinion, been owing to leakage, which for practical reasons it is very difficult to prevent, and are therefore indirectly chargeable to its liquid state. A substance sensitive to concussion, unless it is quite unmanageable, like chloride of nitrogen, can easily be protected against occidents by wrapping it in a soft material, but if that substance is a liquid and a leakage takes place, it becomes subject to the danger of direct percussion; and if nitro-glycerine in that condition becomes exposed to the sun's rays, the heat which it takes up renders it so sensitive as to become dangerous under the slightest blow.

From the very first beginning I have given special attention to the packing of nitro-glycerine, but much to my regret I must say that it is as yet far from satisfactory. Casks are not tight enough for oily liquids, and the property of nitro-glycerine to expand when it congeals has obliged me to resort to square tins. These are left unpacked in the factory for a month at least, to ascertain whether they are tight, yet I can scarcely remember a single instance of a cart or cargo of nitro-glycerine having reached its destination without a case or more of leakage. The reason is probably to be found in the pressure to which the tin becomes exposed when the air which is confined inside, as well as the nitro-glycerine, becomes expanded by an increase of the external temperature.

Whatever be the cause, it is certainly wrong to lay the blame on nitro-glycerine for what has been due only to a practical difficulty. Let us suppose, for instance, the case of gunpowder being transported in casks dropping continuously out part of the contents. A missing accident would almost be a rarity, and it is really a proof of the safe properties of nitro-glycerine that accidents have occurred almost only on those occasions (as at Aspinwall and San Francisco) when it was forwarded under a wrong declaration, and consequently the necessity of cautious handling could not be known.

These hints will give sufficient insight into the importance of converting nitro-glycerine into a solid. It is not only a theory or some demonstrative experiments on which I base that assertion, but also on practical experience. Dynamite has only recently grown to be an article of commerce, yet the quantity sold hitherto exceeds fifty tons, and the most serious accident it has caused was the case of a man who, having lighted the fuse, kept the cartridge in his hand till it exploded and blew off his arm. No explosive can be safe against accidents of that kind.

Besides the security derived from its solid form, dynamite has over nitro-glycerine other special advantages. Its sensitiveness to concussion is, as I have already stated, reduced in a very high degree; and since fire does not cause it to explode, it offers great security for transportation and stowage. Besides, it is quite natural that miners should prefer, as more practical, a solid to a liquid explosive. Dynamite is now generally sold in ready-made cartridges, and nearly all the workman has to do is to put them in his borehole and fire.

Having now compared the two explosives, nitro-glycerine and dynamite, and shown the reasons why the latter, with equal power, is far superior to the former in point of safety and facility for use, I will briefly point out the sterling properties which render nitro-glycerine such a highly valuable blasting agent. The merits of dynamite are essentially the same, so that what is said of one is in the same measure applicable to the other.

The miner's work is divided into two parts, viz., to make a chamber for the explosive, and to charge it. If that chamber was a matter of small expense, it might be very immaterial whether the amount of power required to do the work occupied a great or small bulk. But drilling holes in any rock, and especially in a hard one, is a slow and tedious labor, and there are mines where it takes a man three days' hard work to make a one-inch bore of only 24 inches in depth. Three days' labor, exclusive of tools, represents at least 9s., yet the charge of gunpowder which can be lodged in such a hole is at most 6 oz., or a value of less than 2d. It is easy, from such an example, to see why the miners should be anxious for a more powerful explosive, and ready to pay a much higher price for it. The instance here given is almost an extreme one, yet, even in rock of very little hardness, the cost of labor always greatly exceeds the value of the explosive used. It needs no explanation why an explosive containing, within the same bulk, ten times more power than gunpowder should greatly reduce the number of boreholes, and warrant a common saying amongst the workmen in Sweden, that they would blast with nitro-glycerine, even if they could get gunpowder for nothing.

I have been frequently asked for a positive statement as to the economy in labor which the use of dynamite effects. This, however, is a question which cannot be answered in a positive manner, for every kind of rock would require a special estimate, based on its hardness, the nature of the strata, &c., and which greatly varies, not only in different localities, but within the limit of a single mine. Everyone will, therefore, have to form his own estimate; but as far as I have been able to ascertain, the use of dynamite and nitro-glycerine generally cause a reduction of at least one-third on the general cost of blasting, which is a very great saving indeed, considering that the cost of the explosive rarely figures more than 10 per cent of the expense.

I am, however, not in a position to give on this subject as full information as I might desire. The miners are generally extremely sparing in communications of that kind. Amongst my correspondents I can find only one who gives a clear and positive statement in figures of the saving effected: it is Mr. Alexander, manager of the Phœnix mine, on Lake Superior. This letter is dated February 2, 1868, and the mine up to that time used 7,000 lbs. of nitro-glycerine (they have no dynamite yet), so that the result is certainly based on sufficient practical experience. The material had been purchased from New York at the price of $1.50 per pound, irrespective of the cost of transportation to Lake Superior.

Another statement of figures is that of Mr. Nordenfelt, Director of the Great Northern Railway in Sweden, who, as far back as the 19th of July, 1865, asserted that the use of nitro-glycerine had allowed his contracting for blastings with a reduction of 25 per cent.

Mr. Unge, who has blasted with nitro-glycerine an extensive tunnel through Stockholm, states the saving to have been 23 per cent on the cost of blasting, and the progress of the tunnel 87 per cent quicker than when gunpowder was used.

These results show that, even in the present state of comparative inexperience in the use of the new explosive, a great economy is obtained.

The saving of labor which dynamite causes is its greatest feature. Next to that we must class the saving of time. Nearly every mine is dependent on the progress of its shafts and pits, and as for railway tunnels, the famous one through Mont Cenis is only a glaring example of the necessity of quickening the tedious work.

Next to the saving of time ranks its peculiar adaptability of wet ground, since water has no effect on the charge. Every miner has had more or less experience how difficult it is to blast with gunpowder wherever the rock is water bleeding, which is only too common.

Another sterling advantage of dynamite is that it needs no tamping, and, consequently, does away with a great number of minor accidents, which are little thought of in general, being too common to be reported in the daily papers, but form, nevertheless, a very long and sad list of continued calamity. I was told in Cornwall that by far the greater number of accidents occurring in the mines of that county are due to the act of tamping. It is abuse, I admit, for a hole may be tamped without firing the charge, still it is very desirable to provide against a source of accidents, which, after centuries of experience, still continues to exact so numerous victims.

It would be a great drawback on advantages here set forth if, as has been sometimes asserted, the fumes of nitro-glycerine of dynamite were of a noxious nature. The best answer, perhaps, to those who maintain that opinion is, that a great number of mines are daily using it for underground work, and that the miners do not at all complain. The truth is, that when nitro-glycerine is allowed to leak into the crevice of a borehole, it does not all explode, and being dispersed in the atmosphere, causes a severe headache. It is, however, easily remedied by using cartridges, which prevent leakage, and in the case of dynamite, which is a solid, that inconvenience falls away entirely. Since that explosive became introduced no complaints have been made, and the workmen in many mines assert that dynamite cannot be nitro-glycerine, because the fumes are so different.

So far as regards its properties. And now we will examine the practical results.

The introduction of dynamite is so recent that its advantages over other blasting agents cannot be proved by statistics; but in all except danger it is so analogous to nitro-glycerine, that the results obtained with the latter will allow us to form a clear estimate of its commercial value. Sweden is the only country where nitro-glycerine has been in use ever since 1865; it is therefore the most conclusive example. The sales in that country, as extracted from the books of the Nitro-glycerine Company, at Stockholm, were in 1865, 33,258 lbs.; in 1866, 48,785 lbs.; in 1867, 76,575 lbs.; and during the first six months of the present year reached 64,293 lbs. These figures show a steady and rapid increase. The quantities are not enormous, but it should be borne in mind that Sweden, although an extensive country, is not a very productive one, and that Cornwall alone consumes three times as much gunpowder as the whole of Sweden. The sale of 221,900 lbs. of nitro-glycerine in that country, equal to at least 2½ million pounds of gunpowder, is therefore a proof of decided success. If the material had over gunpowder the advantage of cheapness, weight for weight, the demand might possibly be ascribed to futile and mistaken economy; but as one pound of nitro-glycerine costs the miners as much as eight pounds of gunpowder, it is evident that it must do some work, or he would not have it.

It has, no doubt, greatly facilitated the introduction of nitro-glycerine in Sweden, that the transportation, storage, and use of the quantity above mentioned, has caused no accident of any serious nature, and positively a less total of minor accidents than if gunpowder had been used in its stead. That immunity from danger is, in all probability, due to the colder climate of Sweden, which allows of nitro-glycerine being transported, nearly all the year round, in a congealed state, its freezing point being as high as 50 degrees.

In this country nitro-glycerine, notwithstanding the strong dislike which generally prevails against it, has been constantly used in the quarries of North Wales since 1866, and is in high favor with the miners. Two quarries alone (Brynderven and Driwrwic) have, up to this time, consumed about £3,000 worth of the material, or about nine tons; and its remaining stationary in North Wales is owing only to the circumstance that the manufacture and sale of the article has not been in this country, as in Sweden, an organised business.

The workmen in Wales pay for the material which they consume the price of 3s. 3d. per lb., while gunpowder costs only 4½d., and if they continue to do so for years, it proves that they derive a benefit from its use. Still a slate quarry is far from showing it at its greatest advantage, which can only become prominent in hard rock.

Whatever success nitro-glycerine has realised, it will certainly be admitted that it is not due to popular favor. No improvement has ever worked its way under a more crushing weight of opposition, and the very fact of its valuable properties. Gun cotton, which has been repeatedly pushed since more than twenty years, has not been used for blasting in all that time as much as nitro glycerine in six months. Why? Because the miners had no advantage at all in using it.

In mentioning gun-cotton, it is but just to state that it has been highly improved of late by Professor Abel, I believe, and is sold now in a condensed state, in which it forms a good blasting agent, and ranks as such next to dynamite. Only a few years ago, the attempts which I witnessed to make gun-cotton take the place of gunpowder appeared to me to be perfectly fruitless. Bulk for bulk, it had less power, and that power was even more expansive than the power which it was meant to supersede. A new explosive cannot be introduced when the economical advantages are on the wrong side, and is next to impossible to get adopted by miners unless the advantages are very great, and of a passable nature. But compressed gun-cotton is decidedly superior to gunpowder as a blasting agent, and if it cannot compete with dynamite, it is only because the manufacturing cost of the latter is less, while it possesses at least three times more power, and effects a far great saving of labor. Details are only a matter of time and improvements, while the intrinsic merits of a substance decide the place which it is to occupy.

I know nothing, with the exception of, perhaps, a liability to spontaneous combustion, which could possibly warrant the absolute prohibition of a substance. Now, as for nitrated organic compounds in general, it is a decidedly erroneous notion that there is any such drawback attached to them. That notion has sprung up in laboratories because the chemist has no suitable means at hand for thoroughly neutralizing the adhering acid. It is well known that the continued action of nitric acid decomposes nearly every organic compound. It is therefore clear that unless nitrated compounds are rid of adhering nitric acid they will decompose chemical in course of time. Hence we read in nearly every work, that nitro-glycerine is gradually decomposed, deposing oxalic acid, while such a change has never occurred in the same article manufactured on a large scale. With suitable apparatus, it takes less than an hour to completely neutralise a ton of nitro-glycerine; and as farther control, a small quantity of every day's produce, after it has been well mixed so as to be fully unform, is sealed and kept for inspection. That practice has now been carried on for eighteen months, and shows not the slightest vestige of decomposition in any of the numerous samples.

Having to store la e quantities, not onl in six factories, but also in numerous depots, it is but natural that I should have been anxious myself to investigate the matter. In the case of dynamite, it is true that spontaneous combustion could mean only its catching fire and burning without explosion, since internal or external heating must naturally have the same effect; still spontaneous combustion, even where no explosiion can ensue is a serious vil.

Professor Rankine asked how the dynamite was exploded.

M. Nobel said it was exploded by a percussion cap. The force obtained could be seen in the piece of iron exhibited. A large piece of wrought iron, more than a foot high and a foot in diameter, had been riven in two as if by a wedge, by the explosition of six ounces of dynamite, without the use of a plug.

In answer to other questions, M. Nobel stated the explosive force of dynamite as compared with gunpowder was as ten to one, but at present its cost was eight to one.

THE METRIC QUESTION.

The report was read by Professor Leone Levi from the Committee on Uniformity of Moneys, Weights, and Measures. The committee are of opinion that the only method of attaining the desired object would be the adoption of the metric system. They are convinced that they cannot introduce even the decimal scale in the present system. It should be remembered that the metre was no longer an abstract idea of the scientific conception. It was a definite length, that length of a concrete object, deposited at the archieves of the Paris Mint, and exactly copied from standards within our reach. The time was past finding out the best national unit, and we must be satisfied with what we had got—viz.: a unit really universal from its wide diffusion among modern nations. The committee were pleased to report that a bill to establish metric weights and measures had been introduced by Mr. Ewart, and had met with a most satisfactory reception from both sides of the house. Public opinion having manifested itself so strong in favor of the metric system, the committee hoped that her Majesty's government would proceed further in the direction of introducing it as soon as it was practicable; and they urged that the government should, without delay adopt metric weight and measures in the post office, in the dockyards, and in the customs. Abroad the metric system was making constant progress. During the year it was adopted in North Germany, and Austria was preparing to follow in the same course. With reference to the measurement of tonnage, the committee had learnt that the Chancellor of the North German Confederation having moved the Federal Council that the presiding power should be authorized to open negotiations with Great Britain, and subsequently with other maritime powers, including the United States of America, for establishing an international system of ship measurement on the basis of the English system, the Council resolved that the proposed system should be based upon the metrical principle, instead of the English tonnage. In Spain, the metric system of weights and measures had been rendered compulsory from July, 1868: and the last meeting of the International Statistical Congress, held at Florence, unanimously recommended the universal adoption of a uniform system of weights and measures founded on the metridecimal system. As many as thirteen countries, including France, Belgium, the Netherlands, Italy, the Roman States, Spain, Portugal, Greece, Mexico, Chili, Brazil, New Granada, and other South American Republics, with an aggregate population of upwards of 146,000,000, had established one uniform decimal system founded on the metre. Seven more countries, with an aggregate population of 68,000,000, had also adopted parts of the same, while this country and the United States, having together 60,000,000, had introduced the same in a permissive manner. In India, the Government of the Bengal Presidency recommended the adoption of the metric system as the best means of introducing simplicity and unity in the weights and measures of that vast empire. As regarded international coinage, the committee had already reported the result of two conferences held in Paris in June, 1867. A report of the official conference having been presented to her Majesty's Government, a royal commission was issued to consider and report upon the recommendations of the conference and their adaptability to the circumstances of the United Kingdom, and whether it would be desirable to make any and what changes in the coinage of the United Kingdom, in order to establish, either wholly or partially, such uniformity as the conference had in contemplation. The Commissioners had completed their labors and presented their report to Parliament, but the same had not yet been published. A report of the unofficial International Conference on Weights and Measures and Coins had also been communicated by Prof. Leone Levi to Lord Stanley, and laid before Parliament. During the year a bill was presented to the United States Congress for placing the coinage in direct relation to the French, by reducing the value of the half-eagle 3½ per cent, so that it might be worth 25 francs. The bill was read a second time, and a clause granting compensation for the difference to holders of the existing coinage, and of obligations in the existing currency; but the bill stood over for consideration, probably till the report of the Royal Commission was made known. Canada had introduced a bill to the same effect. Spain had engaged to coin gold pieces of 10 francs and 25 francs. The German Parliament had passed a resolution in favor of a decimal currency. Movements to some extent in the same direction had also been made in Austria and Italy. The committee was of opinion that in the event of an international coinage being agreed upon, it would be highly important to secure the publication of such information periodically, and for all countries; and they would recommend the same to the earnest attention of the Board of Trade. In conclusion, the committee expressed their opinion that the great object at which they aimed was steadily advancing.

INTERNATIONAL COINAGE.

Prof. Leone Levi, F.S.A., F.S.S., read a paper on "The Present State of the Question of International Coinage." Having shown the practical character of the question at issue, and the importance attached to it by the juries of International Exhibitions, the Statistical Congresses, the Chambers of Commerce, the Society of Arts, and other public bodies, the learned professor examined the respective advantage of either adopting a new unit altogether for all nations, or one of the exceeding unit by all of them, or a correlation of all the different units. The first plan of adopting a five or ten grains of gold as a new unit would be impracticable, because it would require a general recoinage by all nations. The second plan, that of choosing one from the existing units, was better, and the choice would depend on the number of persons among whom the same unit is already in circulation, the amount of trade which is regulated by such unit, the amount of coinage of the same already issued, and the relative convenience of the different tystems. As regards the population, the pound issued by England has 30,000,000; the franc of France, Italy, Belgium, Switzerland, has 70,000,000; the dollar by the United States has 31,000,000; the florin by Austria has 37,000,000; the thaler by Germany and Prussia has 54,000,000, and the rouble by European Russia having 59,000,000. The 'franc, therefore, prevails among the largest number of persons. As regards trade, whilst the imports and exports of England amount to £500,000,000, those of France, Italy Belgium and Switzerland amount to £480,000,000, and those of the United States £105,000,000. England here has the pre-eminence, though not so decided as one might imagine; and as regarded the amount of coinage issued, whilst up to 1850 the issue of gold coin in England far exceeded that of France and the United States, it has not been so since that time. From 1793 to 1866, France issued £262,500,000 of gold coins; the United Kingdom, from 1816 to 1866, £187,000,000; the United States, from 1792 to 1849, £169,000,000. Since 1850, France £197,000,000; the United Kingdom, £91,000,000; the United States, £152,000,000. As regards the relative convenience of the different systems, it was a fact that whilst this country has been for years laboring to establish a decimal coinage, France and the United States long possessed it, whilst, moreover, for international purposes, the pound was too large a unit. In three, therefore, out of the four elements, France has the advantage, and that justified the Congress to take the French coin as a basis. But the Congress did not recommend the franc as a unit for all nations; nor did it recommend the pound. As a step in advance, it recommended a mode for harmonizing the different systems in existence, according to which we alter the pound to twenty-five francs exactly, instead of twenty-five francs twenty, as it is now intrinsically worth. Can this be done? Should this compromise be accepted, the evil was that it would cause a great change in all the monetary systems. It would require us to lower, though in an infinitesimal manner, the gold standard, and yet leave all the existing units in existence. The accounts would still be kept in different ways: the divisional coins would in no wise agree, and we would not get a good decimal coinage. The learned Professor thought the 10-franc piece in gold of the value of 100 pence (slightly diminished in their present relative value), with a unit of 100 francs or £4 for larger financial operations, the best unit offered for all nations. Such a unit, divided into ten silver pieces of 10d. each, would also give an excellent decimal coinage, producing immense facilities in education and great ease in calculations. Then we would have one unit identically alike everywhere, instead of the hundred units now in existence, and the identity would be obtained, not only in the gold unit, but in its subordinate coins of silver and copper. Allowing that the International Monetary Congress had immensely advanced the question, he trusted that the report of the Royal Commissioners would recommend the holding of another conference for the purpose of considering the possibility of agreeing in one common system of coinage, instead of the proposed adoption of many systems.

THE SOUTH AMERICAN EARTHQUAKES.

It is impossible, of course, to form any trustworthy estimate of the probable effects upon trade and commerce of the terrible catastrophe which has just overtaken the Pacific coast of South America, until we receive more exact details than have yet reached us of the extent of the region actually affected. But such information as we already have justifies the belief that the secondary consequences of this calamity will be almost as disastrous as its immediate effects were appalling. From a careful collation of the hasty, vague and, in some instances, contradictory accounts which came to us by the last South American mail, it appears that the various shocks of this (in modern times) unprecedented series of earthquakes were felt throughout more than forty degrees of latitude, and across the whole belt of the continent from the Andes to the Pacific. Several score of comparatively flourishing cities and villages were more or less laid in ruins, some of them being literally swallowed up by the earth as were the cities of Central China in the terrible earthquakes of the twelfth century. The productive power of at least two of the South American republics, Ecuador and Peru, must have been seriously crippled, not only by the loss of life among the inhabitants but by the destruction of accumulated property, the result of three centuries of civilization, by the conversion of what had been fertile soils into barren wastes or lakes of water, and by the absolute disappearance of some of their richest mining districts. This latter calamity is distinctly stated to have happened to Peru in the case of the important mines of Huancavelica. The commercial relations both of Ecuador and of Peru with Europe are more extensive than their relations with the United States; but the latter are sufficiently important to make it certain that the results of this great disaster will in some measure be felt by ourselves. This, however, is but a trifling consideration in the presence of so dire an affliction as has thus overtaken a people with whom it is our destiny to be much more closely connected with every year that passes; and without pausing to measure even hypothetically our direct part in their suffering, it becomes us to take prompt steps for affording them such relief as our ample means and the practical sagacity of our mercantile community can so easily command. It is eminently proper that the Chamber of Commerce of New York should take the initiative in this work. And there can be no doubt that an appeal to the public at large, if made by a responsible Committee of the Chamber upon accurate information of the extent and nature of the relief most needed, would be heartily and handsomely responded to.

This being done, or while this is doing, it is equally desirable that some plan should be devised and carried out either by the Federal Government, or by the Chamber of Commerce, for availing ourselves of the extraordinary opportunity which is now afforded us, for getting at some really valuable information as to the nature of the changes wrought in the mineralogy and geology of the planet by convulsions of this magnitude. The South American earthquakes present us with an instance occurring, so to speak, under our very eyes, of those terrific cosmical convulsions by which in the primæval ages the crust-forms of the earth were determined. Were there no general scientific interest in the subject sufficient to make it worth our while to seize upon so rare an occasion of enlightening ourselves as to the process by which the crust of the earth has been made what it is, we have in our own Pacific States a direct and most serious practical interest to consult in this matter. It was long since observed by European geologists of eminence, that the visible direction of the great fissures left in the earth's surface by ancient convulsions, might enable us to follow the progressive movement of these explosions of the subterranean forces. It is certain that every earthquake, by diminishing the cohesive force of a more or less considerable segment of the fissure, must facilitate the infiltration of the earth's superficial waters into the centres of explosion, and so prepare fresh disturbances of the same kind. California and Oregon are in the direct line northward of these fearful South American convulsions. Is there no reason to fear that the forces which have just produced such terrible effects upon the earth's crust in the Southern Continent, may at no distant day bring about a similar series of catastrophes in the Northern Continent also? It is commonly thought, we believe, that the earthquake belts, as they may be called, range in the direction of latitude rather than of longitude. But that this is an error clearly appears, for example, from the fact that the eruptions of Vesuvius, and the earthquakes attendant upon them, have frequently been attended or followed by earthquakes and explosions in and around the Icelandic volcanoes. It would at all events be possible, and it would certainly be important to gather some valuable indications as to this point, from the traces of the recent earthquakes in South America while they are yet fresh, and still bear their formidable story legibly upon their fronts.

Nor would an investigation such as we suggest be valuable only from its bearings upon the possible future of our Northern hemisphere. The position of the great metalliferous veins of the earth necessarily bears the most intimate relations to the geographical distribution of the earth's crust, or, in other words, to the furrows made by the central fire. Whether the metallic salts were brought through these furrows by the action of the infiltrating waters; or whether the veins of metal were poured molten in masses through the crust from below makes no practical difference. In either case it is through the furrows formed by igneous action that the penetration took place, and consequently the distribution of the precious metals depends upon the situation of these deep interior "solutions of continuity," which are caused by the volcanic movements in the under-world. The reported disappearance of the silver veins of Huancavelica induces the belief that from a close examination of the effects of the earthquakes in that district alone, information of the highest practical importance to our mining interests in the United States may be procured. A series of investigations, made by a French geologist, M. de Chancourtois, some years ago, into the bituminous deposits of Seyssel and Clermont, revealed the fact that these deposits occupied lines of position exactly parallel to the direction of the system of superficial upheavals in the Low Countries. And a report written by M. Gauldree Boilleau, now Consul General of France in New York, which appeared some years ago in the French *Annales des Mines*, on the oil region of North America, showed that the chief oil deposits of the United States are situated on a line which prolongs the net-work of fissures through which the Saint Lawrence passes to the sea.

But without going too far into details of a strictly scientific nature, it is surely plain that we have an immense practical interest in a close, efficient, intelligent examination of the light which the phenomena of the South American earthquakes must throw upon the method and the immediate effects of these mighty and awful processes of nature. It has been justly said that our knowledge of the globe we live on can only be made even tolerably complete by a study of what may be called its subterranean meteorology. The Japanese have for centuries past shown a keen insight into this truth, for they have kept a current register of "hurricanes and earthquakes," as intimately connected phenomena, ever since a date at which the Western world was still listening for the spirits of the air in the whirlwind, and trembling at the anger of demons in the muttered thunder of the inner globe.

THE GEORGIA RAILROAD AND THE ATLANTIC AND WEST POINT RAILROAD.

These two railroads stretch across the State of Georgia, from Augusta to West Point, a distance of 258 miles, and are operated under the same presidency. On the east the seaboard is reached by the South Carolina Railroad, the distance from Augusta to Charleston being 137 miles, and on the west the Gulf is reached by the Montgomery and West Point Railroad 88½ miles, the Alabana and Florida Railroad 114 miles, and the Mobile and Great Northern Railroad 72 miles—total distance, southwest from West Point to Mobile, 274 miles, or from Charleston to Mobile 667 miles. The Western and Atlantic (State) Railroad extends from Atlanta to Chattanooga, 138 miles, forming the connecting link between the seaboard and the northwestern system to the Ohio and Mississippi Rivers. The distance from Charleston to Chattanooga is 523 miles. There are faults, however, in the line within Georgia; it is exceedingly crooked, following natural rather than engineered lines, and has met with constantly increasing competition from the more direct and later constructed lines. Hence we find that through business is leaving it for the more favored roads; and it is feared that this through business will have disappeared altogether in a very few years.

GEORGIA RAILROAD AND BANKING COMPANY.

The lines of this company are as follows:

Main Line—Augusta, Ga., to Atlanta, Ga.			171 miles.
Branch Line	Union Point, Ga., to Athens, Ga.	39	
	Camak, Ga., to Warrenton, Ga.	4	
	Barnett, Ga., to Washington, Ga.	18	61 "
Total length owned and operated			232 miles.

The following statement shows the amount of motive and carrying power on the lines at the close of the last year (March 31, 1868): Locomotive engines (in good order 17, in running order 14, in shops 12, and condemned 4) 47; and cars (passenger 23, baggage 10, box 269, cab. 14, stock 27, platform 105, coal 12, and shanty 15) 475. Two additional locomotives were ordered; and during the year 59 box, 1 passenger, and 2 baggage cars had been built at the company's shops, and 3 passenger cars re-built.

The business of the roads, and the earnings and expenses for the last ten years have been as follows:

Fiscal years.	Business— Cotton, bales.	Grain, bushels.	Flour, bbls.	Gross receipts.	Working expenses.	Net earnings.	Div'd, per cent.
1858-59	219,218	916,291	121,139	1,154,624	610,258	544,366	8
1859-60	219,774	253,241	43,189	1,159,188	631,144	528,044	8
1860-61	127,663	209,497	9,967	860,460	704,751	155,709	(Not known here.)
1861-62	87,219	273,446	12,465	859,598	521,390	338,208	
1862-63	12,672	27,838	32,188	1,120,313	469,836	650,476	
1863-64	.....	....	.....	2,275,854	1,916,848	359,006	
1864-65	.....	....		3,342,017	3,056,949	285,068	
1865-66	107,276 (May 15,'65, to Mar 31,'66)			1,155,397	640,478	514,919	
1866-67	55,714	265,241	3,623	1,136,141	623,073	513,068	6½
1867-68	112,708	664,662	14,059	1,003,723	511,834	491,889	6½

After paying interest on bonds, and incidental expenses (but including dividends, interest, rent, &c., received), the net profits from May 15, 1865, to March 31, 1868 (34½ months) were $1,567,369. From this sum must be deducted for reconstruction and the retirement of bank circulation, nearly $1,200,000. In the meanwhile four dividends have been paid to the stockholder, two of 3 and two of 3½ per cent, but this has been effected to a considerable extent by drawing on the reserved fund. The dividend has amounted to $270,140 a year, exclusive of the government tax.

The following is a statement of the financial condition of the company at three periods, viz.: April 1, 1860, 1866 and 1868, or at the commencement, at the close of the late war and at the present time:

	1860.	1866.	1868.
Capital stock	$4,156,000	$4,156,000	$4,156,000
Bonded debt	812 500	260,500	889,500
Reserved fund	740,846	1,184,085	968,188
Income from all sources	1,246,642	... ...	1,085,020
Dividends unpaid	178,252	11,251	46,839
Current accounts	185,409	61,004	14,683
Deposits	249,114	5,644	3,689
Circulation	1,069,580	413,811	129,476
Total	$8,123,843	$6,121,745	$6,788,895

Against which are charged as follows:

	1860.	1866.	1868.
Road and outfit	$4,156,000	$4,156,000	$4,156,000
Real estate	128,409	136,959	134,859
Banking house and lot	35 000	35,000	35,000
Road expenses, interest, &c	693,307	.....	917,678
Materials on hand	152,799	.....	84,548
Stocks owned	952,150	1,651,670	1,081,990
Bonds owned	51,500	170,500	66,400
Bills and notes	1,192,188	61,436	26,654
Notes of other banks	159,852	353,789	211,817
Current accounts	73,522	8,804	3 421
Specie	528,621	58,104	2,744
Currency	.... .	89,488	67,284
Total	$8,123,843	$6,121,745	$6,788,895

The floating debt is stated at the sum of $52,734; but as it is thought that no more of the bank circulation will be brought in for redemption this is simply a nominal liability. The stock of the company is now quoted at 80@85.

2. ATLANTA AND WEST POINT RAILROAD.

The Atlanta and West Point Railroad, commencing at Atlanta, the western terminus of the Georgia Railroad, extends in a southwest direction to West Point, the eastern terminus of the Montgomery and West Point Railroad, the distance between the two points being 86.74 miles.

The rolling stock consisted at the close of the last year (June 30, 1868) of: locomotives 14, chiefly in good order; and cars, as follows: passenger 6, baggage 21, express 1, cab 2, box 49, stock 15, platform 21, and shanty 1—total 99. Six freight cars are to be added during the current year.

The number of passengers carried in the year 1867–'68 was 42,982, and the quantity of freight carried was 40,480 tons, including 45,507 bales of cotton. The following shows the earnings and expenses of the lines during the last three years:

	1865–6.	1866–7.	1867–8.
Passenger	$187,655 10	$158,911 41	$122,389 58
Freight	193,271 60	208,638 38	205,738 05
Mail	5,468 70	6,562 44	7 028 07
Express	17,589 89	12,739 77	8,763 24
Miscellaneous	11,475 38	4,694 81	7,157 14
Gross earnings	$415,410 37	$391,476 81	$351,070 08
Transportation	$46,690 15	$62,202 14	$56,852 48
Motive power	61,387 58	72,928 46	71,216 50
Maintenance of way	68 214 90	72,676 55	72,613 11
Maintenance of cars	6,463 72	11,574 15	9,538 48
Ordinary expenses	$185,746 85	$219,376 80	$210,205 52
Extraordinary expenses	175,016 04	103,220 12	29,197 85
Total expenses	$360,762 89	$322,596 42	$239,403 37
Earnings less expenses	$54,648 28	$68 880 39	$111,666 71
Dividends paid	(4)49,288 00	(3½) 37,067 00	(8) 98,576 00

The number of passengers and tons of freight carried in the same years was as follows:

Passengers carried	43,703	47,253	42,982
Tons of freight carried	21,251	46,569	40,485
Average fare per passenger	$4 28½	$3 35½	$2 8[illegible]
Average freight per ton	7.97	4.48	5.08
Ordinary expenses to gross earnings	44.8 p.c	56.1 p.c.	59.8 p.c.
Total expenses to gross earnings	86.8 "	82.4 "	68.2 "
Nett earnings to capital	4.4 "	5.6 "	9.0 "

The annual balance sheets of July 1, 1866–67–68, showing the financial condition of the company at date, compare as follows:

	1866.	1867.	1868.
Capital stock	$1,232,200 00	$1,232,200 00	$1,232,200 00
Bonded debt	36,500 00	35,500 00	47,0 0 00
Dividends unpaid	804 00	16,569 11	2 252 00
Current accounts	21,916 00	40,0 5 89	4,300 62
Profit and loss	5,600 68	22,357 59	31,470 02
Total	$1,297,020 68	$1,346,632 59	$1,317,252 64

Against which are made the following charges:

Road and outfit	$1,200,078 76	$1,200,078 76	$1,200,230 26
Bills receivable	22,779 20	22,779 20	22,779 20
Ala. & Flo. RR. Co. for interest	....	....	11,861 50
Supply fund	2,5 0 00	2,500 00	2,500 00
Current accounts	59.638 28	10 ,026 52	36,348 52
Cash	12,024 39	13,248 11	43,56[illegible] 16
Total	$1,297,020 68	$1,346,632 59	$1,317,252 64

The stock of this company is now quoted at 95@100.

RAILROADS IN GEORGIA.

The following statement shows the length and cost of the railroads (including equipment) in Georgia at the close of the last fiscal year, and also the gross and nett earnings of each line, and the rate of the dividends paid to stockholders during the year:

Railroads.	Length of lines.	Cost of road, &c.	Earnings. Gross.	Earnings. Nett.	Dividend. p. c.	Value of Stock.
Atlanta and West Point	84.74	$1,200,230	$351,070	$111,667	8	95-100
Atlantic and Gulf	236.00	5,041,987	619,875	252,971	? 4½.	52- 54
Florida extension	49.00					
Central of Georgia	190.46	4,472,000		776,808	10	125-130
Augusta & Savan. (leased)	53.25	1,082,298	2,220,918	73,000	?	.. - ..
Milledg'v. & Eatont'n (")	38 31	383,100		14,000	?	.. - ..
Georgia	171.00					
Warrenton Branch	4.00	4,156,000	1,003,723	491,889	6½	80- 85
Washington Branch	18.00					
Athens Branch	39.00					
Macon and Western	102 50	1,500,000	568,346	164,069	3½	105-115
Southwestern	106.10					
Butler Branch	23.00	3,802,337	1,006,953	408,959	9	102-105
Eufala Branch	59.06					
Fort Gaines Branch	21.89					
Western and Atlantic	138.00	5,000,000	1,279,191	585,729	2½	.. - ..
No returns received from—						
Barnesville and Thomaston	16.00	200,000	Taken up and dismantled during the war, and probably not restored.			
Brunswick and Albany	60.00	1,200,000				
Etowah	8.87	120,000				
Muscogee	50.00	1,000,000	In operation.			.. .. - ..
Rome and Kingston	20.00	250,000				.. .. - ..
In progress and partly open—						
Macon and Augusta	22.00	440,000	Open so far as stated.			25 - 30
Macon and Brunswick	50.00	1,160,186				.. .. - ..
Milledgeville and Augusta	11.00	110,000				.. .. - ..
Roads operated	1,333.33	26,767,952	7,050,106	2,879,110		
Roads not returned	154.87	2,770,000	....	....		
Roads in progress, &c	83.00	1,710,136	....	....		
Total	1,571.20	31,248,088	....	....		

From the above table it will be seen that the roads making returns aggregated 1,333.33 miles and cost $26,767,952, or in round numbers $20,000 a mile. Their gross earnings for the year were $7,050,106, or about $5,287 per mile, and their nett earnings $2,879,110, or about $2,160 per mile. A large portion of the gross earnings were expended in extraordinary repairs and renewals. The Atlantic and Gulf Railroad is scarcely completed. The Western and Atlantic Railroad is owned by the State, and paid into the treasury from earnings $131,161, which is equivalent to 2½ per cent on its assumed cost of $5,000,000. The present debt of Georgia on account of the road, however, is only $3,440,000.

RAILROAD EARNINGS FOR AUGUST.

The gross earnings of the under specified railroads for the month of August, in 1867 and 1868, and for the first seven months of each year are exhibited in the subjoined statement:

GROSS EARNINGS FOR AUGUST AND THE FIRST SEVEN MONTHS OF 1867 & '68.

Railroads.	August. 1867.	August. 1868.	Eight Months 1867.	Eight Months 1868.
Atlantic and Great Western	$475,257	$407,688	$3,335,603	$2,986,054
Chicago and Alton	415,982	570,853	2,367 838	2,778,632
Chicago and Northwestern	1,063,236	1,265,831	6,539,854	8,198,920
Chicago, Rock Island & Pacific	404,600	478 600	2,262,201	2,700,491
Cleveland and Pittsburg	217,345	240,038	1.514,498	1,638,138
Illinois Central	709,326	764,183	4,257,401	4,265,662
Marietta and Cincinnati	114,716	126,536	738,903	807,284
Michigan Central	398,993	392,942	2,686,702	2,799,353
Michigan South. & North. Ind	428,762	480,763	2,792,848	3,094,556
Milwaukee and St. Paul	350,564	522,545	2,705,221	3,457,835
Ohio and Mississippi	322,521	287,557	2,106,461	1,865,091
Pittsburg, Ft W. & Chicago	606,217	653,287	4,523,964	4,982,021
St. Louis, Alton & Terre Haute	220,788	204,596	1,362,836	1,218,891
Toledo, Wabash and Western	364.723	484,208	2,334,351	2,422,063
Western Union	73,525	84.607	394,644	467,414
Total	$6,166,555	$6,963,909	$39,923,820	$43,641,450

MONEY AND CURRENCY.

Will you allow an "outsider" to offer some desultory suggestions which may help to modify if not to harmonize the conflicting views of Mr. Carroll and his critic Mr. Sulley.

Much of the difficulty which arises in similar controversies, appears to proceed from the fact pointed out by Malthus, that political economy is not an exact science, but depends for most of its conclusions on facts and inferences of a general character, like those of mental and moral philosophy. There is, therefore, a certain vagueness in its definitions, and often even a degree of confusion in the rise of terms.

Both the writers referred to object to bank credit as a substitute for money; but while one would rigidly limit the currency of the community to gold coin, the other would discard gold altogether, and substitute "an inconvertible government currency, always kept at par with the currencies of other countries." So long as other countries adhered to the gold standard, this would be virtually a currency at par with gold—but if all countries should depart from it how could they regulate each other? Whatever may be the imperfections of gold as a standard of value, no better substitute has yet been found, and we need not anticipate that any will. Neither need we rush to the opposite extreme, and insist on making no exchanges and measuring no values without the actual presence of an equivalent amount of coin in each case as a medium.

On the question of interest Mr. Carroll seems in the right. If interest is not the rent of capital, what is it? It is certainly rent paid for the use of *something*—and if that something cannot, as capital be employed in producing wealth, why does it command a rent? "That the increase of capital should lower the rate of interest or profit, is one of the fallacies of Adam Smith," says Mr. Sulley. But when understood, as it evidently must be, relatively to the demands of production, it is undoubtedly true that the increase of capital does tend to diminish and does actually diminish the rate of interest, until at length the diminution of interest even checks the accumulation of capital, as is shown in England, Holland and France. It is by no means true that there is as much real capital at the West as elsewhere; compared with the demand for its productive employment. Land is not capital unless cultivated, and only then to the extent of its exchangeable value, and after deducting the debts of its nominal owner. It is precisely *capital* which the West needs at present—not land, not paper credit,—but an amount of exchangeable wealth sufficient to pay the debts and develope the agricultural resources of its people.

That money, strictly defined is capital, cannot well be disputed. It is wealth, for it is a useful product of labor, its material possessing highly useful qualities, and as a measure of value, and medium of exchange, its importance is generally admitted. It is difficult to see how, without such a medium, the various combinations of capital and labor required for the production of wealth, could be accomplished to anything like their present extent. What element of capital then is wanting to money?

Mr. Sulley affirms that "money is neither wealth nor capital; it is only a convenience by which labor is eased or time saved." But the same might be said of the plow, the railway, the elevator—in fact of a large proportion of the many forms which capital assumes. Do they cost labor? So does money. And could the division of labor exist without some such means of anticipating and distributing its earnings?

On the other hand we cannot agree with Mr. Carroll that "capital runs away from a high rate of interest," whether in California or elsewhere. The simple fact is that in California capital has been relatively scarce, as in all countries where labor is a mere adventure in a lottery. Now that regular and remunerative industry is being established there, wealth is accumulating and rates of interest declining. But this change is simply the result of a greater production and accumulation of wealth in the country, thus increasing the relative supply of capital, and compelling lenders to submit to lower rates of interest. This process will doubtless go on rapidly, stimulated by the exceptional advantage of a sound currency, enjoyed by that lucky State. But as it still produces every year more gold than it will perhaps ever need to use as money, it must continue to export and exchange it for other forms of wealth.

It is not correct to say with Mr Sulley that a low rate of interest is always the predisposing cause of exportation. The cause of exportation is simply indebtedness, which cannot be met so well in any other way. The causes of this indebtedness may be very various. It may proceed from abundance of exchangeable wealth, manifested by a plethora of money and low rates of interest, and leading to purchases and investments abroad; or by a scarcity of money elsewhere, leading to a demand at home, or it may be (as it frequently is in this country) merely the ordinary course of trade, with an exportable commodity. That a low rate of interest indicates a comparative surplus, and a high rate a comparative scarcity of money, is evident; but these facts are not more necessarily the cause of the import or export of gold, than the rise or fall of the hermometer is of a change of clothing. Gold is exported from California, notwithstanding high rates of interest, to pay for other things which are needed still more, and the miners of California are as much enriched by producing gold as by producing wheat, only so long as they can send it abroad and exchange it for wheat or for other things which they need.

It may indeed be argued, as Mr. Sulley evidently would argue, that there is already gold enough in the world for all the purposes of currency, and that its steady increase and consequent depreciation does only harm, while it keeps a multitude of miners and others uselessly at work. But this is by no means clear. To say nothing of the constant drain still going on towards towards the East, the increase of population and extension of trade and industry over the vast regions still open to civilization, may call for much larger amounts of coin than are now in use. And when we look at the state of our own currency and those of some other nations. and consider the vast amount of the national debts, the burdens of which will thus be materially lightened, we need not greatly regret the slow and gradual decline of our standard of value causing no individual suffering but giving a great aggregate relief to the taxpayer and stimulus to industry. And as by this process the relative value of gold must steadily decline while the cost of mining must increase, the result may ultimately be to check the production to such a degree as to stop its depreciation altogether.

"Suppose all countries should become wise, and abolish their standard of value," what would be the result? Why, they would be compelled to return to their folly by resuming that standard. We can no more do without a measure of value than of length or of capacity—and the standard must itself possess that which it professes to measure—that is, it must cost on the whole a definite amount of labor, and must possess the necessary qualities to serve as a measure, which it does in the highest degree, and ever since Abraham weighed to Ephron the Hittite "four hundred shekels of silver, current money with the merchant," the precious metals have been to a greater or less extent the measure and standard of value.

A word for bank currency, which, as well as "the credit system, and all other modes of *unduly* increasing money," "all honest people, if they were intelligent" would vote to abolish—says Mr. Sulley—to *restrain* within safe bounds say we. As to credit, we cannot prevent the owner of any commodity from disposing of it on any terms he pleases, nor can we prevent the owners of money from purchasing notes or from lending to merchants or depositing in banks. Neither can we prevent banks and bankers from employing the funds of their depositors, with the consent of the latter. But we *can* compel all banks of issue to keep their issues amply secured, and to maintain ample reserves of coin to redeem their redundant issues, and we can demand of the national government that it set the example, and enforce it on the banks, of redeeming their hitherto dishonored promises now held by the people. When this most desirable state of things is attained the present exceptional profits of banks must necessarily cease.

The great occasional fluctuations in the rate of interest no more disprove the fact that interest is the rent of capital than the much greater variations in the rent of land, buildings, and apartments under exceptional circumstances. And Mr. Sulley's argument that gold cannot be capital because "its exchangeable value depreciates in the ratio of its addition" (even if this fact could be proved) applies, in part at least, to wheat, corn, houses, ships or any other form of wealth. And if gold is not wealth, how comes it that "a greenback is much cheaper?" Cheaper than that which possesses no value?

The demand for money, says Mill, is limited only by the means of the purchaser. This is true of society in the aggregate, though not of each particular individual. The rich merchant or capitalist may be seeking for an investment for his money; but the mass of the people want money, because it commands everything else—and this demand has no limit but their means of obtaining it.

The tendency of credit to advance prices, is doubtless correctly stated by Mr. Mill; but we cannot admit that all credit "accelerates consumption, without demanding in return an equivalent production," or that it necessarily raises prices above their true level. The jobber or retailer who distributes the goods of the importer merely gains time enough, by credit to realize a portion of the proceeds from the consumer, and thus supplement his own capital (if money is capital); but he creates no fictitious demand for merchandise, and instead of increasing the supply of available currency, his notes *absorb* currency when they are discounted, and so tend to *depreciate general* prices, though the particular merchandise purchased by him may be appreciated by his purchase. In the long run, however, all these operations in the end neutralize each other, and do harm only when carried to excess.—J. S. R.

SPECIE PAYMENTS.

BY C. H. C.

In view of the discussion which occupies public attention as to the resumption of money payments, it may be instructive to consider whether any legislation or any voluntary action of the public is likely to bring it about. I may as well say in advance that I do not think it is. Not from impossibilities in the nature of the case; but the structure of the currency, the vast powers of self interest in the erection and support of it through the banking system; the overpowering debtor interest which that system creates by its needless kiting of debt against debt, and the hallucination in the public mind that price is value, so that a decline of general prices is supposed to be a decline of general wealth, are all opposed to it. Debtors must be wronged by any contraction of currency necessary to the resumption of specie payments, as creditors were wronged by the expansion which caused the suspension, and debtors therefore resist contraction.

There are those possible modes of public policy either of which would restore the currency to the par of money, and consequently restore money payments, or the mixed system of interchangeable debt and money, to which we have been accustomed. Neither of these, in my opinion, will ever be adopted; but there is a third mode of proceeding that comes of itself, like the rejuvenation of nature in this latitude after a rugged winter, to which we must look for relief, and in which it will be found. When however, is not quite so certain as the return of spring after a hard winter.

Of the three possible and voluntary methods, the first is to stop the currency at its present volume, and accumulate capital to bring the promise to the par of the gold dollar. I believe I have heretofore given my reasons in this magazine for fixing upon $20 per capita as the normal sum of money demanded by the population and capital of this country.

Population and wealth advance together, in the same ratio, because of the natural law which peopled the earth up to the annual supply of the means of maintenance, with slight and temporary exceptions in the violent proceedings of society. In the United States this conformity is probably less obstructed than anywhere else, and the ratio of increase is, approximately, 3½ per cent. per annum, simply compounding each decade.

Assuming the real money value of the property of the United States to have been $16,000,000,000 in 1860, as stated in the census. The following tables will show its gradual accumulation, beginning with nothing in 1770. Of the wealth existing at that time nothing remains excepting the land, and some few old buildings, the natural appreciation of which from the increase of population, and the cost of cultivation, improvements, and repairs, amount to more than it was worth then. Hence it is fair to assume that the wealth of the nation has all been created since 1770.

It is remarked by John Stuart Mill that, "The greater part, in value, of the wealth now existing in England has been produced by human hands within the last twelve months." The power of reproduction is not less, proportionately, in the United States. But as, with population, every one who is born dies, so, with capital, every portion produced is consumed, and accumulation results from reproduction. Of the wealth produced each year all but about seven per cent in value is consumed the same year, whether in peace or in war, leaving net gain on the whole, as shown in the tables, of about 3½ per cent per annum.

RECKONING BY DECADES FROM 1770.

Date.	Inhabitants.	Accumulation.
1780	3,000,000	$422,221,369
1790	3,929,827	553,085,646
1800	5,305,937	746,759,996
1810	7,239,814	1,018,934,728
1820	9,638,191	1,356,463,402
1830	12,866,020	1,810,769,580
1840	17,069,453	2,402,862,610
1850	23,191,876	3,264,035,218
1860	31,443,322	4,425,347,496
Differential fractions		5
		$16,000,000,000

ANNUAL INCREASE FROM 1850 TO 1860.

Date.	Inhabitants.	Accumulation.
1851	24,250,000	$392,765,566
1852	24,500,000	396,814,696
1853	25,000,000	404,912,955
1854	25,750,000	417,060,344
1855	26,500,000	429,207,782
1856	27,400,000	443,784,599
1857	28,500,000	461,600,769
1858	29,500,000	477,79[illegible],287
1859	30,885,000	492,181,206
1860	31,443,322	509,272,337
Differential fractions		5
		$4,425,347,496

For the inhabitants in the latter table I adopt a formula from the Treasury Department. On this scale of increase which for easy reckoning we may call 3½ per cent per annum, we have gained 8,800,000 inhabitants since 1860, and have now, in round numbers, a population of 40,000,000, and wealth in real money value $20,000,000, demanding money for its circulating medium to one twenty-fifth of its amount, or 800 millions of dollars. Less than this of circulating capital in gold and silver we could not have, as money, if the paper folly that we call money were removed from its path, and more we could not retain without an equivalent increase of other capital.

But the currency of this country, embracing bank demand deposits and balances that would be money under a metallic system of equal volume, amounted at this time to not less than 1,400 millions of dollars, being 600 millions more than the sum of money we can hold unless in absolute hoards.

Hence, by the rule of three, as 14:8::1: 57-100. The currency dollar of to-day, has the average power as a circulating medium of 57 cents of money; or, what comes to the same thing, our general or average prices are advanced 75 per cent above the true money value, at which they stood in the census year 1860. The problem is to raise the power of this depreciated currency 43 cents in the dollar, an increase of capital;

in other words, to reduce general prices from 175 to 100, or from 100 to 57, which is the same thing, without contracting the currency. This could be effected in about twenty-one years by an average increase of capital, yearly, of 3½ per cent. Thus, suppose corn to be one dollar per bushel to-day, and we make an exponent of that commodity for our reckoning :—

1868................................	100 bushels	$100 or	$1 00 per bushel.
1869................................	103½ "	100 or	96-62 "
1870	107 "	100 or	93-46 "
1880................................	173½ "	100 or	57·64 ".

In the latter part of 1889 we should have 175 bushels for $100, the price per bushel being 57 cents; and commodities in general and services would increase in quantity and fall in prices accordingly. That is to say, we should have thirty-five thousand millions of property, in real money value, to be measured in price by fourteen hundred millions of currency, being an increase in the total wealth of the country of 75 per cent, and a fall in price of 43 per cent, when our currency would be at par with the gold dollar, and money payments would resume themselves.

It is simply ridiculous to suppose that our people would submit to any such lingering process as this, or that production and trade could proceed under it. They are always and immediately checked by a general fall of prices.

As population and capital accumulate a fraction more than 3½ per cent per annum, and compound each decade, we should by this process reach the par of money with our currency, and money payments accordingly, in rather less than nineteen years; but this does not help the case materially. It might as well be a thousand years, as ten or five, of a lingering fall of prices. No such nonesense will be endured voluntarily by the laziest man of common sense among us.

The second plan I propose to consider is to contract the currency legally and gradually, as proposed by most of our financial writers. Suppose we try the effect of a contiaction of 100 millions a year. This would cause a fall of prices, first as 14 to 13, then as 13 to 12, then as 12 to 11, and so on, exceeding by a fraction of nine per cent per annum for four years, and compounded with the usual increase of capital, which we have discussed above, it would make the fall of general prices 11 per cent per annum for four years, or 44 per cent altogether in that time. As we need but a fall of 43 per cent, this would bring us to a par currency and and money payments within the four years.

But this also is too long suffering and too much of it. Any man of good business knowledge may see this at a glance. No such business can be done in this country.

The third proposition to which I ask attention is to support two currencies, separately, for a term of years as short as may be possible, one of gold and one of paper; but the government must make the paper and control the whole debt currency rigidly and entirely. It must buy the interest paying public debt for new greenbacks as fast and as far as the bank notes and demand deposit, uncovered by the reserves, can be suppressed, so that the paper currency may be kept full to enable the banks and individuals to discharge their paper obligations with paper at paper prices, and make subsequent contracts for gold. But this power to issue new greenbacks should be in the hands of commissioners to be exercised only to make good the sum of bank currency withdrawn, and prevent a great and sudden fall of paper prices and a financial crisis. Great firmness, integrity and discretion would be indispensable in the exercise of this power.

If five years for example were granted for the circulation of the paper, it might and should be left free as a medium of exchange for all purposes according to the desire and agreement of parties during that period. But the funding system would remain, and it is my belief that the tendency to depreciation of the paper, in the divergence of prices from the gold standard, although modified and restrained by the funding, would be such as to cause the whole to be funded voluntarily during the five years, leaving us at the close of that period a pure metallic currency. Any possible balance then outstanding should be coercively consigned to the funding process. This would leave the banks free to borrow and lend capital, though the instrumentality of money, without limit, and judging from the operations of well conducted trust companies, they would soon carry their loans to twenty times the amount of their stock capital, since they would be unembarrassed by fictitious credit in their demand liabilities. This fictitious credit in discounting debt out of itself into so-called "deposits," and not out of the pre-existing currency cripples their loans, on the average, to less than two-thirds over and above their capital stock under specie payments. What trifling business is this compared with what they might do for the benefit of themselves, and the public with an unadulterated currency! Legislation would be necessary in this case to protect old contracts existing prior to the suspension in 1861–2.

Objection has been made to this plan, that two currencies of unequal cost and value will not circulate together; the less will drive out the more valuable one; which is true if the two are interchangable, but not otherwise.

We have the two currencies now, unsupported by law, but supported by public opinion and integrity in spite of the law, that is, in spite of the paper tender act. California ignores that act entirely, employs money, not debt, for her currency, and buys and sells the greenbacks as she buys and sells other public securities, for their marketable price in money. And our merchants continually traffic for gold in exchange for their merchandise, especially for imported invoices, relying upon the integrity of the debtors. I am not aware that any one has been base enough to tender greenbacks for gold in discharge of a gold contract. He could do it with impunity in law, but not in public opinion. But we want to get rid of this legal inequity, which so far as it has any real power, supports rogues against honest men, encourages debt, and the absence of capital, the thing upon which all business depends, by driving capital in money out of the country, through an abnormal depreciation of its value in the high prices we pay for imports. It is opposed to all true progress in commerce and national finance.

The great obstacle to this plan of a double currency, or of two currencies, is the huge power of fictitious credit in the banking system, which, as I have said, cripples the loans of the banks and their usefulness, and, in my opinion, ultimately, their profits also. But they believe in it, the people believe in it, and it seems useless to argue that we cannot have the value or the use of money at home and send it abroad at the same time, or have our cake and eat it too, which is what the so called credit system attempts to do through the circulation of bank debt in the place of money, and pretends to accomplish.

While this dilusion continues; although we might, by the use of two currencies for a time, slide easily from the paper currency with its false prices, to a metallic currency with its true prices, and avoid financial crisis, we shall not do it. Moreover we are likely to have a decision of the Supreme Court adverse to the constitutionality of the paper tender act, which may embarrass the greenback circulation, or remove it altogether.

I imagine that circulation might be continued without the legal tender attribute, for the purpose of withdrawing the bank currency, with a saving to the public of the interest paid to the banks on their circulation, and on their fictitious deposits also; but Congress and the people are not up to this idea and, therefore, any third plan of restoring specie payments, and without a crash of bankruptcy the only one must also be set aside, for the present as impracticable.

The fourth and last plan is the old one that comes like the Ghost in Hamlet, as the consequence of evil-doing. We have become familiar with, if not fond of it. "Art thou there true-penny!" Sponge the slate with bankruptcy. This is the old remedy, and the only practicable one, since our people will not tolerate any other, nor take warning from their repeated sufferings to prevent the evil which renders the remedy necessary and inevitable.

Undoubtedly this event will be exhibited in due time by the failure in legal tender reserves of some of the large National Banks, or of some other expanded financial institution bearing the same relation to the banks as did the Ohio Life and Trust Company in 1857, the lesson of which may be read in a child's row of blocks, when one tumbler knocks down the whole line. There is nothing in the system to prevent the failure of the banks in greenbacks, as they have already failed in gold. They have the same temptation to expand and depreciate the currency for the gain of their stockholders, and they are proceeding, as before, in discounting debt out of itself into new "deposits," and not out of pre-existing deposits or currency of any sort. Of course the end is certain, but how near no one can tell.

Of all possible blunders in public economy, that of expanding currency as such, in relation to capital, is the most inexcusable and wrong-headed, because of the self-evident truth of the proposition that the nation or the community having the least currency in proportion to capital has the most valuable money, and thereby, to the extent and power of its capital, the control of the commerce of all others. And without the expansion there can be no contraction. Mining gold is producing capital, and gold is money, or currency, to which there can be no objection, as any excess of gold is exportable; but there is no exporting an excess of paper "money."

While money is the common instrument of the world's commerce, by simply letting it alone we can maintain its value at its highest power, and take the lead of the European nations in commercial enterprise, because they do not let it alone. Every one of them, with the unimportant exception, I think, of Switzerland, tamper with money by adulterating its currency with paper. But we have outdone them all in the folly until we are steeped in debt for money and money value that have no existence, under the strange delusion that the medium of exchange is the only attribute of money, and that capital wealth and the power of *payment* are not indispensable elements of nature. We lend our capital on a mass of public and corporate debt as a medium of exchange, shut our eyes to the fact of the absence of so much capital, and so much means of doing business, and call ourselves paid.

With this degraded currency in hand, if the mission of the Chinese Embassy, and the aims of the Pacific Railroad Company have any significance, we are about to suffer ourselves to be plucked, in our central position, by a vastly extended commerce on both sides of the Continent. China and Japan, especially, will sell us their luxuries and knick-knacks in enormous quantities at our high gold prices, that is to say, at the low artificial value we put upon gold, and carry away solid money as the cheapest thing we can sell them in return. At the present writing our general prices are as 175 of currency to 100 of money value, whereas, because of its non-usage as the common circulating medium, we are selling 100 of gold for 144 of currency. There is nothing, I think, that we are selling so cheap.

Having in prospect a vast increase of our commerce with the Eastern nations, who maintain by their industry and their exclusively metallic system the highest value of money, there never was an hour when a prophet in political economy was so needed in this country as now.

Except by and through general bankruptcy we shall not bring about specie payments, unless we can by law or sufferance circulate two currencies long enough to cure the disease of depreciation, as "like is cured by like" in homœpathy. On this principle we must offset the debt currency against the needless public and private debt which is its counterpoise, and extinguish them both together. This we can do without a crisis; but woe unto debtors including the Government, and especially the administration of the time, if the government ever undertakes to experiment in any other way upon the financial system of the nation.

THE SPANISH REVOLUTION.

It results from what we may call the "geographical distribution" of the existing outbreak in Spain, that the rest of the world is even more than commonly unlikely to get at the truth about the progress of events in that country.

The insurrection in northeastern Spain, for instance, appears to have broken out along a line extending from Santona on the Bay of Biscay, a little east of the well-known port of Santander, to Saragossa on the Ebro. By its control of this line the revolution succeeded not only in cutting off the queen, who was at San Sebastian near the French frontier, in the northeast from her capital, but also in putting itself into a position which enabled it to cut the most important telegraphic communications of the kingdom with France and the rest of Europe. Madrid remaining loyal to the queen, couriers from that city could only reach the queen at San Sebastian by making their way through a region occupied by the insurrectionists, and whatever intelligence, therefore, of a kind favorable to the cause of Queen Isabella Paris receives from San Sebastian, must necessarily be taken with large deductions.

In southwestern Spain the capture of the great and important city of Cadiz, through the defection to the revolutionary cause of a part of the royal Spanish navy, while it enabled General Prim and his coadjutors to organize a movement against the capital by way of Cordova, also gave them facilities for throwing out flying connections with the insurgents in the northeast around Saragossa, and for cutting the telegraphic communications of Madrid with Alicante, Valencia, Barcelona and other points on the Mediterranean coast which do not seem at first to have been favorably disposed to the new movement. We are therefore, as little likely to get at positively trustworthy intelligence by way of the Mediterranean and of Marseilles, either in the interest of the queen or of the insurgents, as by way of the Bay of Biscay, the Pyrenees and Bayonne.

Out of the chaos of contradictions and exciting stories which have reached us up to this time this much, at least, however, would appear to be certain, and to be depended upon, that the intollerable system of political repression set on foot in Spain two years ago by Marshal Narvaez, and persevered in since his death by Queen Isabella and her new Moderado, Premier Gonzalez Bravo, has revived throughout the kingdom all the elements of hostility to the Bourbon dynasty. This dynasty, which was originally given to Spain by France in the last century, and which after acquiring a spurious sort of evanescent popularity by its identification during the Peninsular war with the cause of Spanish neutrality against Bonaparte, made haste to throw this popularity away again after the victory of the Holy Alliance, by accepting the military aid of Louis XVIII to put down Riego and the Spanish liberals. Ever since the French invasion of 1823 it has been certain that nothing but the adoption by the Spanish Bourbons of such a political system as should identify them with the moderate liberal development of Spanish institutions, could possibly give them a permanent hold upon the Spanish sceptre. Had Ferdinand VII, or his daughter, Isabella II, possessed anything of the qualities which enabled the Sardinian monarchs of the House of Savoy, to perceive and to put themselves into sympathy with the main drift of ideas and of events in Europe, the Bourbon dynasty in Spain might have become what the House of Savoy has become in Italy the symbol around which the great mass of intelligent men, anxious for the progress, but not less anxious also for the peace of their country, have rallied themselves to secure a reign of liberty protected at once and controled by law.

For, although it be true, that the bulk of the Spanish people are greatly in the rear of the populations of France or Germany in what we call the "modern march of mind," it is also true, that there exists in Spain a large but steadily increasing class of citizens who have kept a live or brought to life again, (it matters little which) the ancient Spanish ideas of commercial independence and personal rights. These men are mostly to be found in the cities and towns engaged in the pursuits of trade and commerce, or in the practice of the learned professions. They are naturally conservative, cautious rather than extreme, and wisely fearful of the effect upon the mind of the masses just beneath them of a sudden and violent change from their passionate faith in Church and Queen to an equally passionate contempt of Church and Queen.

This class of citizens it is, all-important as they have been for years to the very existence of such a thing as a Bourbon dynasty in Spain, that the *Moderados* and the queen have of late bent all their energies to alienate and to exasperate. What we now hear from the Peninsula would seem to show that this ill-omened policy is at last triumphant. The ultra-radical revolutionists of Spain, those who make up the strength of such inveterate conspirators as General Prim, have long been kept back from the fruition of their fiery hopes by the patience, forbearance and willingness to avoid a decisive and desperate crash of the reformatory but anti-revolutionary party. When it was announced some weeks ago that Gonzalez Bravo was about to retire from the ministry in favor Marshal Concha, Marquis of Havana, a trusted leader of the conservative constitutionalists, the extreme radicals seem to have felt that this was a thing to be prevented at all hazards by striking a blow before it could be consummated, and its pacifying influence on the public sentiment be felt. In this feature of the situation resides, we think, the only hope for the Bourbon dynasty. Such a rising as we now see in Spain, had it been made a month ago, against the government of Gonzalez Bravo must in all probability have carried everything before it. It is made now against the government of a man, the Marquis of Havana, who has the confidence of the conservative constitutionalists in a much greater degree certainly than General Prim. This fact may check the disposition of the intelligent classes to lend their support to the movement. This however, can only be the case if the Marquis of Havana succeeds in compelling the Queen to give real and substantial guarantees to the country of a radical and enduring change in the system of her government. Can such guarantees be given by Isabella II? That is a question partly of family tradition and partly of personal character, and it must be confessed that a Spanish reformer who should now put faith in the promises of the daughter of Ferdinand VII would deserve either to be canonized for his spirit of forgiveness, or to be ducked to death for a dunce.

The repeated offer of the Queen to resign in favor of her son, on condition of her being appointed Regent of Spain is of course too absurd to be entertained. It would amount practically to a prolongation of her own reign for seven years, as the Prince of the Asturias, Don

Alfonso, having been born in 1857, and being now consequently eleven years of age, would attain his princely maturity of eighteen in the year 1875.

Should the armed revolution succeed in driving the Marquis of Havana to the wall, the attention of the world will be promptly transferred from Spain to France. It would be impossible for Napoleon III, even were he not the husband of a Spanish Empress who dotes upon meddling with Spanish affairs, to refrain from exercising a very clear and decisive influence upon so grave a matter as a change of dynasty, and perhaps of governmental forms in Spain. The compromise which in other circumstances might have been the most natural result of French counsels or French pressure, the substititution remedy of the Queen's sister and of her husband, the Duke of Montpensier, for Isabella and Don Francisco de Asis, is made impracticable now by the fact that the Duke of Montpensier is a Prince of the House of Orleans. Napoleon III cannot rationally be expected to aid in putting such a personage upon the throne of a country like Spain, though there is good reason to believe that he was at one time quite willing to see him transplanted to an imperial throne in Mexico.

This complication of the dynastic interests of the Bonapartes with the necessities and opportunities of the Spanish people is, perhaps, from a world-wide point of view, the most interesting feature of the present situation in Spain. Unhappily it is also one of the most alarming features of that situation. And it is by no means impossible, though as yet in nowise probable, that the outbreak may prove the means of plunging Europe in that warlike confusion and chaos which all men have been, for months past, vaguely and feverishly anticipating.

PROSPECTS OF THE GRAIN TRADE.

There appears to be a very general feeling of hesitation in all the great grain markets of the world. This is certainly the case with our own merchants, and for very obvious reasons. The condition of the supply has been materially changed by the harvest, while the stocks left over at the close of the crop year are generally larger than a year ago; hence there is naturally a disposition to postpone extensive transactions until the probabilities of the new supply from the principal sources are more definitely understood. Dealers are gradually becoming settled in their estimates of the prospect, and we may consequently anticipate increased activity at an early day. The Western merchants have shown considerable confidence in their purchases, and the accumulation of grain at the trade centres of that section is, therefore, unusually large. The receipts of flour and grain at the five lake ports, from August 1 to September 12, compare as follows with those for the same period of last year:

	1868.	1867.		
Flour, bbls	674,228	575,945	Inc.	98,283
Alll kinds of grain, bush	20,148,253	16,618,639	Inc.	3,529,614

The recent arrivals of grain at the Western ports are thus about 25 per cent above those of last year. Below we give a comparison of the receipts of wheat and flour at the same ports from August 1 to September 19, for four years:

	1868.	1867.	1866.	1865.
Flour ....bbls.	832,518	732,055	518,028	580.909
Wheat ....bush.	9,122,908	8,501,945	4,854,478	4,836,202

This shows an increase over last year of about 600,000 bushels of wheat and 100,000 barrels of flour, and is confirmatory of the increased estimates made of the crop. The receipts during the same period at St. Louis have also been largely in excess of last season. The shipments eastward, however, have not kept pace with the arrivals, and hence stocks have accumulated, the wheat in store at Chicago and Milwaukee combined being, at latest reports, 732,000 bushels, against 507,000 bushels at the same time of 1867 and 430,000 bushels in 1866. The exports of flour at the five principal lake ports from Aug. 1 to Sept. 12 have been 406,600 bbls. against 378,700 bbls. in 1867; but the exports of all kinds of grain, for the same period, are 5,092,700 bushels less than last year. The following statement shows the details of the export movement.

EXPORTS OF FLOUR AND GRAIN FROM THE FIVE PRINCIPAL LAKE PORTS FROM AUG. 1 TO SEPT. 12.

	1868.	1867		1868.	1867.
Flour..........bbls.	406,600	378,700	Oats..........bush.	3,668,400	2,724,706
			Barley.......... "	20,400	433,800
Wheat ....bush.	4,683,900	4,860.600			
Corn.......... "	7 006,800	7,767,700	Total..........bu h.	13,236,800	18,379,500

A considerable amount of grain has reached Buffalo; but a material portion of the arrivals rest there, the result being that the stock of wheat on the 14th inst. was 265,000 bushels against 70,000 bushels at the same date of 1867, and the stock of all kinds of grain was 1,546,000 bushels, against 954,000 bushels at the same period last year. At New York, the receipts of flour and wheat, from the beginning of August to the 18th of September, fall materially below those for the same period of last year, as will appear from the following comparison:

	1867.	1868.		1867.	1868.
Flour..........bbls.	501,230	546,590	Rye..........bush.	64.910	76,860
Wheat..........bush.	1,275,835	1,664,875	Barley, &c.......... "	279,485	60,965
Corn.......... "	5,133,230	4,839,930	Oats.......... "	2,281,595	1,167,775

But, although the arrivals are thus deficient, the stock in store at New York is nearly double that at the same time last year, due principally, however, to the large increase of corn in store, as will appear from the following comparison:

STOCKS OF GRAIN AT NEW YORK.

	Sept 21, 1868.	Sept. 16 1867.		Sept. 21, 1868.	Sept. 16, 1867.
Wheat ....bush.	253,997	242,020	Malt...............bush.	100.555	10,720
Corn............... " .	2,143,507	1,165,196	Peas............... " .	87,429	55,477
Oats............... " .	482,525	246,294			
Rye .... " .	20,303	18,981	Total.......... " .	3,047,752	1,743,393
Barley .... " .	22,437	9,705			

Thus far, then, we have every indication of an abundant surplus for export. How far the forwarding of supplies to the seaboard may be delayed by a disagreement between New York and Chicago, is a matter to be determined by the event; and yet one which may have a certain influence upon the course of prices. The amount of grain to be shipped will be very largely in excess of last year. During the year ending August 31, 1868, the total exports of wheat and flour from the country was equivalent to about 23,000,000 bushels; while, this year, the exportable surplus is estimated at about 40,000,000 bushels. As to corn, our exportable sur plus must also be unusually large, as we have a very considerable stock of last years growth left over, and the crop now beign harvested will, we believe, be largely in excess of any previous year.

What prices we may realise for our surplus of grain depends principally upon the course of the foreign markets and supply, conditions upon which it is very difficult to form a definite opinion. It is now a settled question that Great Britain has an unusually large wheat crop; but it is equally certain that her other grain crops are deficient, and that her root and herbage crops have so suffered from drouth as to set off in great part the gain upon the wheat crop. Stocks of grain in that country at the out-ports do not appear to have materially increased during the past year, while, owing to the early harvest, a considerable portion of the new crop has been already marketed. These considerations are inducing a somewhat general opinion abroad that prices of wheat in England have touched their lowest point. Lately there appears to have been a decrease of shipments to the ports of Great Britain, based upon the supposition in European wheat growing countries that the decline of 20s. per quarter was extreme, and would be succeeded by a reaction, which it would be well to encourage by temporarily checking supplies. There seems to be no reason for doubting that the surplus supply of the European grain countries will be at least equal to that of last year. Late accounts take it for granted that France has all the grain she will require, and a surplus for export, in lieu of her being a large importer last year. As to the supply likely to be sent from Germany, Russia and Turkey, advices are not yet very definite; there is nothing, however, to suggest an expectation that there will be any falling off from last year. The London *Shipping Gazette*, of the 9th inst., remarks: "The growth of wheat in Germany is fully equal to last season, and we believe that the yield in Russia, especially in the South, is a good average. The Baltic and Black Sea shipments are likely to be large, but they will be required for consumption."

Upon the whole, then, it would appear likely that the world's supply of wheat from the past harvest will be fully adequate to its consumption, and may leave a fair surplus for addition to stocks, which, in the event of abundant harvests in 1869, would lay the basis for a return next year to about average prices; that the corn market is likely to experience an earlier approach to the old level, unless the wants of Great Britain prove more pressing than now appears probable.

LOUISVILLE, CINCINNATI AND LEXINGTON RAILROADS.

The Louisville, Cincinnati and Lexington Railroads, as now existing and being operated, comprise the two railroads, which together extend from Louisville to Lexington, Ky., as follows:—Louisville and Frankfort Railroad, Louisville, Ky., to Frankfort, Ky., 65 miles; Lexington and Frankfort Railroad, Frankfort, Ky., to Lexington, Ky., 29 miles, making a total length of 94 miles, on which there are 8.8 miles sideings.

So long ago as 1859 (March 30) the two companies owning these properties entered into an agreement whereby it was provided that the whole road between Louisville and Lexington should be run as one line under the control of an Executive Committee of six persons, four of whom should be chosen by the Directors of the Louisville Company, and two by the Directors of the Lexington Company; and it was further provided that the receipts and expenditures should be apportioned between the two companies in the ratio of the length of their several roads.

An Act of the Kentucky Legislature, approved February 2, 1866, authorized the united company "to construct a branch railroad from some point on the line of their railroads above Lagrange to the Ohio River at or near Covington or Newport." In order to raise money to build this branch the two companies were authorized to issue and sell their joint bonds to an extent not exceeding $3,000,000, and to secure payment of the same, principal and interest, by a deed of trust upon their railroads and branch railroads. The same Act also authorized the Louisville company to increase their capital by $700,000, and the Lexington company their capital by $300,000; and the two companies to be the joint owners of the Cincinnati Branch Railroad (so called) in the proportion fixed by their operating agreement, the entire manage ment and control of the branch being vested in the Executive Committee.

On the 19th January, 1867, a supplemental Act was passed providing that the two companies in their united capacity should be known as the Louisville, Cincinnati and Lexington Railroads, and by that name be as one in all matters touching their joint business and undertakings. This Act also provided that the additional stock authorized by the Act of 1866, instead of being issued as the stock of the separate companies, might be issued as the joint stock of the two companies, upon which dividends might be guaranteed to an extent not exceeding 10 per centum pei annum.

It thus appears that while each company retains its separate organization, the two companies under the firm of the Louisville, Cincinnati and Lexington Railroads, are partners in operating the railroad between Louisville and Lexington, and joint owners of the Cincinnati Branch to be built with moneys raised on their joint credit. It is easy to see that this organization is cumbrous, and would be greatly simplified by a consolidation of stocks. As yet this has not been practicable, from the fact that there has always been a material difference in the market value of the stocks respectively. The difficulty will most likely disappear with the extinguishment of theseparate debts of the companies, and the two interests will then probably give place to one of simpler form.

On the 1st of January, 1867, a deed of trust was executed conveying all the property and franchises then held or thereafter to be acquired by the joint companies or either of them, in trust, to secure the payment of the principal and interest of 3,000 bonds of $1,000 each. These bonds have thirty years to run from date, and will be due in 1897. On the 11th of January, same year, the Branch was finally located, and on the 19th of February the grading and masonry were put under contract. The work has since then been steadily prosecuted, and is now approaching completion. In August last about 20 miles of track had been laid, and the chief engineer is confident that the whole road (81 miles) will be ready for operations by January 1, 1869, or shortly thereafter. The estimated cost of the work is about $3,500,000. The completion of this road will place Louisville in direct connection with Cincinnati on a line of 107 miles. The present distance by railroad is 137 miles.

The reports of the Executive Committee for the fiscal years ending June 30, 1867 and 1868, furnish full statements of the condition and operations of the Louisville-Lexington line of road for those years. From these we have compiled the following abstracts, exhibiting accounts of the amount of rolling and carrying power in use, the results of operations in each year, and the financial condition of the joint interest at the close of each year.

The stock of engines and cars was the same in amount for both years. There were 14 locomotives on the line, and 238 cars. Of the latter, 13 were passenger cars, 5 baggage cars and 149 freight and stock cars; also 38 ballast, 32 hand and 1 boarding cars. Twelve locomotives are being built for the branch line. The performance of the engines and cars was as follows:

	1866-67.	1867-68.
Miles run by locomotives	248,321	244,034
Miles run by passenger cars	494,207	547,212
Miles run by freight cars	941,954	973,172
Cost per mile run by locomotives	42:28c.	33:15c.
Cost per mile run by passenger cars	4:79c.	3:05c.
Cost per mile run by freight cars	1:25c.	1:38c.

The passenger and freight traffic over the line in the same years was as follows:

	1866-67.	1867-68.
Number of passengers carried	279,466	323,808
Equivalent passengers carried one mile	7,157,728	7,078,999
Average distances traveled by passengers	25.61 m.	21.53 m.
Miles run by passenger trains	186,529	137,339
Earnings per passenger carried one mile	3:96c.	3:92c.
Earnings per mile run by passenger trains	224:20c.	219:49c.
Tons of freight hauled	64,432	68,510
Equivalent tons hauled one mile	3,852,323	3,181,380
Average distance hauled	59.78 m.	46.44 m.
Miles run by freight trains	67,968	63,604
Earnings per ton hauled one mile	5:25c.	5:88c.
Earnings per mile run by freight trains	297:42c.	294:40c.

The gross earnings in the two years as above are shown in the following statement:

	1866-67.	1867-68.
Passenger earnings	$283,812 64	$277,702 59
Freight "	202,187 91	187,247 72
Express "	12,881 65	15,437 14
Mail "	9,400 00	9,400 00
Telegraph "	1,249 74	1,111 27
Miscellaneous "	887 07	2,320 19
Total gross earnings	$510,319 02	$493,218 93

The cost of operating was—

Transportation	$83,223 14	$71,620 54
Motive power	98,585 62	77,641 95
Maintenance of way	122,901 88	139,566 41
Maintenance of cars	41,415 68	33,977 50
General expenses	10,976 58	13,175 47
Total operating expenses	$357,101 90	$335,971 87
Net earnings	$153,217 12	$157,247 06

The following table, compiled from the annual reports, shows the results of operations for a series of ten years:

Fiscal years.	Gross earnings. Passengers	Freight.	Other.	Total.	Current expenses.	Net earnings.	Earnings per mile Gross.	Net.	Expenses p. c.
1858-59	$191,771	$186,884	$10,078	$388,283	$210,142	$178,691	$4,130	$1,894	54.12
1859-60	212,134	165,962	12,261	390,377	211,234	179,143	4,158	1,906	54.11
1860-61	158,897	181,304	19,654	354,855	212,908	141,947	3,775	1,510	59.99
1861-62	97,776	141,439	19,022	258,237	169,022	89,215	2,747	949	63.45
1862-63	101,899	201,132	19,198	322,229	183,272	138,957	3,428	1,425	55.43
1863-64	142,928	277,242	19,170	439,340	234,609	204,731	4,674	2,178	53.40
1864-65	374,985	204,746	29,791	609,525	411,186	198,339	6,484	2,110	67.46
1865-66	374,492	165,308	23,002	562,802	403,696	159,106	5,987	1,693	71.78
1866-67	283,813	202,138	24,368	510,319	357,102	153,217	5,429	1,930	70.00
1867-68	277,703	187,248	28,268	493,219	335,972	157,247	5,216	1,678	68.12
Average	221,110	191,292	20,432	432,914	273,414	159,500	4,605	1,697	63.11

The income account for the years ending June 30, 1866 and 1867, compare as follows:

	1867.	1868.
Balance on hand July 1, viz.:		
Stock of supplies	$101,814 39	$54,929 15
Paid to Cincinnati Branch Fund	18,826 49	26,094 59
Cash on hand	....	15,446 48
Gross earnings	510,319 02	493,218 98
Total	$624,959 90	$589,689 15

Per contra: disbursed as follows:

Operating expenses	$357,101 90	$335,971 87
Louisv. & Frankfort RR. on account of net earnings	118,0[illegible]8 81	108,838 73
Lex. & Frankfort RR. " " "	58,306 94	45,700 00
Two 4½ p. c. dividends on preferred stock	....	8,900 00
Balance to credit side of general account, viz.:		
Cash on hand	15,446 48	....
Paid to Cincinnati Branch Fund	26,094 59	35,8[illegible]2 88
Stock of supplies on hand June 30	54,929 15	59,456 06
Total	$624,959 90	$589,689 15

The following is the general statement of receipts and expenses on all accounts for the years ending June 30, 1867 and 1868:

	1867.	1868.
Stock of supplies July 1, 1866	$114,641 83	$........
Transportation receipts	510,319 02	493,218 98
Discount on loans and interest on investments	...	40,358 53
Sales of first mortgage 6 per cent bonds due 1897	833,000 00	1,283,000 00
Sales of preferred 9 per cent stock	....	162,4[illegible]8 76
Received from sundry persons on amounts due	....	18,255 25
Decrease of cash on hand		208,838 75
Due sundry individuals	16,680 78	107,449 56
Bills payable	....	449,814 62
Total	$1,474,640 68	$2,752,909 42

Per contra, the following charges:

Operating expenses	$357 101 90	$335,971 87
Cincinnati Branch	143,648 88	1,968,547 69
Interest on 1st mortgage bonds	17,576 17	94,474 11
Discount " " "	124,950 00	192,450 00
Due from sundry individuals	40,153 62	....
Real estate	19,750 00	3,500 00
Stock of supplies on hand	54,929 15	....
Increase in supplies on hand	....	4,526 93
Dividend on preferred stock	....	8,900 00
Louisville & Frankfort RR. Co., cash paid them	84,880 04	108,838 73
Lex. & Frankfort RR. Co., cash paid them	37,869 56	45,700 00
Cash on hand June 30	598,781 36	....
Total	$1,474,640 68	$2,752,909 42

The financial condition of the company, at the close of the last two years ending June 30, 1867 and 1868, is shown in the following abstract from the general account.

	1867.	1868.
Preferred stock, 9 per cent	$48,638 18	$211,121 94
1st mortgage bonds, 6 per cent, due 1897	833,000 00	2,116,000 00
Reservations on contracts	11,000 93	102,369 48
Due other companies	226 85	242 44
Bills payable for rails, &c., due in 1, 2 and 3 y'rs	1,425 68	449,814 62
Unpaid coupons	4,305 00	12,110 00
Unpaid dividends	....	7,578 00
Due sundry individuals	1,148 00	1,[illegible]80 44
Balance to credit of income account	96,470 22	95,278 45
Total	$996,214 81	$2,995,845 38

Per contra, the following charges:

Cincinnati Branch	$143,648 88	$2,107,196 57
Discount on bonds	124,950 00	317,410 00
Interest on bonds	17,576 17	71,691 75
Total construction account	$286,175 05	$2,496,288 32
Due from other companies	600 73	....
Due from sundry individuals	40,978 47	26,893 37
Real estate	19,750 00	23.250 00
Stock of supplies for current operations	54,929 15	59,456 08
Cash on hand	593,781 36	389,952 61
Total	$996,214 51	$2,995,845 38

The financial condition of the separate companies, jointly owners of the Louisville, Cincinnati and Lexington Railroads, as exhibited in their balance sheet of the 30th June, 1868, is shown in the following abstract:

	Louisville & Frankfort.	Lexington & Frankfort.	Total of both Companies.
Capital stock	$1,108,594 40	$514,646 42	$1,623,240 82
Funded debt	282,519 50	44,000 00	326,519 50
Dividends due and unpaid	4,538 21	3,209 36	7,747 57
Renewal and contingent fund	....	35,296 72	35,296 72
Stock profits	....	66,212 94	66,212 94
Sinking fund	....	10,000 00	10,000 00
Profit and loss	185,179 59	8,266 97	193,446 56
Total	$1,581,831 70	$681,662 41	$2,263,494 11

Per contra, charges as follows:

Construction	$1,532,644 99	$644,265 37	$2,186,910 36
Real estate	33,235 10	9,255 30	42,490 40
Bills receivable	1,932 33	1,166 44	3,098 77
Stocks and bonds	8.500 00	7,232 14	15,732 14
Cash and cash items	5,519 28	9,743 16	15,262 44
Total	$1,581,831 70	$681,662 41	$2,263,494 11

THE COMMERCIAL RECUPERATION OF THE SOUTH.

Rarely has war left a country in a condition more utterly disorganised and devastated than that in which the South was found in the spring of 1865. The most vigorous of its white male population had been slain or maimed; its labor system was disorganised; its plantations a barren waste, through the lack of cultivation, or from the blighting march of armies; its cities were desolate, and its ports destitute of shipping; its canals and its railroads were in a state of comparative ruin; its capitalists were bankrupt, and there was neither confidence nor credit to command the use of outside capital; stocks not only of merchandise but even of the commodities essential to subsistence had become well nigh exhausted; in short a condition of more abject ruin has rarely been witnessed in any country, and the case appeared all the more hopeless from the fact of one-third of the whole population having but just passed from a condition of slavery to that of almost helpless self-dependence.

To compare this condition of things with the present position of the South affords a striking evidence of the inherent vitality of that section.

The recuperation effected within three years, in the face of political derangement, and many other formidable obstacles, must be surprising to those who have noted in history the tardiness with which nations usually recover from the effects of great wars. Poverty, desolation and bereavement appear to have roused that energy in the Anglo-Saxon blood which gives the race under all conditions a superiority over circumstances, and an ability to rise above discouragements. The promptness with which the South ignored the past, and gave itself to the work of recovering its lost fortunes, augues well for its future prosperity. The new status of the negro has been accepted as an accomplished fact, and a spirit of fairness and consideration has been shown toward the freedmen beyond what might have been expected, the planter having admitted them to a virtual copartnership in the results of their joint enterprise. Within three years after the actual emancipationof the slaves, we find negro labor systematically organized, the colored population earning a comfortable subsistence, and their labor yielding a remunerative return to employers.

The labor system of the South under its new conditions, indeed, promises to become a source of progress which in a few years will compensate the South for all the material disasters of the war. Negro labor is already proving to be cheaper under freedom than it was under slavery; and this fact foreshadows an early development of industries in that section which hitherto have barely existed. The peculiar physical qualifications of the negro for labor in hot climates, together with his limited wants as compared with the white laborer, enable him to render a given amount of work for a lower compensation than will be accepted by the white workman; nor does there appear to be any good reason for supposing that the competition for colored labor will early modify its cheapness.

It is easy to see how this fact is likely to conduce to the development of those industries which require muscle rather than skill in the laborer. There is, for instance, a broad basis for a profitable iron trade, which is already in course of successful development. Iron ore of excellent quality exists in the South in abundance, and is easily obtainable on prominent thoroughfares; while the requisites to its manufacture are available at a very low cost. Charcoal can be produced there at 5 cents per bushel, while Northern manufacturers are at an expense of about 15 cents for the same material. Negro labor for mining and reducing the ore can be procured at the rate of 75 cents per day, or about one third the wages paid in the North. Considering that charcoal and labor are the main elements of the cost of producing iron, it is evident that there is here an ample basis for successful competition with the iron trade of other sections. Nor has the South been slow to discover the strength of its position in this respect, for even now they have a number of furnaces in full blast producing profitably a superior quality of iron, which is readily sold in our markets. Their coal deposits also afford similar inducements to that branch of mining. The large forests afford a foundation for the production of lumber at a cost much below that produced by white labor at the North. So long as the negro population were under the absolute control of a class devoted almost wholly to planting and disinclined to manufacturing, colored labor was practically unavailable for developing the resources of the mine and the forest; now, however, the negro is free to use his labor wherever it may be most wanted; and there can be little doubt that capitalists will be found ready to employ it largely in the development of these hitherto neglected resources.

The severe economy practiced by all classes of the South, since the close of the war, has already effected much in the way of recuperation. Every form of personal and domestic expenditure has been cut down to a point consistent with the lowest endurable degree of comfort. This curtailment has been necessary to provide the means of cultivation and production; and already so much has been effected through such economy that, in spite of the heavy losses on the cotton crop of 1867, the planters have been able to raise the crop of this year almost entirely upon their own means instead of depending, as formerly, upon the advances of the factors. This achievement is important, not only for the evidence it affords of the vitality of the planting interest and the enlarged share of profits it retains on the planters hands, but also as establishing a condition of things which will render the cotton grower much less dependent than formerly upon outside capital, and as foreshadowing the ultimate abolition of the system of credit upon which the whole production and trade of the South has usually been conducted. It may, we think, be regarded as a fact already demonstrated by experience that free labor will be cheaper to the planter than that of the slave. The negroes, as a rule, even now work with much regularity, and as the country becomes more settled politically, and the reward of industry will, without doubt, stimulate them to render an amount of effort greatly in excess of all former experience.

The recuperation in the transportation facilities of the South has also been far more rapid than might have been expected. This recovery is due, to a considerable extent, to the assistance rendered by the government in furnishing rolling stock at the close of the war, but mainly, however, to the very necessities of the country which the rapid development of wealth are making apparent. At the close of the war the railroads were in a state of utter dilapidation. The owners had no resources for repairing them or supplying the required rolling stock. With a certain promise of an ultimate recovery of traffic, the roads have been bought up or leased in this condition on favorable terms, and placed in fair running condition. The result has been a large improvement in the traffic, and in many cases the resumption, of stock dividends. It appears from a return in our issue of September 12, that 1,333 miles of road in Georgia earned, last year, $5,287 per mile gross, or $2,160 net, which is over 10 per cent net on the cost of theroads, and that dividends were paid to the stockholders ranging from 2½ to 10 per cent per annum. This fact illustrates the rapid recovery of the railroad interest.

Much, however, remains to be effected before the South can be considered in a sound and healthy condition. While a large amount of formerly cultivated land remains waste and plantations can be bought at one-third or one-half their value before the war, there is clearly a sad lack of resource for bringing up production to its former dimensions. The dearness of real estate, however, is steadily attracting enterprising, active men of the North to settle there; and this impression of new population will contribute much toward the ultimate development of the country.

We have deemed it proper to direct attention to these features in the condition of the South because of their favorable bearing upon the commercial prospects of the country at large.

LABOR CONGRESSES AT HOME AND ABROAD.

During the past month two important assemblages of the so-called "working-classes" have been held, the one in Europe, the other in America. We describe these as assemblages of the "so-called" working classes, because the title is not only a misnomer in itself, but a misnomer which at once results from and leads to a profound misunderstanding of the relations between the classes who assume it and the rest of the community.

A "Congress of workingmen," for example, which excludes all the farm laborers of the country, is obviously no real congress of "workingmen" at all. Not less absurd is it to bestow such a title upon a congress in which neither the lawyers, doctors and writers of a country are represented, nor yet its mercantile classes. In this nineteenth century the workers are not only everywhere, as they have always been, in the majority, but the non-workers constitute, even in the most retrograde countries of Christendom, an almost infinitesimal proportion of the population, and exercise a scarcely perceptible influence alike upon the social and upon the political world. It is difficult, indeed, to extract even from the muster-rolls of the "Third Congress of the International Association of Workingmen" at Brussels, or the "National Labor Union" at New York, an exact and exhaustive definition of the words "labor" and "workingman" as used and understood by these bodies. But in a loose and unscientific, though intelligible way, it may be said that these bodies represent that portion of the population which brings into the general social economy no other capital than its skilled industry in some mechanical trade. Two main motives conspire to bring this portion of the population into such associations, the one desirable and creditable, the other, we think, neither intelligent in itself nor likely to be of lasting potency. We may call these motives the instinct of co operation, and the passion of combination.

By the instinct of co operation we mean the disposition of workmen whose intelligence enables them to forecast the future, but whose resources do not permit them easily to assure themselves against its chances, to form alliances among themselves with the object of providing mutual guarantees against those chances. This disposition gave birth in the middle ages to the famous "guilds" and "brotherhoods," the influence of which, both for good and for evil, is still felt in many of the more important mechanical trades. One of the most striking forms in which this disposition has ever developed itself exists and flourishes now in full vigor in the Russian Aittelschiks. In these communaled corporations each individual makes himself responsible not only for the well being but for the well doing of the rest of the body corporate. How high a standard of probity and of capacity was gradually set up by the great trade corporations of mediæ-Europe we know; and it is to this day a notable fact in France that the "carpenters," who of all the mechanics of France have preserved their corporate organization in the fullest vigor, are also of all the mechanics of France those who furnish from their ranks the s mallest contribution to the annual quota of crime. "It is almost unheard of," says an able French writer on these subjects, "that a carpenter should be found in the criminal dock of one of our courts."

A new and modern form taken by this instinct of co-operation results from the modern development of machinery. We mean the co operation of mechanics to establish, by contributions of capital, workshops and factories, which they carry on by contributions of skill and industry. This form of co-operation is one of the salient facts of recent social history. It has assumed much more important proportions in Europe, and particularly in Germany and the North of England, than in this country. But it was shown at the Congress of the "National Labor Union," in this city, that in one single branch of industry, that of iron-founding, no fewer than eleven co-operative workshops have, within a few years past, been successfully established in different parts of the country.

So far as the "Congresses of Workingmen," rightly or wrongly so styled by way of exclusion, may bring to light the advantages of the spirit of co-operation, help to point out the perils and abuses to which it is liable, and generally instruct both the workingmen themselves and the rest of the world in regard to subjects connected with this spirit, it must be conceded that they will do good, great good, and only good.

Is it otherwise with the other, which, in some cases, also is the stronger motive to the assemblage of such Congresses, the "passion," namely, as we have called it, "of combination?" By this we mean the desire of a body of workmen whose intelligence exceeds their command of material resources, to compel the rest of the community into forming with them relations which it appears to them would be more profitable and more equitable. This desire found its supreme expression in our times in the action taken by the so-called "workingmen" of France during the French revolution of 1848. Its ordinary formula is a protest against the "tyranny of capital over labor," its ordinary outcome in political matters, the demand for such legislation as the "Eight Hour Bill," now a law in this country by act of Congress. We need not go back over all the terrible and all the preposterous incidents of the French revolutionary outbreak of 1848 to set clearly before our readers the excesses to which this "passion of combination" then led the classes subjected to its sway. These excesses were cruelly expiated in the severity with which French society chastised their culminating extravagance, the "insurrection of June." The recollection of them has been perpetuated in the sort of vague terror with which the capitalist classes of the Continent of Europe have ever since regarded everything approaching to a political demonstration made by the intelligent mechanic classes. That the excesses of 1848, however, were not without their salutary uses is shown, we think, by the tone of such Labor Congresses as these which have just been held in Belgium and United States.

It is true that in both a certain amount of wild talk was uttered as to the basis of the social order, and that in both the "workingmen" exhibited a disposition to expect impossible things from governments and from political machinery. But this is true of other classes in the community, as well as of the workingmen. It would be hard, we presume, to find a more complete contrast between the conditions of any two classes of men than exists between that of the "workingmen" and that of the brokers in Wall street. Yet the days are not very far gone into the past, in which Congress was seriously entreated by brokers and bankers to keep the "gold market" quiet and regular by acts in such case made and provided. And the safety of the "workingmen" and of society is furthered, we believe, rather by the utterance of the incorrect theories fermenting in the heads of the former class, than by their suppression in speech leading to their dissemination in desire. No possible number of "Congresses" held by statisticians and economists, would have so good an effect in impressing the truths of political economy upon the "workingmen" as their own progressive wrestling with those truths. The failures of the "socialistic" politicians of France in 1848, undoubtedly did more than all the lectures ever delivered before the "Societie d'Economie Politique" to disenchant the intelligent "workingmen" of France, in regard to the existence of any royal or republican roads to a satisfactory adjustment of social burdens and advantages. And it is noteworthy that the one political purpose which was most clearly and most earnestly urged by the delegates at Brussels upon their constituent classes, was the eminently sound, conservative and co-operative policy of a reduction of the European armaments. The delegates to the American Labor Congress were hardly so wise or so enlightened, we think, in their development of a political plan. The project of forming a "workingman's party" involves, we think, more damage to the intellectual health than benefit to the economical interests of the "workingmen." But it is one thing to plan a political party, and another thing to create it. There being in reality no such antagonism between capital and labor, either in this country or elsewhere, as there is assumed to be by the planners of a "labor party," there can be little doubt, we think, that the native good sense and character of American "workingmen" will rapidly detect this fact, and so suffer the "Labor Party" to die before it is well brought into the world.

DEBT AND FINANCES OF NEW HAMPSHIRE.

Previous to the breaking out of the late war New Hampshire was free from debt and had small liabilities. The successive calls for men to fill the national army and recruit the naval and marine forces necessitated large expenditures, which could only in part be met by current revenue and hence other large sums were raised on bonds and notes. Probably the total expended in bounties and relief exceeded $5,000,000, of which $3,490,204 was outstanding at the close of the last fiscal year, June 1, 1868. The following table exhibits the character and amount of this debt in considerable detail for the three last years at that date comparatively, and shows that in two years it has been reduced from $3,909,918 to $3,490,204, or by $419,714:

		Outstanding June 1, 1866.	1867.	1868.
Six per cents, issued under act of June 1861; dated July 1, 1861; interest Jan. and July; payable July 1, as follows	1866	$100,000	$......	$......
do do do	1867	94,900	94,900	100
do do do	1868	100,000	100,000	100,000
do do do	1869	100,000	100,000	100,000
do do do	1870	97,200	97,200	97,200
do do do	1871	92,000	92,000	92,000
do do do	1872	100,000	100,000	100,000
do do do	1873	100,000	100,000	100,000
do do do	1874	100,000	100,000	100,000
do do do	1875	100,000	100,000	100,000
do do do	1876	100,000	100,000	100,000
do do do	1877	100,000	100,000	100,000
do do do	1878	110,000	110,000	110,000
Six per cents, issued under act of August, 1864; dated Sept. 1, 1864; interest March and Sept.; payable Sept. 1, as follows	1884	278,000	450,000	450,000
do do do	1889	150,000	150,000	150,000
Eight per cents, issued under act of June, 1865; dated Jan. 1, 1866; interest Jan. and July; payable Jan. 1	1869	500,000	500,000	500,000
Six per cents, issued under act of July, 1866; dated Oct. 1, 1866; interest April and Oct.; payable Oct. 1, as follows	1867	....	300,000	....
do do do	1868	....	250,000	250,000
do do do	1870	....	234,100	250,000
do do do	1871	....	116,000	162,500
do do do	1872	...	80,000	135,000
do do do	1873	....	157,500	210,000
do do do	1874	....	250,000	250,000
Bonds of July, 1861		$1,294,100	$1,194,100	$1,099,200
Bonds of Sept., 1864		428,000	600,000	600,000
Bonds of Jan. 1, 1866		500,000	500,000	500,000
Bonds of Oct. 1, 1866		....	1,387,600	1,257,500
Total bonds outstanding		$2,222,100	$3,681,700	$3,456,800
Notes payable		1,687,818	109,637	33,404
Total funded and floating debt		$3,909,918	$3,791,337	$3,490,204

With the exception of $500,000 in 8 per cents, which become due January, 1869, none of these liabilities bear over six per cent. All interest is payable in currency. There were paid to creditors for coupons and interest last year the following amounts: for coupons $224,361, and interest on notes $17,163—total $241,524. The payments on these accounts will be about $20,000 less in the year 1868–69. The amount of debt due at the close of the fiscal year 1867–68, and that will mature during the year 1868–69, is as follows:

Bond overdue and uncalled for	$100	
Bonds to become due July 1, 1868	100,000	
" " October 1, 1868	250,000	
" " January 1, 1869	500,000 —	$850,100
Notes due and uncalled for	5,200	
Notes to become due prior to February 20, 1869	28,204 —	33,404
Total due and to become due		$883,504
The Treasurer has in bonds of 1868	$242,500	
And is authorized to issue notes	291,177 —	533,677
Balance		$349,827

—to be provided from surplus revenue and by new loans.

ANNUAL RECEIPTS AND EXPENDITURES.

The revenue of New Hampshire is derived chiefly from taxes on property, railroads and savings' banks. The following shows the receipts and disbursements of the last fiscal year:

RECEIPTS.		DISBURSEMENTS.	
State taxes	$694,816 81	Ordinary expenses	$135,461 21
Railroad taxes	203,284 64	Extraordinary expenses	97,707 04
Savings' bank taxes	77,227 65	Dividends to towns	156,945 28
Sales of public lands	25,000 00	Literary fund	87,019 24
Interest on deposits, &c	2,485 80	Interest on bonds, &c	242,388 19
Miscellaneous	1,102 00	Principal debt	828,539 50
Loans	527,404 00	Cash June 1, 1868	18,684 72
Cash June 1, 1867	55,424 48		
Total	1,516,745 38	Total	1,516,745 38

TOWN DEBTS AND ASSETS.

The report of the State Treasurer for 1867–68 contains a statement of the debt, assets, rates of taxation, etc., in each town as of May 1, 1868. This exhibit is too voluminous for our columns; and in its stead we give the following aggregates in each county. The debts here spoken of are not military, each town having had its advances returned by the State, nor have we any description of their character or purpose:

Counties.	Debts.	Assets.	Tax p $100 val. Lowest.	Tax p $100 val. Highest.	Tax p poll. Low.	Tax p poll. High.
Rockingham	$1,852,156 67	$218,008 59	$1 38	$5 00	$3 29	$9 22
Strafford	688,378 02	101,675 99	1 33	2 95	3 19	5 34
Belknap	490,070 59	52,997 87	1 55	2 36	3 72	5 67
Carroll	447,669 63	53,050 11	1 86	3 96	4 08	9 50
Merrimac	1,246,505 03	153,211 99	1 20	2 61	2 88	6 26
Hillsborough	1,237,129 26	342,634 33	1 25	2 95	3 00	7 08
Cheshire	554,685 22	65,275 62	1 20	2 70	2 88	6 48
Sullivan	447,251 45	58,264 85	1 32	2 33⅓	3 17	5 60
Grafton	1,058,223 04	170,4[illegible]4 19	0 87	6 00	2 10	14 40
Coos	303,263 90	52,854 41	1 53	3 85	2 52	10 97
Total	$7,926,267 71	$1,258,407 95	$0 87	$6 00	$2 10	$14 40

The lowest and highest rates of taxation are found in Grafton County—the town of Grafton exhibiting the lowest, and the town of Thornton the highest rate. In relation to the above returns the Treasurer remarks that "the assets are not reliable. Some selectmen giving only such as are available, while others include every species of property and claims. Some include the highway tax in their rates of taxation, and others give only the money tax." This explanation may, in some degree, explain thewide difference in the rates given in the table.

SAVINGS' BANKS.

The following are the names of all the Savings' banks in the State and the amount of deposits therein June 1, 1868:

Banks	Deposits.	Banks.	Deposits.
Amoskeag	$1,463,637 57	Milford Five Cents	$144,681 69
Ashuelot	62,009 00	Nashua	597,5[illegible]8 82
Carroll County	145,[illegible]92 65	New Hampshire	493,444 30
Cheshire Pro. Inst	858,730 54	New Ipswich	90,200 00
City Manchester	291,335 27	Newmarket	25,436 36
City Nashua	443,647 22	Norway Plains	311,380 26
Connecticut River	1[illegible]5,028 39	Peterborough	177,430 61
Dartmouth	110,271 12	Pittsfield	21,921 46
Dover Five Cents	143,281 16	Portsmouth	1,078,394 00
Exeter	134,041 81	Rollinsford	265,601 31
Gome Five Cents	83,446 57	County of Strafford	731,486 00
Manchester	997,936 18	Somersworth	206,973 83
Meredith Bridge	2[illegible]8,867 09	Sullivan	241,672 80
Merrimac River	835,678 13	Wilton	15,942 99

Total, 28 institutions, and $10,297,035 53 deposits, It speaks well for New Hampshire to have it recorded that the entire default in the receipt of taxes in 1865 amounted only to $5 61; in 1866 to $11 88, and in 1867 to $1,046 56.

COTTON MOVEMENT AND CROP FOR 1867–68.

[From the COMMERCIAL AND FINANCIAL CHRONICLE.]

We are now able to give our figures showing the crop and movement of cotton in the United States for the year ending September 1, 1868. Our returns are unusually complete this year, and the light we are able to throw on the subject of consumption in the United States will be especially useful. It appears that the total crop reaches 2,498,895 bales, while the exports have been 1,657,015 bales, and the home consumption 885,015 bales, leaving a stock on hand at the close of the year of 38,130 bales. The stock of cotton at the interior towns, September 1, 1868, not included in the receipts, is 3,897 bales, against 5,703 bales last season. We now bring forward our tables showing the whole movement for the year. The first table indicates the stock at each port September 1, 1868, the total exports, and the receipts at the ports for each of the last two years:

PORTS.	Receipts, year ending Sept. 1, 1868.	Receipts, year ending Sept. 1, 1867.	Exported, year ending September 1, 1868, to Great Britain.	France.	Other Foreign.	Total.	Stock Sep. 1, 1868.
New Orleans	584,240	702,131	327,689	147,120	106,668	581,477	1,959
Alabama	366,193	239,516	211,154	10,432	14,925	236,511	2,161
South Carolina	240,431	162,247	89,651	2,936	13,226	105,813	1,945
Georgia	495,959	255,965	240,505	9,904	9,195	259,604	696
Texas	114,666	185,922	40,782	1,625	26,188	68,595	166
Florida	38,593	57,791	....	....	....	....	....
North Carolina	38,643	38,623	....	....	....	....	....
Virginia	166,587	127,867	8,283	....	....	8,283	1,000
New York*	106,973*	119,601*	291,983	26,378	56,373	374,734	23,440
Boston*	34,862*	42,712*	1,208	....	233	1,441	2,500
Philadelphia*	24,221*	22,678*	1,440	....	....	1,440	1,763
Baltimore*	26,610*	10,721*	13,388	....	2,921	16,309	2,500
Portland, Me.*	2,304*	....*	2,807	....	....	2,807	....
San Francisco	....	....	....	....	1	1	....
Total	2,240,282	1,965,774	1,228,890	198,395	229,730	1,657,015	38,130

By the above it will be seen that the *total receipts at the Atlantic and Gulf shipping ports* this year have been 2,240,282 bales against 1,965,774 bales last year. If, now we add the shipments from Tennessee and elsewhere direct to manufacturers, we have the following as the crop statement for the two years:

	Year ending Sept. 1 — 1868.	Year ending Sept. 1 — 1867.
Receipts at the shipping ports	2,240,282	1,965,774
Add shipments from Tennessee, &c., direct to manufacturers	198 613	†54,000
Manufactured South, not included in above	60,000	No return.
Total cotton crop for the year, bales	**2,498,895**	**2,019,774**

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* These figures are only the portion of the receipts at these ports which arrived overland from Tennessee, &c. The total receipts at New York, Baltimore, Boston and Philadelphia for the year ending August 31, 1863, have been as follows: New York, 682,328 bales; Boston, 229,653 bales; Baltimore, 97,888 bales; Philadelphia, 65,851 bales.

† Returns incomplete for 1867.

The result of these figures is a total of 2,498,895 bales as the crop of the United States for the year ending August 31, 1868. We are aware that with some it has been customary in past years to call the aggregate of the receipts at the Atlantic and Gulf shipping ports (which is 2,240,282 bales this year) the total crop, and therefore in making up the product of "Tennessee, &c.," the shipments from those points direct to manufacturers were deducted. Our custom has always been different, never being able to see any good reason for the continuance of so defective a plan. It may be very convenient for the purpose of deciding bets, but it is a misstatement to call a total, which omits a third of the product of one section of the country, the crop of cotton in the United States. Below we give the details of the production of each State, which may be epitomized as follows;

States.	Total crop. 1868.	Total crop. 1867.	States.	Total crop. 1868.	Total crop. 1867.
Louisiana ....bales.	584,240	702,131	N. Carolina..........bales.	38,643	38,628
Alabama	366,193	239,516	Virginia	166,587	127,867
South Carolina	240,431	162,247	Tennessee, etc	393,583	249,712
Georgia	495,959	255,965	Manufact. South*	60,000	No return.
Texas	114,666	185,922			
Florida	38,593	57,791	Total crop	2,498,895	2,019,774

The details of the crop for the two years are as under:

Louisiana.

	1867-8		1866-7	
Exported from New Orleans:				
To foreign ports........................	581,477		618,940	
To coastwise ports.......................	100,215		248,376	
Stock at close of year..................	1,959—	683,651	15,256—	882,572
Deduct:				
Received from Mobile....................	67,043		86,676	
Received from Montgomery................	8,650		10,792	
Received from Florida...................	5,770		11,810	
Received from Texas.....................	7,692		19,0[illegible]1	
Stock beginning of year.................	15,256—	99,411	102,082—	180,441
Total product for the year..............		584,240		702,131

Alabama.

	1867-8		1866-7	
Exported from Mobile:				
To foreign ports........................	236,511		153,424	
To coastwise ports......................	127,243		98,158	
To New Orleans from Montgomery..........	8,650		10,792	
Burnt at Mobile.........................	842		2,437	
Stock at close of year..................	2,161—	369,907	3,714—	268,525
Deduct stock at beginning of year.......		3,714		29,516
Total product for the year..............		366,193		239,516

Texas.

	1867-8		1866-7	
Exported from Galveston, &c.:				
To foreign ports........................	68,595		76,918	
To coastwise ports......................	49,138		113,936	
Stock at close of year..................	166—	117,899	2,557—	193,411
Deduct stock at beginning of year.......		3,233		7,589
Total product for year..................		114,666		185,922

Florida.

	1867-8		1866-7	
Exported from Apalachacola, St. Marks, &c.:				
To Foreign ports........................	.....		3,019	
To coastwise ports......................	38,598		54,396	
Burnt at Apalachicola...................	.....		1,089	
Stock at close of year..................	.....—	38,598	5—	58,509
Deduct—				
Stock at begining of year...............	5		162	
Recovered of burnt cotton...............	....	5	656—	818
Total product for year..................		38,593		57,791

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* Taken from different States.

Georgia.

	1867-8		1866-7	
Exported:				
To foreign ports—Uplands	253,556		106,449	
" " Sea Islands	6,048		8,053	
To coastwise ports—Uplands	235,708		142,142	
" " Sea Islands	5,245		7,058	
Burnt at Savannah	......		51	
Exported from Darien to north'n ports	2		5	
Stock at Savannah close of year	696—	501,255	633—	264,391
Deduct—				
Received from Florida—Uplands	4,937		199	
" " " Sea Islands	666		4,996	
Stock at beginning of year	683—	6,296	3,240—	8,426
Total product for year		495,959		255,965

South Carolina.

Exported from Charleston:				
To foreign ports—Uplands	99,847		72,909	
" " Sea Islands	5,966		7,987	
To coastwise ports—Upland	135,031		80,942	
" " Sea Island	3,928		8,766	
Exported from Georget'n. Port Royal, &c.:				
To Northern ports—Upland	148		915	
" " Sea Island	191		637	
Burnt at Beaufort and Hilton Head	....		45	
Stock at Charleston end of year	1,345—	246,456	1,228—	173,429
Deduct—				
Received from Florida—Upland	180		258	
" " Sea Island	4,617		5,389	
Stock at Charleston beginning of year	1,228—	6,025	5,535—	11,182
Total product for year		240,431		162,247

North Carolina.

Exported:				
To foreign ports	...		534	
To coastwise ports	38,643—	38,643	38,089—	38,623
Total product for the year		38,643		38,623

Virginia.

Exported:				
To foreign ports	8,283		13,011	
To domestic ports	158,893		99,233	
Manuf'd (taken from Petersburg, &c)	....		15,000	
Burn at Norfolk	...		2,500	
Stock end of year at Petersburg and Norfolk	1,000—	168,176	1,589—	131,833
Deduct stock beginning of year		1,589		8,466
Total product for year		166,587		127,867

Tennessee, &c.

Shipments:				
From Memphis	254,240		227,377	
From Nashville	79,193		82,079	
From other places in Tennessee	....			
Kentucky, &c	116,000			
Crop of Illinois, &c	15,000			
Stock in Memphis & Nashville end of year	107—	464,540	1,602—	311,058
Deduct—				
Shipped to New Orleans	69,355		49,615	
Shipped direct to manufacturers	198,613		54,000	
Stock in Memphis and Nashville beginning of year.	1,602—	269,570	11,731—	115,346
Total shipments to New York, Boston, Philadelphia and Portland		194,970		195,712
Add shipped to manufactur's as above		198,613		54,000
Total product for year of Tenn., &c.*		393,583		249,712

Total product detailed above by States for the year ending September 1, 1868	2,438.895
Consumed in the South not included	60,000
Total crop of the United States for year ending Sept. 1, 1868	2 498,895

* Except the shipments to New Orleans, which are included in the New Orleans receipts.

Below we give the total crop each year since 1820:

	Bales.		Bales.		Bales.
1867-8	2,498,895	1849-50	2,096,706	1834-5	1,254,328
1866-7	2,019,774	1848-9	2,728,596	1833-4	1,200,314
1865-6	2,198,987	1847-8	2,347,634	1832-3	1,070,438
1861-5	(no record)	1846-7	1,778,651	1831-2	987,477
1860-1	3,656,086	1845-6	2,100,537	1830-1	1,038,848
1859-60	4,669,770	1844-5	2,394,503	1829-30	976,845
1858-9	3,851,481	1843-4	2,030,409	1828-9	870,415
1857-8	3,113,962	1842-3	2,378,875	1827-8	727,593
1856-7	2,939,519	1841-2	1,683,574	1826-7	957,281
1855-6	3,527,845	1840-1	1,634,945	1825-6	720,027
1854-5	2,847,339	1839-40	2,177,835	1824-5	569,249
1853-4	2,930,027	1838-9	1,360,532	1823-4	509,158
1852-3	3,262,882	1837-8	1,801,497	1822-3	495,000
1851-2	,015,029	1836-7	1,422,930	1821-2	455,000
1850-1	2,355,257	1835-6	1,360,725	1820-1	430,000

The crop of Sea Island the past year has been as follows: Florida, 10,314 bales; Georgia, 6,234 bales; South Carolina, 4,727 bales—total, 21,275 bales, the particulars of which are set out below:

Florida—Bales			10,314
Georgia—Exported foreign	6,048		
Domestic ports	5,245		
Stock end of year	60—	11,353	
Deduct received from Florida	4,997		
Stock beginning of year	122—	5,119	
Total Sea Island and Georgia			6,234
South Carolina—Exported foreign	5,966		
— " domestic ports	3,476		
—Stock end of year	96—	9,538	
Deduct received from Florida	4,617		
Stock beginning of year	194—	4,811	
			4,727
Total Crop of Sea Islands			**21,275**

The crop of Sea Islands during former years has been as follows:

1854-5	bales 40,841	1857-8	bales 40,566	1860-66	No record.
1855-6	44,512	1858-9	47,592	1866-7	bales 32,228
1856-7	45,314	1859-60	46,649	1867-8	21,275

Consumption.

Doubtless some will be surprised at the extent of the cotton production of the country for the past year indicated above. Our own readers, however, will not be, we think, as the running account we have published each week through the year has prepared them for this result; while all cotton manufacturers will only see in our figures proof of what they have long claimed, that the generally received tables of consumption in the United States were very erroneous. Turning then to this question of consumption, it will be interesting to see how our statements compare with the returns of the mills themselves. First we give our usual table showing the result for the year both in the Northern and Southern States.

Total crop of the United States as above stated		2,498,895
Stock on hand commencement of year (Sept. 1, 1867):		
At Northern ports	56,497	
At Southern ports	26,658—	83,155
Total supply during year ending Sept. 1, 1868		2,582,050
Of this supply there has been		
Exported to foreign ports during the year	1,657,015	
Burnt at New York	1,247	
Burnt at the South less recovered	648	
Now on hand (September 1, 1868)—		
At Northern ports	30,203	
At Southern ports	7,927—	1,697,035
Total consumption in United States year ending Sept. 1, 1868, bales		885,015
Consumption in Southern States		60,000
Leaving consumption in Northern States, bales		825,015

According to this formula, the consumption the past year appears to have reached 825.015 bales in the North and 60,000 bales in the South, or a total in the whole country of 885,015 bales That our readers might see how this result tallys with the actual facts, we were making arrangements to obtain the returns from our different manufacturing establishments when we learned that the National Association of Cotton Manufacturers were pursuing the same inquiries; and we have now received from their Secretary the result of their labors. The returns are not complete (that is, they are from only 475 mills), but with the help of the census of 1860 we shall be able to reach satisfactory results. It appears, then, that the number of mills and consumption in the United States in 1860 and the consumption of 475 mills in 1868 were as follows :

STATES.	Census of 1860.			Returns from mills, 1868.		
	No. of Mills.	No. of Spindles.	Consumption, Bales.	No. of Mills.	No. of Spindles.	Consumption, Bales.
Total Northern and Western....................	772	4,870,958	703,950	423	5,004,220	656,964
Total Southern*	143	164,840	87,650	52	135,382	88,990
Total United States..........................	915	5,035,798	791,600	475	5,139,602	695,954

In this table are exhibited many interesting facts which we have not the space to refer to. It is important, however, to notice that the consumption in the Southern States was only 87,650 bales (460 lbs. each) in 1860, according to the census, and that this year the mills which have made returns have consumed only 38,990 bales. Further, it appears that the Northern States (as also given in the census) consumed 703,950 bales in 1860, and the returns of 423 mills in the same States this year show a consumption of 656,964 bales. Now if we estimate the mills which have not reported this year as having 1,200,000 spindles (making the total spindles for 1868 6,339,602, against 5,035,798 in 1860), and as producing the average size yarn of those reporting, we shall find that the whole consumption of the country the past year has been about 881,000 bales, about the same total we have reached above This result is certainly very gratifying evidence of the accuracy of our crop report.

Exports.

In the first table given in this report, will be found the foreign exports the past year from each port to Great Britain, France, and other ports, stated seperately, as well as the total to all the ports. Below we give the total foreign exports for five years for comparison :

Total Exports of Cotton to Foreign Ports for Five Years.

From—	Exports to foreign ports for year ending Aug. 31 — 1860.	1861.	1866.	1867.	1868.
New Orleans, bales................	2,005,6[illegible]	1,783,678	516.188	618,940	581,477
Mobile................................	659,481	456,421	270,934	153,424	236,51[illegible]
South Carolina......................	3[illegible]6,770	214,388	53,824	80,896	105,818
Georgia................................	337,755	302,187	92,905	114,101	259,604
Texas..................................	111,967	68,209	64.388	76,918	63,595
Florida................................	59,108	28,073	37,977	8,0[illegible]9	... ...
North Carolina......................	... ..	195	21	534	....
Virginia..............................	3,259	810	. ...	13,[illegible]1	8,233
New York..............................	203,028	248,049	495,462	469,668	374 734
Boston................................	9 694	23,225	12,014	17 014	1,441
Philadelphia........................	292	3,793	2,035	3.155	1,440
Baltimore............................	257	3,545	6,709	7,97[illegible]	16,809
Portland, Maine....................	.... ..	....	.. .	103	3,807
San Francisco......................	..... .	....	... ...	32	1
Total from the U. S............	2,774,173	3,127,568	1,552,457	1.5[illegible]8,787	1,657,015

* Under the head Southern States we include Virginia, North and South Carolina, Georgia Florida, Alabama, Louisiana, Texas, Mississippi, Arkansas, Tennessee.

To complete our record, we give below a table showing the price of middling uplands at New York and Liverpool on Friday of each week during the last two years:

Prices of Cotton at New York and Liverpool two years.

	1867-8. New York. cts.	1867-8. Liverpool d.	1866-7. New York. cts.	1866-7. Liverpool d
Sept. 6	27	10	32	13
" 13	25	9⅝	32½	13¼
" 20	24½	9½	35½	13½
" 27	22	8¾	38	13½
Oct. 4	20	8½	39½	14⅝
" 11	18	8½	40	15
" 18	19	8½	42	15¼
" 25	20	8⅞	39	15
Nov. 1	19	8¾	39	15
" 8	19	8⅝	37	14½
" 15	18	8½	33	14
" 22	17½	8¼	34	14
" 29	16	7⅝	33½	14
Dec. 6	17	7¾	33½	14
" 13	15½	7⅜	34	14¼
" 20	15¾	7⅜	34½	14½
" 27	15¼	7½	33½	14½
Jan. 3	15½	7¾	35¼	15¼
" 10	16	7½	34½	14⅞
" 17	17¼	7¾	35	14¼
" 24	18	7¾	33	14¾
" 31	19½	7⅞	33½	14¾
Feb. 7	20	8	33	14⅞
" 14	20½	8⅝	33	14
" 21	23¾	10½	32	13¼
" 28	22	9½	32	13½
Mar. 6	25	9⅞	29½	13½
" 13	24¼	10½	31½	13⅜
" 20	24¼	10½	30½	13⅜
" 27	26	10¾	30	13½
April 3	29	12½	27½	12⅝
" 10	30	.	27	12
" 17	30½	12½	25	11½
" 24	32½	12⅝	26⅝	10½
May 1	3 ½	12⅝	27	11½
" 8	32	12¼	27	11
" 15	33	12½	28½	11½
" 22	31	11½	17	11
" 29	31	11¼	27½	11½
June 5	30½	11¾	27	11⅜
" 12	29	11	27	11⅜
" 19	31	11½	26½	11¼
" 26	31½	11⅜	26	11
July 3	32	11½	26	10½
" 10	32½	11¼	26½	10½
" 17	32	11½	26½	10½
" 24	31	10⅞	27	10¼
" 31	30	9⅞	28	10¼
Aug. 7	29	9⅝	28	10¼
" 14	29½	10	28½	10⅞
" 21	30	10¼	[illegible]	10⅝
" 28	30½	11	27	10½

WHEAT AND COTTON RETURNS FOR GREAT BRITAIN.

With the 31st of August the wheat season may be said to have been brought to a close. We have, therefore, just entered on the new season, with a price for wheat much more satisfactory to the consumer, and with a crop, which, if realised at present rates, will yield a large return of profit to the grower. The average price of English wheat in England and Wales in 1867–8 was 68s. 4⅜d., against 60s. 8¼d. in 186 –7; 46s. 5d. in 1865–6; 40s. [illegible]¾d. in 1864–5, and 40s. 10⅜d. in 1863–4. The following statement shows the average price in each week since the 1st of September, 1863:

Week ending	1867. s.	d.	1866. s.	d.	1865. s.	d.	1864. s.	d.	1863. s.	d.
Sept. 7	62	5	47	3	46	0	42	3	44	2
" 14	61	3	47	0	44	7	12	4	44	1
" 21	62	11	49	8	42	0	42	0	44	9
" 28	64	1	51	5	40	10	40	11	43	9
Oct. 5	63	5	52	2	41	1	39	8	42	2
" 12	64	10	52	7	41	11	38	9	41	0
" 19	67	6	52	2	42	1	38	1	40	4
" 26	70	5	52	6	42	4	38	6	40	0
Nov. 2	69	11	54	9	43	4	38	9	39	10
" 9	70	1	57	2	45	3	38	11	40	0
" 16	70	1	56	7	46	11	38	9	39	10
" 23	68	11	57	6	46	10	38	9	39	11
" 30	68	5	60	0	46	6	38	8	40	3
Dec. 7	68	1	61	7	46	5	38	5	40	9
" 14	67	8	63	8	40	8	38	4	41	1
" 21	66	9	59	5	46	8	38	1	41	2
" 28	67	4	60	0	46	11	37	10	40	5

Week ending	1868. s.	d.	1867. s.	d.	1866. s.	d.	1865. s.	d.	1864. s.	d.
Jan. 4	67	10	60	2	46	3	38	2	39	10
" 11	69	6	61	0	46	1	38	7	40	2
" 18	71	6	62	8	45	7	38	10	40	10
" 25	72	4	62	2	45	6	38	6	41	3
Feb. 1	72	6	62	6	45	10	38	4	40	8
" 8	73	4	61	4	45	5	38	4	40	4
" 15	73	0	59	10	45	0	38	4	40	8
" 22	72	11	59	11	45	5	38	2	41	1
Feb. 29	73	4	59	8	45	7	38	6	40	6
Mar. 7	73	8	59	8	45	4	38	4	40	2
" 14	73	1	59	4	45	6	38	8	40	1
" 21	72	5	59	9	45	3	38	4	39	9
" 28	72	10	60	11	44	11	38	11	39	11
April 4	72	6	61	2	41	9	39	8	40	2
" 11	73	2	60	9	44	5	40	1	40	1
" 18	73	8	61	4	44	9	39	7	40	1
" 25	74	7	64	9	45	9	40	11	38	9
May 2	71	2	63	10	45	9	39	10	39	2
" 9	74	7	64	9	45	9	40	11	38	9
" 16	74	3	64	11	46	1	41	8	39	3
" 23	73	10	65	8	47	4	41	9	39	8
" 30	72	3	65	5	47	5	41	11	39	5
June 6	70	8	65	4	47	1	41	5	38	11
" 13	67	6	65	9	47	4	41	1	39	6
" 20	66	1	65	8	48	5	41	3	40	9
" 27	67	5	64	10	51	0	41	6	40	0
July 4	67	7	64	11	54	6	42	5	40	9
" 11	66	7	64	7	55	10	43	1	41	6
" 18	65	0	65	1	54	0	41	0	42	0
" 25	62	9	65	8	52	0	42	10	43	0
Aug. 1	61	1	67	5	51	1	42	6	44	1
" 8	57	11	68	2	50	2	42	0	44	6
" 15	55	0	68	4	50	2	43	1	43	7
" 22	57	1	68	2	50	10	45	4	42	5
" 29	56	11	66	7	49	7	46	7	42	3

The imports of wheat in 1867-8 amounted to 36,215,905 cwt., against 28,783,939 cwt. in 1866-7, being an increase of 7,431,966 cwt. The exports of wheat show an increase of only 327,107 cwt. The imports of flour have declined to the extent of nearly 500,000 cwt. The following are the particulars of the imports and exports of wheat and flour into and from the United Kingdom for each of the two last seasons :

WHEAT AND FLOUR.

	WHEAT.				FLOUR.			
	Imports.		Exports.		Imports.		Exports.	
Week ending—	1866-7. cwt.	1867-8. cwt.	1866-7. cwt.	1867-8. cwt.	1866-7. cwt.	1867-8. cwt.	1866-7. cwt.	'67-8. cwt.
Sep. 7	282,064	757,270	5,792	8,136	27,297	46,883	1,088	144
" 14	314,855	764 138	11,676	29,405	22,088	33,379	184	141
" 21	229,450	737,175	8,546	92,083	28,847	29,184	6	1,362
" 28	293,824	646,705	29,424	73,160	22,747	44,684	285	538
Oct. 5	391,443	539,980	28,789	88,939	24,499	19,246	4	596
" 12	350,770	515,179	20,503	16,704	55,292	38,126	685	603
" 19	301,467	542,356	20,659	11,614	57,673	48,489	410	1,122
" 26	394,462	805,708	43,849	5,859	75,881	65,471	317	573
Nov. 2	602,871	988,177	20,586	7.609	68,186	68,330	118	176
" 9	254,025	942,284	22,254	6,548	77,180	51,899	1,823	229
" 16	273,215	684,455	4,760	7,226	42,412	90,744	206	880
" 23	586,259	681,522	5,629	15,173	127,601	100,118	222	493
" 30	813,608	1,081,292	2,669	17,271	150,419	124,908	27	1,948
Dec. 7	548,601	735,945	185	12,536	126,654	121,805	4	306
" 14	668,679	1,018,945	....	21,615	181,907	158,519	195	299
" 21	716,775	1,032,597	1	19,038	111,129	138,668	852	878
" 28	593.941	839,436	2,750	6,514	136,148	129,774	249	208
Jan. 4	468,985	871,159	380	9,118	86,121	80,958	186	311
" 11	567,256	684,485	2,341	2,838	74 301	50,771	716	727
" 18	455,886	825,951	17,716	1,485	44.756	60,689	914	185
" 25	419,816	387,451	7,358	4,997	94,929	51,964	815	152
Feb. 1	618,083	381,846	12,740	7 464	103,566	30,828	819	284
" 8	827,709	462,561	2,111	6,524	75,601	29,144	188	831
" 15	251,989	674,685	215	8,747	64,699	82,040	155	139
" 22	443,866	4-5,122	4.350	6 792	57,697	86,354	887	957
" 29	466,949	591,763	2,403	2,612	53,617	54,633	655	134
Mar. 7	590,147	570,276	2,520	11,016	55,564	63,042	253	305
" 14	419,653	716,345	838	14,601	47,173	....	843	....
" 21	847,886	620.268	244	26,956	89,968	66,016	282	287
" 28	813,494	1,160,344	7	10,485	104,989	68,870	413	1,179
Apr. 4	950,004	801.724	2,162	6,063	54 581	40,300	403	1,276
" 11	818,430	828,656	45	13,261	42,176	93,793	456	114
" 18	542,4 1	714,712	3,596	8,776	51,645	60,491	530	1,336
" 25	608,228	707,591	160	30,752	75,470	52,639	704	928
May 2	837,491	668,044	27,184	8,213	89,717	36.142	353	2,103
" 9	777,113	770,657	21,461	6,545	80,690	53,640	858	654
" 16	746,814	657,738	1,560	5,492	68,854	55,809	619	1,270
" 23	512,164	723,022	15,213	16,558	83,774	25,331	418	514
" 30	727,185	808,553	12,261	9,251	92,633	47,706	150	24
June 6	657,803	755,817	17,767	4,678	126,284	44,865	7,613	1,831
" 13	452,051	689,057	18,456	1,521	67,897	46,811	720	810
" 20	376,722	567,423	2,986	6,324	38,230	47,895	439	629
" 27	403,884	560,547	....	3,863	65,937	54,546	192	727
July 4	437,265	865,663	....	4,991	54,820	60,729	679	1,250
" 11	777,594	772,046	....	13,848	50,717	42,549	278	828
" 18	1007,208	647,841	....	6,535	65,278	56,098	893	77
" 25	744,476	511,283	...	5,456	47,184	76,612	139	669
Aug. 1	840,599	616,880	....	28,976	42,264	40,977	80	123
" 8	891,405	447,005	....	6,643	38,762	37,280	48	464
" 15	417,917	603,840	142	14,385	41,860	36,399	1,240	721
" 22	790,965	409,768	2,026	13,831	47,817	24,919	155	3,402
" 29	685,664	889,095	141	19,364	56,208	25,482	25	1,266
Total	28,783,939	36,215,905	411,274	733,881	3,622,254	3,112,268	27,789	35,323

According to the Board of Trade returns the imports of wheat in July were 3,010,288 cwt., of which 881,752 cwt. were from Russia, 188,946 cwt. from Prussia, 147,181 cwt. from Illyria, Croatia and Delmatia, 451,988 cwt. from Turkey, Moldavia and Wallachia, 234,200 cwt. from Egypt, 540,584 cwt. from the United States, and 330,344 cwt. from Chili. The return for the seven months ending July 31 shows a dimunition in the receipts from Russia, as compared with the corresponding period last year of 1,098,183 cwt.; from Prussia of 1,669,288 cwt.; while from Turkey, Moldavia and

Wallachia, there is an increase of 844,?23 cwt., from Egypt of 2,824,088 cwt., from the United States of 2,948,380 cwt., and from British North America of 247,675 cwt. The following are the leading particulars of the imports of wheat into the United Kingdom during the seven months ending July 31, 1866, 1867 and 1868:

WHEAT.

	1866.	1867.	1868.
Russia...cwts	3,988,969	6,464,815	5,371,632
Prussia	2,450,902	4,071,707	2,402,419
Mecklenburg	455,222	592,821	425,566
Hanse Towns	489,720	451,615	402,449
Illyria, Crotia and Da'matia	1,191,619	249,074	762 992
Turkey, Moldavia, and Wallachia	800,973	1,523,421	2,367,644
Egypt	8,733	204,124	2,528,211
United States	323,160	1,408,736	4,357,616
Chili	34,244	1,271,197	712,686
British North America	8,789	87	247,762
Total, including other countries	13,784,435	17,744,178	20,706,791

FLOUR.

	1866.	1867.	1868.
Hanse Towns...cwts.	160,477	258,559	313,272
France	2,974,122	1,013 5.6	241,706
United States	168,949	141,709	428,222
Total, including other countries	3,452,822	2,056,521	1,689,44[illegible]

The import of cotton into the United Kingdom in July was 719,793 cwt.; against 748,898 cwt. last y ar, and 1,075,244 cwt. in 1866. As regards this year's importation 270,641 cwt. were from the United States, 65,9?8 cwt. from Brazil, 5,48? Turkey, 35,808 Egypt, 293,909 British India, and 27,644 cwt. from other countries. The following returns show the imports and exports of cotton into and from the United Kingdom, and also the exports of cotton goods during the seven months ending July 31, 1866, 1867, and 1868:

IMPORTS OF COTTON.

From—	1866. cwt.	1867. cwt.	1868. cwt.
United States	3,635,202	3,672,792	4,257,437
Bahamas and Bermudas	5,931	9,916	863
Mexico	3,145	22	....
Brazil	450,166	441,0?8	542,177
Turkey	82,504	54,460	21,015
Egypt	690,267	784 679	783,273
British India	2,888,141	1,257 869	1,02?,892
China	13,496	4,707	......
Other countries	164,134	170,561	108,139
Total	7,932,986	6,396,104	6,735,301

EXPORTS OF COTTON.

To—	1866, cwt.	1867, cwt.	1868, cwt.
Russia	186,830	220,135	126,946
Prussia	34,295	130,?16	64,007
Hanover	5,613	3,514	1,671
Hanse Towns	426,949	403,1?9	334,689
Holland	285,4?2	29?,071	282,111
Other countries	945,249	672,684	522,781
Total	1,884,393	1,729,559	1,33?,2?5

EXPORTS OF COTTON MANUFACTURES.

	1866.	1867.	1868.
Yarn...lbs.	73,320,836	90,352,541	99,708,175
Piece goods...yds.	1,412,385,282	1,529,053,577	1,6?4,967,867
Thread...lbs.	3,514,787	3,707,766	3 744,292

Annexed is a statement showing the extent of our trade with the United States and France in the principal descriptions of cotton, silk and woolen goods during the first seven months of the present and last two years. As regards the United States there is a falling off this year of 6,748,342 yards and lbs. as compared with 1867, and of 59,697,369 yards and lbs. as compared with 1866 To France the shipments show a reduction of 11,591,574 yards and lbs, as compared with 1867, and of 8,114,605 yards and lbs. as compared with 1866 :

TO THE UNITED STATES.

		1866.	1867.	1868.
Cotton piece goods	yds.	76,050,239	62,922,165	51,674 253
Cotton thread	lbs.	898,364	854,902	1,006,752
Linen piece goods	yds.	69,107,809	51,683,397	45,317,509
Linen thread	lbs.	1,271,705	832,738	695,058
Silk piece goods	yds.	460,992	239,574	224,068
Woolen cloth	yds.	3,626,941	2,619,873	1,913,896
Carpets and druggets	yds.	2,616,799	2,823 281	1,882,721
Worsted stuffs	yds.	48,931,833	28,2[illegible]9,715	40,553,146
Total		202,964,772	150,015,745	148,267,403

TO FRANCE.

Cotton yarn	lbs.	2,000,415	2,839,709	2,315,496
Cotton piece goods	yds.	25,879,684	26,161,940	18,556,282
Cotton thread	lbs.	85,439	88,485	8?,220
Linen yarn	lbs.	1,325,067	2,433,160	1,502,905
Linen piece goods	yds.	1,981,891	3,000,314	2,123,489
Silk piece goods	yds.	18,029	15,094	11,808
Woolen yarn	lbs.	1,170,139	1,886,320	5,417.983
Woolen cloth	yds.	1,964,513	4,129,877	1,125,154
Carpets and druggets	yds.	149,561	224,176	523,260
Worsted stuffs	yds.	14,565,114	12,384,776	9,366,680
Total		49,189,882	52,616,851	41,025,277

INFLUENCE OF COLONIES ON ENGLISH TRADE.

Considerable light is thrown upon the disputed question of the value of the English colonies to the mother country, and their influence upon commerce and business, by the publication of recent statistics. From these returns it appears that any apparent expense of the colonies to the Imperial government is more than counterbalanced by the profits derived from trading with them. This may not be true of some of the smaller colonies, from which no compensating advantages are derived, except perhaps from their strategic position in time of war. But there seems to be no doubt that the larger colonies add largely to the wealth and commerce of Great Britain. It has always been the policy of the Imperial government to establish exclusive or at least most favorable trade relations with its dependencies, amounting in many cases to positive monopolies. In our earlier colonial times this subject was always a source of dispute. For instance the tobacco interests of Virginia were greatly impeded by the law which prohibited the exportation of that commodity. But its policy is still based upon the principle of strengthening the ties between the dependencies and the mother country by commercial as well as military means.

An example of the effects of this policy is seen in the late reports relative to the English colonies. In 1866 their trade including imports and exports amounted to the enormous aggregate of $1,421,382,665. Of this sum nearly one half or $679,166,890 was with the United Kingdom. In nearly all the colonies England has more than half the trade. The exceptions are Canada, Australia, and some of the smaller dependencies. Our advantages of geographical position give us the largest proportion of the Canadian trade. In Australia the total exports and imports amount to $335,823,080. Of this $152,565,185 is with England. In India the trade was no less than $619,065,020, of this more than half—amounting to $341,551,385 was with Great Britain.

From these figures it is difficult to resist the conclusion that a large proportion of the immense commerce of England is derived from her colonial possessions. Whether this commerce could or could not be obtained upon terms of free competition, without the advantages of sovereign jurisdiction it is foreign to our purpose to discuss. It is sufficient for us to call attention to the facts that seem to justify the colonial system of Great Britain. That system is now undergoing no change. It is still pushing forward its policy of colonial trade extension. For that purpose no expense or trouble is spared. In India railroads thousands of miles in extent are constructed to convey the cotton and products of the interior to the coast. In a few years the commerce of England and India will be more than doubled. Australian trade is as yet only in its infancy. It has been said that England has made more money out of the United States as an independent power than she could by holding it as a colony. This is doubtful. The actions of English statesmen of the present day do not support the statement. That England makes money out of her colonies appears to be indisputable. Whether the colonies make money out of the mother country is another question, which they will be called upon to decide sooner or later.

RICE CROP FOR 1868.

The Charleston *Courier* gives the following estimate of the yield of the coming rice crop of South Carolina and Georgia:

SOUTH CAROLINA.

	Tierces.	
Waccamaw, Pee Dee, Black, Sampit, North and South Santee Rivers	9,400	
Cooper River	5,000	
Pon Pon	1,200	
Ashepoo	2,500	
Combahee	5,000	
Pocataligo, &c	1,000	
Savannah River	13,000	
Orangeburg and Interior	1,000	
	38,100	
Total for South Carolina		38,100

GEORGIA.

Ogeechee	6,000	
Altamaha	3,500	
Satilla	1,300	
	10,800	
Crop of Georgia		10,800
Total yield of South Carolina and Georgia		48,900

Which, added to the estimated crop of Louisiana, say from 20,000 to 25,000 tierces, and the probable yield of the crop of North Carolina, say about 5,000 to 7,000 tierces, will give an aggregate yield of about 75,000 to 80,000 tierces as the growth of thi section.

DEBT AND VALUATION OF BOSTON.

Messrs. Dupee, Beck & Sales, of Boston, give in their Circular the following statement of the debt and valuation of Boston:

DEBT OF THE CITY OF BOSTON.

The amount of the consolidated debt of the city (funded, unfunded and water loans), on the 1st of May, 1868, was $14,146,900 65, and is made up of the following items, viz.:

Funded city debt		$9,152,639 80
Unfunded "		135,243 74
Water loans		3,867,711 11
Roxbury debt		991,306 00
Total		$14,146,900 65
Funded		$14,011,656 91
Unfunded		135,243 74
Total		$14,146,900 65

Classification of the consolidated debt:

Water debt.—The net cost of the works to May 1st, 1868		$7,677,702 55
City debt proper		3,562,392 10
War debt		1,915,500 00
Roxbury debt		991,306 00
Total as above		$14,146,900 65
To meet which there was belonging to the sinking fund	$4,762,299 59	
Also bonds and mortgages on hand in the treasury amounting to	437,070 13	
		$5,199,369 72
Net debt May 1, 1868		$8,947,530 93

Since the above date, the funded debt has been increased $1,030,000.

The Ninth Section of the Ordinance of Finance (Ordinances of 1863) requires that "all balances of money remaining in the Treasury at the end of any financial year; all receipts in money on account of the sale of real estate of any description, now belonging or which may hereafter belong to the city; all receipts on account of the principal sum of any bond or note, now owned or which may hereafter be owned by the city; and also of the annual city tax, in every future year a sum that shall not be less than three per centum of the amount of the principal of the city debt (and never less than fifty thousand dollars in each year) shall be appropriated to the payment or the purchase of the capital of the city debt.

The principal and interest of the above funded debt (including the Roxbury debt,) are payable as follows:

$583,205 00, at 4½	per cent,	principal	and interest in	gold.
5,672,500 00, at 5	"	"	"	"
433,115 00, at 5	"	"	"	currency.
2,000 00, at 5¼	"	"	"	"
224,000 00, at 5½	"	"	"	"
8,172,325 80, at 6	"	"	"	"
1,800 00, at 6	"	"	"	gold or silver.
55,000 00, at 7	"	"	"	currency.
$10,143,945 80				

The average rate of interest is 5 86-100 per cent per annum, and the aggregate annual interest on the funded debt is $538,247 51.

The annual rate of interest on the water loans is 4 93-100 per cent, viz:

On $1,949,711 11 at 4½ per cent in gold	$87,737 00
1,082,000 00 at 5 " "	54,100 00
836,000 00 at 6 " in currency	50,160 00
$3,867,711 11 at 4 93-100 per cent	$191,997 00

VALUATION OF THE CITY OF BOSTON.

Total real estate, 1868	$287,635,800
" " 1867	268,853,100
Increase	$18,782,700
Total personal, 1868	$210,937,900
" 1867	202,644,700
Increase	$8,293,200

Total real and personal, 1868		$493,573,700
" " " 1867		471,497,800
Increase		$22,075,900
Total polls, 1868		48,416
" " 1867		41,778
Increase		6,638
State tax		$723,140
City and county tax		5,161,689
Total warrant		$5,884,829
	1867	1868.
State tax	$3 94	$1 51
City and county tax	11 56	10 79
	$15 50	$12 30

NEW ORLEANS COTTON STATEMENT FOR THE YEAR.

The New Orleans *Price Current* of August 31 contains its usual carefully prepared review of the movements of cotton at that port for the year ending Aug. 31, from which it appears that the following is the entire movement of the year:

Stock on hand 1st September, 1867 ... bales.		15,256
Arrived since August 21	827	
Arrived previously	659,549—660,376	
Made from waste and damaged cotton, samples, etc.	8,019	
Total receipts for 12 months	——	668,395
Total		683,651
Exported since August 21	1,145	
Exported previously	680,547	
Total exports 12 months	——	681,692
Stock on hand and on ship-board ... bales.		1,959

The statement in detail, month by month, is as under:

	Receipts.	Sales.	Expt's		Receipts.	Sales.	Exp
September	8,042	5,250	6,875	May	8,800	26,500	47,195
October	31,566	26,750	11,584	June	8,234	12,000	19,632
November	90,082	67.000	43,475	July	3,817	4,000	10,346
December	147,614	124,000	119,200	August	1,517	900	2,006
January	109,875	121,000	127,882	Add diff. in stock	8,019	....	....
February	122,598	127,000	109,714				
March	92,458	120,000	122,381	Total	668,395	687,500	681,692
April	41,773	52,600	61,402	Total, 1866-7	780,490	854,250	867,816

The details of the exports for a series of years are as follows:

Whither exported.	1867-68.	1866-67.	1865-66.	1864-65.	1859-60.	1858-59.
Liverpool... bales	324,555	403,521	353,878	21,326	1,348,163	958,528
London	.	....	....	....	107	....
Glasgow, Gr'n'k, &c	75	....	....	....	16.437	9,043
Cowes, Falm'th, &c	3,059	....	....	....	19,147	14.527
Queen t'n, Cork, &c	....	....	....	....	43,112	12,593
Havre	147,093	159,298	133,744	5,952	203,157	247,703
Bordeaux	27	1,554	766	....	2,395	3,074
Marseilles	....	...	...	....	3,735	1.193
Nantz, Cette, and Rouen	..	....	....	....	4,004	4.477
Amsterdam	....	...	....	....	2,949	4,826
Rotterdam & Ghent	....	....	....	....	5,205	9,045
Bremen	34,565	6,735	3,721	....	60,999	66.850
Antwerp, &c	...	60	....	....	16 862	17,132
Hamburg	7,283	....	....	....	9,079	9,410
Gottenb'g & Stockholm	592	....	...	....	13,522	12,334
Spain, Gibraltar, &c	39,675	24,803	16,454	167	50,317	75,889
Mexico, &c	11,081	4,335	688	....	17,725	16,578
Genoa, Trieste, &c	5,677	3,212	286	....	61,328	54,496
St. Petersburg, &c	7,793	15,432	1,701	402	28,019	61,948
New York	54,779	145,016	154,697	144,190	62,936	5,856
Boston	81,651	84,264	81.457	15,993	131,648	25 464
Providence, R. I	2,067	9.711	9,083	2,735	5,717	157,117
Philadelphia	6,294	8,249	5,005	1,355	5 257	5,582
Baltimore	417	1,106	234	....	1,247	1,129
Other coastw'e p'ts	7	....	1,879	231	1,829	1,442
Total	681,692	867,816	768,543	192,851	2,214,296	1,777,171

RECAPITULATION.

Great Britain	327,689	403,521	358,878	21,326	1,426,966	994,696
France	147,120	160,852	134,510	5,952	312,291	256,447
North of Europe	50,235	22,217	5,422	402	133,125	182,475
S. Eup., Mexico,&c	56,433	32,350	17,378	167	129,270	146,963
Coastwise	100,215	248,376	252,355	164,504	208,634	196,590
Total	681,692	867,316	768,543	192,351	2,214,296	1,777,171

RECEIPTS OF COTTON EACH WEEK FOR TWO YEARS AT SOUTHERN PORTS.

The course of receipts at the different ports have been as follows for each week of the last two years:

Week ending	N. Orleans. 1867-8.	N. Orleans. 1866-7.	Mobile. 1867-8.	Mobile. 1866-7.	Savan'h. 1867-8.	Savan'h. 1866-7.	Char't'n. '67-8.	Char't'n. '66-7.	Texas. '67-8.	Texas. '66-7.
Sept. 7	1,025	1,547	988	640	485	1,440	339	480	126	145
" 14	848	2,018	1,392	479	1,660	494	578	1,089	214	46
" 21	1,771	2,643	2,145	772	2,233	1,237	848	950	106	120
" 28	1,796	4,163	4,618	1,607	4,2 0	1,472	1,111	1,431	55	179
Oct. 4	3,262	7,566	4,364	3,086	7,137	2,847	2,908	2,096	78	690
" 11	4,428	12,662	4,623	2,847	9,019	5,939	5,090	2,663	115	759
" 18	6,504	16,569	6,418	7,366	10,417	4,991	6,181	2,986	104	1,419
" 25	7,373	21,500	6,632	8,680	12,405	8,858	5,869	5,395	766	1,663
Nov. 1	9,384	22,019	7,334	7,398	14,955	8,169	8,593	4,667	1,141	2,119
" 8	13,154	19,639	11,226	9,100	19,258	7,614	11,634	5,086	769	4,419
" 15	11,180	24,963	10,638	10,198	8,112	8,496	11,782	6,882	1,182	4,064
" 22	20,530	27,703	15,188	10,193	21,081	7,047	9,836	5,388	2,375	3,572
" 29	25,477	28,836	16,650	9,640	19,678	6,088	7,859	4,069	1,994	5,405
Dec. 6	26,470	25,299	13,721	10,447	14,171	6,285	6,796	5,221	2,269	4,463
" 13	24,278	31,979	20,833	12,719	18,445	5,159	9,701	5,397	2,569	5,042
" 20	26,010	37,764	23,860	13,899	22,072	9,568	9,122	6,268	2,692	4,546
" 27	26,431	29,461	23,101	14,746	20,031	9,114	9,935	6,028	3,344	6,139
Jan. 3	31,160	24,344	16,537	6,905	24,278	7,718	9,832	11,401	2,260	3,824
" 10	22,195	25,019	17,058	9,508	17,081	6,609	6,509	8,961	2,434	5,151
" 17	20,235	29,664	15,575	8,303	17,883	11,154	7,308	6,233	2,930	4,182
" 24	20,858	30,755	15,922	12,097	18,646	10,466	9,739	5,863	2,839	4,789
" 31	18,855	41,656	16,868	6,563	23,200	10,312	10,210	6,399	2,217	6,567
Feb. 7	32,180	26,030	12,093	10,072	18,602	9,346	11,716	4,647	3,295	6,467
" 14	33,878	19,433	12,460	6,581	21,836	6,743	8,729	4,801	4,100	6,473
" 21	25,427	28,786	12,774	6,900	23,164	7,472	10,828	5,281	2,911	6,248
" 28	23,271	20,576	15,420	5,037	22,684	6,936	11,406	2,395	3,671	7,772
Mar. 6	26,104	17,312	8,954	3,137	14,208	5,250	9,011	4,104	3,018	5,274
" 13	22,309	13,359	5,112	3,857	11,550	4,780	5,854	2,805	4,699	7,375
" 20	16,985	14,587	3,662	3,676	11,804	4,523	5,348	2,377	4,441	5,102
" 27	13,275	10,874	2,927	2,611	7,481	4,201	3,690	2,964	2,284	4,733
April 3	11,667	9,751	4,069	2,741	2,843	2,242	5,262	3,525	3,633	3,927
" 10	10,778	8,405	3,838	1,925	9,967	3,737	5,494	2,575	3,194	3,389
" 17	9,501	9,141	3,293	2,470	5,626	2,623	3,606	2,712	3,555	3,073
" 24	6,382	6,021	2,304	1,255	651	2,478	1,210	1,452	4,134	3,437
May 1	3,864	5,127	2,757	1,848	1,519	2,205	2,275	1,549	5,140	1,950
" 8	2,985	4,592	996	1,927	2,971	3,042	1,388	1,432	4,021	1,891
" 15	2,224	4,800	429	1,557	2,278	1,825	921	1,582	3,728	1,888
" 22	1,052	4,256	620	1,264	2,500	3,010	810	2,495	1,737	2,110
" 29	972	3,458	220	937	1,424	1,646	1,834	1,335	849	2,098
June 5	1,027	4,038	240	1,117	865	3,189	830	1,753	636	1,656
" 12	569	2,038	121	715	597	2,418	264	1,689	611	1,258
" 19	373	2,395	76	549	1,500	1,828	360	748	372	1,121
" 26	462	2,208	103	413	812	2,407	271	1,145	288	1,184
July 3	259	2,156	58	445	1,160	1,234	273	1,737	149	1,171
" 10	277	1,143	22	291	980	1,155	170	957	199	366
" 17	472	870	20	389	1,400	1,351	290	760	104	536
" 24	361	1,201	75	341	880	1,378	190	1,331	158	598
" 31	125	1,089	36	259	407	1,189	200	832	60	963
Aug. 7	184	1,116	26	348	15	1,228	20	1,501	60	503
" 14	65	1,008	9	444	100	1,272	574	1,080	55	445
" 21	149	887	43	207	853	1,152	170	1,440	117	228
" 31	827	1,025	270	230	311	789	70	1,605	227	255

DEBT OF MISSOURI.

We have received the following letter from the Treasurer of Missouri in regard to the debt of that State:

CITY OF JEFFERSON, Aug. 28, 1868.

WM. B. DANA & Co., Publishers, &c., New York:

Gentlemen—Your circular l tter of the 24th instant is at hand. Herewith I hand you a state nent of our State bonds as requested.

Old debt proper—All bonds exchanged for new—maturing in 1882 and 1883—6 per cent		500,000
Railroad debt—All series, inclusive of $1,600.000 7 per cent S. W. P. guaranteed		21,650,000
Consols—For past due interest, 6 per cent, maturing in 1887		3,512,000
Total		$25,662,000
Deduct Hannibal and St. Joseph Railroad bonds—Interest paid promptly by the Company, and principal to be shortly substituted for Company's bonds	$3,000,000	
Deduct amount of Pacific Railroad debt to be paid in bonds of the State in the next 30 days	4,650,000—	7,650,000
Actual bonded debt		$18,012,000

Very respectfully,

Wm. Bishop, State Treasurer.

UNION PACIFIC RAILROAD.

The following are the earnings and expenses of the Union Pacific Railroad for the year ending June 30, 1868:

EARNINGS.		EXPENSES.	
From passengers	$883,835 05	For conducting transportation	$517,802 86
From freight	3,233,971 61	For motive power	977,010 62
From express	30,954 79	For maintenance of cars	209,150 57
From mails	66,800 00	For maintenance of way	831,537 66
From miscellaneous	26,579 28	For general expenses	149,255 43
Total	$4,246,040 73	Total	$2,684,757 14
		Net earnings to balance	1,561,283 59
Total (on average of 472 miles)			$4,246,040 73

The amount of First Mortgage Bonds the Company can issue on this 472 miles is $7,520,000.

Gold interest for one year, at the rate of 6 per cent, is	$451,200
Add 40 per cent premium for gold	180,480
Total	$631,680
Surplus for the year, after paying interest on first mortgage bonds	$929,603 59

We will now add to the account the interest on the United States second mortgage bonds, and it will stand as follows:

Net earnings for one year		$1,561,283 59
Interest on first mortgage bonds reduced to currency	$631,680	
Interest on second " " " "	451,200—	1,082,880 00
Surplus, after paying all interests		$478,403 59

It is stated by the officers of the Board that the earnings for the first half of the financial year were so large that the Company reduced their charges twenty-five per cent.

DEBT OF TENNESSEE.

The following is the statement, recently reported to the legislature of Tennessee, of the bonded debt of that State:

BONDED DEBT OF THE STATE.

State debt proper to Jan. 1, 1866		$3,334,606 66
Interest on same funded to Jan. 1, 1868		743,553 60
Total		$4,078,160 26
State bonds loaned to RR's to Jan. 1, 1861	$21,465,000 00	
Interest funded to Jan. 1, 1866	3,732,343 10	
State bonds loaned railroads since Jan. 1, 1861	4,438,000 00	
		$29,635,343 10

State bonds loaned to turnpike co.'s to Jan 1, '61	490,000 00	
Interest on same, funded to Jan. 1, 1868	102,060 00	
		592,060 00
State bonds loaned to Agricultural Bureau to Jan. 1, 1861	30,000 00	
Interest funded Jan. 1, 1866	7,200 00	
		37,200 00
Total		$24,842,772 76
State bonds cancelled		71,006 00
Aggregate state debt		$34,271,762 76

BONDS ENDORSED BY THE STATE.

Nashville and Chattanooga	$1,650,000
East Tennessee and Virginia	200,000
East Tennessee and Georgia	150,000
Memphis and Little Rock	850,000
Total	$2,815,000
Of this amount there has been cancelled by sinking fund	143,000
Balance	$2,172,000

ASSISTANT TREASURER'S STATEMENT FOR SEPTEMBER.

The following is the official statement of the business of the office of the Assistant Treasurer of the United States, in New York, for the month of September, 1868:

RECEIPTS AND DISBURSEMENTS.

Balance, August 31, 1868		$87,555,452 17
Receipts during the month:		
On account of customs	$13,279,450 03	
do Gold notes	1,963,300 00	
do Internal revenue	177,853 37	
do Three per cent. Certificates	5,030,000 00	
do Post-office Department	307,125 53	
do Transfers	10,056,000 00	
do Patent fees	3,870 80	
do Miscellaneous	6,671,968 83	
do Disbursing accounts	10,858,499 91	
do Assay office	74,723 97	
do Interest accounts	5,876,416 25—	54,298,708 69
Total		$141,854,160 86
Payments during the month:		
Treasury drafts	$30,303,470 82	
Post-office drafts	219,410 53	
Disbursing accounts	13,282,722 82	
Assay-Office	197,459 83	
Interest accounts, viz.:		
In coin	3,333,188 75	
In currency	17,908 00—	47,354,170 75
Balance		$94,499,990 11
Balance to Cr. Treasurer U. S	$79,839,118 25	
Balance to Cr. disbursing accounts	12,634,378 69	
Balance to Cr. Assay office	2,205,969 57	
Balance to Cr. Interest accounts	820,533 60	
Receipts for Customs in the month of Sept., 1868		$13,279,450 03
Receipts for Customs in the month of Sept., 1867		11,967,824 64
Increase for Sept., 1868		$1,311,625 49

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 September and 1st of October, 1868:

DEBT BEARING COIN INTEREST.

	September 1.	October 1.	Increase.	Decrease.
5 per cent. bonds	$221,588,400 00	$221,588,400 00	$	$ ....
6 " 1881	283,677,300 00	283,677,300 00	....	....
6 " (5-20's)	1,591,226,050 00	1,594,888,600 00	3,662,550 00	....
Total	2,096,491,750 00	2,100,154,300 00	3,662,550 00	....

DEBT BEARING CURRENCY INTEREST.

6 per ct. (RR) bonds	$35,814,000 00	$39,634,000 00	$4,320,000 00	$.......
3-y'ars com. int. n'tes	10,595,410 00	5,251,930 00	....	5,843,480 00
3 p. cent. certificates	62,205,000 00	65 230,000 00	3,025,000 00	....
Navy Pen. F'd 3 p.c.	13,000,000 00	13,000,000 00	....	....
Total	121,114,410 00	123,115,930 00	$2,001,520 00	....

MATURED DEBT NOT PRESENTED FOR PAYMENT.

7-30 n. due Aug. 1,'67, J'e & J'y 15, '68	$4,650,000 00	$3,537,000 00	$.........	$1,113,000 00
6 p. c. comp. int. n'es	5,083,490 00	6,372,070 00	1,288,580 00	....
B'ds of Texas ind'ty	256,000 00	256,000 00	....	....
Treasury notes (old)	154,111 64	154,111 64	....	....
B'ds of Apr. 15, 1842, Jan 28, 1847 & Mar 31, 1848	1,258,200 00	967,650 00	....	290,550 00
Treas. n s of Ma. 3, 63	555,492 00	445,492 00	....	110,000 00
Temporary loan	744,920 00	744,920 00	....	....
Certifi. of indebt'ess	13,000 00	13,000 00	....	....
Total	12,665,218 64	12,440,243 64	$.........	$224,970 00

DEBT BEARING NO INTEREST.

United States notes	$356,021,073 00	$356,021,073 00	$........	$........
Fractional currency	31,802,218 37	32,923,614 17	1,131,395 80	....
Gold certi. of deposit	25,161,620 00	20,236,400 00	....	4,925,220 00
Total	412,984,911 37	409,191,087 17	....	3,793,824 20

RECAPITULATION.

	$	$	$	$
Bearing coin interest	2,096,491,750 00	2,100,154,300 00	3,662,550 00	....
Bearing cur'y interest	121,114,410 00	123,115,930 00	2,001,520 00	....
Matured debt	12,665,213 64	12,440,243 64	....	224,970 00
Bearing no interest	412,984,911 37	409,191,087 17	....	3,793,824 20
Aggregate	2,643,256,285 01	2,644,901,560 31	1 645,275 80	970,594 68
Coin & cur. in Treas	107,641,971 98	110,257,841 86	2,615,869 88	....
Debt less coin and cur	2,535,614,313 03	2,534,643,718 95	....	970,594 08

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

COIN AND CURRENCY IN TREASURY.

Coin	$92,570,901 21	$96,891,847 10	$4,320,945 89	$.........
Currency	15,071,070 77	13,365,994 76	....	1,705,076 01
Total coin & curre'y	107,641,971 8	110,257,841 86	2,615,869 88	....

The annual interest payable on the debt, as existing September 1, 1868 and October 1, exclusive of interest on the compound interest notes), compares as follows:

ANNUAL INTEREST PAYABLE ON PUBLIC DEBT.

	September 1.	October 1.	Increase.	Decrease.
Coin—5 per cents	$11,079,420 00	$11,079,420 00	$	$........
" 6 " 1881	17,020,638 00	17,020,638 00	....	....
" 6 " (5-20's)	95,473,563 00	95,693,316 00	219,753 00	....
Total coin interest	$123,573,621 00	$123,793,374 00	$219,753 00	$.......
Currency—6 per cents	$2,118,840 00	$2,378,040 00	259,200 00	....
" 3 "	2,256,150 00	2,346,900 00	90,750 00	....
Total currency inter't	$4,374,990 00	$4,724,940 00	$349,950 00	$.........

COMMERCIAL CHRONICLE AND REVIEW.

The Course of Trade—Loans and Discounts—Rates of Loans and Discounts—The Stock Market—United States Securities—Bonds sold at the New York Exchange Board—Prices of Government Securities at New York—Course of Consols and American Securities at London—Miscellaneous Securities at New York Stock Exchange—General Movement of Coin and Bullion at New York—Course of Gold at New York—Course of Foreign Exchange at New York.

The course of trade and finances during September, though not in some respects what has been expected, yet affords some cause for gratulation. The merchandise markets have exhibited a very fair degree of activity. These has been the hesitation among buyers which cannot but show itself so long as the abnormal condition of values exists, and in some branches of trade holders have had to meet this feeling by a partial concession in prices; but upon the whole, the month's business has been satisfactory. The West has taken a very large amount of goods, and the South has been more fully represented than at any period since 1861. It may perhaps be safely assumed that domestic manufacturers have realized very fair profits upon their products recently marketed. The trade in foreign goods, however, has been somewhat irregular as to its results. There appears to have been an over supply of some classes of dry goods, owing to heavy consignments from Europe; and, at the auction sales, large lines of fabrics have realised but little over the gold cost, leaving a heavy loss to the consignors. The crop movement has varied somewhat from that of the same month of last year. While the receipts of grain at the lake ports have been almost unprecedented, the quantity sent East has been much less than in September of 1867, the grain merchants here being cautious at making heavy purchases at the late current prices. Western holders, however, somewhat moderated their views; and as the New York Central and Erie railroads have much reduced their freights during the month it is to be expected that the next few weeks there will be a material gain in the Eastward movement of produce.

This delay in the forwarding of grain to the seaboard has had a somewhat direct bearing upon the course of the money market. The lightness of the supply of grain bills made at New York and Buffalo has tended to keep down the loans of the banks, the result being that, for the greater part of the month, demand loans have ranged at 3@5 per cent, a much easier condition of things than prevailed in September of 1867. Discounts of prime paper have been generally done at 6½@7 per cent. Wall street firms engaged largely in stock operations, as a precaution against a repetition of the stringency experienced a year ago, have borrowed large amounts on stock and bond, during the month, at 6@7 per cent, for from 60 to 90 days, and these loans having materially reduced the demand for call loans, have partially contributed to the ease in the rates upon demand transactions. At the date of the last bank statement, the banks were, in some respects, in an easier position than at the corresponding period of last year, as will appear from the following comparison :

	Sept. 26, 1868.	Sept. 28, 1867.
Loans and discounts	$271,200,000	$251,900,000
Specie	12,600,000	9,500,000
Circulation	34,000,000	34,100,000
Deposits	202,000,000	181,400,000
Legal tenders	63,500,000	55,900,000

At the close of the month, however, there was a sudden increase in the demand for money, apparently due, to some extent, to artificial efforts to tighten the market, under which the rate on call loans advanced on the 30th to 7 per cent, and in exceptional cases even 7 per cent in gold.

The following comparison shows the totals of the statements of the New York banks at the close of each week in September and at the close of September, 1867 :

	Sept 5.	Sept. 12.	Sept 19.	Sept. 26.	Sept. 28, '67
Loans and discounts	$271,880,696	$272,055,690	$271,252,096	$271,273,544	$251,91[illegible],731
Specie	16,815,771	16,150,942	14,665,742	12,603,483	9,496,163
Circulation	34,170,419	34,139,926	34,044,693	34,050,771	34,147,269
Deposits	2[illegible]7,854,383	205,489,070	202,824,583	202,068,334	181,439,410
Legal Tenders	65,983,067	63,429,038	63,772,700	63,587,576	55,991,526

The following are the rates of Loans and Discounts for the month of September:

RATES OF LOANS AND DISCOUNTS.

	Sept. 4.	Sept. 11.	Sept. 18.	August 28.
Call loans	3 @ 4	3 @ 5	3 @ 5	4 @ 5
Loans on Bonds and Mortgage	—@ 7	—@ 7	—@ 7	—@ 7
A 1, endorsed bills, 2 mos	6 @—	6 @—	6 @—	6 @—
Good endorsed bills, 3 & 4 mos	—@ 7	—@ 7	—@ 7	—@ 7
" " single names	7 @ 7½	7 @ 7½	7 @ 7½	7 @ 7½
Lower grades	8 @10	8 @10	8 @10	8 @10

The stock market has been on the whole active. The increasing earnings of the roads have encouraged outside operators to buy, and a considerable amount of stocks has probably passed from the hands of the cliques into the hands of temporary operators. The prevailing tendency of speculation has been toward higher prices and to secure this the cliques appear to have borrowed freely on 2 to 3 months' time. The transactions for the month have been slightly in excess of the same month of 1867, as will appear from the following statement of sales at both boards:

Classes.	1867.	1868.	Increase.	Dec
Bank shares	1,819	2,188	369	.....
Railroad "	1,446,063	1,461,464	15,401	.....
Coal "	4,151	3,773	.....	378
Mining "	10,564	38,317	27,753	.....
Improv'nt "	11,659	13,700	2,041	.....
Telegraph "	76,759	19,615	.....	57,144
Steamship "	40,646	81,498	40,852	.....
Expr'ss&c "	45,468	110,074	64,606	.....
Total—September	1,637,129	1,730,629	93,500	.....
" —since January 1	16,350,755	14,544,018	.....	1,806,733

United States securities have been quiet, so far as respects the operations of investors. There has, however, been much speculative activity, growing out of an expectation that the market would react from the late unusually high quotations. Large "short" sales have been made under this idea; but the supply of bonds being in the hands of one or two leading firms the sellers have been at the mercy of holders, and prices have been maintained until near the close of the month, when there was a decline of ¾ to 1½ per cent. The following are the comparative prices of bonds on Sept. 30, 1868, and Sept. 30, 1867:

				Sept. 30, 1868.	Sept. 30, 1867.
United States Sixes 1881 coupons				113⅜	110⅜
United States Five-twenties 1862 coupons				112⅝	113⅜
"	"	1864	"	109⅝	109
"	"	1865	"	109⅜	109⅜
"	"	1865	" (new)	107⅞	107⅝
"	"	1867	"	108	107⅜

The transactions in bonds during the month have largely exceeded those for the corresponding period of 1867, as will be seen from the following statement:

BONDS SOLD AT THE N. Y. STOCK EXCHANGE BOARD.

Classes.	1867.	1868.	Inc.	Dec.
U. S. bonds	$17,340,000	$23,892,150	$6,552,150	$.......
U. S. notes	1,692,750	......	......	1,692,750
St'e & city b'ds	2,297,800	10,058,000	7,760 200	....
Company b'ds	841,000	1,658,300	817,300	....
Total—September	$22,171,550	$35,608,450	$13,436,900	....
" —since Jan. 1	152,044,630	158,865,440	6,820,810	....

The daily closing prices of the principal Government securities at the New York Stock Exchange Board in the month of September as represented by the latest sale officially reported, are shown in the following statement:

PRICES OF GOVERNMENT SECURITIES AT NEW YORK.

Day of month.	6's, 1881. Coup.	6's, 1881. Reg.	6's, (5-20 yrs.) Coupon 1862.	1864.	1865.	new.	1867.	1868.	5's, 10-40 yrs. C'pn.
1	.....	113⅝	113⅛	109⅝	111⅛	108	107⅞	108⅛	105⅛
2	114⅛	114	114	109⅝	111⅝	108½	108⅜	.....	105⅜
3	.....	113⅛	113⅝	109⅝	111⅜	108½	108⅜	108⅝	105⅛
4	114	.....	113½	109⅜	111⅝	108⅝	108¼	108⅞	105
5	....	.....	113⅝	.....	111⅛	108⅝	108¾	108¾	105⅝
7	114	.....	113¾	109¾	111⅝	109	109	109⅛	105
8	....	....	113⅝	109⅝	111⅝	108⅝	108¾	108⅞	105
9	113¾	.....	113½	109⅛	111	108½	108½	108⅝	104⅞
10	114	....	113⅝	.	110⅞	108¾	108⅝	108½	105
11	114⅛	113⅛	113¾	109⅞	111⅛	109	109	.....	105
12	114⅜	.....	113⅛	109⅞	.....	109⅛	109	109⅛	105
14	114	.....	113⅝	109¾	111⅛	109⅛	108⅞	109	105
15	.....	.....	113⅝	109¾	111	109	109	109⅛	105
16	114	.....	113⅝	109⅝	.....	109	109	....	104⅞
17	114	.....	113¾	....	111	108⅞	109	109	104⅞
18	.....	.....	114⅜	110	111⅝	109	109	109⅜	.....
19	.....	113⅝	114	110	111⅝	109	109⅛	109⅛	104⅞
21	114⅜	113⅝	114¾	110⅛	111⅝	109⅛	109⅛	109⅜	105
22	114⅝	.....	115⅛	110⅛	111⅛	109⅜	109⅛	109½	104⅞
23	.....	.....	115	110⅛	111⅛	109	109	.....	104⅞
24	114	.....	114⅛	109⅞	110⅝	108¾	108⅞	109⅛	.....
25	114⅛	....	114	109⅛	110⅝	108⅞	108¾	109⅛	....
26	114	.....	114	.....	110⅛	108⅛	108⅞	109⅛	.....
28	114	.....	113⅞	109⅞	.....	108⅝	108⅞	109⅛	....
29	113⅛	.....	113	109⅝	109⅞	108⅛	108⅛	108⅝	104⅝
30	112⅝	.....	112⅝	109⅝	109⅛	107⅞	108	.....	.....
First	114⅛	113⅝	113⅛	109⅝	111⅛	108	107⅞	108⅛	105⅛
Lowest	112⅝	113⅛	112⅝	109⅜	109⅛	107⅞	107⅞	108⅛	104⅝
Highest	114⅝	114	115⅛	110⅛	111⅝	109⅜	109⅛	109½	105⅜
Range	2	⅞	2½	⅞	1⅞	1⅛	1⅜	1⅛	⅝
Last	112⅝	113⅝	112⅝	109⅝	109⅛	107⅞	108	108⅝	104⅝

The closing prices of Five-Twenties at Frankfort in each week ending with Thursday, were as follows:

Sept 3.	Sept. 10.	Sept. 17.	Sept. 24.	Month.
75⅝@75½	75⅛	75⅛	75⅞	75⅛@75⅞

The closing prices of Consols for money and certain American, securities (viz U. S. 6's 5-20's 1862, Illinois Central and Erie shares) at London, on each day of the month of September are shown in the following statement:

COURSE OF CONSOLS AND AMERICAN SECURITIES AT LONDON.

Date.	Cons for mon.	Am. securities. U. S. 5-20s	Ill.C. sh's.	Erie shs.
Tuesd y 1	94	71⅞	91¼	30½
Wedn'y 2	94	71¾	91½	30½
Thursday 3	94	72	91½	31½
Friday 4	94⅛	72⅛	91	31
Sat'day 5		(Holi	day.)	
Monday 7	94	71⅞	91	30¼
Tu'sday 8	94	72	91¼	30¼
Wednesday 9	94	72	91	30½
Thursday 10	94	71⅞	90¾	30¼
Friday 11	94	72	90¾	30¾
Saturday 12		(Holi	day.)	
Mond'y 14	94	72	90½	29¾
Tuesday 15	94⅛	72⅜	90½	30¾
Wedney 16	94	72	91	30⅛
Thurs 17	94⅛	72⅛	90¾	30½
Friday 18	94⅛	72⅛	91	31
Saturday 19	94⅛	72⅛	90¾	30¾
Monday 21	94	72¼	90½	30¾
Tuesday 22	94⅛	72⅞	91½	31¾
Wednesday 23	94¼	73⅛	90½	32¼
Thursday 24	94⅜	73	93	33¼
Friday 25	94⅜	73	93	32¾
Saturday 26	94½	72⅞	93½	33½
Monday 28	94½	73	94	33⅜
Tuesday 29	94⅜	73¼	95½	32
Wednesday 30	94⅜	73⅛	95¼	31¼
Lowest	94	71¾	90½	29¾
Highest	94½	73¼	95½	33¼
Range	½	1½	5	3¾
Low } Since Jan. 1	91⅞	70⅛	84¾	29¾
Hig } Since Jan. 1	96½	73½	102	50⅜
Rng } Since Jan. 1	4⅝	3⅜	17¼	20⅝
Last	94⅜	73⅛	95¼	31¼

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The following table will show the opening, highest, lowest and closing prices of all the railway and miscellaneous securities quoted at the New York Stock Exchange during the months of August and September, 1868:

	August.				September.			
	Open.	High.	Low.	Clos.	Open.	High.	Low.	Clos.
Railroad Stocks—								
Alton & Terre Haut	....	....	....	....	43	46½	48	48
do do pref.	....	....	....	....	64	65½	63½	63½
Boston, Hartford & Erie	19½	24	18½	21½	22½	23	22¾	23
Chicago & Alton	136½	144	136	142	142	158½	141	150
do do pref	138½	145	138½	145	144	158½	144	151
Chicago, Burl. & Quincy	170	173	170	171	....	....	....	....
do & Gt Eastern	40	40	40	40	40	40	38	40
do & Northwest'n	82½	83½	80	83½	84	90¾	81	88
do do pref	81½	83¾	79½	83¾	84	91½	83¾	88½
do & Rock Island	110½	112½	97½	101½	102½	104½	100¾	102¾
Cleve., Col., Cin. & Ind	88	88	81	82	81½	82	79½	79½
do Painesv. & Ashta	100	100	97½	98	98½	101	96½	96½
do & Pittsburg	89½	89½	85	86½	87	89	84½	84¾
do & Toledo	102½	102¾	98½	101½	103	103½	100½	102
Del., Lack & Western	118	120	118	119	118½	122	118½	122
Dubuque & Sioux city	72½	72½	72½	72½	80½	101	80½	101
do do pref	....	....	....	....	92½	97	92	93
Erie	68¾	68¾	45½	48	47¾	52½	46	46¾
do pref	78½	78½	68	69	70	70½	68	70½
Harlem	....	....	....	....	124	124	124	124
do pref	....	....	....	....	122	123	122	122
Hannibal & St. Joseph	85¾	85¾	84	84	87	90	87	90
do do pref	86	86	83	83	87	90	87	89½
Hudson River	140	140	133	140	140	142	138	140½
Illinois Central	151	151½	142½	144½	145	146	143½	146
Ind. & Cincinnati	....	....	....	....	51	51½	51	51½
Mar. & Cincin., 1st pref	28	28	28	28	....	....	....	....
do 2d pref	....	....	....	....	....	....	....	....
Michigan Central	119½	121	118	119	119	119	118	118½
do S. & N. Ind.	88½	88½	82	84¾	85¾	86½	83	83
Mil. & P. du Ch'n, 1st pr	106	107	106	107	....	....	....	....
do do 2d pr	....	....	....	....	....	....	....	....
Milwaukee & St. Paul	76	77	69	76	77½	97½	77½	94
do do pref	84	84½	79½	83½	84	96	84	94½
Morris & Essex	63	64	63	64	64	65½	63	65½
New Haven & Hartford	213	225	218	225	....	....	....	....
New Jersey	....	....	....	....	133½	134	132½	132½
do Central	121	121	118	119	120	124	120	122
New York Central	132½	132½	122¾	125½	126	130½	123	126½
do & N. Haven	145	145½	143	143	140	141	140	141
Norwich & Worcester	91	91	91	91	92	93	92	93
Ohio & Mississippi	30¾	30¾	28½	28½	29	29¾	28	28½
do do pref	79½	79	77½	78	89	89	78	78
Panama	340	368	340	368	364	369	360	360
Pittsb., Ft. W. & Chica	110¾	110½	105	108½	108½	111½	107	109
Reading	94½	95	88½	90¾	91	95½	89½	93½
Rome & Watertown	....	....	....	...	114	114	114	114
Stonington	80	80	80	80	80	83	80	83
Third Avenue	....	....	....	....	180	180	180	180
Toledo, Wab. & Western	51	58¾	49	53½	53½	64	53½	59½
do do do pref	73	73	73	73	73½	78	73½	73
Miscellaneous—								
American Coal	45	45	45	45	....	....	....	....
Cumberland Coal	30	31	29	29	29¾	35	29½	33
Del. & Hud. Canal Coal	131	131	119½	127	128	131	127	127
Pennsylvania Coal	200	200	200	200	....	....	....	....
Pacific Mail	101½	104½	98½	101½	101½	113½	101½	107
Atlantic do	15	19¾	15	19¾	20	21	20	21
Union Navigation	27	27½	27	27½	....	....	....	....
Boston Water Power	17½	17½	15½	15½	15½	15½	15	15
Canton	48	48	45½	45½	46	49½	46	46
Cary Improvement	10¾	11½	10¾	11	....	....	....	....
Brunswick City	8½	8½	8½	8½	7½	7½	7½	7½
Mariposa	....	....	....	....	3½	5½	3½	5½
do pref	7	7	7	7	8	12¾	8	12¾
Quicksilver	21½	22½	20	21½	21	23½	20½	22½
Manhattan Gas	....	....	....	....	225	225	225	225
West. Union Telegraph	35	35	33	34¾	34½	34¾	34	33¾
Bankers & Brokers Ass	99	105	99	105	106	106	104½	105½

Express—								
American	45 1/8	45 1/8	40	41	44 1/4	51	41 1/8	48 3/4
Adams	52 5/8	53	46	48	48 1/4	52 1/4	48	52 7/8
United States	46	46 1/2	41	42 1/8	41	51	41	50
Merchant's Union	24 1/4	24 1/4	18 1/8	21	21 1/8	25 1/4	21 1/8	24 3/4
Wells, Fargo & Co	26 1/2	27 5/8	24 1/4	24 3/4	25 1/8	31 1/8	25 1/8	30

The gold premium has steadily declined from 145⅛, at the opening of the month, to 141⅛ at the close, the change being apparently due mainly to the low rates of exchange following the large exports of bonds in July and August, and to the prospect of the grain and cotton exports realizing a larger amount than those of last year. The receipts of treasure from California have slightly exceeded those of September last year, while the exports of specie have been about $200,000 less than then.

The following formula will show the movement of coin and bullion during the month of September, 1867 and 1868, comparatively:

GENERAL MOVEMENT OF COIN AND BULLION AT NEW YORK.

	1867.	1868.	Increase.	Decrease
In banks, near first	$7,271,595	$16,815,778	$9,544,183	$......
Receipts from California	2,611,440	2,844,944	233,504	......
Imports of coin and bullion	342,160	896,959	554,799	....
Coin interest paid	2,716,959	3,333,139	616,180	....
Redemption of loan of 1847-'48	....	549,400	549,400	....
Total reported supply	$12,942,154	$24,440,220	$11,498,066	$........
Exports of coin and bullion	$2,276,801	$1,974,272	....	$302,259
Customs duties	11,967,824	13,279,450	1,311,626	......
Total withdrawn	$14,244,625	$15,253,722	$1,009,097	$.......
Excess of reported supply	$.......	$9,186,498	$9,186,498	$.......
Excess of withdrawals	1,302,471	......	....	1,302,471
Specie in banks at end	9,496,163	12,603,483	3,107,320	......
Derived from unreported sources	$10,798,634	$3,417,085	$......	$7,381,549

The following exhibits the fluctuations of the New York gold market in the month of September, 1868.

COURSE OF GOLD AT NEW YORK.

Date.	Openi'g	Lowest	High'st	Closing.	Date.	Openi'g	Lowest	High'st	Closing.
Tuesday 1	144 5/8	144 5/8	145	145	Tuesday 22	143 3/8	142 5/8	143 1/2	142 7/8
Wednesday 2	145	144 3/4	145 1/8	144 7/8	Wednesday 23	143	142 1/4	143 1/8	142 7/8
Thursday 3	144 5/8	143 7/8	144 5/8	144	Thursday 24	142 1/4	141 1/8	142 3/8	141 7/8
Friday 4	143 3/4	143 3/4	144 1/8	144	Friday 25	142	141 5/8	142 1/8	142 1/8
Saturday 5	144 1/4	144 1/4	144 3/8	144 3/4	Saturday 26	142 3/8	142 1/8	142 1/8	142 1/8
Monday 7	144 3/8	144 3/8	145	144 3/4	Monday 28	142 1/8	141 1/8	142 1/8	141 1/8
Tuesday 8	144 3/8	144 1/8	144 1/8	144 3/8	Tuesday 29	141 1/8	141 1/8	141 3/4	141 5/8
Wednesday 9	144 3/8	144 1/8	144 1/8	144 1/4	Wednesday 30	141 1/4	141 1/8	141 3/8	141 1/4
Thursday 10	144 3/8	144 3/8	144 5/8	144 3/8					
Friday 11	143 7/8	143 7/8	144 1/8	144 1/8	Sept. 1868	144 5/8	141 1/8	145 1/8	141 1/4
Saturday 12	144 1/8	144	144 3/8	144 1/4	" 1867	141 1/4	141	146 1/8	143 1/8
Monday 14	144 1/8	143 5/8	144 1/8	143 7/8	" 1866	147 1/8	143 1/8	147 1/8	146 1/8
Tuesday 15	143 7/8	143 3/4	144 1/8	144 1/8	" 1865	144 1/8	142 5/8	145	144
Wednesday 16	144 1/4	144 1/8	144 7/8	144 3/4	" 1864	245	191	254 1/8	198
Thursday 17	144 5/8	144 3/8	144 3/4	144 5/8	" 1863	127	126 7/8	143 1/8	141 1/8
Friday 18	143 3/8	144 3/8	144 3/4	144 3/4	" 1862	116 3/4	116 1/8	124	122 1/8
Saturday 19	144 5/8	144 1/8	144 3/8	144 1/4					
Monday 21	144 1/4	144 3/4	144 3/8	143 3/4	S'ce Jan 1, 1868	133 1/8	133 1/4	150	141 1/4

The following exhibits the quotations at New York for bankers 60 days bills on the principal European markets daily in the month of September, 1868:

COURSE OF FOREIGN EXCHANGE (60 DAYS) AT NEW YORK.

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	108⅞@109⅛	518¾@517½	40⅝@40¾	79¼@79⅜	35¾@35⅞	71½@71⅝
2	108⅞@109⅛	518¾ 517½	40⅝@40¾	79¼@79⅜	35¾@35⅞	71½@71⅝
3	108⅞@109⅛	518¾@517½	40⅝@4 ¾	79¼@79⅜	35¾@35⅞	71½@71⅝
4	109⅛@109⅜	516¼@515	40⅝@40¾	79¼@79⅜	3 ¾@35⅞	71½@71⅝
5	109⅛@109⅜	516¼@515	40⅝@40¾	79¼@79⅜	35¾@35⅞	71½@71⅝
7	109⅛@109⅜	516¼@515	40⅝@40¾	79¼@79⅜	35¾@35⅞	71½@71⅝
8	109⅛@109⅜	516¼@515	40⅝@40¾	79¼@79⅜	35¾@35⅞	71½@71⅝
9	109⅛@109⅜	516¼@515	40⅝@40¾	79¼@79⅜	35¾@35⅞	71½@71⅝
10	109⅛@109¼	518¾@516¼	40⅝@40¾	79¼@79⅜	35¾@35⅞	71½@71⅝
11	109⅛@109¼	518¾@516¼	40⅝@40¾	79¼@79⅜	35¾@35⅞	71½@71⅝
12	109⅛@109¼	518¾@516¼	40⅝@40¾	79¼@79⅜	35¾@35⅞	71½@71⅝
14	109⅛@109¼	518¾@516¼	40⅝@40¾	79¼@79⅜	35¾@35⅞	71½@71⅝
15	109 @109⅛	518¾@517½	40⅝@40¾	79¼@79⅜	3 ¾@35⅞	71½@71⅝
16	109 @109⅛	518¾@517½	40⅝@40¾	79¼@79⅜	35¾@35⅞	71½@71⅝
17	108⅞@109	518¾@517½	40⅝@40¾	79¼@79⅜	35¾@35⅞	71½@71⅝
18	108⅞@109	518¾@517½	40⅝@4 ¾	79¼@79⅜	35¾@35⅞	71½@71⅝
19	108⅞@109	518¾@517½	40⅝@40¾	79¼@79⅜	35¾@35⅞	71½@71⅝
21	108¾@109	520 @518¾	40¾@40⅞	79 @79¼	35⅝@35⅞	71⅛@71¼
22	108½@108¾	520 @518¾	40¾@40⅞	79 @79¼	35⅝@35⅞	71⅛@71¼
23	108⅝@108⅞	520 @518¾	40¾@40⅞	79 @79¼	35⅝@35⅞	71⅛@71¼
24	108⅝@108⅞	520 @518¾	40¾@40⅞	79 @79¼	35⅝@35⅞	71⅛@71¼
25	108⅝@108⅞	520 @518¾	40¾@40⅞	79 @79¼	35⅝@35⅞	71⅛@71¼
26	108⅝@108⅞	520 @518¾	40¾@40⅞	79 @79¼	35⅝@35⅞	71⅛@71¼
28	108⅝@108⅞	520 @518¾	40¾@40⅞	79 @79¼	35⅝@35⅞	71⅛@71¼
29	108⅝@108⅞	520 @518¾	40¾@40⅞	79 @79¼	35⅝@35⅞	71⅛@71¼
30	108⅝@108⅞	520 @518¾	40¾@40⅞	79 @79¼	35⅝@35⅞	71⅛@71¼
Sept., 1868	108½@109⅜	520 @515	40⅝@40⅞	79 @79⅜	35⅝@35⅞	71⅛@71⅝
Sept., 1867	109 @110	521¼@515	40½@41¼	78½@78⅞	35¾@36¼	71½@72⅜

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

Below we give the returns of the Banks of the three cities since Jan. 1 :

Returns of the New York, Philadelphia and Boston Banks.

NEW YORK CITY BANK RETURNS.

Date.	Loans.	Specie.	Circulation.	Deposits.	L. Tend's.	Ag. clear'gs.
January 4	$249,741,297	$12,724,614	$34,134,392	$187,070,786	$62,111,201	$483,266,304
January 11	253,170,723	19,222,856	34,094,137	194,835,525	64,753,116	553,884,525
January 18	256,033,938	23,191,867	34,071,008	205,883,143	66,155,241	619,797,369
January 25	258,392,101	23,106,800	34,0-2,762	210,093,084	67,154,161	528,503,223
February 1	266,415,613	23,955,320	44,062,521	213,330,524	65,197,153	637,449,923
February 8	270,555,356	22,823,372	34,096,834	217,844,518	55,846,259	597,242,595
February 15	271,015,970	24,192,955	34,043,296	216,759,828	63,471,762	550,521,185
February 21	267,768,643	22,513,987	34,100,023	209,095,351	60,868,930	452,421,592
February 29	267,240,678	22,091,642	34,0 6,223	208,651,578	58,553,607	705,109,784
March 7	269,156,636	20,714,233	34,153,957	207,737,080	57,017,044	619,219,598
March 14	266,816,034	19,744,701	34,218,381	201,188,470	54,738,866	691,277,641
March 21	261,426,900	17,944,808	34,212,571	191,191,526	52,261,086	649,482,341
March 28	257,378,247	17,823,367	34,190,808	186,525,128	52,123,078	557,843,908
April 4	254,287,891	17,077,299	34,227,108	280,956,846	51,709,706	567,783,138
April 11	252,936,725	16,343,150	34,194,272	179,851,880	51,982,609	493,371,451
April 18	254,817,936	16,776,542	34,218,581	181,832,523	50,883,660	623,713,923
April 25	252,314,617	14,943,547	34,227,624	180,307,489	53,866,757	602,784,154
May 2	257,623,672	16,166,873	34,114,843	191,206,185	57,863,599	588,717,902
May 9	265,755,883	21,286,910	34,205,409	199,276,568	57,541,827	507,028,567
May 16	267,724,783	20,939,142	34,193,249	201,313,305	57,613,095	480,186,908
May 23	267,381,279	20,479,947	34,183,038	202,507,550	62,283,002	488,735,142
May 30	268,117,490	17,861,088	34,145,606	204,746,964	65,633,964	602,118,248
June 6	273,792,267	14,328,631	34,188,159	209,089,655	68,822,028	640,663,329
June 13	275,142,024	11,193,631	34,166,846	210,670,765	69,202,840	530,328,197
June 20	274,117,608	9,124,830	34,119,120	211,484,387	72,567,582	553,983,817
June 27	276,504,036	7,753,300	34,018,721	214,302,207	73,853,303	516,726,075
July 3	281,945,931	11,954,730	34,032,466	221,030,806	72,125,939	525,646,693
July 11	284,147,708	19,235,848	34,068,202	224,320,141	68,531,542	591,756,395
July 18	282,912,490	20,399,031	34,004,111	228,180,749	71,847,545	505,462,464
July 25	280,345,255	20,804,101	33,963,373	226,761,662	72,235,585	487,169,387
August 1	279,311,677	20,502,737	33,957,305	228,101,867	73,638,061	409,134,169
August 8	279,705,786	24,781,427	34,074,374	231,716,492	74,051,548	587,004,381
August 15	277,808,620	22,953,851	34,114,087	223,561,087	72,945,481	482,533,952
August 22	275,315,781	19,768,681	34,137,627	216,485,405	69,757,645	610,308,551
August 29	274,780,726	16,949,103	34,112,139	210,334,646	67,757,376	480,785,665
September 5	271,890,698	16,815,778	34,170,419	207,854,341	65,983,773	470,036,175
September 12	272,55,69	16,150,942	34,139,926	205,480,070	63,429,337	493,192,072
September 19	271,25 ,096	14,665,742	34,044,693	202,824,583	63,772,700	518,471,552
September 26	271,273,544	12,503,483	34,050,771	202,068,334	63,587,576	620,105,094

PHILADELPHIA BANK RETURNS.

Date.	Legal Tenders.	Loans.	Specie.	Circulation.	Deposits.
January 4	$16,782,482	$52,007,304	$235,912	$10,639,000	$36,621,274
January 11	16,037,995	52,593,707	400,615	10,639,096	37,131,830
January 18	16,827,423	53,013,196	320,973	10,641,752	37,157,089
January 25	16,836,937	52,325,599	279,393	10,645,226	37,312,540
February 1	17,064,184	52,604,916	248,673	10,638,927	37,922,287
February 8	17,063,716	52,672,448	287,878	10,635,926	37,396,653
February 15	16,949,944	52,532,946	263,157	10,663,323	37,010,520
February 22	17,573,149	52,423,166	204,929	10,632,495	36,453,464
February 29	17,877,877	52,459,757	211,365	10,634,484	35,798,314
March 7	17,157,954	53,081,665	232,180	10,633,713	34,826,861
March 14	16,662,299	53,367,611	251,051	10,631,899	34,523,550
March 21	15,664,946	53,677,337	229,518	10,643,613	33,836,996
March 28	14,348,391	53,450,878	192 858	10,643,606	32,428,390
April 4	13,208,625	52,209,234	215,835	10,642,670	31,278,119
April 11	14,194,385	52,256,949	250,240	10 640,932	32,255 671
April 20	14,493,287	52,989,780	222,[illegible]29	10,640,479	33,9[illegible]0,952
April 27	14,951,106	52,812,6[illegible]3	204,699	10,640,312	34,767,[illegible]90
May 4	14,990,832	53,333,740	314,366	10,631,[illegible]4[illegible]	35,109,937
May 11	15,166,017	53,771,794	397,778	10,629,0[illegible]5	36,017,596
May 18	15,381,545	53,494,583	3[illegible]8,525	10,632,665	36,030,063
May 25	15,823,099	5[illegible],[illegible]63,225	290,302	10,66[illegible],276	36,000,[illegible]97
June 1	16,184,865	53,562,449	289,371	10,626,937	38,574,457
June 8	16,078,308	53,491,864	226,581	10,630,945	42,910,499
June 15	15,837,117	53,122,521	175,308	10,[illegible]30,979	43,016,968
June 22	15,998,145	53,381,820	182,711	10,631,[illegible]0	43,243,562
June 29	16,414,877	53,072,878	198,563	10,630,307	43,936,629
July 6	16,443,153	53,653,471	233,996	10,625,426	44,824,398
July 13	16,664,232	53,791,526	182,524	10,626,214	45,156,620
July 20	16,747,440	53,994,618	188,252	10,647 852	45,637,975
July 27	16,855,894	54,024,355	195,886	10,622 247	45,543,220
August 3	17,402,177	54,341,163	187,291	10,623 646	47,[illegible]05,867
August 10	17,792,503	54,592,015	184,007	10,6[illegible],[illegible]51	45,04[illegible],718
August 17	17,819,3[illegible]0	54,674,758	196,520	10,624,7[illegible]2	46,[illegible]36,377
August 24	17,[illegible]14,195	55,151,724	185,186	10,623 360	45,985,616
August 31	17,[illegible]16,325	55,255,474	184,268	10,622,581	46,063,150
September 7	16,875,409	55,684,068	222,900	10,622,316	45,[illegible]79,109
September 14	16,310,565	55 646,740	209,053	10,613,974	44 730,323
September 21	15,857,032	55,620,710	197,207	10,620,531	43,955,531
September 28	16,088,854	55,468,286	234,552	10,607,940	44,227,127

BOSTON BANK RETURNS.

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

Date.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation National.	Circulation State.
January 6	$94,960,249	$1,466,246	$15,543,169	$40,856,022	$24,636,559	$228,730
January 13	97,800,239	1,276,987	15,560,965	41,496,320	24,75[illegible],965	227,953
January 20	97,438,468	926,942	15,882,769	41,904,161	24,70[illegible],001	217,372
January 27	97,438,435	841,196	16,349,637	43,991,[illegible]70	14,564,[illegible]06	226,258
February 3	96,895,260	777,627	16,738,229	42,891,128	24,628,103	221,160
February 10	97,973,916	652,989	16,497,643	42,752,067	24 850,926	221,700
February 17	98,218,828	605,740	16,561 4[illegible]1	41 502,550	24,850,055	220,452
February 24	97,469,436	616,953	16,309,501	40,387,614	24,686,212	216,490
March 2	100,248,692	633,832	16,304,846	40,954,936	24,876,089	2[illegible]5,214
March 9	101,[illegible]59 361	867,174	15,556,696	39,770,418	24,987,700	210,162
March 16	101,499,611	918,485	14,582,342	39,276,514	25,062,418	197,720
March 23	100,109,595	798,606	13,712,560	37,022,546	25,094,253	197,289
March 30	99,132,268	685,034	13,736,032	36,184,640	24,983,417	197,079
April 6	97,020,925	731,540	13,004,924	36,008,157	25,175,194	168,023
April 13	97,850,230	873,487	12,522,035	36,422,929	24,213,014	167,013
April 20	98,906,806	805,486	11,905,608	36,417,890	24,231,058	166,962
April 27	98,302,343	577,[illegible]63	12,298,545	36,259,946	25,231,978	164,331
May 4	97,624,197	815,469	12,656,190	37,635,406	25,203,234	160,385
May 11	97,332,283	1,133,668	11,962,363	37,358,776	25,225,173	145,248
May 18	96,938,524	1,186,881	12,199,422	37,844,742	25,234 465	160,241
May 25	97,041,720	1,018,809	12,848,141	38,398,14[illegible]	25,210,660	160,151
June 1	97,458,997	766,553	14,188,806	40,311,569	25 204,939	159,560
June 8	98 116,632	631,149	14,368,900	41,470,376	25,194,1[illegible]4	159,313
June 15	99,513,988	561,990	14,373,575	41,738,706	25,190,565	159,150
June 22	99,389,632	476,433	14,564,614	42,583,871	25,197,3[illegible]7	158,908
June 29	99,477,074	436,699	15,195,550	42,506,316	25,182,920	158,812
July 6	100,110,830	1,617,638	15,107,307	43,458,654	25,214 100	144,629
July 13	101,493,516	1,198,529	15,743,211	43,116,765	25,216,[illegible]84	141,533
July 20	102,430,483	1,521,393	15,469,406	43,876,300	25,218,727	138,799
July 27	102,408,771	785,641	15,837,718	43,580,894	25,254,906	142,450
August 3	102,[illegible]80 658	736,254	15,796,059	43,389,523	25,016,[illegible]92	......
August 10	103,860,686	634,963	15,753,958	44,962,263	25 197,164	......
August 17	103,956,603	664,696	15,551,580	43,702,501	25,182,658	......
August 24	103,6[illegible]4,691	779,192	16,310,323	42,360,049	25,214,5[illegible]6	......
August 31	103,550,020	707,819	15,813,796	41,214,607	25,190,091	......
September 7	103,853,110	833,063	14,975,841	40,891,745	25,196,084	......
September 14	102,921,733	748,714	13,774,330	40,640,820	25,183,876	......
September 21	102,472,936	642,793	13,466,258	39,712,168	25,184,048	......
September 28	101,021,744	642,829	14,082,447	39,127,659	25,150,081	......

THE

MERCHANTS' MAGAZINE

AND

COMMERCIAL REVIEW.

NOVEMBER, 1868.

MISAPPREHENSIONS IN REGARD TO CURRENCY.

Many serious mistakes were made by business men and money operators at the close of the late war, owing to their confident belief that a general monetary revulsion must attend the return of peace. That there would be a terriffic explosion as a matter of course, attended with an immense fall in prices they felt to be certain, and therefore hastened to make large sales of merchandise at such low rates that they were, in many cases, glad to repurchase the very articles they had parted with at a considerable advance, when they found the expected catastrophe did not take place. The same feeling of apprehension in regard to a monetary panic has existed from that time to the present, though it is evidently becoming less influential.

Much of this fear has arisen from not distinguishing between our present currency and our former mixed convertable currency. Our present currency consists wholly of credit. The national Treasury has issued some 400 millions, and the banks 300 millions more, in all 700 millions, and with this the domestic trade of the country is carried on. The government wishes to keep out its full issues and the banks desire to maintain their circulation, and consequently there is no cause whatever, for any contraction. Unlike a mixed currency which from its very nature is liable to continual fluctuation, an irredeemable credit currency, unless the law making power interferes to expand or contract it, remains stationary. Under our present system when money is paid into a bank, it is immediately loaned out again to its customers. The banks have no fears of being called upon to redeem their notes in specie, and there is no necessity or wish on their part to contract their operations, and therefore they put out their notes as fast as they are paid in. This being the case, why should any one who understood the matter have had any fears of a panic at the close of the war? Panics can only come from a loss of confidence in the currency or a forced or sudden withdrawal of that currency, and as confidence was increased by the closing of the war and no sudden withdrawal to be expected, all fears of such a disaster were groundless.

So at the present time, all apprehensions of a great scarcity of money owing to an expected demand from the West have proved false. The currency is now a fixed quantity, the whole is at the disposal of the commercial public. Besides the 700 millions of circulation we have over 600 millions of bank deposits, in all 1,300 millions, against 450 millions before the war. How little chance then is there for any panic or even a general and severe pressure unless we can make a demand which shall suddenly draw off a large amount of this currency from the centres of trade? No such demand is under the circumstances at all probable. There is at present very limited opportunity for speculation. Breadstuffs and provisions are so abundant that there is little disposition to operate in them for a rise; so of cotton; so of manufactures. The day for general speculative movements on the present currency basis has passed by. The national industry disturbed by the war, is now restored; production in every department is equalized; consumption is reduced from its national dimensions by the high prices of commodities as compared with wages; and as a consequence although there must be a large trade to meet the necessities of the people, there cannot be so extensive and brisk demand for merchandize, as there would be in a normal condition of the currency when all values were measured by the true standard, and each class in the community received its due share of the general product.

Our depreciated currency has produced a partial paralysis of business which must continue until the specie standard has been restored. Hence no expectations can be reasonably entertained of any excessive demand for money, or any great rise in the rate of interest. The most marked features of trade and industry will be dulness and inactivity, until the currency has been brought to par with gold. When a movement for that purpose has been fairly inaugerated, and a gradual withdrawal of a given quantity of circulation each month has been commenced, prices will begin to descend to their natural level in the commerce of the world. But no panic need attend this contraction, because, although the currency will be reduced from time to time, the process will be well understood beforehand, and the indebtedness of the country will be contracted in a corresponding ratio, so that all obligations to pay money will be met as readily as before; while the prices of commodities being lessened by the very process of contraction, less currency will be needed to transact the same amount of business. When the true point has been attained, which will be indicated by the currency being at par with specie, the rate of interest will be no higher than it has usually been when trade was in a sound and healthy condition.

There is no danger then of any essential disturbance in the monetary affairs of the country except from political causes. How imminent that danger may be, each one must determine for himself in view of the circumstances which affect the condition of the nation.

NATIONAL ASSOCIATION OF COTTON MANUFACTURERS AND PLANTERS.

At a meeting of the government of this association, held in New York on the 6th October, 1868, the following reports were adopted. We give them in full, on account of the general interest felt in the subject, and the importance of the facts presented:

REPORT OF THE STATISTICAL COMMITTEE.

The committee have expected, until within the last four days, to obtain reports from the cotton mills of the country so nearly full and complete, that they would serve as a safe basis for a report exhibiting the actual consumption of cotton, and other interesting and valuable information.

The secretary sent out circulars addressed to some person connected with every cotton factory of which he had knowledge in the United States, asking from each the few items of information which any practical manufacturer or his clerk could easily give.

In behalf of the association the committee acknowledge, with thanks, its obligation to the great body of manufacturers who have supplied the desired facts, a summary of which will be herewith presented. To those who have not yet made the returns we once more appeal, and invite their examination of the statistics so far gathered, and the deductions from them, as an indication of the value of trade statements to be compiled from complete returns. We believe the default has been, in most cases, not one of refusal, nor even of reluctance, but rather of postponement or indifference.

If any withold through fear that the details given will be subject to inspection, we repeat to them the assurance given by the secretary, that these returns are seen only by him, and are regarded by him as confidential. Even this committee consider only the aggregates and averages which the secretary prepares from them.

The United States census of 1860 embraced returns from 1,091 cotton mills, having 5,235,727 spindles, and using 422,704,975 pounds of cotton, equal to about 920,000 bales per annum (80 pounds per spindle).

So far the association has received the reports of 548 mills or corporations. They have 5,968,000 spindles, produce yarn of sizes that average No. 27⅝, and use annually 371,688,716 pounds of cotton, equal to 808,000 bales of 460 pounds each (62½ pounds per spindle).

SUMMARY OF RETURNS FROM COTTON MILLS RECEIVED TO OCT. 1, 1868.

State.	Mills.	Spindles.	No. Yarn.	Consumption.	Consumption per Spindle.
Maine	20	443,692	22½	28,824,6 8	64.96
New Hampshire	38	718,604	26½	47, 51,439	65 75
Vermont	8	21,146	28½	1,097, 25	51 88
Massachusetts	182	2,205,007	26½	128,78 ,576	8.40
Rhode Island	95	9 5,402	34⅝	41,246,628	44.10
Connecticut	67	504,620	30½	26,555,120	52.62
New York	38	410,930	32½	20,408,044	49.65
New Jersey	13	131,704	4 ⅞	6,780,000	51.48
Pennsylvania	46	264,644	18½	25,160, 69	95.07
Delaware	8	46,052	16⅝	3,478,280	75.52
Maryland	10	39,358	12½	6,929,000	133.63
Ohio	4	2 ,834	12½	3,170,000	138.82
Indiana	1	10,800	14	1,493,061	138.26
Missouri	4	13,4 6	10⅝	2,475,000	184.28
Virginia	10	36,060	15⅞	4,010,000	111.18
North Carolina	10	16,234	1 ⅞	2,464,000	151.16
South Carolina	6	31,588	18⅝	4,174,100	132.14
Georgia	19	65,314	12⅝	10,226 350	156.57
Alabama	7	22,196	14½	2,629,916	11 .49
Mississippi	5	6,924	8⅝	1,18 ,0 0	170 42
Texas	3	6, 00	10½	1,125,0 0	173.53
Arkansas	1	528	8	158,400	300
Tennessee	6	5,864	2⅝	1,150,000	12 .74
Kentucky	2	5,264	10	925,000	175.72

RECAPITULATION.

Northern States	479	5,768,229	27⅝	343,645,950	59.57
Southern States	69	199,772	12⅝	28,042,766	140.37
Total	548	5,968,001	27⅝	371,688,716	62.28

The total returns received up to October 6 show the following results:

556	6,048,249	27⅝	376,003,290	62.17

If there are in the country as many cotton mills as were reported in 1860, and no more, there are yet 543 mills to be reported to the association.

The 548 mills already reported have an average of nearly 11,000 spindles to each mill. The mills not reported must necessarily be of much smaller average.

It has been the purpose of this committee to take nothing by conjecture or estimation, and to deal only with ascertained facts, so presenting them that they shall convey truthful impressions.

In the absence of the returns of a portion of the spindles, there is a temptation to estimate this smaller portion, and then proceed to make deductions from the premises so obtained. It would, however, be a step in the wrong direction, leading perhaps to self deception.

The returns from nearly six millions spindles show the annual use of about 808,000 bales of cotton in the production of yarns averaging in size No 27⅞. The States north of the Ohio and Potomac Rivers, and the States south of those rivers, returns respectively, so far :

	Mills.	Spindles.	Av. No. Yarn.	Using lbs. Cotton.	Lbs per Spindle.
North..............	479	5,768,229	27⅞	343,645,950	59.57
South	69	199,771	12⅜	28,042,766	140.37

These aggregates and averages bear intrinsic evidence of accuracy in their consistent relations and proportions. They show a use of 747,000 bales of cotton north, and 61,000 bales south of the Ohio and Potomac Rivers; also the wide difference in the size* or weight of the yarn produced in the two sections. Complete returns from both sections would probably modify both and reduce the difference.

From these data, compared with the census of 1860, any person so disposed can readily compute, to his own satisfaction, the total number of spindles, and thereupon the total consumption of cotton.

The committee regret that they have been unable to get the full returns in time for this report.

The committee present in compact form, some facts afforded by the complete and accurate statistics of British cotton trade and manufacture, annually compiled in that country. They will be found interesting to American manufacturers and planters, as throwing some light upon the supply of *cotton goods and yarns* during the last nine years, compared with the supply during the ten years preceding; also upon the extension of markets for those products, and the comparative stocks or surplus existing in 1860 and now.

British statistics give the requisite information of about one-half the cotton business of the commercial world.

* NOTE.—To persons not familiar with manufacturing, it should be explained that the number given to express the size or weight of yarn, indicates the number of skeins or hanks, of 840 yards each, required to weigh one pound avoirdupois.

They exhibit the following aggregates for the period named:

	Pounds cotton consumed.	Waste lbs.	Pounds of goods and yarns produced.	Lbs. of goods & yarns expo'd & cons'd in G. Bt.
10 yrs, 1850–59..	8,235,896,000	865,896,000	7,370,000,000	7,061,762,628
Showing an accumulation of 305,237,380 pounds in the nine years.				
9 years, 1860–68.	7,236,149,000	901,342,000	6,334,807,000	6,420,389,000
Showing a deficit in production of 85,582,000 pounds in the ten years.				
Totals..........	15,472,045,000	1,767,2[illegible]8,[illegible]00	13,701,807,000	13,485,151,620
Av per yr. first 10	823,589,600	86,589,600	737,000,006	706,476,262
" last 9.......	804,016,555	100,149,111	703,867,444	713,376,555

The *waste* is stated very nearly as in the English tables; that for the last nine years being much heavier than for the previous ten years, because of the poorer qualities of cotton necessarily used through the years of scarcity, 1862–6. The quantities for 1868 are, of course, not assumed to be actual. Enough, however, is known of the proportions they bear to those of former years to demand approximation to those of 1860, the largest ever known, and they have been so computed.

The remarkable feature here developed is that the consumption in Great Britain, and the export of cotton goods and yarns have exceeded their production in the aggregate of the last nine years to the extent of 85,582,000 pounds. It is obvious that this deficiency occurred in the years 1862–4, when the supply of cotton was so much reduced, and was made good from the accumulations of previous years. It does not appear that all the surplus productions, which had piled up before 1861, and which threatened great disaster to the manufacturing interest at that time, have yet been distributed to consumers. Here, as in England, attention has been called frequently during the last two years to the extraordinary shipments of British cloths and yarns to India, each half-year increasing upon the preceding. Explanation is given by the statement that the raw cotton formerly used in India has been attracted to Europe by the high prices; that the home manufacture formerly supplying that people with good and durable cotton cloth has been materially diminished, thus opening a demand for the English fabric; and that the enhanced prices for cotton and other Indian products have more than doubled the wages of laborers, and greatly enlarged the ability of the ryots and other poorer consumers to buy the British goods. (See note †.)

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† NOTE.—From the circular of George Fraser, Son & Co., of Manchester, England, dated Sept. 1, 1868, we take the following comparative quantities of plain and colored cotton cloths exported from London, Liverpool, and the Clyde to Madras and Calcutta, to Bombay and to China.

During the whole year 1866............................	825,431,905	yards.
" " 1867............................	1,066,814,613	"
From Jan. 1 to Aug. 26, 1868............................	882,521,700	"

It will be observed that in these items only of British trade, the increase of 1867 was nearly 30 per cent upon the export of 1866, and that for nearly 8 months of 1868 the rate is 17 per cent above that of 1867, while the aggregate for the 8 months is more than for the whole year 1866. The business for August though only to the 26th day, was larger in amount than the average per month of the first six months of 1868, the lower prices of July having induced renewed activity.

During the last nine years the population of the world known to British commerce has increased; new markets have been opened or extended; and if the enormous trade with India is to be considered permanent on the scale of the last twelve months, it is not easy to see anything but excessive prices that can check the expansion of British cotton trade while peace continues its protecting and encouraging influence.

In the absence of the necessary statistics, no satisfactory exhibit of th cotton trade and manufacture in Continental Europe can be given. There are, however, some significant facts to show that the continent stands in relation to the supply of, and demand for, cotton fabrics, in a position similar to that of Great Britain. After a larger importation of raw cotton than during the year preceding, they stand now (Oct. 1) with stocks of cotton much less than they held Oct. 1, 1867, and so low indeed that their drain upon Liverpool is seriously felt. This tells of the increase of consumption.

In regard to our own country, the following suggestive comparison is presented. While regarding what is to follow, with much confidence in its truth and value, the Committee adhering to its rule, request that it be taken as hypothetical until verified.

The consumption of cotton North and South, in the United States, as stated in the New York *Shipping List*, for the eight years 1853 to 1860 inclusive, amounted in its aggregate to 6,339,300 bales, an average of 792,412 bales, say for convenience 800,000 bales per annum.

Cotton statistics were not regularly kept and published during the late war, and for the few data accessible to us the committee are indebted to some careful and practical manufacturers who kept private memoranda, and two of whom, in 1862 and 1863, prepared careful reports upon the cotton manufacture, for the annual publication of the Boston Board of Trade. At certain points between the Spring of 1861 and the close of the year of 1865, the number of spindles at work was approximately ascertained. Starting with these points fixed, the Committee have obtained also estimates by several manufacturers, all of whom were running mills throughout the war, of the proportion that each year from 1861 to 1868 bears to the average of the eight years preceding, in the supply of cotton goods produced, taking the latter average at 100.

These estimates, independently made, stand thus:

		No. 1.	2.	3.	4.	5.	Sum of them.	Average.
1861.	per cent.	75	60	62.5	60	75	332½	66½
1862.	"	35	35	37.5	40	33⅓	180 5-6	36 1-6
1863.	"	40	35	37.5	40	33⅓	185 5-6	37 1-6
1864.	"	45	35	37.5	50	33⅓	200 5-6	40 1-6
1865.	"	60	75	60	60	75	330	66
1866.	"	75	80	80	75	80	390	78
1867.	"	110	100	100	90	115	5 5	103
1868.	"	115	115	110	100	120	160	112
	"	555	535	525	515	565	2,695	539

The resulting average is 539 for these eight years, as compared with 800 for the eight years, 1853–60. The consumption of those years was stated at 800,000 per annum. Owing to the poorer quality of cotton obtainable during the war, many more pounds were required to get an equal production. Allowing five per cent for the extra waste, the proportion above found, 539–800, would require an average consumption of 565,750 bales of 480 pounds each per year, from 1861 to 1868, or, stated year by year in due proportion, thus:

1861	bales 558,600	1865	bales 554,400
1862	308,800	1866	655,200
1863	312,200	1867	865,200
1864	337,400	1868	949,800

Let it be noted here that while the average weight of American bales consumed at home in the years 1859 and 1860 was nearly or quite 480 pounds, the weight since 1865 averages rather under 460 pounds. This difference, if allowed, would raise the above figures of consumption, 1861 to 1868, nearly 4½ per cent. The figures thus derived from data wholly different from those used in compiling the annual statements, are interesting as nearly confirming the estimates by the latter of the home consumption.

But the more important fact developed by the comparison of the production of the two periods, is this; according to the calculations thus obtained, the production of cotton goods for the last eight years compared with the production during the eight years preceding, has been as 539 to 800, or only 67⅜ per cent; an actual diminution of nearly 33 per cent during a period when there was an increase of population more than 30 per cent, requiring a corresponding increase of supply. The sum of these represents the deficiency now, compared with 1860. True, the foreign export of cotton goods ceased and the Southern markets were cut off, but the aggregate of both would not make good a moiety of the deficiency. That h s been in part supplied from the old reserves in families and with traders, eked out by the economies enforced at first by war prices, nd since continued under an expectation of a return to the ante-war scale of prices.

The conclusion seems irresistible, that the old stores of cotton cloth and other fabrics throughout our country are now exhausted; and this explains the fact that a demand from consumers, imperative and sustained by necessity, has already begun.

The position of the cotton trade and manufacture in Great Britain and Continental Europe, from the operation of like causes, is the same as with us, differing however in degree, and modified by the influence of price and the substitution more or less of other textiles for cotton.

The depression in the cotton-goods trade, now subjecting many manufacturers on both sides of the Atlantic to an average loss, is under the circumstances anomalous, sustained by an erroneous estimate of the capacity for supply, and by the expectation of the trade that the extreme decline at the close of 1867 may be repeated this season.

The report of the Committee on Raw Material will show an apparent loss in the stocks of cotton in the world during the year ending Oct. 1, 1868, to the extent of more than 300,000 bales, the consumption of raw cotton having so far exceeded its supply, yet apparently failing to fill up the gap in the supply of cotton fabrics, caused by the short production of the years of the war.

REPORT OF THE COMMITTEE ON RAW MATERIAL.

Cotton is the only raw material properly under the consideration of this Committee for the purposes of the Association, and the question of supply in relation to demand is the chief point of interest alike to planters and manufacturers.

Sure of ample supply, the American manufacturer looks at the cotton of other countries only in its bearing upon price. The manufacturer in Europe has to consider both the questions, of supply and price, and cannot overlook the influence that price has upon supply from distant sources as well as the constant bearing of supply upon price.

The stocks of cotton in Europe Oct. 1, 1867, amounted to 1,092,000 bales. On the first of the present month there were only about 600,000 bales, or about 500,000 less than last year. There were at sea, for England, 282,000 bales more than last year, and the import since January 1 is 220,000 bales less. On the other hand, an increased import direct to the continent compensates in part, and then the fact remains that a loss of over 300,000 bales, compared with the position a year ago, has been incurred, showing that the consumption has to that extent exceeded the supply.

The time has not yet arrived when a useful estimate can be made of the incoming crops of our own or other countries. Of the American crop our factories, if at full work, will want at least 1,000,000 bales for the year's consumption: and as the experience of this season has shown, the the inconvenience and hazard of allowing the stocks in mills and markets to run nearly out, (quite out in some mills) it is supposed that the position for the close of the cotton year (August 31), will be strengthened by the addition out of this crop of 100,000 bales or more, to the surplus in mill and market.

This appropriates 1,100,000 bales of the crop to be retained for home use, and probably to be retained whatever may be the price.

In Great Britain the supply for the year ending Dec. 31, stand approximately as follows:

		bales.
Stock, Dec. 31, 1867		447,460
Import to Sept. 17, Liverpool and London		2,534,495
Import after Sept. 17, 1867, was	600,000	
Add this year—from India, delayed	200,000	
" the United States (new)	50,000	
		850,000
Total supply		3,831,955
Deliveries to Sept 17, Liverpool and London, to trade	2,025,082	
For export	443,741	
	2,468,823	
Estimate for 14 weeks (to Dec. 31) trade and export, at 70,000 per week	980,000	3,448,823
Leaving stock Dec. 31, 1868, about		383,132

The excess of consumption (in the world) over the supply of 1868, seems to say that consumption must be reduced, or supply increased, because it is in the nature of things quite impossible that the surplus stocks, now so low, shall ever be much more reduced without stopping part of the consumption.

The evidences of the extent of supply for 1869 are not at all clear, and the extremely unfavorable weather since Sept. 1st has increased the obscurity about the result of our own crop. In the midst of these uncertainties, the Committee defer any calculati n of the supply, as of the demand upon it, until the probabilities shall be better developed.

RAILROAD EARNINGS.

It is satisfactory to note a steady gain in the earnings of our railroads; satisfactory not only as an evidence of the prosperity of the roads but also as indicating an improvement in the internal commerce of the country. While there is no advance in the rates of transportation, and yet an increase in the earnings, it is clear that a large amount of freight is pass ing over the roads; and this we take to be an incontestable evidence that, despite the current complaints and croaking, there is yet a steady gain in the general trade of the country, Within the last three or four years, there has been in progress a great deal of pioneer development which has been little noted in the Eastern cities. The pressure of taxation and high prices have forced population toward the outskirts of our newly settled sections, where cheap and fertile lands bestow a better return for labor than almost any other branch of industry; and the quiet of trade in the cities has also induced an unusual proportion of emigrants to seek their fortunes in the same direction. We have thus had an important settlement of population along the routes of the Western roads who have raised a large amount of heavy freight to be transported. At the same time, the Western companies have stretched out their lines into the sparsely settled regions, carrying population with them. The expansion in the agricultural sections has naturally increased the traffic of the roads and of the lines connecting the West with the seaboard. From the returns of fourteen roads it appears that there has been an increase in the gross earnings of the first nine months, from $45,598,356 in 1867 to $49,-879,064 in 1868; or nearly ten per cent. The earnings on the same roads for the month of September were $7,829,797 against $7,189,034 in 1867; which shows a ratio of increase about the same as that for the previous eight months. The following are the gross earnings of these companies for the month of September and the first nine months of the year, in 1867 and 1868:

Railroads.	September 1867.	September 1868.	Nine Months 1867.	Nine Months 1868.
Atlantic and Great Western	$483,857	$477,795	$3,819,460	$3,463,849
Chicago and Alton	408,998	488,155	2,776,837	3,266,787
Chicago and Northwestern	1,451,284	1,518,483	7,991,138	9,717,403
Chicago, Rock Island & Pacific	517,702	544,900	2,779,903	3,245,391
Illinois Central	788,580	878,500	4,995,931	5,139,162
Marietta and Cincinnati	121,217	121,519	860,120	928,803
Michigan Central	464,778	456,974	3,151,480	3,256,327
Michigan South. & North. Ind	487,867	512,523	3,280,210	3,607,079
Milwaukee and St. Paul	751,789	1,023,520	3,457,950	4,481,355
Ohio and Mississippi	365,372	307,122	2,471,833	2,172,213
Pittsburg, Ft W & Chicago	669,037	761,329	5,193,001	5,753,850
St. Louis, Alton & Terre Haute	219,160	196,486	1,581,996	1,410,327
Toledo, Wabash and Western	3[illegible]2,996	450,203	2,717,347	2,872,266
Western Union	12[illegible],496	97 338	521,140	564,752
Total	$7,189,034	$7,829,797	$45,598,356	$49,879,064

It will be observed that the principal increase is upon the roads running through newly settled country. The increase, for the nine months, on the Chicago and Northwestern road is $1,726,265, or about 27 per cent; this gain, however is largely due to the transportation of materials for the construction of the Pacific Railroad, and to the flow of population and trade along the route of that road, with which the Northwestern connects. On the Milwaukee and St. Paul road there has been an increase, for the nine months, of about $923,395, or about 27 per cent. On this road, there has been an extension of mileage from 735 miles to 820 miles; which, however, only partially accounts for the increase of earnings, the company having pre-eminently profited from the development of new country opened by it. About three-fifths of the continued increase on the fourteen roads has occurred on these two lines, the balance being unevenly distributed among the remaining twelve companies, nine showing a moderate increase and three a decrease.

In the earnings for September there has been a decrease on five roads, viz., Atlantic & Great Western, Michigan Central, Ohio & Mississippi, St. Louis, Alton & Terre Haute, and Western Union. On the others, the largest ratio of increase has been on Chicago & Alton, Illinois Central, Milwaukee & St. Paul, Fort Wayne, and Toledo Wabash & Western. The large amounts of produce pressed forward to the grain centres, immediately after the harvest, is the principal cause of the gain in the earnings during the last month. For the last two or three weeks, however, there has been a falling off in the receipts of many roads, owing to the wet weather and also to the fact that the fallen price of grain has checked the transportation of produce; for this reason, it is quite likely that the exhibit of earnings for October may not be so favorable as that for September. There is, however an unusually large stock of grain in the hands of the farmers, the forwarding of which, and especially of the unprecedented corn crop, must give active employment to the roads for the next few months and keep the earnings on a liberal scale.

DETENTION OF BREADSTUFFS AT THE WEST.

It is somewhat anomalous that, with unusually abundant crops of cereals, the arrivals of grain at the seaboard since the harvest have been upon a comparatively limited scale, while of the large exportable surplus very little has yet been shipped. Stocks of grain at present are accumulating at the lake ports, the dealers professing a purpose to carry their load until the East is prepared to take it at much higher prices. On the 20th inst. there was 1,518,400 bushels of wheat in store at Chicago, against 754,100 bushels at the same period of 1867, and at Milwaukee 618,000 bushels this year, against 455,000 bushels at the corresponding date of last year; while, on the 10th inst., there was afloat on the canals only 3,154,000 bushels of all grains against 4,852,000 bushels in 1867; which clearly shows the disposition of the Western dealers to hold back supplies.

This detention of produce is, perhaps, no more than might have been expected as the natural result of a decline of 35 cents in wheat, and a material fall in other grains since September 1st, following close upon a still larger decline during the summer. Much of the grain held in lake storehouses cost the holders considerably above the now current values; and it is natural, even if not prudent, that the owners should try to avert losses by holding for higher prices. It may at least be urged in favor of the Western dealers that they are but following the rule frequently adopted by factors circumstanced as they now are. Whether they are acting wisely is questionable; especially considering that the English markets, according to the latest accounts, are likely to be better supplied than has been expected. It is less our purpose, however, to discuss the prudence of the present hoarding of grain than to survey the common policy of the West in holding back its grain from shipment during the last few weeks of navigation. The present action of the dealers is but an illustration of what almost invariably occurs at this period of the year. In October or November, there is generally a difference of views between Eastern buyers and Western sellers, which results in a curtailment of shipments and in a limitation of supplies at the seaboard during the winter, of no benefit to the trade of either section. For the purpose of indicating and illustrating what proportion of the supplies sent East comes to hand during the period of navigation, the suspension of navigation, and from the opening of navigation to the marketing of the new crop, we have compiled the following statement, showing the arrivals of flour, wheat, corn and oats at New York within each of these respective periods.

RECEIPTS OF FLOUR, WHEAT, CORN AND OATS AT NEW YORK, 1866–67.

	Sept. 1 to Dec 1, '66.	Dec. 1 '66. to May 1, '67.	May 1, '67. to Sept. 1, '67.	Dec. 1, '66, to Sept. 1, '67.
Flour....bbls.	974.000	747 000	637,000	1,384,000
Wheat....bush.	2,678,000	2,148,000	1,312,000	3,460,000
Corn....bush.	7,772,000	2,404,000	8,381,000	10,785,000
Oats....bush.	2,583,000	1,837,000	1,724,000	3,561,000
Total bush. incl. flour....	17,908,000	10,124,000	14,582,000	24,706,000

It thus appears that of the total arrivals of 42,614,000 bushels of wheat, corn and oats within the crop year 1866-7, 17,908,000 bushels were received between September 1 and December 1, and that the balance of 24,706,000 bushels came between the close of navigation and the termination of the crop year, a period of nine months, 10,124,000 bushels arriving during the six months suspension of navigation, and 14,582,000 bushels during the three months subsequent to the opening of navigation. About 42 per cent of the supply sent here is thus seen to have been forwarded within the first three months of the crop year; 24 per cent within the succeeding six months, and 34 per cent within the three last months. There is a manifest inequality in this movement. It is not easy to explain satisfactorily why such a heavy proportion should be kept back until the closing quarter; nor can it well be shown that the arrival of only 10,124,000 bushels, during the six months from December to May, is conducive to an even movement of the trade or to regularity of prices. It is easy to explain why, if 58 per cent of the Eastern supply is held back at the close of navigation, such a small proportion of that reserve should arrive here while the canals are frozen; for the limited capacity of the roads, their blockade by snow, and their high rates of freight as compared with water carriage, naturally cause grain to be held back until the opening of navigation. But the question arises, is there any real advantage to the Western dealers and to the West at large, in so small a portion of the crop being forwarded East before the closing of the canals? The dealers suppose that by holding back in October and November they can induce a scarcity at the East which will enable them, for the time being, to get higher prices. They succeed in producing the comparative scarcity, and not unfrequently a temporary advance in prices; but, so long, as it is known that the supplies are stored in the West, the New York merchants operate cautiously, satisfied to work upon light stocks, and refuse to pay a price which they think inconsistent with the supply to come ultimately upon the market. The result is that the Chicago merchant fails to get the price he demands and finds, when it is too late, that he has to carry his stock for some months.

This detention of supplies, of course, tends to keep the Eastern markets lightly fed with grain during the ssupension of navigation; which, at first sight, would seem to be in favor of the West getting higher prices upon its shipments during that period. But against this apparent advantage must be set off the high freights paid during that period. The roads hold the shippers at their mercy, having no competition from the canals to keep down freights; and the result is that high charges have to be paid for transportation, which react upon the price of grain at the West. After February the New York dealers begin to anticipate the large supply to come upon the market on the opening of the canals, and regulate their bids accordingly, the anticipation of the near arrival of supplies being almost as influential on prices as the actual receipts. When navigation opens, a large amount of grain is of necessity crowded upon our markets. The Western banks are no longer willing to help the dealers in carrying their stocks, for the mercantile interest then comes in with large claims for accommodation; so that there is no course for the holders of grain but to realise precipitately upon their hoards; and, considering the large amount of grain to be sold within the three months before the marketing of the new crop, it is clear that then the Western seller is very much at the mercy of the Eastern buyer.

It must be further taken into account that the carrying of such large stocks involves heavy interest payments, heavy charges for storage and insurance, and a certain amount of risk of deterioration or damage to the grain; which act as another drawback against any extra price that may be supposed to be obtainable by holding back supplies. At New York, the grain could be carried through the winter months at little over one-half the discount charges paid at Chicago, money being then abundant here, and good produce paper negotiable at 6 per cent; or it would be ready for shipment to foreign ports whenever prices might warrant such a movement. As evidence of the little benefit resulting to the West from holding the grain back during the season of 1866-7, we give below the actual price of Chicago Spring at New York the last Friday of each month during the autumn, winter and spring of that season:

	Sep. 28, '66.	Oct. 26, '66.	Nov. 30,'66.	Dec. 27.'66.	Jan. 25,'67.
Chicago Spring..................	$1 90@2 60	$2 00@2 55	$1 90@2 35	$1 90@2 45	$1 90@2 40
	Feb. 28, '67.	Mar. 29,'67.	Apr. 26,'67.	May 31,'67.	June 28.'67
Chicago Spring..................	$1 90@2 35	$2 10@2 65	$2 35@2 90	$2 2.@3 50	$1 75@2 35

These figures give little encouragement to the present accumulation of stocks in the West. Beside, it clearly is not conducive to the interests of Western industry and trade that the means of the banks should be unnecessarily absorbed in the carrying of immense stocks of grain. Were a larger proportion of the Eastern supplies held through the winter in New York, the Western money markets would be easier, a lower rate of interest would prevail there, and the banks, instead of carrying a dead weight for several months, would be the better enabled to foster the thousand profitable enterprises in that section which so much need and so much deserve support; while our own banks would find more legitimate employment for their ample balances, than in lending them to Wall street operators to be used in demoralizing stock speculations.

TRANSPORTATION BETWEEN THE SEABOARD AND THE WEST.

The extension of the means of transportation between the West and the Atlantic seaboard is the supreme commercial necessity of the times. Beyond the Alleghanies lies the finest trace of agricultural and mineral country on the face of the globe, occupied by a people unsurpassed for practical intelligence, industry and enterprise. Every year, the population of this section is fast increasing its numbers and enlarging its products; and this rapid expansion of Western industry demands a corresponding increase in the facilities for commercial intercourse with other sections and other countries. At present, New York is the grand depot for marketing the surplus products of the West; and thus far our railroads and canals have proved an adequate means of outlet for them. It is not to be imagined, however, that a region with such immense resources is to be always, nor even much longer, dependent upon one market and one port. Nor is it desirable, for the interests of this city, that such dependence should be unduly prolonged. The prosperity of the West is conducive to the welfare of the whole country; and what benefits the country at large is advantageous especially to this port.

But, be this as it may, New York can control no trade which cannot be done through its agency more advantageously than through others; and if new routes should be opened, establishing cheaper and quicker communication between the Atlantic and the great grain section, we must cheapen and quicken ours, or it must inevitably result that a portion of the heavy freight trade of the Western interior would take the new direction. A shorter and cheaper connection between the European markets and the West would, indeed, create its own traffic, in addition to that already existing. Whatever reduction is effected in the cost of transporting grain is so much gained in our ability to compete with European producers; and cheaper transportation would therefore insure an extended demand for Western food products abroad. Western expansion is now crippled by the cost of carrying commodities immense distances at high prices. Remove this obstacle, and we should witness an extension of agriculture unprecedented in that rapidly developing section. The growth of the West constantly keeps ahead of the progress of the railroads; and the result is that the transportation companies control absolutely the rates of freight and, by their high charges and frequently inadequate accommodation, act as a restriction upon the sources whence their traffic is derived. Each railroad having as much freight as it can carry, there is no motive for competition between the several companies, but rather for collusion to secure the highest possible rates; which is clearly a condition of things unfavorable to the commercial interests of the country at large.

Upon the foregoing considerations, we welcome any feasible effort to introduce competition in transportation between the East and West, and especially when the new route promises to effect a saving in time and distance. The convention held last week at Norfolk, Va., made a gratifying show of strength in favor of a railroad enterprise by which it is proposed to connect that port with the valley of the Ohio and the vast and fertile lands of the Mississippi valley. Judging from the earnestness shown at that gathering of Western capitalists, it may be regarded as a settled matter that a connection will soon be established between the Virginia and Tennessee Railroad and Louisville. The supplying of such a link would connect the ports of Virginia with the most thriving sections of the West, Northwest and Southwest by a shorter route than now connects them with New York. The distance, by the proposed route, from Louisville to Norfolk would be 714 miles, or 351 miles less than from Louisville to New York; from Cairo the distance would be 400 miles less than to New York, and from Cincinnati 237 miles less. There is here a very broad basis for a material saving on the transportation of the heavy freights of the West, the distance of these sections from the Atlantic being reduced about one-third. The route, it is also claimed, would have very important advantages over the existing routes in respect to grades, the maximum grade being 68 feet to the mile, while that of the Pennsylvania Central is 100 feet and that of the Baltimore and Ohio 116 feet. Running through a mild climate, the road would be subject to none of the interruptions arising from ice and snow which embarrass the New York and Pennsylvania roads. The West, and Cincinnati especially, needs facilities that will enable it to forward its produce as freely in the winter, when navigation is suspended, as at any other time; while it equally requires the means of sending to market its crops in the fall without glutting both the roads and the canals; and that desideratum would be met by supplying the lacking link between the Virginia roads and those of Kentucky. The road would be available for the transportation of Western produce destined to New York at a season when the existing roads are overcrowded or when the canals are frozen, which would be of great importance to the grain trade of this city.

It is contemplated to establish a line of steamships to run between Norfolk and Liverpool, designed to carry the heavy class of freight brought over the new route, and supplying the facilities for through shipments from the West to Great Britain. Here, perhaps, is the weak point in this scheme for making Norfolk a great port for Western products. For although it is easily conceivable how the vessels may get ample outward cargoes, yet it is by no means apparent where the return cargoes are to come from, seeing that the Atlantic imports are naturally attracted to the New York market. The projectors evidently aim to divert emigration to that point as a basis of return traffic, and propose, as an inducement for emigrants to come by their vessels, to give them free transportation from Norfolk to their destination. The representatives of the connecting railroads promised in the convention to grant this advantage to settlers coming in the Norfolk steamers. They cannot, however, make such a gratuity without some considerable cost. If the sacrifice should induce emigrants to sail for Norfolk in preference to New York, there would be some compensation to the roads; for the profits of the steamers upon the emigrant trade would place them in the better position for carrying freight cheap; but if it should fail to attract emigrants, the vessels would have to charge proportionately higher rates of freight, which would make against the economy of the route to Western forwarders. The great earnestness shown by the West in forwarding this enterprise, as a new outlet for its products and a source of competition with the Eastern routes, warrants the expectation that much will be done by the merchants of that section to establish trade on the route; and, with such aid at the beginning, its natural advantages may be relied upon to secure it ultimately an important position as a line of communication between the grain States and Liverpool.

Contemporaneously with these efforts, steps are being taken for connecting the Chesapeake Bay with the West by an unbroken line of navigation. The shortest natural water line between the Atlantic and the West undoubtedly lies between the mouth of the James River and the commencement of the Ohio. This route it is proposed to open by completing the unfinished portion of the Virginia canal, over the 80 miles between its present terminus at Buchanan and the Greenbrier River: which would connect steam navigation at Richmond with steam navigation in the Kanawha, by a canal 277 miles in length. In this way a connection would be opened between the Chesapeake Bay and the river system of the West, with its immense flat-boat traffic, a system which admits of unlimited ramification by the building of canals connecting the great water lines.

These movements for opening, at the same time, railroad and water communication between the West and the Chesapeake Bay indicate a public sense of the pressing necessity for ampler transportation accommodation for the rapidly expanding interests of the interior; and, considering the comparatively light outlay of capital required for the completion of the enterprises, there can be no doubt of their ultimate realization, and as little question that a new era of commercial development will be the result.

FRANCE AND SPAIN.

Now that the Spanish revolution is an accomplished fact, and now that it is hardly less certain that Napoleon III. will in no direct way interfere with its progress than it is that the Pope can do no more for her most Catholic majesty than offer her the Quirinal for a palace and Rome for a place of sojourn, it begins to be hoped that the mighty change which has occured in Spain may have some good effect upon the uncertain and therefore perilous condition of affairs in France. This hope is by no means unreasonable. In the first place, the downfall of the government of Queen Isabella II. must weaken the clerical party in France, and the necessity of keeping well with the clerical party in France has been one of the Emperor's most perplexing political obligations. Under the inspiration of a fanatical nun known as Sister Patrocinio and of a scheming priest, Father Clariet, advanced by the Queen to the dignity of Archbishop of Tarragona, the government of Queen Isabella II. had probably become the model clerical government of Europe.

The priesthood in Spain were all-powerful over matters relating to the social life and training of the Spanish people. Their order had gradually recovered all and more than all the power which it had lost by the liberal decrees which several years ago broke up the monastic institutions. What Von Beust has forbidden Austria any more to be, what Dupanloup, Bishop of Orleans, and his coadjutors would gladly see France become, that Spain was. It will be difficult now even for the ingenious Bishop of Orleans himself to disprove the evidence offered by the Spanish revolution of the impotence of a strictly clerical support to sustain a temporal dynasty. Faith in the church undoubtedly is still a power in France, and particularly in rural France. But it is much less of a power in France than it was and is in Spain. If the Bourbons, nevertheless, found it a broken reed at Madrid, why should the Bonapartes be asked to lean very heavily upon it at Paris?

The Emperor Napoleon III., then, may find himself to a certain extent set free by the triumph of Prim and Serrano from the bondage of that organization in France which has done more than any other single force, so far, to foil the attempts which he himself has repeatedly made to expand and liberalize the imperial system. The French clergy themselves, if they be not utterly blind to the condition of the world they live in, must recognize the fact that the success of the church in Spain has been its ruin. The Spanish church finds itself to-day imperilled by the downfall of the monarchy which it had made too much and too openly its own tool. The French church will hardly now be kept with a very firm hand upon the same fatal course by the experienced ecclesiastics who control its helm.

Again, the Spanish revolution, so long as it prospers as it has up to this time prospered without damaging social order in Spain, or endangering the foreign relations of the country, must relieve the French government to a certain extent from its complications in that most complicated and perilous question of France and Rome. The overthrow of the Spanish Bourbons deals a death-blow to the intrigues of the Neapolitan Bourbons with the Roman court, while at the same time it throws the Roman court more helplessly than ever into the arms of the French government. Were the project mentioned in some quarters as under consideration at Florence and Paris to be carried out, and the Spanish throne to be offered to and accepted by the Prince Amadeus, of Savoy, the second son of King Victor Emmanuel, it would become absolutely necessary for the Papal court to make its peace with Italy, and to relax its tormenting hold upon France. And finally, without wandering too far into speculations upon the possible bearing of a series of events which are still working out, it is clear that the emancipation of Spain, and the revival of her energies under a capable and feasible government must strengthen the Emperor Napoleon against the extreme war party in France which for two years past has been urging him madly on, in season and out of season, to a war with Prussia, for the purpose of preventing the consolidation of Germany.

The tact that Italy is to-day a power of importance, and that the force of Italy might be turned against France in certain contingencies, has already had its influence in fortifying the Emperor's policy of resistance against the impetuosity of the clamorers for the "natural boundaries of France." The rise beyond the Pyrenees of a new Spain not incapable of becoming what the Spain of old so often was, a decisive make weight in the balance of European power, will reinforce this tempering and modifying influence of the Italian resurrection upon the pride and the passions of the French people. Of course nothing of all this good could be looked for, were the Spanish revolution to degenerate, as so many friends of Spain have feared, and as all the foes of Spain have hoped it might, into a chaotic and anarchical conflict between the theories of philosophers and fanatics on the one hand, and the ambition of unscrupulous adventurers on the other.

The disposition manifested at the outset by a few members of the Madrid Junta to dabble in political experiments, after the manner of the French revolutionists of 1848, seems however, to have been effectually arrested. M. de Girardin, in *La Liberte*, concedes the establishment of a Spanish republic to be now impracticable, and congratulates Europe that the future of Spain just now rests upon one man, Marshal Serrano, Duke of La Torre, who is at once sensible and honest. We may not unreasonably anticipate, therefore, at no distant day, the formal settlement of the Spanish crown, under a well-ordered constitutional system, upon some prince of alien blood, but of mature years, and of respectable political capacity. The advent of such a prince as the ex-king Ferdinand of Portugal, for instance, to the Spanish throne, would be hailed by Europe as the presage of a real restoration of Spain to the place which of right is hers in the family of nations.

How greatly France now needs what we may call the moral and political tonic of such an issue of the Spanish revolution, may be measured by the fact that capital in France is flowing as freely as water into the coffers of the French government. It is but the other day that, in response to a call for a new loan, the French Minister of Finance received, in twenty-four hours time, offers to the amount of thirty-four times the sum required. And the short loans of the French government, corresponding to what are known in English finance as "Exchequer Bills," have just been renewed at the unprecedented rate of *one half per cent* a year.

These facts, usually cited in proof of the popularity of the imperial government, really show, as the London *Economist* wisely suggests, only its actual ill-effect upon French interests and French public opinion. The credit of the French government is independent upon the credit of any particular dynasty in France. It reposes upon the intelligent confidence of Frenchmen in the unbounded resources of France, and upon the moral certainty that "whatever king may reign" the Rentes will surely be paid. But France within a few years past has made enormous progress in the development of her industry and her resources. She has prospered exceedingly, and accumulated a vast store of readily available capital. Were the policy of the French government clearly known and satisfactory, these accumulations would naturally find their way into the vortex of industry and trade, and the government, though it might still borrow at an advantage as compared with other governments would still be obliged to pay something more than nominal rates of interest. Now, on the contrary, the anxiety of men as to a future of war or of peace chills private enterprise, and capital locks itself up for safety, not for profit, in the public funds.

A practical and prosperous government in Spain by its influence in deciding the positive triumph of a peace policy in France, may therefore, perhaps, accomplish for France, Europe and the world happy results not less important than those whih it will achieve for Spain herself.

THE PROSPECTIVE PREMIUM ON GOLD.

The decline in the price of gold from 150 in July to 137½ within the present week, however influenced by speculation, has been the result of well defined movements. The rise in the premium, three months ago, was mainly due to what then appeared to be a reasonable prospect of a serious adverse balance in our foreign trade. During the first six months of the year, we had exported from New York alone $60,000,000 of specie, an unprecedented amount for that period, and yet our imports were increasing, while our exports were falling below the value of those last year, and we had to provide for the payment of $7,200,000 on account of the purchase of Alaska. Few or none considered it safe to rely upon the continuance of the exportation of bonds upon any considerable scale, and it was therefore deemed inevitable that we must make further he vy drafts upon our already reduced stock of gold, in order to balance our trade indebtedness to Europe.

It was principally upon these considerations that gold advanced to 150. Relief, however, came from the quarter least expected. It proved that, notwithstanding the immense amount of United States bonds held in Europe, the market there was open to take still more at the easier prices induced by the rise in gold; and contrary to all expectation, Government securities were sent out steadily, during July and August, to an aggregate amount variously estimated from $25,000,000 to $40,000,000, besides several million shares of the Erie Railway Company. This very large contribution toward the adjustment of our foreign trade account, virtually averting a heavy drain of specie, completely changed the condition of the gold market and produced a steady decline in the premium, as the magnitude of the movement came to be generally appreciated.

The downward tendency has also been accelerated by the result of the harvest affording promise of an abundant surplus of food products for export. It is difficult, however, to estimate with even approximate accuracy the course of the foreign trade movement for the next few weeks, upon which the price of gold must be in a large degree dependent. During the months of July, August and September, the imports at this port have varied but little from those of the same period of last year, the total being $72,800,000, against $65,400,000 in 1867. The produce exports at New York, for the same period, have been $39,800,000, against $42,000,000 last year. Perhaps it may be safely assumedthat, for the next three months, the imports will not vary materially from those of the same quarter of 1867. There would seem to be good reason, however, for anticipating that the course of the exports will be more favorable than last year. Our exports of field products may certainly be relied upon to yield us a larger return; the only question being, whether the improvement will come at once, or be delayed through a temporary holding back for better prices. Thus far, our shipments of breadstuffs have not been so large as might have been expected from the abundance of the crops. At the West, grain is held above the views of Eastern shippers; and it is very possible that the Western dealers may keep back their produce until the close of navigation, in which event the exportation of our surplus of breadstuffs would be in a considerable measure delayed until the Spring of next year. The arrivals of grain at New York from August 1 to October 13, compared with those of last year, have been as follows:

	Aug. 1 to Oct. 13, 1868.	Aug. 1 to Aug. 13, 1867.
Flour, bbls	71,630	908,545
Corn meal, bbls	25 245	17,045
Wheat, bush	2,716,355	3,440,900
Corn, bush	7,091,870	6,085,445
Rye, bush	105,295	263,745
Barley, &c., bush	616,935	708,230
Oats, bush	3,797,320	2,665,035

The stock of grain in New York warehouses on the 12th instant was as follows, compared with the same period of last year:

	Oct 12, 1868.	Oct. 14, 1867.
Wheat, bush	483,806	167,608
Corn, bush	2,508,744	967,684
Oats, bush	1,393,936	891,897
Barley, bush	22,026	32,793
Malt, bush	59,651	57,977
Peas, bush	32,890	12,245
Rye, bush	31,825	7,800
Total	$4,532,878	$2,136,434

It is apparent from these figures that our grain shippers have not been in a position to make shipments this fall at all proportionate to the large increase in our surplus; it is therefore to be expected that sooner or later we shall have a large amount of exchange made against this class of exports. Our exports of breadstuffs for the fiscal year 1867-8, are stated in the official returns at $69,000,000. The exportable surplus of wheat alone, this year, is estimated at about 40,000,000 bushels, which, at current and probable prices, would realize much more than our whole shipments of flour and grain last year. The corn crop is also abundant and likely to yield us a liberal exportable surplus; when it is considered that the whole quantity of corn exported last fiscal year was only 11,500,000 bushels, it is apparent that here also there must be some gain in the value of our shipments. These facts show that, allowing for the late decline in prices, our exports of breadstuffs, for the current fiscal year, may easily realize from $25,000,000 to $30,000,000 more than those of 1867-8, The cotton crop is being held back from the same cause which checks the shipments of breadstuffs. The planters are this year absolute owners of their cotton, and the stocks being small, they hold their cotton with considerable firmness. It is quite possible that there may be a temporary check in the exports of this staple from this cause; but there is every reason to expect that the result for the whole year will exceed in value that of last year. From all thus far ascertained as to the prospect of the yield, it would apparently be safe to estimate that we shall have a surplus of 1,700,000 bales for export. Estimating the average price for the year at the low figure of 20 cents per pound (with gold averaging, say 135), the total value of our exports of this staple would be about $150,000,000, which, though about the same in currency value as the cotton exports of 1867-8, would yet yield a higher value in gold, the premium having then averaged above the foregoing estimate.

The course of supply and demand upon the gold market for the last quarter of the year is not likely to affect materially the premium. A large amount of coin interest becomes payable at the Treasury on the 1st of November, and although probably some $14,000,000 of the total may be due to foreign bondholders, yet it is anticipated among foreign bankers that fully one half that amount will be set off by remittances of bonds. From this date, to the close of the year, the supply of commercial bills is generally such as to require comparatively small exports of specie. The probable course of market supply and demand for the whole country, for the months of October, November and December, may be thus estimated:

PROBABLE SUPPLY.

From California	$7,500,000	
From imports	1,500,000	
From November coin interest	30,000,000	
From Treasury sales	12,000,000	
Total supply		$51,000,000

PROBABLE WITHDRAWALS.

For Customs duties	$37,500,000	
For export (same as in 1867)	16,000,000	
Total withdrawals	53,500,000	
Probable excess of withdrawals		$2,500,000

It would thus appear probable that the movement of specie is likely to result in a slight loss from the market within the three months. On the 1st of October, however, there was $20,200,000 of private gold on deposit in the Treasury, against $14,800,000 at the same date of 1867; so that the market will, on the whole, probably be better supplied for the current quarter than during the same period of last year.

FACTITIOUS INTERFERENCE WITH THE MONEY MARKET.

The sudden advance of 2 to 3 per cent in the rate of interest, at the close of September, was not wholly unexpected with those familiar with the sinuosities of Wall street. In September and October, the crop movements usually take a considerable amount of currency from the New York banks to the interior, and call for an increase of discounts; and as the banks are required to make up their quarterly statement on the first Monday in October, there are always ordinary causes at work about the close of September which expose the loan market to extraneous and artificial interference. This year, owing to well known causes, less currency was sent West in September than usual, and the re discounting of grain bills was also on a limited scale; the result being that money was loaned on call at 4 per cent up to near the close of the month, against full 7 per cent at the same period of last year. So little was this ease expected that Wall street dealers borrowed largely late in August and early in September at 6 and 7 per cent on three months time; and these anticipatory transactions so far reduced the demand for call loans that there can be little doubt the low rates would have been continued into October had the market been allowed to take its natural course.

During the last week of the month, however, certain operations were undertaken designed specifically to tighten the market, and money suddenly became so scarce that, upon a large proportion of the call loans made outside the banks, rates of interest were paid above the legal limit. These transactions were conducted by wealthy combinations of stock speculators, the object being to break down the prices of securities; a purpose, however, which was not realized, the larger holders of stocks having fortified themselves by time loans. Both gold and securities appear to have been used for borrowing greenbacks, the currency thus obtained being either locked up in the borrower's safe, or sealed up and used as collateral for new loans and the operation repeated to any extent consistent with the secresy necessary to such a transaction. It is estimated that, in this way, several millions of legal tender notes were temporarily held out of circulation until Saturday last; when, the banks having completed their preparations for the quarterly statement, the money was returned into circulation. These operations imply a collusion between bank managers and the speculators conducting them, to which it is difficult to conceive how any conservative bank official could lend himself. There is some reason for supposing, however, that bank officers may have been overborne through the parties to the "tying-up operations" securing temporarily a large amount of the stock of the bank.

These operations are not a violation of any existing law; nor is it perhaps desirable that any effort should be made to restrain them by legal enactment; for means would always be found to evade any such restrictions. The remedy must rather be found in the moral opprobrium which ever falls upon those who adopt dishonorable expedients in business, and in the measures of self protection which are early learnt by those who suffer from these transactions. Last fall, the expedient of locking up greenbacks was successful; holders of stocks were compelled to realise, panic seized upon the stock market, securities declined heavily, brokers first failed and then merchants; and out of this ruin the authors made rich gains. The lesson, however, was too costly to be soon forgotten; and the result was that although the locking-up process was tried previous to the spring quarterly bank statement, parties carrying secuties were found to have protected themselves by long loans, as they have done in this last instance; so that after one successful experiment, there have been two unsuccessful. It is reasonable to hope that the participators in these disreputable raids upon the loan market, after finding that they only gratuitously degrade themselves before the community by their efforts, will adopt more honorable means for conducting their speculations. It is nevertheless a reflection upon the business morality of the financial metropolis of the country that prominent capitalists, controlling large corporate interests, should be found willing to stoop to such degrading and mischievous expedients. Such proceedings have a direct tendency to encourage laxity of honor in Wall street operations generally, and to lower the standing of that practical integrity which has made the brokers' word as good as his bond; they strike at the foundation of all confidence and good faith.

An attempt has been made in some quarters to throw the blame for the late stringency upon the Treasury Department, as if to conceal the real authors of the derangements. A fair examination of the facts, however, will we think exonerate the Government officials from all responsibility. On the 1st of September, the Treasury held in its vaults but $15,000,000 of currency. There was good reason for expecting that the receipts from internal revenue in September would fall below the disbursements of the month; while it was necessary to keep in view the possibility of the banks, in preparing for their quarterly statement, having to present a portion of their Three Per Cent Certificates for redemption. Under these circumstances, it was clear that the Secretary must resort to the sale of bonds or gold, or both, in order to realize currency; although the extent to which it was necessary to carry these sales could be ascertained only by the gradual discovery of the amount of the disbursements; so that a certain portion of the sales was of necessity thrown toward the latter part of the month. The Assistant Treasurer commenced with the sale of bonds; and from the last debt statement it would appear that $3,600,000 of Five-Twenties were sold, realizing about $4,000,000. After the third week of September, the sales of bonds were suspended, and on the 22d the Assistant Treasurer began to realize on gold, continuing his sales until the 30th, and selling in all $2,300,000. During the sales of bonds, and of nearly one-half of the sales of gold, money was extremely easy, call loans being 3@5 per cent; and, upon the stringency setting in, the sales of gold were suspended, and the checks received against the sales of the last two or three days of the month were held back from presentation at the banks, out of voluntary consideration for their convenience. There was certainly nothing in these transactions calculated to interfere with the convenience of the banks; on the contrary, the Department showed a commendable readiness to accommodate them, as far as possible, when they had been subjected to pressure from speculative combinations. It is true that the Treasury realised, in September, about $7,250,000 in bonds and gold, taking temporarily that amount out of the banks; but these receipts were immediately disbursed; indeed, from the fact of the currency balance being on the 1st of October only $13,300,000. It appears that the Treasury paid to the banks in September $1,700,000 more than it received—a fact which again shows the pressing necessity of the Secretary realising upon gold and bonds. In view of these facts, we cannot but regard the late animadversions upon the action of the Treasury in these matters as very inconsiderate, not to say uncandid and unjust.

The frequent recurrence of extraneous tampering with the money market has led many to doubt the wisdom of the provision in the National Bank Act requiring the banks to make a statement of their condition on the first Monday of each quarter. The knowledge that on a certain day of April and October, periods when money is always most active, the banks are apt to call in loans in order to place their affairs in a conservative condition, holds out a temptation to seize the occasion for producing an artificial stringency; and so strong is the inducement that the experiment has been made repeatedly upon an extended scale, and the recurrence of the April and October statements has thus become a source of much uneasiness in the money market and of regular periodical disturbance to business. It has been proposed, therefore, that Congress should remedy the evil by requiring the statements to be made, not upon any fixed and invariable date, but at periods to be determined from time to time by the Comptroller, and always antecedent to the date of notification and of the required return. In this way, it is urged, the dangers and the inconveniences, as well as the deceptions, attendant upon the present system of statements would be effectually obviated. There are, however, obvious objections to this proposed change, but we forego for the present the discussion of the subject.

CHICAGO, BURLINGTON AND QUINCY RAILROAD.

(ORGANIZED UNDER THE CONSOLIDATION OF JULY 9, 1856, AND SUBSEQUENT PURCHASES.)

The Chicago, Burlington and Quincy Railroad is a consolidation of the Chicago and Aurora and the Central Military Tract Railroads. The company acquired the Peoria and Oquawka and the Quincy and Chicago (formerly the Northern Cross) railroads by purchase. The Lewiston branch was a donation. Previous to May 2 , 1864, when the new line between Aurora and Chicago was opened to traffic, the cars of the company passed to and from Chicago over the Galena and Chicago Union Railroad, from the Junction to Chicago, a distance of 30 miles, for the use of which a stipulated percentage of earnings was paid.

The lines of the company, as now constructed, have a total lengthof 400 miles, accounted for as follows:

Aurora and Chicago Railroad—Junction 30 miles west of Chicago to Aurora	13 miles.
Central Military Tract Railroad—Aurora to Galesburg	125 "
Peoria and Oquawka Railroad—Peoria, *via* Galesburg, to Burlington	95 "
Quincy and Chicago Railroad—Galesburg to Quincy	100 "
Lewiston Branch Railroad—Yates City to Lewiston	30 "
Chicago Extension Railroad (new)—Aurora to Chicago	37 "

These several lines constitute by combination—

A line from Chicago to Burlington	204 miles.
A line from Chicago to Quincy	262 "
A line from Peoria to Burlington	95 "

—and two branches, viz.: one from Aurora to the Chicago Junction13 miles, and the other from Yates City to Lewiston, the latter to be extended north to Buda and Dixon, by the Dixon, Peoria and Hannibal Railroad Company, and south to Hannibal. The American Central Railroad, now on the eve of completion, will leave Galva on the main line, 142 miles from Chicago, and extend to New Boston, on the Mississippi, affording an aditional feeder of the Chicago, Burlington and Quincy Railroad. At Burlington the Chicago, Burlington and Quincy road connects with the Burlington and Missouri River Railroad, which will next year be completed to a junction with the Union Pacific Railroad at or beyond

Omaha. At Quincy connection is made with the Hannibal and St. Joseph Railroad, which, with its extensions, already connects with the Central and Eastern Divisions of the Union Pacific Railroad. The eastern connections are ample, including all the railroads leaving Chicago, and the more direct line leaving Peoria and forming part of the Columbus, Chicago and Indianapolis Central Railroad Line.

The operating accounts of the company for the years ending April 30, 1867 and 1868, compare as shown in the statement which follows:

	1866-67.	1867-68.	Increase.	Decrease.
Passenger earnings	$1,543,714 15	$1 482,506 92	$	$61,207 23
Freight	4,124,692 99	4,216,911 86	92,218 87	....
Mails and miscellaneous	414,780 91	455,228 97	40,498 06	....
Total gross earnings	$6,083,188 05	$6,154,647 25	$71,509 20	$ ....
Operating expenses	3,093 574 07	3,067,165 55	....	26,408 52
Net earnings	$2,989,563 98	$3, 87,481 70	$97,917 72	....

The company owned at the close of the two last years, respectively, the following amount of rolling stock: Locomotives, 119–122; passenger cars, 55–55; baggage, mail and express cars, 27–30; pay car, 0–1; house, freight and cattle cars, 1,659–1,817; Blue Line cars 40–00: platform and coal cars, 493–555; drovers' and conductors' cars, 43–49; gravel cars, 40-40; tool cars, 2–2; pile driving car, 1–1; rubble cars, 86–99; hand cars, 123–123; and wrecking cars, 2–2—total cars, 2,571–2,774, being an increase of 203 in the last year.

The number of miles run by locomotives, and the number of passengers and tons of freight carried, with the mileage thereof, is shown in the following account:

	1866-67.	1867-68.	Increase	Decrease
Miles run by passenger trains	644,560	7 0,560	66,000	......
" " freight trains	1,192,752	1,225,100	32,348	......
" " other trains	584,254	71 ,-94	128,640	.....
Total miles run by trains	2,421,566	2,648,554	226,988	......
Passengers carried east	450,918	449,060	......	1 858
" " west	466,902	458,978	......	7,924
" " both ways	917,820	908,0-8	.....	9,782
Passenger mileage	42,334,983	39,781,829	......	2,553,154
Tons carried east	593,-23	508,583	.....	85,240
" " west	384,740	428,906	44,166	....
" " both ways	978,563	937.489	......	41,074
Tonnage mileage	185,000,000	182,435,027	.....	2,564,973

The earnings, expenses and profits per mile of road operated in the two years, as above, was as follows:

Gross earnings per mile	$15,207 84	$15,386 62	$178 78	$......
Operating expenses per mile	7,733 93	7,667 91	.	66 02
Profits (net earnings) per mile	7,473 91	7,718 71	244 80	......
Expenses, per cent	50.85	49.83	....	1.02
Taxes to gross earnings	3.07 p. c.	3.24 p. c.	0.17 p. c.	......

The income account for the years 1866–67 and 1867–68 shows the following results:

	1866-67.	1867-68.	Increase	Decrease.
Balance to credit May 1	$588,691 55	$1,905,496 00	$1,316,804 45	$........
Net earnings	2,989,563 98	3,087,481 70	97,917 72	....
Interest and exchange	63,723 70	43,081 89	.....	20,641 81
Trustees Quin & C. RR	....	24,571 74	24,571 74	....
Total revenue	$3,641,979 23	$5,060,630 83	$1,418,651 60	$........

Disbursed as herewith stated:

Rent of tracks & depots	$14,288 14	$10,970 00	$........	$3,188 14
Interest on bonds	406,758 81	363,554 93	....	43,193 88
Taxes, State & County	113,835 74	128,805 90	14,970 16	....
U. S. tax on earn'gs, &c	72,278 94	71,231 20	....	1,047 74
Transfer office expenses	1,000 00	1,000 00	....	....
Divi'nd, May 15, '66 & '67	509,650 00	519,950 00	10,300 00	....
" Nov. 1, '66, and Sept. 3, '67	509,650 00	519,950 00	10,300 00	....
Dividend, March 16, '68	....	627,195 00	627,195 00	....
U. S. tax on dividends	62,922 10	197,205 10	1[illegible]4,282 9[illegible]	....
Distribution of stock Sept. 15, 1867	....	2,079,800 00	2,079,800 00	....
Bonds purchased for sinking fund	50,600 00	49,500 00	....	1,100 00
Total disbursements	$1,736,488 28	$4,568,662 08	$2,832,173 80	....
Bal. to credit Apr. 30	$1,905,496 00	$491,968 80	....	$1,413,527 20

A further dividend of 5 per cent was payable Sept. 15, 1868. The distribution of stock, Sept. 15, 1867, was equal to 20 per cent on the capital, then amounting to $10,399,010. The total cash dividends during the last five years have been equal to 52 per cent, and the stock distributed equal to 50 per cent. The profits represented by stock distributions have been used in the road and equipment, the construction of the Burlington bridge and other improvements. The bridge at Quincy does not involve the finances of the Company, being built by a separate organization, under arrangements with all the companies whose railroads terminate at that point. These bridges are about ready for use. The bridge at Quincy is about 4,[illegible]00 feet, and that at Burlington about 2,237 feet long. Both rest upon stone piers, and the superstructure is entirely of iron, with draws for the passage of river craft. When completed they will be structures of great beauty as well as of very great importance to the business of the country as well as of the railroad companies. Of the total gross earnings of this Company in 1867-68 ($6,154,647 25), the amount contributed by business passing over it to and from the Hannibal & St. Joseph Railroad was $607,597 90, and that to and from the Burlington and Missouri River Railroad $391,069 50, or together $998,667 40, nearly a sixth of the aggregate business of the Company.

The financial condition of the Company, as exhibited on the balance-sheets of April 30, 1867 and 1868, is shown in the following statement, with the increase and decrease in the last-named year.

	1867. $	1868. $	Increase. $	Decrease. $
Capital stock	10,399,010 00	12,544,030 00	2,145,020 00	....
Funded debt	5,458,250 00	5,218,750 00	....	239,500 00
Due N Cross RR bondholders	....	270,000 00	270,000 00	....
Unclaimed dividends	2,016 00	2,853 00	837 00	....
Unpaid accounts & pay-rolls	299,492 81	296,850 02	....	2,642 79
Due agents and roads	64,033 21	83,099 82	19,066 61	....
Sinking fund	828,726 99	878,225 99	49,500 00	....
Balance of income account	1,905,496 00	491,968 80	....	1,413,527 20
Total	18,957,024 01	19,785,777 63	828,753 62	....
Against which amounts are charged, as follows:				
Construction (400 m)	13,246,710 70	14,507,344 47	1,260,633 77	....
Equipment	2,956,327 52	3,205,407 62	249,0[illegible]0 10	....
Due on Northern Cross R.R.	270,000 00	270,000 00	....	....
Materials on hand	413,420 69	440,151 05	26,730 36	....
Pullman Palace car co. stock $72,800	....	48,200 00	48,200 00	....
Steam ferry and other boats	41,383 41	45,456 91	4,073 50	....
Burlington depot grounds & accretions	....	126,137 55	126,137 55	....
Chicago teams for transferring freight	4,500 00	4,500 00	....	....
Accounts and bills	203,373 96	307,817 97	104,444 01	....
Burl & Mo. Riv RR cert's	180,023 22	299,649 01	119,625 79	....
Due from agents and roads	64,728 94	64,435 85	....	293 09
Div No. 14 and tax thereon	....	547,315 78	547,315 78	....
Deposits in New York, Boston and Treasury	746,575 13	253,012 54	.....	493,562 59
Dep. with Trustees skg fund	282,664 86	231,664 86	....	51,000 00
Total	18,957,024 01	19,785,777 63	828,753 62	....

The following table shows the highest and lowest sale prices of this company's stock at New York, in each month of the five years, 1863–68:

Months.	1863–64.	1864–65.	1865–66.	1866–67.	1867–68.
May	108 @120	126 @142	102 @110	114 @117	130 @132
June	113 @116	126½@132	104 @108	116 @121	132 @142
July	114 @116½	126 @132	109½@112	124 @125	144 @150
August	115 @126½	127 @131	111 @113	129 @130	126 @153
Sept	120 @123	117 @127	112 @125	123 @133½	124 @126½
October	122½@131	111 @115	124 @1[illegible]0	132½@137	126½@137
November	116½@124½	115 @120	110½@115	131 @133½	1[illegible]3 @135
December	115 @117½	116½@118	118 @115	130 @134	136 @137
January	118 @129	114 @120	109½@114	129 @133	133 @143½
February	122 @133	115 @120	112 @112	129 @130½	144 @153½
March	131½@146	100 @118	112 @115	129½@132	149½@150
April	132 @140	103 @117	115 @117½	130 @136	150 @150
Year	108 @149	100 @142	102 @130	114 @133½	124 @153½
Dividends	9 p. c.	13 p. c.	10 p. c.	10 p. c.	10½ p. c.
Distrib'ns		May 25, 10 "	Oct. 31, 20 "		Sep 15, 20 "

Additional for 1868–69: May 149@150½; June 151@154; July 164@165; August 170@173; September ...@...; range 149@173.

MEMPHIS AND CHARLESTON RAILROAD.

Articles relating to the Memphis and Charleston Railroad were published in the MAGAZINE of November, 1866, and November, 1867. We now add another year's record to our previous reviews, comparing the results of the two fiscal years ending respectively June 30, 1867 and 1868. The gross earnings from transportation compare as shown in the following summary:

	1866–67.	1867–68.	Increase.	Decrease.
Passenger earnings	$910,799 08	$589,824 41	$........	$320,974 62
Freight	636,886 85	465,845 79	....	171,041 06
Mail	27,799 62	41,700 39	13,900 77	....
Express	76,720 00	59,700 00	....	17,020 00
Rents and privileges	9,406 93	17,843 54	8,436 61	....
Total	1,661,612 43	1,174,914 18	....	486,698 30

Less, the following amounts expended:

Transportation	$334,095 09	$282,685 07	$........	$51,409 47
Motive power	338,848 52	258,278 28	....	80,570 24
Maintenance of way	329,497 00	206,610 07	....	122,886 93
Maintenance of cars	111,984 36	82,533 89	....	29,450 47
Total	1,114,424 97	830,107 86	....	284,317 11
Net earnings	$547,187 46	$344,806 27	$........	$202,381 19

The extraordinary falling off in revenue in 1867–68, as compared with the previous year, is attributable in a great measure to the short crop of cotton and the impoverished condition of the country through which the line passes, as well as to a large reduction made in local rates, both freight and passenger. Besides, the epidemic which prevailed at Memphis last fall and summer almost suspended business for four months, while the inability of the Virginia railroads to move cotton promptly, and the derangements at Charleston were also great hindrances, preventing large shipments to Eastern cities for several months during the business season.

The road is now in fair running order, and the stock of cars and locomotives ample for any ordinary requirements of business. During the year there was added to the equipment 102 box freight, 43 platform and 10 stock cars, and one baggage car, and a further gradual increase is provided for. The present equipment consists of 55 locomotives, 38 passenger and mail cars, 7 baggage cars, 1 hay and 1 street car, 3̇6 box and 156 platform cars, 14 stock cars 1 wrecking car and 79 road and hand cars. The mileage and operations in 1866-7 and 1867-68, compare as follows:

	1866-67.	1867-68.	Increase.	Dec.
Train, miles	786,831	751,942	....	34,889
Passengers carried	223,818	127,016	....	96,802
Cotton (bales) transported	88,731	95,288	....	6,557

The destination of the cotton was as follows:

Memphis	65,451	73,764	8,313	.....
Corinth and Tuscumbia	81	238	157	.....
Decatur	2,962	4,859	1,897	.....
Huntsville	610	646	36	.....
Stevenson	331	573	242	.....
Chattanooga	19,296	15,708	....	3,588

The total fiscal operations of the company for the years as above, as exhibited on the profit and loss account are shown in the following abstract:

	1866-7.	1867-8.		1866-7.	1867-8.
Balance, July 1	$....	$120,825	Balance, July 1	$78,464	$ ...
Gross earnings	1,661,612	1,174,914	Expenses	1,114 424	830,107
Interest and exchange	23,865	....	Inter. on State loans	101,888	95,731
Balance, June 30	...	433,673	" on bonds	90,580	111,060
			" and exchange	.	20,675
			Divid'd No. 9, 3 p. c.	....	159,381
			Discount on bonds	179,845	490,964
			Sundries	....	20,990
			Balance, June 30	120,825	....
Total	$1,685,477	$1,728,912	Total	$1,685,477	$1,728,912

Since the completion of the road and branches (Jan. 1, 1860) there has been dec'ared and paid nine dividends—two stock and seven cash. The following is a list thereof with the date of declaration, rate and in what paid.

No. 1	December 1, 1859	60 per cent,	stock	$1,851,185
2	February 29, 1860	4 "	cash	152,501
3	August, 1860	4 "	"	152,50
4	February, 1861	4 "	"	152,501
5	September 30, 1861	4 "	"	152,501
6	January 9, 1863	83½ "	stock	1,330 842
7	February 2, 1862	4 "	cash	212,382
8	March 3, 1863	4 "	conf. cur.	212,509
9	March 31, 1868	3 "	cash	159,381

The stock dividends represented earnings used in construction, and were charged to that account. The balance sheets of the 30th June, 1867 and 1868, respectively, compare as follows:

	1867.	1868.	Increase.	Decrease.
Capital stock	$5,312,725 00	$5,312,725 00	$	$ ......
Tennessee State loan	1,595,530 00	1,595,530 00	... ..	......
1st Mort 7 per cent bonds (conv.), 1880	1,294,000 00	1,293 000 00	......	1,000 00
2d Mort. 7 p. c. bonds, 1885	237.000 00	1,000,000 00	763,000 00	......
Bills payable	246,119 41	1 1,228 55	......	134,890 86
Unpaid coupons	156,975 00	39,445 00	......	117,530 00
Unpaid dividends	34,218 98	34,343 68	124 70	......
Due United States	272,403 62	....	......	272,403 02
Suspense account	...	3,733 09	3,733 09	......
Current accounts	212,220 71	141,535 49	......	70,695 22
Transportation receipts	1,685,477 81	1,174,914 13	......	510,563 68
Total	$11,046,669 98	$10,706,454 94	$	$840,214 99

Per contra: charges on the following accounts—

Road	$5,959,003 62	$6,200,638 16	$241,634 54	$ ......
Equipment	1,002,601 22	1,134,558 50	131,957 28	......
Incidentals	324,581 76	326,411 46	1,829 70	......
Construction	$7,286,186 60	$7,661,608 12	$375,421 52	$ ......

Materials, etc.	239,156 58	183,543 52	......	55,613 06
Stock of other companies	199,680 00	211,785 83	12,105 83	......
Transportation	1,114,424 97	830,107 86	......	284,317 11
Interest and exchange	192,418 00	227,467 75	35,049 75	......
Profit and loss	78,464 64	59,947 08	......	18,517 56
Discount on bonds	179,845 00	490,964 77	311,119 77	......
Coupon bonds on hand	1,178,500 00	464,000 00	......	714,506 00
Bills receivable	105,104 42	81,650 44	......	23,453 98
Current accounts, &c.	390,846 69	42-,871 48	38,024 79	......
Cash on hand	82,032 99	67,508 04	......	14,524 95
Total	$11,046,669 93	$10,706,454 94	$	$340,214 99

This balance sheet shows that large progress has been made during the year in the liquidation of the floating liabilities of the company, and notwithstanding the diminished earnings of 1867-68, a marked improvement in the financial condition is recognizable. The earnings for 1868-69 are expected to reach a dividend paying point. This expectation is based on the fair condition of the road and the sufficiency of rolling stock, and also on the increased crops of cotton and cereals to be moved. The amount required to pay interest on all the bonds and 6 per cent on the stock is $575,007 30—viz., interest on Tennessee loan, $95,731 80; on first mortgage bonds, $90,510, and on second mortgage bonds, $70,000, and six per cent on the stock, $318,765 50.

CHICAGO AND NORTHWESTERN RAILWAY.

[Consolidation (June, 1864) of Chicago and Northwestern, Galena and Chicago and Peninsula Railroads, and including railroads constructed, purchased and leased].

The lines of railroad owned, leased and operated by the Chicago and Northwestern Railway Company are as follows:

WISCONSIN DIVISION		314.6 miles.
Chicago, Ill., to Fort Howard, Wis.	242.2	
Kenosha, Wis. to Rockford, Ill.	72.4	
GALENA DIVISION		261.0 "
Chicago, Ill., to E. bank of Mississippi (opp Clinton, Ia)	137 0	
Junction (30 m. W. Chicago) to Freeport, Ill.	91.0	
Elgin (42 m. N. W. Chicago) to Richmond, Ill	33.0	
IOWA DIVISION (*leased lines*)		354.0 "
Bridge, E. bank of Mississippi, Ill. to Clinton, Ia	1.1	
Chicago, Iowa and Nebraska RR.—Clinton to Cedar Rapids, Ia.	81.3	
Cedar Rapids and Missouri River RR.—Cedar Rapids to Missouri River	271.6	
MADISON DIVISION		67.6 "
Belvidere, Ill, (78 m. W. Chicago) to Madison, Wis	67.6	
PENINSULA DIVISION		71.2 "
Escanaba, Mich., to Cleveland Mines, Mich.	65.3	
Branches and Extensions to mines	5.9	
MILWAUKEE DIVISION—Chicago, Ill., to Milwaukee, Wis		85.0 "

Total length of railway owned, leased and operated, 1,153.4 miles, second track 30 miles, and sidings (in Chicago 27.7, and on lines 138.7) 166.4 miles; gauge, 4 feet 8½ inches.

The following shows the distribution of the 2d track and sidings on the several lines, and the total length of track in use at the close of 1867-68:

Lines of Road	Miles of Track — Main.	Sidings.	Total.
Chicago to Fort Howard	242.2	36 7	278.9
Kenosha to Rockford	72.4	3.1	75.5
Chicago to Clinton (incl. 30 m. 2d track)	138.1	78.6	216.7
Chicago Junction to Freeport	91 0	13.3	104.3
Elgin to Richmond	33.0	2.8	35.8
Clinton to Cedar Rapids	81.3	14.5	95.8
Cedar Rapids to Missouri River	271.6	24.8	296.4
Belvidere to Madison	67.6	4.0	71 6
Escanaba to mines	71.2	9.2	80.4
Chicago to Milwaukee	85 0	9 4	94.4
Total line, 2d track and sidings	1,153.4	196.4	1,349.8

The bridge across the Mississippi at Clinton was completed January 7, 1865; the Peninsula Railroad (Escanaba to Negaunee, 62 m.) was opened June 1, 1865; the Chicago and Milwaukee Railway (85 m.), was leased May 8, 1866, and the Cedar Rapids and Missouri River Railroad was opened from Boone to the Missouri River (151 miles), April 1, 1867. Since these dates these several lines have been operated by the Chicago and Northwestern Railway Company, and their operations included in the general accounts. In October, 1867, the Chicago and Northwestern Company purchased certain interests in the Winona, and St. Peter, and La Crosse, Trempealeau and Prescott Railroads, and have guaranteed bonds to the amount of $800,000, issued by the latter. These companies, however, retain their separate organization, and in no manner form part of the lines operated by this company.

The stock of locomotives and cars on hand at the date of consolidation, and at the termination (May 31) of each subsequent year has been as follows:

		June 1, '64.	1864-5.	1865-6.	1866-7.	'67-8.
Locomotives	—1st class	94	123	189	203	204
	2d class and switchings	28	31	33	44	44
	Total number	122	154	172	247	248

Description and number of cars:

		June 1, '64.	1864-5.	1865-6.	1866-7.	'67-8.
Passenger	—1st class	71	79	103	112	118
	2d class	15	15	21	21	21
	Total	86	94	124	133	139
Caboose and way		79	83	99	117	137
Baggage, mail and express		70	75	88	101	107
Boarding		.	..	2	4	4
Freight	—Box	1,892	2,000	2,230	3,554	3,56
	Platform	366	611	737	901	901
	Cattle	109	109	207	307	307
	Coal	53	53	53	53	53
	Total	2,420	2,773	3,227	4,815	4,824
Iron ore		....	214	322	519	522
Total of all cars		2,655	3,230	3,857	5,689	5,733

PASSENGER AND FREIGHT BUSINESS.

The number of passengers carried, and the tons of freight transported in each of the four years ending May 31, 1865–68, are shown in the following statement:

		1864-5.	1865-6.	1866-7.	1867-8.
Average length operated		(846.2 m.)	(924.5 m.)	(1027.6m)	(1,158m.)
Passengers carried.	From Chicago	259,034	424,192	418,440	445,850
	To Chicago	234,129	339,164	345,182	371,673
	To & from all stations	1,096,097	1,511,992	1,533,028	1,711,567
Tonnage carried	From Chicago	214,243	......	405,510	485,225
	To Chicago	530,[illegible]37	.....	760,177	733,292
	To & from all stations	956,484	1,870,[illegible]16	1,726,919	1,982,429

The freight is classified as follows:

			1864-5.	1865-6.	1866-7.	1867-8.
Merchandize		tons	145,751	172,139	206,073	233,583
Coal		"	28,224	30,167	49,203	86,926
Lumber		M. ft	121,293	163,287	207,330	286,780
Flour		bbls	858,024	897,461	1,208,822	1,061,617
Wheat		bush	4,877,977	9,733,488	10,218,288	9,458,416
Corn		"	1,950,480	4,027,202	4,074,948	2,754,850
Oats		"	5,901,893	5,650,278	4,492,691	5,368,492
Rye and barley		"	521,069	950,140	1,611,863	1,665,112
Dressed hogs		tons	11,512	17,274	16,478	8,608
Hides		"	1,868	......	.....	......
Iron		"	.....	24,369	47,814	83,796
Pig iron		"	.....	221	1,956	5,672
Iron ore		"	.....	33,987	141,428	236.185
Produce of country		"	34,144	48,536	84,615	41,846
Salt		bbls	......	84,172	90,681	112,048
Heavy 4th class articles		tons	85,864	81,884	84,615	41,846
Live stock	Horses		13,115	7,444	7,686	6,628
	Cattle		126,526	107,698	77,814	53,199
	Hogs		235,835	279,049	249,896	316,991
	Sheep		113,053	64,940	51,092	40,121
Totals in net tons			956,484	1,870,516	1,726,919	1,982,429

REVENUE, EARNINGS, EXPENSES, &C.

The following statement exhibits the sources and amounts of revenue, and the objects of disbursement in the same four years ending May 31, 1868:

	1864–5.	1865–6.	1866–7.	1867–8.
Passenger earnings	$2,167,901 77	$2,510,727 52	$2,945,016 19	$3,593,031 47
Freight "	4,448,598 57	5,893,191 31	6,649,589 81	8,266,809 40
Express "	90,045 87	157,157 30	346,016 37	464,405 57
Mail "	67,885 90	77,660 22	124,486 27	172,605 90
Miscellan's "	46,317 53	105,103 86	96,627 81	137,994 12
Total gross earn's	$6,820,749 75	$8,243,840 28	$10,161,735 45	$12,614,846 16
Operating expenses	$4,295,472 86	$5,072,959 34	$6,724,265 45	$7,483,484 04
U. S. taxes on earn's	157,769 07	200,169 43	107,611 96	89,245 06
U. S. rev. tax stamps	....	4,514 61	5,681 22	6,152 31
State & county taxes	168,119 91	249,439 99	266,436 59	289,764 79
Total operating expenses and taxes	$4,621,361 84	$5,527,083 45	$7,103,993 20	$7,873,646 60
Earn's less expenses	$2,199,387 91	$2,716,756 83	$3,057,742 25	$4,741,199 86
Expenses to earnings (excl've of taxes)	62.98 p.c.	61.54 p.c.	66.17 p.c.	59.36 p.c.
Taxes to earnings	4.77	5.50	3.74	3.06
Expenses to earnings (inclusive of taxes)	67.75	67.04	69.91	62.42

The following is a statement of the gross earnings monthly for the same years:

	1864–5.	1865–6.	1866–7.	1867–8.
June	$565,145 40	$747,942 30	$92 ,983 47	$883,658 13
July	480,709 92	702,691 51	808,523 87	868,214 49
August	519,305 92	767,508 17	797,474 96	1,063,236 47
September	669,604 75	946,707 12	1,000,065 83	1,418,942 36
October	729,759 18	932,682 78	1,200,21 95	1,541, 56 80
November	716,878 30	754,671 04	1,010 892 24	1,211,530 30
December	5 3,400 50	5 7,842 40	712,356 68	879,900 39
January	541,004 79	523,565 95	696,146 61	734,889 83
February	482,164 28	3 9,917 24	574,664 34	807,477 82
March	459,296 24	523,814 97	765,398 13	850,192 67
April	468,357 09	537,518 96	77 ,279 53	1,094,597 56
May	585,622 82	858,948 04	895,711 84	1,211,149 81
Yearly earn'gs	$6,820,749 75	$8,243,340 28	$10,161,785 45	$12,614,846 46
Monthly average	568,395 81	686,986 69	846,977 85	1,051,237 20
Yearly earnings per mile operated	8,060 45	8,917 08	9,888 80	10,937 09
Yearly expenses per mile operated	5,461 31	5,978 45	6,913 19	6,826 47
Yearly profits per mile operated	2,599 14	2,933 63	2,975 61	4,110 62
Expenses to earnings per cent	67.75	67.04	69.91	62.42

The earnings and expenses by divisions for the year 1867–68, was as follows:

Divisions.	Gross earnings.	Operating expenses. Amount.	Operating expenses. Rates, p.c.	Nett earnings.
Wisconsin	$3,156,059 79	$2,0 9,173 98	63.66	$1, 46,885 81
Galena	4,293,657 81	2,482,706 93	57 82	1,8 0,951 33
Iowa	3,415,695 87	2,360,96 73	69.12	1,054,734 09
Madison	226,797 91	153,375 12	67.62	73 422 79
Peninsula	44 ,023 48	278,837 90	62.65	166, 86 48
Milwaukee	1,077,617 60	588,592 29	54.62	489,025 31
Total	$12,614,846 46	$7,873,646 60	62.42	$4,741,199 68

INCOME ACCOUNT—DISPOSITION OF REVENUE.

The following statement exhibits the nett receipts from earnings, and the mode of their disbursement for the four fiscal years, as above:

	1864-65. $	1865-66. $	1866-67. $	1867-68. $
Balance from previous year	....	157,663 59	483,983 22	468,221 46
Nett earnings in year	2,199,387 91	2,716,7 6 83	3,057,742 25	4,741,199 86
Total resources	2,199,387 91	2,874,360 42	3,541,73 47	5,209,421 32

Disbursed on the following accounts:

Interest and exchange (including interest and dividends on the Chic. and Milw Railway and the Beloit & Mad. RR. bonds and stocks	750,470 00	943,795 85	1,275,824 02	1,312,878 36
Sinking funds		65,120 00	59,120 00	53,120 00
Chic. Iowa & Nebr. RR. rent	897,115 98	36[illegible],831 50	373,411 53	562,990 65
Cedar R & Mo Riv. RR rent		152,[illegible] 23	265,[illegible]19 41	419,348 34
Discount on securities sold	5[illegible]1,326 19	415,799 [illegible]0	117,83[illegible] 05	......
Dividends on preferred stock	572,572 15	417,135 33	982,000 00	*1,328,180 00
Dividends on common stock	......	......	......	*1,486,930 00
Total disbursements	2,04[illegible],784 82	2,890,872 20	3,073,506 01	5,188,947 15
Balance to next year	$157,603 59	$483,988 22	$468,224 46	$20,476 97

GENERAL BALANCE SHEET.

The financial condition of the Chicago and Northwestern Railway Company, May 31, 1865–68, four years, is shown in the following abstract:

	1865. $	1866. $	1867. $	1868. $
Capital stock—common	13,16[illegible],921 18	13,147,901 18	13,232,495 61	14,5[illegible]5,675 61
" —preferred	12,9[illegible]4,719 79	13,019,065 79	14,769,125 42	16,35[illegible],287 42
Funded debt	12,020,482 87	14,051,[illegible]00 00	16,25[illegible],000 00	15,976,000 00
Bonds of leased roads guar.	......	......	......	2,[illegible]97,400 00
Net floating debt	825,398 44	277,150 85	1,123,476 55	226,264 47
Balance of income	157,6[illegible]3 59	483,988 22	468,224 46	2[illegible],[illegible]76 97
Total	39,159,125 87	41,006,096 04	45,864,322 04	49,282,104 47

Per contra: the charges which follow—

	1865.	1866.	1867.	1868.
Old construction	34,849,605 79	35,079,[illegible]85 25	35,272,814 39	39,811,092 62
New construction	1,850,835 18	1,26[illegible],240 09	1,770,856 [illegible]9	2,777,203 97
New equipment	1,102,024 40	1,539,935 02	4,828,890 50	4,9[illegible]8,899 50
Securities on hand	1,340,7[illegible]8 4[illegible]	1,906,70[illegible] 77	2,629,59[illegible] 1[illegible]	629,179 76
Materials on hand	1,015,932 06	1,208,625 91	1,3[illegible]3,158 76	1,065,728 62
Total	39,159,125 87	41,006,096 04	45,864,322 04	49,282,104 47

LIABILITIES AND ASSETS—FLOATING DEBT.

The following is a statement of the liabilities and assets, the difference between the amounts of which constitutes the "net floating debt" as given in the annual balance sheets of May 31, 1865–68:

	1865.	1866.	1867.	1868.
Bills payable	$852,779 57	$330,972 59	$1,380,755 61	$80,579 84
Galena stock premium ($3 a share)	5,931 00	....	....	....
Ticket & freight balances	134,787 56	140,544 21	118,881 78	123,562 23
Leased roads for rental	....	175,072 91	110,201 42	2[illegible]6,960 58
Coup's & div. uncollect'd	.....	87,114 91	1[illegible]5,8[illegible]0 69	71,914 00
Bills & accounts, including May pay-rolls	735,755 84	772,702 49	925,500 85	721,016 47
La Crosse, Trempealeau & Prescott R.R. Co.	....	....	....	511,323 74
Total liabilities	1,729,253 97	1,506,407 12	2,625,660 85	1,725,356 86

Less the following assets:

	1865.	1866.	1867.	1868.
Ticket & freight balances	$131,083 58	$139,229 63	$212,565 69	$268,799 06
Uncollected earnings	199,319 96	286,826 50	576,805 28	416,387 62
Express companies	....	......	19,246 86	2,853 66
U. S. Government	49,646 04	23,710 43	18[illegible],935 87	207,966 07
Corporat's & individuals	109,196 85	248,698 79	25[illegible],068 11	203,945 47
Cash on hand	414,658 85	530,790 92	321,566 99	409,140 51
Total assets	$903,855 53	$1,229,256 27	$1,512,183 80	$1,500,092 39
Nett floating debt	$825,398 44	$277,150 85	$1,123,476 55	$226,264 69

* 10 per cent, payable in stock.

STOCKS, BONDS, &C., OWNED BY COMPANY.

The "securities on hand" given as an aggregate in the balance abstracts as above, are enumerated at large in the following summary:

	1865.	1866.	1867.	1868.
	$	$	$	$
1st & 2d Mort. (Gal. & Chic. Union RR) bds	7,000	253,000	293,000	284,000
1st Mort. (Ced. Rpds. & Mo. Riv. RR) bds	27,500	27,500	....	....
1st Mort (Bel & Mad RR) bds	4,000	....	....	....
Sterling Bridge Co's. stock	2,000	2,000	2,000	2,000
Dub. & Sioux City RR Co's. pref. stock	8,323	8,304*	8,304	....
Dub. & Sioux City RR Co's. 1st Mort. bds	2,000	6,000	6,000	....
Waupaca and Weyauwega town bonds	5,100	2,100	2,100	2,100
Propeller "Favorite" stock	10,455	10,455	10,455	....
Chicago & Mil. RR Co's stock	1,274,850	1,274,350	2,018,200	...
Flagg Trust bonds, C. & N. W. Co	....	45,000	....	....
Consol. skg. f'd bonds " "	....	50,000	....	....
Peninsula RR 1st mort. bonds	....	143,000	....	....
Equipment bonds, C. & N. W. Co	....	83,000	....	....
Dubuque Southwestern RR Co.'s bonds	....	4,000	4,000	4,000
Green Bay Transit Co.'s stock and loans	....	....	274,200	....
Northern Pacific RR subscription	....	....	11,333	20,000
St. Paul & Chicago RR 1st mort. bonds	....	....	....	17,000
" " " loans	....	....	....	68,579
Chicago and Milwaukee RR bonds	....	....	....	1,500
Winona & St. Peter RR stock and bonds	....	....	....	230,000
Total securities	1,340,728	1,908,709	2,629,593	629,179

The stock of the Chicago and Milwaukee Railroad Company, which figures largely in the returns for 1865, '66 and '67, has been carried to construction and so charged off. There is still a fraction in other hands amounting to $153,400; the total amount was $2,250,000. Of the Beloit and Madison Railroad Company's stock but $10,200 remains in foreign hands. With these trifling exceptions the whole property of these companies has been absorbed by the Chicago and Northwestern Railroad Company.

FUNDED AND GUARANTEED DEBT.

The funded debt at the close of the years 1865–66, both inclusive, stood as follows:

	1865.	1866.	1867.	1868.
	$	$	$	$
Flagg Trust 8 p.c. bonds	245,000	245,000	200,000	....
Pref. skg. fund 7 p. c bonds (C. & N. W., 193 m.) 1865	1,250,000	1,250,000	1,250,000	1,249,000
Funded coupon 7 p. c. bonds (C. & N.W., 193 m.) 1883	756,000	756,000	756,000	755,000
Gen. 1st mort. 7 p. c. bonds (C. & N. W., 193 m.) 1885	3,600,000	3,600,000	3,600,000	3,595,000
Appleton exten. 7 p. c. bonds (C. & N. W., 23 m.) 1885	184,000	184,000	184,000	184,000
Green B. exten. 7 p. c. bonds (C. & N. W., 26 m) 1885	300,000	300,000	300,000	300,000
Equipment 7 p. c. bonds (C. & N. W.) 1874	270,482	320,000	165,000	133,000
1st mort. 7 p. c. bonds (Gal. & Chic. U. RR, 249 m.) 1882	1,963,000	1,948,000	1,919,000	1,919,000
2d mort. 7 p. c. bonds (Gal. & Chic. U. RR, 249 m.) 1875	1,086,000	1,232,000	1,173,000	1,029,000
Mississippi River Bridge 7 p. c. bonds (Gal. & Chic. U. RR. 249 m.) 1884	200,000	200,000	200,000	200,000
Elgin & State Line RR purchase 6 p. c. (Gal. & Chic. U. RR, 249 m.) 1878	189,000	189,000	189,000	199,000
Peninsula RR 1st mort. 7 p. c. bonds (712 m.) 1898	1,029,000	1,200,000	1,075,000	1,075,000
Consol. skg fund 7 p. c. bonds (C. & N. W., 800 m.) 1915	948,000	2,627,100	3,040,000	3,422,000
Equipment 10 per cent bonds, 1868–71	......	......	2,200,000	1,925,000
Total funded debt	12,020,482	14,051,000	16,251,000	15,976,000

The "bonds guaranteed" by the company are as follows:

1st mortgage 7 per cent bonds (Chic. & Mil. RR, 45 m.) 1871	$397,000
2d " " " (" " ") 1870	57,900
2d " " " (Mil. & Chic. RR, 40 m.) 1874	182,000
3d " " " (" " ") 1838	10,500
1st " " " (C. & M. Railway 85 m.) 1898	1,098,000
1st " " " (Beloit & Mad. RR, 46 m.) 1888	372,000
Bonds of leased roads guaranteed by company	$2,097,400

MARKET PRICES OF COMPANY'S STOCKS.

Statement of the lowest and highest prices of the stocks of the Chicago and Northwestern Railroad Company at New York in each month from January 1, 1863, to the close of the fiscal year ending May 31, 1868, being for one year before and four years after consolidation.

COMMON STOCK.

	1863-64.	1864-65.	1865-66.	1866-67.	1867-68.
June	28¼@35⅛	50 @60	23 @27	28¼@31¼	31⅛@44
July	27¾@38	48¼@58	26 @30⅛	30 @37	43 @51¼
August	32 @38⅛	52⅝@57¾	26 @30	35¼@37¼	44⅝@50
September	32 @37⅛	44⅛@54	27⅛@29¼	34 @37⅝	38⅛@47
October	36 @47⅛	34 @46	28⅛@34⅛	38 @60⅞	41⅛@48
November	43⅛@50⅛	40¼@47¾	31 @39¾	39¼@61⅛	47 @55⅝
December	43⅛@49	38 @44¼	34¾@47½	43 @55⅛	55 @65¼
January	45⅛@56	32 @40⅛	28 @36⅛	33 @46⅛	58¼@62⅛
February	47¾@56	32¼@47	26⅛@29⅛	34⅝@39⅛	58¾@61¼
March	65⅛@88	20 @34	25¼@27¼	32¼@36	68 @69⅛
April	47 @77	21⅛@35¼	25¾@29⅞	29⅞@36	60 @61
May	48⅛@65¼	[illegible]¼@38	27 @29¼	31⅛@36¼	63 @70
Year	27¾@83	20 @60	23 @39¼	28¼@62⅛	34⅛@70

June, 1868, 65¼@72; July, 73@84¼; August, 80@88⅛; September, 84@90¼; and October, to 16th, 86¼@97⅛.

PREFERRED STOCK.

	1863-64.	1864-65.	1865-66.	1866-67.	1867-68.
June	....@....	86 @94⅛	53 @57	58 @61⅞	58⅛@64¼
July	....@....	84 @93	56⅛@66	59¼@66⅛	65 @72¼
August	....@....	85⅛@91⅛	58⅛@64	66 @68⅛	67⅝@71¼
September	....@....	77 @88¾	60⅞@64	65⅛@72¼	63 @71¾
October	....@....	67⅛@81	62⅛@69	72¼@81	64⅞@70
November	....@....	75⅞@85⅛	64¼@69	69⅛@82	62⅝@67¾
December	....@....	69¼@78⅛	61 @65¼	68⅛@84½	66¼@71⅛
January	61 @67	61¼@71⅞	53⅛@62⅝	58 @63	7[illegible]¼@76
February	65 @65	61¼@67⅛	53¾@56⅞	63¾@69⅛	72 75⅛
March	71 @87	48 @64	52⅛@57	59⅛@65⅛	72⅝@76⅞
April	70 @79	48 @67	58⅛@59¼	56¾@65⅛	68 @76⅛
May	72 @94⅛	52¼@63⅛	56 @61¼	56¾@63⅛	75 @80⅞
Year	....@....	48 @94⅛	52⅛@69	56¾@84⅛	58⅛@80¾

June, 1868, 77¼@84⅛; July, 78¾@84⅞; August, 79⅛@88¾; September, 83⅞@91¼; and October, to 16th, 87¼@97⅛.

Former notices of this company will be found in the MAGAZINES of December, 1865, and September, 1867.

RETURN TO SPECIE PAYMENTS.

BY O. H. DERBY.

At the close of the war, there were serious impediments in the way of a return to specie:—First, a floating debt of at least fifteen hundred millions, with large arrears due to army, navy and contractors. A vast paper currency in the shape of greenbacks, fractional notes and compound notes and seven-thirties with options in favor of creditor. Interest of all the debt was funded, bidding fair to exceed one hundred and eighty millions. A large army in the field to a large navy at sea, daily incurring great expense and contracts for ships, rifles, cannon, cloth and military stores for a million or more of men in course of execution.

At this time our exports were below our imports and the South exhausted by a long war, required large supplies from abroad. To meet pressing wants it was necessary to raise a thousand millions in the fiscal year between June 1865 and June 1866, and this was effected by the Northern and Western States, with little or no aid from the Southern half of the Republic.

It was found too that the war had swept away more than a third of the live stock of the South, and made some inroads upon that of the North, and that it had nearly arrested the growth of our great crops of cotton, rice and sugar.

The greenbacks were issued as a war measure, but at the close of the war, it was not easy to resume in the face of all these difficulties. More than three years have now elapsed since the war ended, and these difficulties have been gradually surmounted. By the continuance for three years of the most productive taxes, by the growth of customs, by the sale of surplus ships and stores and conversion of gold into currency, we have extinguished the compound notes, reduced the greenbacks and brought our debt down below twenty-five hundred millions to the surprise of the nation, which feared it would equal that of England. We were wiser than she was. She issued her bonds at three per cent in consols, below sixty per cent upon their face. She floated them in depreciated currency, and thus made her debt forty-two hundred millions of dollars. We sent our bonds out at par in a similar currency and floated them at higher, but temporary interest and now we reap the advantage. We have reduced interest to $120 million in November and shall soon bring it down to $100 millions, and probably soon meet it with our taxes on foreign and domestic liquors and tobacco alone.

Our other expenses since we paid the amount due for bounties one of the war expenses and for Alaska, are down to $120 millions and may be further reduced.

Our exports of last year $355 millions on gold values exceed our imports and with an increased shipment of cotton at an advance of twenty-five per cent on last years prices, we shall probably carry up our exports to $400 millions in gold values and our revenue from customs above $180 millions.

Since October our revenue has been running at four hundred millions, and our expenses at two hundred and forty millions of dollars, bearing a large surplus for absorption of debt and future reductions. Mr. Delmar is evidently at sea, when he ceases to collect the returns of merchandize and goes into finance. He has failed to see that our revenue checked by the fall of cotton in January and February has been increasing ever since while our outgoes have been diminishing, and we are encouraged to reduce our foreign spirits, wines, tobacco, tea, wool, carpets, seed, steel spices and print cloths on which our duties now range from one hundred to three hundred per cent both by the state of our revenue and the beneficial effect of prior reductions. Intelligent manufacturers ask for no duties on manufactures above thirty-five per cent, and our present duties on groceries alone are yielding us more revenue than all our customs before the war.

Doubtless the freedman is using more coffee, tea and sugar and foreign fabrics than the slave, where he lived on his pittance of meal and fish, and wore one suit of fustian.

We have too made important changes in the debt. The floating debt, if we except $360 millions of currency, and a few receipts for specie and three per cent bonds required by the banks, has nearly disappeared. For twenty years from the date of our five-twenties we have after the first five years the option to pay the principal at our pleasure. We have made good use of the premium on gold by sales, and still better by tempting the holders of the Seven-thirties to take six per cent in gold, drawing a premium of 40 per cent and equivalent to eight and 4 10ths per cent in paper, and now our policy is to provide the same money for the people that we give to the creditor of the nation.

While there were strong, and, as it seems to us, conclusive reasons for the issue of greenbacks to float our debt, there is good reason to believe we should have issued less. Less would have sufficed, and we could have filled any vacuum with compound interest notes at low interest, which would as the interest accumulated, have gradually retired from circulation and been self-funding. If we compare our issue of Seven-thirties with that of compound notes for the same term of three years, it is obvious that the last saved ten per cent or more to the nation.

They quietly withdrew from circulation and were funded at par. The Seven-thirties called for nearly four per cent more interest, nearly one per cent interest on interest, and under our option called also for Five-twenties, worth a premium of five to ten per cent. They have read us an important lesson on finance, and point out a very easy and simple mode of disposing of our greenbacks. Our Sub-Treasury received monthly in greenbacks about fifteen millions of dollars. Let us cancel them, as they come in, and replace them as we pay out, with an equal amount of compound notes at three per cent for three years convertible at any time with their running interest into long four per cent consols, and whenever and wherever the nation shall require new banks, let us make these bonds the basis of circulation, and meanwhile transfer to these compounds, the property of legal tenders at their par value. In twenty-four months the whole greenback currency would disappear.

But who, it will be asked will pay the interest on the compounds, which for three years, will average about seven million yearly. This can easily be met by a tax of one per cent on bank circulation and half per cent on bank deposits, And after that, the four per cents will become a part of our funded debt at a very low rate of interest, while our surplus revenue may be applied to the payment of bonds, drawing six per cent. With the greenbacks, which are but broken promises of the nation to pay gold, which have no intrinsic value, the last impediment to a return to specie will vanish, and long before they are gone we, by an almost imperceptible process and guided by an elastic cable shall be drawn to specie payments.

The greenback now commands seventy-six cents in specie—an advance of one per cent only a month, a change to which our traders are habituated, carries it to gold in two years, and a movement accelerated to two per cent a month achieves the same result in a year.

It has been urged, in a recent article in this MAGAZINE, that we have now a population of forty millions, and property worth twenty thousand millions, and require a circulation of twenty dollars per head, or of four per cent on our property, and the writer seemed inclined to treat our bank deposits as a part of the currency, and thus to almost double our real circulation.

As respects our population, our coming census fifteen months hence, will doubtless give us forty millions. As respects our wealth we probably consumed during the war, nearly a fifth of our northern cattle, horses and swine, and more than two-fifths of this description of property in the South. But we have shown great recuperative power, since the war, and in the last three years of peace have, in the North, already more than made good our share of these losses, and at the South are fast retrieving them.

The rice of the South at nine cents produces nearly as much as the rice crop of 1859 at three cents. The cotton and rice together at eighteen cents in gold for the one, and seven in gold for the other, yield more this year than all the cotton, sugar and rice of the South yielded in 1860. Our sheep have increased seventy per cent, and there can be little doubt that the census of 1870 will show a growth of at least twenty-five per cent on the value of our farms, stocks railways and other property. And our debt, large as at first glance it may seem, when compared with the affluence of our resources, or when we compare our interest and expenses with the growing income of our people, at least thirty times larger, becomes insignificant.

As respects our currency, it seems to us that bank deposits cannot be treated as circulation, but should be regarded as hoarded wealth. If they do constitute circulation one might triple them and then return to gold, if the United Kingdom of Great Britain and Ireland is any criterion for this country—

The British and Irish Bank Deposits are	$1,500,000,000
The paper circulation	225,000,000
The gold circulation	375,000,000
Total	$2,100,000,000

And there the bank deposits exert no deleterious influence, and gold is displacing paper and accumulating in the Bank of England, as it is also in the Bank of France. The two institutions having idle in their vaults more than three hundred and fifty millions. If the United Kingdom can maintain specie payments with such deposits, and a circulation of two hundred and twenty-five millions, and keep afloat many public exchequer bills and private sixty day bills that pass as currency, we with a third more population can easily float more than three hundred millions in bills, and a large amount in long compounds. The above amount of deposits is reliable, as it is taken from the recent valuable treatise of Patterson on British Banking and Commerce.

The measure proposed would not be onerous to commerce, because the compounds laid aside as a reserve will always be ready to perform the office of legal tenders just as the greenback now is, and might fulfil the requirements of the law, and be used either as a legal tender, or the means of borrowing them in any emergency.

It is true that the Internal Revenue might not all be paid in greenbacks, but bank notes and compounds could be easily exchanged for them as they would be even more available to the public. Let us assume that we require eight hundred millions of currency next year, and have three hundred millions in bank notes and two hundred in compound notes and greenbacks, how shall we command three hundred millions in gold. We find at once an hundred and twenty millions in the banks and Sub-Treasury. There is at least an hundred millions hoarded, or two dollars and a half for each inhabitant, and we may easily reserve one hundred millions more in the next two years from the products of our mines, from our imports, and from specie introduced by emigrants and travellers.

Ross Brown, our new minister to China, computes the annual product of our mines on both sides of the Rocky Mountains and the Sierra Nevada

to be	$80,000,000
Three hundred thousand emigrants at an average of $80 each, being	24,000,000
Our imports last year were	13,000,000
Total	$117,000,000

While returning by easy steps to specie we shall not require more than sixty millions a year from exports, and can easily reserve fifty-seven millions annually.

But if these supplies do not suffice, it would be very easy for our Secretary of the Treasury to borrow, in France or England, a hundred millions in gold, at 3 per cent, for six and twelve months, on the pledge of $150 of our long four per cent bonds, and this would give us all that would be required, and as our bonds appreciated by our return towards specie a large profit, greatly exceeding interest, might be realized from their sale. The French Government have recently borrowed for five months at one-half of one per cent a year, and for a year at one per cent. The present time is propitious for a return to specie—the nation is stronger than it thinks itself. All our statesmen who study its resources are surprised by its recuperative powers and the affluence of its resources. It should no longer compel its people to measure their property by broken promises and fluctuating standards, but return at once to gold and adopt with the European standard uniform coins, weights and measures, and thus resume its proud position among the nations.

SECRET ISSUES OF STOCKS.

The equanimity of Wall street has been disturbed by the discovery that the Erie Railroad Company has made further issues of stock, secretly and without authorization from the stockholders. It is now somewhat over two years since this Company placed over $5,000,000 of its stock in the hands of one of its directors, as collateral for a loan, upon conditions which enabled him to put the stock in circulation; that issue has become permanent. Last spring, a further issue of $10,000,000 of convertible bonds was made, which were promptly exchanged for stock; and now we have an official admission that, within the last few weeks, $10,000,000 more of these bonds have been sold, of which $5,000,000 has been already converted into stock, while the remaining $5,000,000 is to be exchanged for shares at an early day. We have thus an increase of $20,000,000 in the stock of one company within one year, without a word of previous intimation to the stockholders.

It is foreign to our purpose to inquire particularly into the purposes of these new issues; although it may serve to point the moral of our remarks to state incidentally that the New York Stock Exchange, feeling that current rumors affected seriously the security of dealings in the stock, appointed a deputation to wait upon the President of the company for explanations, the result of which may be thus stated. The President, after admitting the issue of $10,000,000 of new bonds, as before stated, intimated that the negotiation had been made for the purpose of providing funds to retire $4,000,000 of acceptances given to the Boston, Hartford and Erie Railroad Company, against $5,000,000 of bonds taken at 80 from that corporation, and further to provide means for the purchase of steel rails, to lay an additional rail, adapting the line for either broad or narrow guage traffic. Of the $7,200,000 of money obtained on the sale of bonds in the spring, $3,000,000, according to the same authority, was used upon construction purposes; while, as to the disposal of the remaining $4,200,000, nothing was elicited beyond the fact that a large amount was spent in "settling" with parties who lately surrendered controlling positions in the affairs of the company to the present incumbents. So that, for the issue of $20,000,000 of stock, there is nothingto show beyond $5,000,000 of the bonds of another corporation, the interest of which is guaranteed by the Erie Company, the laying of a new line of rails, some minor improvements of no great consequence, and ordinary repairs, which should have been covered by the current earnings.

These facts sufficiently illustrate the grave abuses incident to directors possessing unchecked power to make issues of stock; and illustrations might easily be multiplied *ad libitum*, by reference to other companies, the action of whose directors differs from this case only in the extent of their issues. It is not surprising that these developments should have produced in Wall street a feeling bordering on consternation, nor that a more or less general distrust of stocks should have followed. If directors are to be allowed to issue new shares when they please and upon any pretence they may set up, there is no longer any security either to stockholders or to parties advancing money upon stock collaterals. There is, in fact, an end to confidence in these securities; and stock enterprises must henceforth stand at a discount. Nearly all our large undertakings are accomplished through a combination of subscribers, whose proprietory interest is represented by the scrip or stock they severally hold. If the number of shares may be increased at the will of the directors, and the new stock may be sold at any price the managers may choose to accept, it is very clear that the stockholders are constantly liable to have their interest in the property reduced; and if, moreover, these issues may be made secretly, so that the shareholder knows nothing of them until the shares are marketed, he has no chance whatever to protect himself against the consequent depreciation in the value of his stock and is doubly injured. The effect of such uncertainties, if continued, must be to discourage corporate undertakings, and to limit our progress to what may be accomplished by individual enterprise, a result which would be an unmitigated misfortune.

This license to directors further tends to depreciate the value of share investments by rendering stocks unreliable as collaterals. Lenders are liable at any moment to find that stocks upon which they have advanced money have become suddenly depreciated by new issues. To say that they can protect themselves by calling for an increased margin from the borrower in cases of depreciation, is to assume that the borrower would be able or disposed to keep up his margin under the uncertainty or the panic attending the revelation of the new issue, an assumption which cannot be allowed. A succession of such developments as we have witnessed now in the case of the Erie Company, and recently in connection with other companies, can have no other result than to make lenders less disposed to advance money upon this class of securities, and to induce them to demand larger margins generally upon such loans. Perhaps, as far as respects Wall street speculations, this might be regarded as a resutl not without obvious compensations; but there are others who have to borrow upon stocks besides speculators, and to such the consequence would be a serious injury.

The possession of this power of secret issue acts as a demoralizing temptation to directors. Issues of new stock always produce more or less fluctuation in the value of the shares; and the fluctuations afford an opportunity for highly profitable speculation to those in the secret. For illustration, let a suppositious case be taken in connection with the new issues by the Erie Company. The directors issued $10,000,000 of bonds say at 50, with the understanding that the bonds should be early converted into stock and placed secretly on the market. They were aware that the probable result, when the operation became known, would be to put down the price 10 to 15 per cent. In anticipation of this decline they sell, say, 100,000 shares for future delivery, and then, announcing the fact of the new issue, buy up the stock at the decline to make their deliveries. The whole operation would make them a profit of $1,000,000 to $1,500,000—so much taken out of the pockets of the deluded public by official secresy. Let it be further supposed that, say, $5,000,000 o new stock were issued for some purely fictitious purpose, and that the directors should subsequently profess to find that the company less needed the funds than was expected, and that consequently the the stock could be bought in and cancelled. Let it further be supposed that the stock thus sold were quietly marketed at 50, and that the announcement of the new issue, concurrently with depreciatory representations and street manipulation of the stock, were to put down the price to 40. In this case, there is a margin of 10 per cent profit on "short" sales in anticipation of the decline, and an equal profit upon purchases of $5,000,000 of stock to be made at the decline, with a view to its ultimate return to the company at the price at which it was issued; making a profit on the combined elling and buying accounts of $1,000,000. Indeed, the directors of this company can at any time throw any amount of new stock upon the market for their own speculative purposes, buying it back again at the consequent decline, and then cancelling an equal amount of shares. We express no opinion as to whether operations similar to these are now being carried on by the Company in question; certain, however, it is that these things can be done; and the recent history of the Erie management affords no guarantee that those who usually control its affairs are above such expedients. To say the least, the fact of the administrators of the affairs of a company representing $75,000,000 of capital possessing such sweeping powers has a demoralizing tendency which can hardly fail sooner or later to corrupt the direction. Such facilities for speculation tend to make the management a mere means to the most reckless operations, and should not be allowed longer to remain undisturbed by the Legislature.

The evil is by no means one hopeless of remedy. All scandals upon the reputation of our corporations can be removed by the State Legislatures enacting: 1. That directors shall make no new issues of stock except by and with the consent of two-thirds of the stockholders in interest. 2. That no new shares shall be issued without first offering them to the existing shareholders, and that all issues shall be made openly and after due notice. 3. That all stock companies shall keep a record of the amount of their stock outstanding, in the office of some well-known financial institution, at all times open to the inspection of the shareholders, or of parties holding the shares as collateral for loans. 4. That these requirements shall apply to stock issued in the way of dividends as well as for other purposes; and, 5. Any violation of these provisions should be constituted a criminal offense, subject to punishment and fine.

THE PACIFIC RAILROADS AND RAILROAD PROGRESS.

The great Continental line of railroad which is to connect our Atlantic and Pacific borders, and develope the interior in an ever increasing ratio, is now approaching completion. The latest official reports inform us that the Union Pacific has reached 880 miles from Omaha, the initial point on the Missouri River; and that the Central Pacific has reached a point 350 miles from Sacramento on the river of the same name, the western terminus in California. The total length of the two roads thus approaching union will be 1,657 miles and hence only 427 miles remain to be constructed to finish the work contemplated.

The mission of this highway is by no means of a purely domestic character. It is to become the transit line of the commerce between the opposite sides of the old world. But the benefits to the territory through which it passes are already apparent. A few years ago the country traversed was scarcely a home for civilized man. It is now far on the road to prosperity, and settlements have been made and new States and territories marked out with unprecedented rapidity. It is true that special natural inducements have operated largely to effect this result. But how much more rapid has the development been since these railroads were commenced. The miners of Colorado, Idaho, Nevada, &c., were virtually isolated from the world of commerce, and dependent for intermittent communication on laborious travel over mountain and plain. Now their labor is made doubly remunerative by the facilities given to travel and transportation.

When these enterprises were commenced no railroad from the East had reached the banks of the Missouri River, and the only means the Union Company possessed of getting forward material and supplies was by way of that river. This was a slow and toilsome process, but it showed the necessity for the immediate construction of connecting lines, and the Chicago Division of the Chicago and Northwestern Railroad was extemporized, and since then a line of railroad from St. Louis to Omaha has been completed. Several other railroads in Iowa and Missouri, pointing to Omaha, are also in progress, so that the former deficiency will soon be fully supplied.

Nor was it alone in the States between the Mississippi and Missouri that the construction of the Pacific railroads made further improvements necessary. From the Mississippi to the Atlantic coast there was not a single line on the shortest route. To remedy this defect was a necessity; while to secure a share in the commerce that is to be developed by the Pacific railroads has been the aim of all the railroad companies whose lines transverse this section, and the great cities of the Atlantic seaboard have been preparing for the commercial advantages to result from this interior enterprise.

That the greatest improvement should have been made in the new States west of New York, Pennsylvania and Maryland is not surprising. To these population has been directed in the greatest measure, and in them the defects in system were most notable. In the older States, east of that line, the system was more complete, but even in these extensive improvements have been made and are being made.

The result of much of this effort may be stated as follows: In 1865, the first 40 miles of the Union Pacific Railroad was laid; in 1866 there were constructed 265 miles; in 1867 a further length of 245 miles, and to date in 1868 there has been constructed 330 miles, or, in four years, 880 miles. The Central Pacific, notwithstanding the intervention of the Sierra Nevada, has progressed with equal rapidity; and the Union Pacific (E. D.) is now in operation from Kansas City to Sheridan, 405 miles. Railroad construction in the States east of the Mississippi and west of Pennsylvania has been during this period as follows:

	Miles of Road.			Cost of Roads.		
	1864.	1868.	Incr.	1864.	1868.	Increase.
Iowa	800	1.680	880	$26,000,000	$[illegible]7,500,000	$81,500,000
Missouri	920	1,200	280	47,000,000	56,000,000	9,000,000
Minnesota	160	560	400	5,000,000	16,800,000	11,800,000
Wisconsin	1.050	1,200	150	40,000,000	48,000,000	8,000,000
Illinois	3,[illegible]00	3,400	80	117,500,000	157,500,000	40,000,000
Michigan	870	1,260	390	32,000,000	45,000,000	13,000,000
Indiana	2,200	2,600	400	71,300,000	101,500,000	33,200,000
Ohio	3,200	3,340	110	121,000,000	167,500,000	46,500,000
Total	12,300	15,110	2,890	$459,800,000	$652,800,000	$193,000,000

Thus in these eight States in four years nearly 3,000 miles of new railroad have been laid and millions of dollars expended, not only on these, but also in improving previously existing lines. The total increase in cost has been nearly $200,000,000, or about $15 per head of the population.

Among the principal railroads in progress or constructed in the four years referred to the following are the most important:

In Iowa: the Iowa division of the Chicago and North Western, the Iowa division of the Chicago, Rock Island and Pacific, the Burlington and Missouri River, the Sioux City and Pacific, and the St. Joseph and Council Bluffs. By the time that the Pacific railroad is completed, the Rock Island and Burlington lines will have reached the Missouri.

In Missouri: the Pacific of Missouri, and the extensions of the North Missouri towards Iowa and the Missouri River. The Southern Pacific is also being extended southwest, and the St. Louis and Iron Mountain south, the latter to a connection with the Southern railroads at Columbus, Ky. The St. Joseph and Council Bluffs Railroad has also been completed to a connection with the Iowa railroad of the same name, giving St. Louis an indirect route to Omaha. Several other roads are projected to connect with the Union Pacific Railroads.

In Minnesota: the Milwaukee and St. Paul, the Winona and St. Peter, and the Minnesota Valley. Considerable progress has also been made in the first division of the Pacific Railroad and its branch north to Watab has been opened through.

In Illinois: the St. Louis, Jacksonville and Chicago, which gives another connection to the Illinois Central. The Rockford, Rock Island and St. Louis is now in course of construction, chiefly as a mineral road, and designed to supply coal to railroads, &c. The St. Louis, Vandalia and Terre Haute, and the Cairo, Mound City and Vincennes are also in progress, with a view to their early completion.

In Michigan: the Jackson, Lansing and Saginaw, and the Flint and Pere Marquette are the principal new constructions. There is also being constructed a more direct line between Port Huron and Chicago, known as the Air-line. The Grand River Valley Railroad is approaching completion.

In Indiana: the Columbus, Chicago and Indiana Central Railroad has completed a line from Union City to Loganport and consolidated into itself the Chicago and Great Eastern, the Indiana Central and the Logansport and Burlington. There is also being built a line from Indianapolis to Vincennes to connect with the road to Mound City and Cairo; and several other lines are projected.

And in Ohio: several short lines, chiefly auxiliaries of existing lines. In this State several important consolidations have been effected.

Further east the principal developments have been rather improvements than new works. In New York the Erie is having a third rail laid to accommodate the narrow cars. The Hudson River has completed its second track, &c. The lines in progress from the Hudson have chiefly a northwestern direction, and will connect with the Central, the Midland being the most important. In a few years the Boston, Hartford and Erie will continue the Erie Railway to Boston. In the city of New York the depot and warehouse accommodation has been largely extended. In Pennsylvania, especially in the eastern portion, the extension of roads is being rapidly carried on, the objective points being Easton, on the Delaware, and New York city. In the southwest of the State the construction of the Pittsburg and Connellsville railroad to a connection with the Baltimore and Ohio is being carried on actively. New Jersey has also made extensive improvements in its railroads and accommodations for an increasing traffic. The works at Hoboken, Jersey City, Communipaw and Elizabeth port are among the most extensive in the United States. In the Delaware peninsula railroad building is very active; and Maryland is connecting Baltimore more firmly with both East and West.

This activity in railroad construction and improvement is not local, but is everywhere apparent. It will bring many parts of the country, as yet isolated from markets, into connection with the centres of commerce, and tend largely to the development of national industry. It is the precursor of a vast revolution in the relations of distant parts of the country one with the other, and will result in a harmony of interests to which we have hitherto been strangers. In the South the same spirit of enterprise which has prompted the Northern States to action is fully roused, and in several instances where private capital has been wanting, the States have come to the rescue and supplied the means required Tennessee, South Carolina and Alabama are conspicuous for the aid they have voted to great enterprises. In a few weeks the Selma, Rome and Dalton Railroad will be completed, and give us a more direct route to Mobile and New Orleans. So in every direction the maps are now networked with lines of road which the future is to realize.

THE PRESIDENTIAL ELECTION.

When the king of France died, under the old *regime*, it was customary for the chief chamberlain of the palace in which the event took place to signify it to the assembled courtiers, in the ante-room of the state chamber, by throwing open a door and crying out: "The king is dead! Long live the king!" This quaint ceremony symbolized, tersely enough, the fiction, which, after all, was no fiction, of the undying nature of the chief executive office. The monarch was mortal. The monarchy was immortal.

Something of the feeling expressed in this antique royal rite pervades the people of all countries in which the people have some recognized connexion with their system of government more deep and vital than that of mere obedience to a superior force handled by superior cunning. It certainly pervades the people of the United States, and pervading them, it ballasts with a substratum of rational composure the ship of state, in the height of every political tempest. No matter how hot and fierce may be the contest of parties for power, the great masses of the people feel that, end their contest as it may, the substantial framework of the Republic will endure. One President may disappear into private life. Another may emerge into the trying and dazzling daylight of power; and the country may suffer something or gain something, in the matter of the direction of its public affairs, by the change, but the people never believe that the suffering will be fatal or the gain vital. The politicians, of course, assert the contrary, during the heat of the canvass; the people, for the time of the canvass, act as if they felt the assertions of the politicians to be true, for there is a kind of moral fever engendered by the excitement of a political contest. But the canvass once over, the peeple relapse into their normal confidence in their institutions. There is a side of danger, of course, as well as a side of safety in this relation of the people to their politics. It is certainly possible that the institutions of a republic as well as the institutions of a monarchy may be imperiled by the over weening confidence of the nation in their stability. It is certainly possible that the change from one President to another may at some given time, and under some particular condition of circumstances, lead to profound and permanent modifications in the national constitution.

But, on the whole, and taking the average of what we may call a nation's chance, especially in the case of a nation so made up and so situated as our own, it is probably true that we gain in respect to impulse and elasticity more than we lose in respect to prudence and caution from this temperament of the people and of the times. Such, at least, is the general conviction of thinking men among us, as shown in the turn which private affairs commonly take after the termination of a great public contest. This is commonly a favorable turn, and that it is so is universally admitted to flow from the general feeling that a political decision, simply because it is a decision, remits the nation to a course of probable safety. The election of General Grant has not yet, it is true, been followed by the usual indications at the great financial centres of the country which mark the recognition by the popular sense of a decision as an advantage. This may be accounted for, however, mainly by the peculiar and unusual condition of our money market the past two weeks, and partly, no doubt, by the singular and abnormal condition into which the business interests, not only of the United States but of Europe, have been brought during the last three years; on this side of the Atlantic by the unsettled relations of the lately rebellious States to the rest of the country, and, on the other side of the Atlantic, by the vexatious and incomprehensible relations of the two great military powers, Germany and France, with each other and with the rest of Europe. It is at least certain that the election of General Grant, if it has failed to work the usual miracle of reviving commercial confidence, has not still further depressed it. On the contrary, it may be assumed from the antecedents of this election, and from the peculiar political situation of the newly chosen Chief Magistrate, that so far as the fact of his election influences commercial confidence at all, the influence will be beneficial.

For nothing is more clear to the impartial observer than this: that General Grant's election, no matter what may have been the motive of some of his supporters in urging it, is a triumph of the conservatism and honesty of our people. His nomination was made in response to the desire so widely expressed for peace and rest from strife. He became the chosen leader of a great party, not because he was a politician, but because he was not a politician; and he is trusted now because it is believed he will not seek mere party ends but the country's highest good. What the nation most needs now is repose. It needs to be assured that peace is a reality, and that peace will be as permanent as it is real. It needs to be satisfied that passion will hereafter play a smaller, and reason a greater part in the influence of parties upon public policy. It needs to see a harmony based on mutual respect, existing and efficient between the executive and the legislative branches of the general government. All of these things which the country so greatly needed are made not unreasonable expectations by the conditions under which General Grant has been chosen, and by the popular understanding of General Grant's own character and purposes.

In the light of such anticipations the country will look forward to the selection by General Grant, of advisers who will represent not any sectional feelings, passions or theories, but the broad and national and patriotic spirit of the substantial people of the republic. From an administration constituted, as it would certainly seem to be more practicable for General Grant than it would have have for any other man now before the country to constitute an administration, the country will expect a policy of financial retrenchment and prudence, a conciliatory and yet a resolute control of all internal questions justly appertaining to the domain of the federal authority, and a judicious remission of many of the matters which have of late most perplexed our public policy, and most embittered the passions of party, to the unobtrusive and smoothly working system of local independence, combined with general responsibility, which was originally the most distinctive feature, and is still the strongest anchor of American institutions.

PROSPECTS OF THE COTTON TRADE.

Cotton has well nigh gained its former importance as the great commercial crop of the country. The exportable surplus of the staple may now be estimated as worth $125,000,000 in gold; which is near its average value between 1855 and 1860. The growing magnitude of this branch of the export trade renders it especially important to ascertain as nearly as possible what are the prospects as to the value and the movements of this particular staple. The premium on gold is very directly influenced by the supply of cotton bills; and the exports of other products are materially affected by the premium on gold; so that, in an important sense, the cotton movement may be said to control our whole export trade. The supply and demand, however, have during the late war been subject to so many fluctuations, that it is difficult to form satisfactory estimates of the cause of things a few months ahead; each successive year, however, the movements are assuming more regularity, while they afford an accumulation of new data for our guidance.

The general tenor of reports has, during late weeks, become more favorable, so that now the prevailing anticipation in this market is that the Southern crop will exceed that of last year. The injury by rains and the worm has proved less serious than was at one time expected, while the picking season has been very favorable; so that if the election and after-election excitement does not interfere with the work of the freedmen, it is now believed among the better informed that an increase of about 200,000 bales upon the last crop may be relied upon with considerable confidence, which would give us a total of say 2,700,000 bales. The fact of the arrivals of cotton at the ports, since September 1, having been over 90 per cent in excess of those of last year is an indication of this improvement in the supply; and yet only partially so, for the crop this year is about three weeks earlier than last year, while in the fall of 1867 trade at the Southern ports was checked by the prevalence of yellow fever. The prospects of the supply in other cotton growing countries appear to be on the whole satisfactory. There were some reports earlier in the season of injury from the rains to the plant in India, but the later advices are all favorable; and it is inferred from the fact that the bulk of the last crop was marketed when prices were high that the area planted will be large, though we do not look for any material increase from that quarter. From Egypt, however, the supply is estimated at about 400,000 bales, as against 250,000 bales last year, while the reports from Brazil are all favorable, the high prices obtained for the last crop having induced, it is believed, some increase of planting. It would seem, then, that the combined supply in America, Brazil, and Egypt may exceed that of last year by say 350,000 bales of 450 lbs. each, which is equal to an addition to the world's consumption of about 7,000 bales per week. It is not to be assumed, however, that the whole of this additional supply will reach Europe. Our own manufacturers had reduced their stocks to an unprecedentedly low point before the crop began to arrive, and not only will they have to compensate for this deficiency in supply on hand, but they are likely to require an increased amount for actual consumption, to meet the extra demand naturally growing out of an improved condition of trade throughout the country generally, and especially in the Southern States. For this reason, Liverpool is not likely to be much benefited by the enlarged Southern crop.

The present condition of stocks in Europe and of the supply afloat combined does not in the total differ very materially from the same period of last year, as will be seen from the following comparison:

IN STOCKS AND AFLOAT.

	1868, bales.	1867 bales.
LIVERPOOL, November 6th.		
Stock	426,000	571,000
Afloat	284,000	226,000
LONDON, October 22d.		
Stock	89,068	118,343
Afloat	134,914	74,179
HAVRE, October 9th.		
Stock	50,429	80,149
Afloat, in excess of 1867	29,835	......
Total visible supply	1,014,216	1,069,371
Decrease	55,155	......

There is, however, as affecting prices in this country, a material difference in the nature of the stock, the total amount of American on hand at Liverpool, at the date given above, being only 48,000 bales, against 133,000 bales at this time last year. But, aside from this circumstance, it will be seen that the visible supply of Europe is 55,155 bales less than at the same period of last year; which requires to be set off against the probable increased supply from the new crops, if we suppose it is necessary for the present stocks to be maintained. Making this allowance, then, and supposing that the major portion of the increase in the crop of American will be required at home, it appears that Europe may anticipate results exceeding those of last year by about 200,000 bales, which would allow an increase in the weekly consumption of 3,840 bales over last year. We find that the amount taken by the trade at Liverpool last year, from October 3 to December 31, averaged 57,870 bales per week; while, for the first four weeks of the corresponding period of this year, the purchases of the trade have averaged 58,360 bales, or about 500 bales per week more. For evident reasons, however, the purchases of the trade for the last few weeks are not perhaps a fair indication of the consumption. The following is a statement of the average weekly consumption for the nine months ending October 1 of the two years:

	American.	Brazil.	W. Indian.	East Ind.	Mediter'n.	Total.
1868 ....bales.	24,414	10,736	2,042	18,406	8,480	54.078
1867	20,978	5,387	2,149	14,852	2,844	46,205

This statement shows a weekly increase of 7,873 bales. The present price of cotton at Liverpool, however, is one-third higher than the average price during the last quarter of 1867; which does not favor the supposition that the rate of consumption during the balance of the year will keep up to the high rate indicated above, assuming that the price remains near the present quotations.

The home trade of Great Britain appears to be steadily recovering, and the demand from the agricultural districts, stimulated by the large wheat crop, is expected to prove larger than in late years. On the Continent, there is a more assured political feeling; the grain and wine crops are abundant; and enlarged orders for yarns and goods are expected from that source. Perhaps the wants of eastern countries may prove moderate. The India and China markets were glutted with goods at the beginning of this year, when prices were low; and, stocks being larger than usual, there will naturally be some reluctance to buy largely at the advance in prices required by the present value of cotton. The South American markets being affected adversely by the continuance of war and by the late earthquakes, are not likely to require their average amount of manufactures. The probabilities would thus appear to favor a fair, steady demand for goods, not below that of last year, possibly above it.

There are some other considerations which are not unlikely to have a certain degree of influence upon the price during the next few weeks. It is usually the policy of the Liverpool dealers to encourage a free export from the United States early in the season, with a view to getting a large amount afloat and centered at the southern ports; and when a considerable proportion of the crop is in process of movement towards Liverpool, the price is allowed to drop, and the cotton falls into the hands of English buyers at low prices. It remains to be seen whether the fact of the crop being this year held to an unusually large extent by the planters may not partially thwart this trade trick. The planters well enough understand the game of the Liverpool buyers; and if their financial condition is such as to enable them to hold on for the best market, they will doubtless keep back their cotton in the event of any extreme decline abroad. It is not, however, certain as yet that they have adequate resources for thus protecting themselves. The present extreme stringency of money at New York is not favorable to the holding of cotton at the ports. The banks have urgent applications for money from the South, to which they cannot respond; and, unless it should prove that the monetary pressure is largely due to artificial meddling, it is quite possible that cotton may have to be shipped more freely than is consistent with the interests of holders.

MONEY AND CURRENCY.

There is another article under this head in the October number of the MAGAZINE, in which the writer criticises both myself and Mr. Carroll; and also raises certain objections to political economy as a science.

Now political economy may or may not be entitled to be called an exact science, that perhaps is a matter of opinion only, but J. S. R. has quoted Mathews, let us hear what Dr. McCulloch has to say upon the subject. In alluding to the condition and progress of the sciences in general he says: "None of them has been instantaneously carried to perfection; more or less error has always insinuated itself into the speculations of their earliest cultivators. But the errors with which this science (political economy) was formerly infected, are now fast disappearing, and a few observations will suffice to show that it really admits of as much certainty in its conclusion as any science founded on fact and experiment can possibly do." And we think with Dr. McCulloch, that its principles are now getting to be pretty well understood, though it may suit the interest or prejudices of some parties to disparage them.

With respect to the confusion of terms; that is, perhaps, also a necessity of the incipiency of the science; but no doubt it has partly arisen from the opposing schools of philosophy, as well as from the wilful misapplication of terms by non-professors of the science. But this is a matter of very small moment, as by a little attention we may very easily understand the meaning of the author upon any part of the subject. And what does it matter whether we call the fertility of the soil, and the vegetable and mineral productions of the earth, capital or natural agents? They all become capital when they become property, and their relative quantity and convenience for consumption must always limit the power of labor; and, therefore, the profit on all other capital. But I must now attend more especially to the objections raised by J. S. R. to some of the propositions of my former article.

He seems to admit that under certain circumstances, an inconvertible government currency might be practicable, even without the standard of value; that is, "so long as other countries adhered to the gold standard." "This would be virtually a currency at par with gold, being at par with the currencies of other countries." This is no doubt quite correct, and in that case we should not only get rid of the expense of the getting of the gold we at present export, but should obtain the gold we imported from other countries for nothing; while some of them would have to pay for it at the present fixed price; and others more fortunate might receive a portion of it upon the same terms as ourselves. But the difficulty with J. S. R. is expressed in the following words: "But if all other countries should depart from it (the standard of value), how could they regulate each other?" Now this is a point upon which no difficulty could possibly arise. Gold would be then in the same position as all other commodities; its production being regulated by its natural or exchangeable value, which would be accurately measured by the money of account, the nominal dollar.

It is a fact which nobody denies that the value of the precious metals varies less than that of any other commodity; and experience seems to demonstrate that the supply is inexhaustible. Therefore we need not fear any variation in value nor amount; as it would not be for the interest of the miner to lower their relative price; nor to produce them at less than the average profit. We might, therefore, supposing the currency at par, with the greatest confidence, establish it at the present rate of gold as per dollar; say about eighteen and a half dollars per ounce; and make this prices of gold the par value of the currency. There would, of course, be a price for gold in all countries, and, therefore, no difficulty in calculating the relative values of the different currencies, whatever their denomination or relative amount. There would be no commercial balances to pay, as the exports would always balance the imports. We should have no panics, nor monetary disorders of any kind; and what would be better still, we should have no fluctuations in the demand for labor arising from those causes. We should also have the advantage of getting rid of "the imperfections of gold as a standard of value," without being forced to find either a better or a worse substitute. Having disposed of this difficulty we pass now to the next proposition.

Mr. J. S. R. proceeds to say, "On the question of interest, Mr. Carroll seems in the right. If interest is not the rent of capital what is it? It is certainly rent paid for the use of something; and if that something cannot as capital be employed in producing wealth why does it command a rent."

From this it would appear as though I had denied that interest was the rent of capital; whereas I have held no such language, nor do I hold any such opinion. What I did say was to the following effect: "That interest is the rent of capital permanently invested upon undoubted security none will deny; but under the present system and practice of banking, gold-getting, stock-jobbing, &c., and the very extensive financial operations of almost all the governments of the world, that principle can have but the least possible effect at present in regulating the interest or discount on money." I therefore did not deny that interest was the rent of capital. I merely intimated, what any candid person will admit, that the rate of profit upon capital had at present very little influence upon the rate of interest on bank discounts.

Mr. Mill, speaking upon this point (book 3d, chap. 23), says: "This is evidently a question of demand and supply. Nor have demand and supply any different meaning or effect in this case from what they have in all others. The rate of interest will be such as to equalize the demand for loans with the supply of them. It will be such, that exactly as much as some people are desirous to borrow at that rate, others will be willing to lend. If there is more offered than demanded, interest will fall; if more is demanded than offered, interest will rise; and in both cases to the point at which the point of equation of supply and demand is re-established."

Both the demand and supply of loans fluctuate more incessantly than any other demand and supply whatsoever. The fluctuations in other things depend on a limited number of influencing circumstances; but the desire to borrow, and the willingness to lend are more or less influenced by every circumstance which affects the state or progress of industry or commerce, either generally or in any of their branches.

No doubt this is correct, but if Mr. Carroll or J. S. R. are not satisfied with the dictum, they can, if they choose, like the celebrated Don Quixote, take a tilt at the Mill, and with probably as much chance of success. Both of them assume that it is the increase of capital which lowers the rate of interest or profit. J. S. R., with reference to this point, says: "But when understood, as it evidently must be, relatively to the demand of production, it is undoubtedly true that the increase of capital does tend to diminish , and does actually diminish the rate of interest, until at length the diminution of interest even checks the accumulation of capital, as shown in England, Holland and France."

That the rate of profit diminishes, and therefore that of interest upon permanent investments with good security, as before stated, as population increases no one will deny; but the cause is not to be found in the superior increase of capital. On the contrary, this diminution of the rate of profit is caused by a tendency to a relative decrease of capital. Or, in other words, as population increases the capital required for their maintenance is more difficult of attainment. It is spread over a wider surface, and is found in more difficult positions. Capital is divided into fixed and circulating.

The first, according to my opinion, previously expressed, includes the land, its minerals and natural productions; the second, all kinds of skill, machinery and other necessaries.

It must be acknowledged by all who take the trouble to think, and it is conceded by Mill and others that the profit on circulating capital is necessarily limited by the power of production on the worst soil in cultivation, or on that at the greatest distance from the consumer. In other words, the rate of profit on circulating capital depends upon the amount of labor required for the production of a given amount of food and other necessaries.

Mill, in reference to the subject, says: (chapter on profits) "It thus appears that the two elements on which, and which *alone*, the gains of the capitalists depend are, first, the magnitude of the produce, in other words, the productive power of labor; and secondly, the proportion of that produce obtained by the laborers themselves; the ratio which the remuneration of the laborers bears to the amount they produce. These two things form the data for determining the gross amount divided as profit among all the capitalists of the country; but the rate of profit, the per centage on the capital, depends only on the second of the two elements, the laborers' proportional share, and not on the amount to be shared.

Thus it appears that there can be no such thing as a competition of capital. There may be a competition of money, as no one denies; but it is a misnomer to say there is a competition of capital.

When the increase of population forces an increase in the prices of food and raw material, the nominal wages of labor have to be increased also; so that the laborers may obtain the requisite quantity of the necessaries of life. This increase of wages necessarily takes place in all employments, and being taken out of a less proportionate amount of production, it must decrease the rate of profit. Rents rise also, as a consequence of the increased price of food, and the excess of former profit goes into the pocket of the land owner in the shape of rent. These circumstances decrease the the rate of profit, and therefore the rate of interest.

With respect to the low rate of interest in England, Holland and France, that can be satisfactorily accounted for without assuming it to arise from the accumulation of capital.

England imports from foreign countries probably half her consumption of necessaries, and that is, according to the principles laid down, quite sufficient to account for a very low rate of profit. Yet about eighteen months since the rate of interest on discounts at the bank was ten per cent.

The rate of interest generally rules higher in France than in England; but that can also be accounted for without assuming that there is a less proportionate amount of capital in that country than in England. In France a large proportion of the taxes are raised from the land; perhaps fifty per cent; while in England, exclusive of the poors rate, one and a half or two per cent is all which the land contributes. This state of things in France must be favorable to the rate of profit on circulating capital. As, although taxes on land, according to valuation, might to some extent retard cultivation, yet it would prevent the decrease in the rate of profit upon circulating capital. The case of Holland is different.

Hitherto we have said little or nothing upon the effects of taxation, though it is obvious when laid upon the necessaries of life that it must reduce the rate of profit, exactly in the same manner as a decrease of fertility in the soil forced into cultivation by the increase of prices. With respect to Holland, McCulloch observes:

"The oppressive weight of taxation has been the principal cause of the lowness of profits in the United Provinces during the last two centuries, and the decline of their manufacturing and commercial prosperity. Notwithstanding the severe and laudable economy of her rulers, the vast expense incurred by the Republic in her revolutionary struggle with Spain, and her subsequent contests with France and England, led to the contraction of an immense public debt, the interest and other necessary charges on which obliged her to lay heavy taxes on the most indispensable necessaries. Among others, high duties were laid upon foreign corn when imported, on flour and meal when ground at the mill, and on bread when it came from the oven. Taxation affected all the sources of national wealth; and so oppressive did it ultimately become, that it was a common saying at Amsterdam, that every dish of fish brought to table had been once paid to the fisherman and six times to the state. Wages being necessarily raised, so as to enable the laborer to subsist, the weight of these enormous taxes fell almost wholly upon the capitalist."

This state of things in Holland, as shown by McCulloch, is quite sufficient to account for the low rate of profit. It was the expense of subsisting the laborer, and not the competition or accumulation of capital the same cause that everywhere else depresses the rate of profit.

The mistake of those who think that money is capital, and that land is not, arises from a superficial view of the subject; they seem to think that profit arises out of the process of buying and selling; whereas, it is solely the product of land and labor.

J. S. R. says: "Land is not capital unless cultivated, and then only to the extent of its exchangeable value, after deducting the debts of its nominal owner."

All I have to say to this proposition is, that there seems to be very little difference between land and other kinds of wealth in this particular, as Mill lays it down, that the difference between capital and wealth is merely in the mode of consumption. The one is consumed in reproduction, while the other is consumed unproductively. Thus there is not much difference between land entirely unused and uncultivated, and any other kind of wealth, uselessly consumed.

With respect to land being capital only to the extent of its exchangeable value, it is exactly in the same position as other things; it is presumed that under ordinary circumstances its exchangeable value is its true value; but what the debts of its nominal owner can have to do with the extent, or the degree of its being capital, verily I do not understand.

"But," says J. S. R., "it is precisely capital which the West needs at present, not land, not paper, not credit." No doubt this is true; it is not paper, nor credit, which the West needs; they have both been tried and found wanting. What the West needs, as well as the East, is to make every man earn his own capital before he expends it or trades with it. There are too many merchants and jobbers who ought to be producers; and too many consumers who do not compensate the community for what they eat, think and wear. And notwithstanding the assumption of Mr. Carroll and J. S. R. that the West needs capital, there is more capital around the city of Chicago, and within reach of her water privileges, than almost any other city of the Union, or she would not have sprung up, like Jonah's gourd, as it were, in a night. But unfortunately extreme prosperity begets extravagance, and a mania to get rich at once, instead of in the old patient, plodding manner. This is the evil, but there is no help for it, except work, economy and patience.

J. S. R. objects to the proposition that "money is neither wealth nor captal, but merely a convenience, &c. And says the same might be "said of the plow, the railway, the elevator." Yet there is a difference between money and these other conveniences. The one saves time only, and the other makes labor more productive. The difference is one of principle;

but the effect is, to some extent, the same; that is up to a certain point. But the redundancy of plows, railways, &c., would affect nobody's interest but that of the owners; while a redundancy of money would affect the interest of the whole community; but instead of assisting production the expense of the addition would have to be paid for out of the proceeds of labor and capital; therefore, we might as well assume that a tax would make an addition to our wealth.

Individuals no doubt are right in regarding money as wealth, because it can be exchanged for any other commodity, but it is not wealth, nor capital to the community. Mill holds such a proposition to be preposterous.

He says: "It often happens that the universal belief of one age of mankind, a belief from which no one was, nor without an extraordinary effort of genius and courage could at that time be free, becomes to a subsequent age so palpable an absurdity, that the only difficulty then, is how such a thing can ever have appeared credible. It has so happened with the doctrine that money is synonymous with wealth. The conceit seems too preposterous to be thought of as a serious opinion," &c.

I have no more to say upon this part of the subject, as Mr. Mill's testimony is conclusive, though I may say that I held the same opinion long before I had read his "Principles of Political Economy," and I believe before his book was either printed or published. We pass now to the next proposition.

J. S. R. is of opinion "that it is not correct to say with Mr. Sully that a low rate of interest is always the predisposing cause of exportation." Now let me remind J. S. R. that this was not a general proposition, but had reference to Europe only. It was written in answer to Mr. Carroll's assumption "that money runs away from a high rate of interest all the world over." The words are, with the contest, as follows: "In Europe, under such circumstances, we see exactly the same phenomenon of the exportation of the metals from the countries where the rate of interest is comparatively low, to countries where the rate is comparatively high, and it is always this comparatively low rate of interest, which is the predisposing cause, &c." Now this is quite a different proposition, and bears quite a different meaning to that which J. S. R. has put upon it. He goes on to say: "the cause of exportation is simply indebtedness." But this is evidently putting the effect for the cause. The cause of the indebtedness was the cheapness of money in one country. There was no more goods imported than would have been balanced by the exports; but the prices being higher in one country than another, money must be exported to pay the balance.

Says J. S. R., "It is by no means clear that this steady increase and constant depreciation of the currency does only harm;" and speaks of the "constant drain going on towards the East," as a necessity of the trade and industry of "the vast regions still open to civilization," and supposes, that "much larger amounts may be called for than are at present in use." Of course, as long as the West is willing to give, there will be no cessation to this demand. Money is exported through its depreciation; but why should the West find currency gratuitously for the East through the unnecessary regulation of the *standard* of value. And as a plea for the continuance of this state of things we are asked to "consider the vast amount of the national debts, the burdens of which will thus be materially lightened, and for this reason J. S. R. thinks we need not greatly regret the slow and gradual decline of our standard of value," causing as he says, "no individual suffering, but giving great aggregate relief to the taxpayer and a stimulus to industry."

Now, all this seems very plausible, and even philanthropic on the part of J. S. R. if it were only true; but, unfortunately, it is neither true nor honest, and we have still to learn that honesty is *not* the best policy for nations, as well as individuals.

Had we not better honestly pay our debts than to be giving our money or labor away, which is the same thing. And does J. S. R. really believe that no individual suffering is caused, by constantly diminishing fixed incomes, which are chiefly derived from permanent investments in the debts of various nations.

With respect to the stimulation of industry, that idea is utterly exploded. A constant increase of currency, even of gold and silver, can do nothing more than cause fluctuations in the demand for labor. Sometimes there may be a little feverish excitement, through the increase of price, but as *consumption* is thereby retarded, it always ends in an accumulation of stocks, and a lack in the demand for labor, causing trade to become a lottery, and producing all kinds of fraud and bankruptcy. But our opponent seems to think that this production of gold may ultimately stop without any change or interference with the standard of value, and no doubt it may; but it may also be a long time first, perhaps another century. In the mean time, is there any good reason why the United States should bear the tax of the export of gold?

But we are told that if we should abolish the standard of value we should be compelled to resume it; "that we could no more do without it than without a measure of length or capacity." But this is certainly a mistake, as a measure of value and a standard of value are two distinct things. If the standard *only* was abolished the measure would remain. The standard might be abolished to-morrow, and if the newspapers did not publish the fact, very few people would know anything about it; perhaps the gold miners, bankers, brokers, and merchants, values would remain exactly as they were before, bearing the same relation to each other. Suppose two commodities to be offered for sale, the one being produced at half the cost of labor, or difficulty of attainment as the other, say, at present, one would be charged half a dollar and the other a dollar. Well, the nominal dollar with its hundred parts, or cents, would measure it just the same as before; they would bear the same relation to each other, and the same price. The only difference in the case would be, that gold and silver would have a price, and as I have said before, have to be paid according to price and weight. Therefore the measure of value would be as accurate and as stable as before; but in future, all countries that imported gold and silver would have to pay for it by their own labor, and not get it gratuitously as many of them do at present.

It is very easy to assume, with our opponent, that, "ever since Abraham weighed to Ephron, the Hittite, four hundred shekels of silver, current money with the merchant, that the precious metals have been to a greater or less extent the measure and standard of value;" but not quite so easy to prove it.

There was no doubt some criterion by which values were computed; but there could be no standard, according to *difficulty* of production, for probably two thousand years after that; sheep and oxen were the criterions by which values were at that time estimated. There were no coins in the world, the shekel was only a weight, representing, no doubt, as much silver as by the arbitrary dictum of the times was considered equal to the utility of a lamb; as *pieces* of silver and *lambs* of silver were synonymous terms, as before stated.*

In our last, we assumed that: "All honest people, if they were intelligent, would vote for the abolition of bank currency, as well as the credit system; and all other modes of unduly increasing money." But J. S. R. objects to this, and assumes that the evils arising from the system might be restrained within safe bounds." This, however, seems to me to be impossible. The system is so general, so extensive, that it viciates the whole volume of trade and commerce; and however prudent, no individual can thoroughly protect himself from its *costly* and evil influence.

When we take into consideration the greater expense of doing business, the immense amount of interest money paid to the banks, and their immense profits; the frauds, the bankruptcies, the vice, the crime, the general imprudence and demoralization which the system engenders among the people, the monetary panics, the losses from the involuntary idleness of the people, at intervals, of longer or shorter duration, according

* For further explanation upon this point, see Article, "History and Principles of Money," vol. 49 of this Magazine.

to the extent of the derangement of commerce, &c., and when we remember that *those who pay*, pay for the whole of this waste and loss, verily we cannot help repeating, that, were the people honest and intelligent, they would vote to abolish the whole system. Of course we could not, nor do we wish to prevent private individuals from disposing of their property on any terms they choose; but we could prevent, if the people understood the matter, banks from issuing their *promises to pay* as money, and discounting their deposits on demand; and we could tax them, so that the whole business would be less profitable—"the public good is the supreme law."

We pass now to a very ingenious paragraph, apparently constructed, rather in the hope of throwing dust into the eyes of the reader, than with any expectation of successfully combatting the argument it is intended to oppose.

Mr. J. S. R. says: "Mr. Sully's argument, that gold cannot be capital because its exchangeable value depreciates in the ratio of its addition (even if this fact could be proved), applies at least in part to wheat, corn, houses, ships, or any other form of wealth." Now this is not true as a principle; J. S. R. has not allowed for the exceptional circumstances under which our system of commerce operates upon production and consumption. As a general thing, what may be termed capital, never depreciates; much less in the ratio of its addition. There may be exceptional cases, however, under our present fluctuating monetary and banking systems; but the articles or commodities in question never do depreciate, under ordinary circumstances. First, because they are all either articles of necessity or consumption; and secondly, because the cost of raw material, and therefore labor, has a tendency to rise constantly. Some kinds of wealth may depreciate, in exchangeable value, but wheat, corn, houses and ships, do not belong to that category. These things would never be in excess, unless consumption were retarded by an increase of price, or a sudden failure of demand through a monetary crisis. The case of gold and silver is quite different, as they are not articles of daily or *necessarily* consumption, their indefinite increase makes no addition to wealth or capital. But says our opponent: "If gold is not wealth, how comes it that a *greenback* is much cheaper? Cheaper than that which possesses no value?" Now this is merely a quibble, and is taking up time and space to no purpose. Although gold is not wealth to the community, seeing that it makes no addition to meat, drink, clothing or shelter, it is wealth to the individual, as before intimated. But as it is the fixed standard of value, and legal tender for debts, society is forced to purchase any amount which may be presented to it, and even at a price beyond the cost of production. It thus receives a conventional and fictitious value, which J. S. R. will admit, upon second consideration, considerably exceeds that of a *greenback*. Ergo, it would be much cheaper for society to furnish a currency of *greenbacks*, than to maintain one of gold.

J. S. R. objects to the assumption of Mill, "that the demand for money is limited only by the means of the purchaser," because capitalists may be seeking for investments, and may be willing to loan their money instead of demanding some other commodity immediately in return for it. And he further says: "the mass of the people want money because it commands everything else, and this demand has no limit." J. S. R. seems to have mistaken what constitutes *a demand* for money. A *desire* for money, and a *demand* for money, are entirely separate matters. Mr. Mill says upon this point: "The demand for money again consists of all the goods offered for sale. Every seller of goods is a buyer of money, and the goods he brings with him constitutes his demand."

A person having *no* goods to sell, may have a desire for money, because, "it would command all other things;" but to assume that such a person had any demand upon the market for money would be ridiculous. If people choose to loan money, that is an affair between the borrower and the lender. If the money have been previously obtained by production, society is neither injured nor benefitted.

For one thing Mr. J. S. R. gives Mr. Mill credit, that is, for having stated correctly the tendency of *credit* to advance prices; but he says, "*we cannot admit* that all credit accelerates consumption without demanding in return an equivalent production, or that it necessarily raises prices above their true level."

Now, we cannot help what J. S. R. chooses to admit, and what he chooses not to admit, but we hope to be excused for saying that we do not know of any one who has made such an assertion, "that all credit accelerates consumption without demanding in return an equivalent production." The language used is, Whatever accelerates consumption, &c., which certainly bears quite a different meaning, and, I think, cannot easily be controverted. I must now beg leave to quote Mr. Mill once more, against the conclusion "that credit does not necessarily raise prices above their true level."

Mr. Mill says: "In a state of commerce in which much credit is habitually given *general prices* at any moment depend *much* more upon the state of credit than upon the quantity of money. For credit, though it is not a *producing* power, is a purchasing power, and a person who having credit avails himself of it in the purchase of goods, creates just as much demand for the goods, and tends quite as much to raise their price as if he made an equal amount of purchases with ready money."

Now we have endeavored to answer, either by our own reasoning, or quotation from others, all the objections raised against our former article by J. S. R., and hope we have succeeded; but if unfortunately we have not satisfied him, and he should again favor us with his notice, we have only to ask of him, that he will condescend to quote us fairly, and not transpose our sentences to make them mean what they were not intended to mean; and then perhaps he may discover that they are not so very much opposed to truth after all. RICHARD SULLEY.

TRADE OF GREAT BRITAIN WITH THE UNITED STATES.

We take the following from a late little to the COMMERCIAL AND FINANCIAL CHRONICLE from its London Correspondent:

It is satisfactory, to observe that in some branches our trade with the United States for the month of August, exhibits an improvement as compared with last year. In that month, for instance, the shipments of linen piece goods amounted to 9,194,496 yards, against 8,574,910 yards; of linen thread to 142,1[illegible]6 lb., against 135,527 lb.; of carpets and druggets to 375,126 yards, against 355,782 yards; and of worsted stuffs to 10,455,810 yards, against 9,840,367 yards in August last year. The following statement shows the exports of the principal descriptions of cotton, silk, and woolen goods to the United States and to France during the first eight months of the present and last two years:

TO THE UNITED STATES.

		1866.	1867.	1868.
Cotton piece goods	yds.	87,558,274	70,000,205	58,418,[illegible]
Cotton thread	lbs.	1,018,202	980,274	1,123,[illegible]
Linen piece goods	yds.	77,995,621	60,258,307	54,512,005
Linen thread	lbs.	1,450,422	968,265	837,184
Silk piece goods	yrs.	485,367	277,257	253,963
Woolen cloth	yds.	4,199,365	2,831,158	2,096,398
Carpets and druggets	yds.	3,145,630	2,979,063	2,257,817
Worsted stuffs	yds.	57,277,536	37,080,082	51,008,956
Total		233,058,357	175,894,611	170,508,631

TO FRANCE.

Cotton yarn	lbs.	2,541,294	3,208,364	2,402,506
Cotton piece goods	yds.	33,016,722	20,719,980	21,726,308
Cotton thread	lbs.	91,144	46,467	54,999
Linen yarn	lbs.	1,522,035	2,566,660	1,799,528
Linen piece goods	yds.	2,573,791	3,385,642	2,352,[illegible]11
Woolen yarn	lbs.	1,259,950	2,002,415	5,668,[illegible]1
Woolen cloth	yds.	2,686,606	5,082,893	1,229,[illegible]
Carpets and druggets	yds.	509,410	304,747	599,[illegible]8
Worsted stuffs	yds.	17,672,312	14,036,742	10,674,[illegible]8
Total		61,973,284	51,418,910	46,539,176

According to the official returns, the imports of wheat into the United Kingdom in August amounted to 2,012,374 cwt., being 1,125,095 cwt. less than in August last year, in which month they reached a total of 3,287,469 cwt. From Russia, there is a reduction of about 735,000 cwt.; from Prussia, of 292,000 cwt.; from Egypt, of 20,000 cwt.; from the United States, of 158,500 cwt., and from Chili, of 27,250 cwt. In the eight months ending with August 31, the imports were 22,710,165 cwt., against 21,031,647 cwt. in the corresponding period in 1867, and 15,529,299 cwt. in 1866. From the United States and Egypt, the receipts were as much as 5,000,000 cwt. greater than in 1867, while those from the Danubian provinces show an augmentation of 1,573,971 cwt. On the other hand, however, Russia and Prussia exhibit a considerable decline, the diminution in the importation from those two countries being 3,792,759 cwt. The following statement shows the quantities of wheat and flour received from each principal wheat growing country in the first eight months of the present and last two years:

WHEAT.

	1866.	1867.	1868.
Russia ....cwts.	4,610,396	8,045,857	6,214,781
Prussia	2,898,506	4,474,338	2,512,805
France	3,305,024	531,976	14,424
Illyria, Crotia and Dalmatia	1,250,828	247,916	799,908
Turkey, Moldavia, and Wallachia	329,738	1,694,506	2,676,491
Egypt	11,769	422,903	2,726,873
United States	345,750	1,738,945	4,529,266
Chili	41,253	1,615,904	990,116
British North America	8,789	8,132	272,396
Total, including other countries	15,529,299	21,031,647	22,719,165

FLOUR.

	1866.	1867.	1868.
France ....cwts.	3,078,740	1,071,394	256,778
United States	193,051	208,704	469,508
British North America	15,818	23,838	101,111
Total, including other countries	3,637,048	2,267,532	1,824,378

The Board of Trade returns for August, and the eight months ending August 31, have been issued to-day. They show unfavorable results as regards our trade, the declared value of our exports being considerably less than in 1867 and in 1866. In August, the declared value of our principal exports of British and Irish produce and manufactures was £16,427,597, being a diminution of £1,458,402 as compared with the corresponding month last year. As compared with each of the seven previous months of the year, a decided improvement is shown, but, at the same time, the increase in the exports in August over July in the current year is by no means in an equal ratio with 1867 and 1866. This year, the increase amounts to only £579,828, but in 1867, was £2,318,569, and in 1866 £2,492,322. In the eight months ending with August 31, the shipments of British and Irish produce and manufactures were valued at £116,777,028 against £121,056,918 in 1867, and £125,265,820 in 1866. The computed real value of our principal imports in July was £21,487,6 2 against £19,215,843 last year, and £10,641,564 in 1866. In the seven months ending with July 31, it amounted to £132,268,806 against £128,935,000 in 1867, and £143,544,759 in 1866.

As regards the imports of cotton, the principal feature in the monthly statement is the heavy falling off in the receipts from the United States, the total in August last year being as much as 267,291 cwt., while in the current year it amounts to only 87,751 cwt. In the eight months, however, the imports direct of American cotton have been 4,345,188 cwt., being an increase of 40 ,105 cwt., as compared with last year. The imports of Brazilian cotton have increased from 25.509 cwt. in August 1867 to 85.422 cwt. in August this year, but the imports of Egyptian cotton have declined from 66,996 cwt. to 37,374 cwt., and of East India from 611.682 cwt. to 509,851 cwt. The following were the imports of cotton into the United Kingdom in the eight months ending with August 31:

IMPORTS OF COTTON.

From—	1866. cwt.	1867. cwt.	1868. cwt.
United States	3,884,000	3,940,083	4,345,188
Bahamas and Bermudas	6,413	10,349	368
Mexico	8,145	22	....
Brazil	495,883	467,007	627,599
Turkey	83,930	55,834	30,462
Egypt	735,460	851 675	820,647
British India	3,439,087	1,869,451	1,532,743
China	17,949	4,707	......
Other countries	193,734	195,054	143,214
Total	8,809,601	7,391,690	7,508,221

The exports of cotton in August were 294,889 cwt. against 288,629 cwt. last year, and 408,214 cwt. in 1866. In the eight months they were as follows:

EXPORTS OF COTTON.

To—	1866, cwt.	1867, cwt.	1868, cwt.
Russia	248,285	298,785	188,017
Prussia	42,089	145,786	77,018
Hanover	5,618	3,514	1,671
Hanse Towns	516,477	459,132	387,758
Holland	847,865	345,865	857,792
Other countries	1,127,823	770,656	614,288
Total	2,287,607	2,018,188	1,626,544

The following were the exports of cotton goods in August, and in the eight months:

IN AUGUST.

		1866.	1867.	1868.
Yarn	lbs.	12,969,240	15,365,614	14,494,838
Piece goods	yds.	254,199,792	260,122,829	275,283,838
Thread	lbs.	573,406	596,075	478,634

IN EIGHT MONTHS.

		1866.	1867.	1868.
Yarn	lbs.	86,290,076	105,718,155	114,202,518
Piece goods	yds.	1,666,584,984	1,789,176,406	1,900,260,705
Thread	lbs.	4,058,193	4,303,841	4,222,926

Annexed is a statement showing the declared value of the cotton goods exported in August, and in the eight months ending with August 31:

IN AUGUST.

	1866.	1867.	1868.
Yarn	£1,167,827	£1,875,178	£1,173,292
Piece goods	5,312,601	4,904,937	4,705,809
Thread	90,527	102,381	79,284

IN EIGHT MONTHS.

	1866.	1867.	1868.
Yarn	8,744,912	9,789,042	9,846,037
Piece goods	38,828,008	35,812,184	32,268,723
Thread	653,547	751,840	707,450

So far as the United States are concerned, the declared value of our exports of British and Irish produce and manufactures in the seven months were:

	1866.	1867.	1868.
Ports on Atlantic—Northern	£16,268,977	£12,462,678	£11,512,924
" " —Southern	643,820	774,285	607,257
Ports on Pacific	426,142	490,816	364,467
Total	17,338,989	13,727,779	12,484,648

The following were the chief shipments of British and Irish produce and manufactures to the United States during the eight months ending with August 31:

	1866.	1867.	1868.
Alkali, cwt	1,181,755	947,932	1,062,600
Beer & ale, bbls	9 687	12,783	18,469
Coals, tons	101,728	67,496	76,879
COTTON MANUFACTURES:			
Piece goods, yds	87,558,274	70,010,205	58,418,888
Thread, lb	1,018,202	980,274	1.128,697
Earthenware and Porcelain pkgs	79,057	71,570	62,887
Haberdashery and Millinery	929,090	714,884	579,195
HARDWARE AND CUTLERY:			
Knives, forks, &c., value	£190,773	£ 59,231	£108,815
Anvils, vices, saws, &c , value	68,827	66,070	57,221
Manufactures of German silver, value	461,207	338,087	287,019
LINEN MANUFACTURES:			
Piece goods, yds	77,995,621	60,258,807	54,512,005
Thread	1,450,422	968,265	837,184
METALS—			
Iron—Pig, &c., tons	56,836	82,172	48,392
Bar, &c., tons	89,956	29,515	24,585
Railroad, tons	62,806	125,561	188,783
Castings, tons	966	1,027	955

Hoops, sheets and boiler plates, tons	18,766	21,761	9,960
Wrought, tons	7,231	5,057	2,615
Steel Unwrought, tons	18,172	18,098	9,522
Copper, wrought, cwts	6,881	3,457	1,319
Lead, pig, &c., tons	4,591	4,564	5,060
Tin plates, cwts	771,765	723,975	898,278
Oil seed, galls	1,283,438	1,273,418	159,629
Salt, tons	114,516	97,808	96,511
Silk Manufactures—			
Broad piece goods, &c., yards	485,867	277,257	253,963
Handkerchiefs, dozens	5,518	2,393	1,189
Ribbons, lbs	21,952	13,857	9,456
Other articles of silk (value)	£84,214	84,647	96,259
Silk manuf's mixed with other materials	£54,782	58,360	57,194
Spirits, British, galls	82,865	54,714	79,612
Wool, lbs	124,640	8,904	87,172
Woolen and Worsted Manufactures—			
Cloth, yards	4,119,305	2,831,158	2,096,396
Carpets and druggets, yards	8,145,630	2,979,063	2,257,847
Shawls, rugs, &c., number	114,047	99,135	69,674
Worsted stuffs and waistcoatings, yards	57,277,536	37,080,082	51,008,256

HARTFORD AND NEW HAVEN RAILROAD.

The earnings and expenses of this road for the years ending August 31, 1867 and 1868, were as follows:

Earnings	1867.	1868.
From Passengers	$911 536 18	$891,091 20
From freight	625,992 72	632,454 66
From expresses	114,007 61	114,709 50
From mails	....	55,627 28
From rents, &c	3,796 08	3,452 35
Total	$1,685,334 59	$1,697,334 39
Total expenses	$982,518 90	$1,024,935 08
Net earnings	702,815 69	672,399 31
Interest and taxes	158,818 80	190,808 50
Balance	543,996 89	$481,590 81

Compared with the previous year the gross earnings of 1867–68, show an increase of $11,999 80, with an increase in operating expenses of $42,416 18, making the decrease in net earnings, $30,416 38. The balance remaining after the payment of interest and taxes is less than that of the preceding year by $62,406 08.

The income of the company from all sources during the year was as follows:

Cash on hand, Sept. 1, 1867	$166,963 06
Earnings of the road	1,697,334 39
Sales of real estate	6,367 44
Total	$1,870,664 89

Thus accounted for:

Dividends	$422,566 00
Interest	57,546 51
Operating and repairing road	1,008,829 24
Tomlinson Bridge Company, for depot grounds, New Haven	49,332 30
Steamboat Orient	3,445 36
Real estate in Connecticut	4,975 20
Balance debts due the company	20,134 52
State and national taxes	133,281 99
Cash	170,573 87
Total as above	$1,870,664 89

CALIFORNIA TREASURE MOVEMENTS FOR NINE MONTHS.

We have received from Thomas P. Kettell the following statement of the treasure movement at California for nine months:

The imports of treasure (exclusive of those from Victoria, which are included in the receipts from coastwise ports) for the nine months ending September 30, 1867, and 1868, respectively, were as follows:

	1867.	1868.
Japan	$........	$4,164 00
Mexico	1,565,113 [illegible]	1,627,721 50
Panama	67,244 25	800 00
Sandwich Islands	30,447 91	4,400 00
Society Islands	2,500 00	....
Totals	$1,665,305 69	$1,636,635 56
Decrease, 1868		28,670 19

The receipts of treasure and bullion from coastwise ports and Victoria (V. I.) for nine months ending September 30, 1867 and 1868, respectively, were as follows:

	1867.	1868.
Uncoined	$4,150,340	$1,785,654
Coined	329,216	668,762
Totals	$4,479,556	$2,414,416
Decrease, 1868		$2,065,149

The following is a comparative statement of the bullion and treasure received during nine months ending September 30, 1867 and 1868, respectively, from our own and Nevada State:

	Uncoined.	Coined.	Totals.
1867.			
Northern Mines	$29,528,876	$2,444,998	$31,973,874
Southern Mines	2,328,834	959,519	3,288,353
Totals	$31,857,710	$3,404,517	$35,262,227
1868.			
Northern Mines	$27,362,923	$3,199,111	$30,562,634
Southern Mines	2,220,639	1,236,080	3,456,719
Totals	$29,583,562	$4,435,191	$34,018,758
Decrease, 1868			$1,243,474

The following is a recapitulation of the foregoing statement:

	1867.	1868.
Imports	$1,665,306	$1,636,636
Coastwise receipts	4,479,556	2,414,416
Interior	35,262,227	34,018,753
Totals	$41,407,089	$38,069,805
Decrease, 1868		$3,337,284

The exports of treasure for the nine months ending September 30, 1868, and the same compared with a like period of 1867, were as follows:

To—	1867.	1868.
China	$7,153,465 07	$3,978,009 65
Chile	723,450 97	... .
Central American ports	531,044 55	533,200 00
England	4,426,431 31	4,[illegible],459 90
France	1,453,659 76	941,553 47
Japan	53,969 18	362,459 46
Mexico	26,000 00	8,000 00
New York	17,311,315 77	18,460,421 30
Sandwich Islands	8,800 00	50,000 00
Society Islands	500 00	....
Vancouver Island	50,000 00	95,000 00
Total	$31,733,136 61	$29,058,103 78
Add duties	5 993,704 00	6,560,729 95
	$37,731,840 61	$35,618,833 73
Decrease 1868		$2,113,006 88

CONSUMPTION, &c., OF COTTON IN EUROPE.

M. Ott-Trumpler, of Zurich, has issued an interesting circular respecting the cotton movements of the last season, of which the following are the chief particulars, the figures represent thousands of bales:

	American.	Indian.	Brazil.	Egypt.	Sundry.	Total
ENGLAND.						
Stock in the ports, Oct. 1, 1867.	244	466	127	35	39	911
Import during the season	1,228	1,190	589	175	116	3,298
Total	1,472	1,656	716	210	155	4,209
Export to the Continent	162	597	81	9	25	874
	1,310	1,059	635	201	130	3,335
Total in the ports, September 30	113	260	102	19	19	513
Consumption	1,197	799	533	182	111	2,822
CONTINENT.						
Stock, Oct. 1, 1867, at Havre, Marseilles, Bordeaux, Nantes, Antwerp, Amsterdam, Rotterdam, Bremen, Hamburg, Trieste and Genoa	53	52	21	4	51	181
Imports direct from countries of production at above-named ports	348	122	86	58	225	839
Export from England to the Continent, deduction being made for 11,000 bales re-exported from Continent to England	158	592	81	9	23	863
Total	559	766	188	71	299	1,883
Stock, Sep. 30 at the above named ports	21	43	13	2	22	101
Consumption	538	723	175	69	277	1,782
ENGLISH CONSUMPTION.						
1867-68	1,197	799	533	182	111	2,822
1866-67	1,016	815	298	160	125	2,414
1865-66	846	878	259	186	150	2,319
1864-65	187	850	203	285	348	1,873
1863-64	178	620	184	219	414	1,565
1862-63	99	905	111	163	54	1,332
1861-62	304	675	101	122	15	1,217
1860-61	2,170	249		193		2,612
1859-60	2,135	207		218		2,560
CONSUMPTION OF CONTINENT.						
1867-68	538	723	175	69	277	1,782
1866-67	532	777	152	55	217	1,733
1865-66	391	755	164	69	237	1,616
1864-65	49	637	121	89	286	1,182
1863-64	64	543	74	106	246	1,033
1862-63	34	559	49	64	108	814
1861-62	258	415	21	42	40	776
1860-61	1,273	425		78		1,776
1859-60	1,272	385		55		1,712
CONSUMPTION OF EUROPE.						
1867-68	1,735	1,522	708	251	388	4,604
1866-67	1,548	1,592	450	215	342	4,147
1865-66	1,237	1,633	423	255	387	3,935
1864-65	236	1,487	324	374	634	3,055
1863-64	242	1,163	203	325	660	2,593
1862-63	133	1,461	160	247	162	2,146
1861-62	562	1,090	122	164	55	1,993
1860-61	3,443	674		271		4,388
1859-60	3,407	592		273		4,272

STOCK IN ENGLAND, SEPT. 30,

1868	513	1866	945	1864	490	1862	320	1860	954
1867	911	1865	804	1863	217	1861	779		

The following figures show the imports and consumption in Europe in each of the last seven seasons;

	Stocks in Europe Oct. 1.	Imports — American.	Imports — Other countries.	Total.	Stocks close of season.	Consumption — Total.	Consumption — Engl'd.	Consumption — Cont't.
1861-2	1,019	14	1,364	2,427	368	1,993	1,217	776
1862-3	368	121	1,947	2,436	250	2,146	1,332	814
1863-4	250	215	2,716	3,181	563	2,588	1,565	1,033
1864-5	563	250	2,602	3,415	317	3,055	1,873	1,186
1865-6	357	1,565	3,166	5,078	1,143	3,935	2,319	1,616
1866-7	1,143	1,495	2,601	5 239	1,092	2,092	2.414	1,733
1867-8	1,092	1,572	2,554	5,218	614	614	2,822	1,782

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 and 1st of November, 1868 :

DEBT BEARING COIN INTEREST.

	October 1.	November 1.	Increase.	Decrease.
5 per cent. bonds	$221,588,400 00	$221,588,400 00	$	$ ....
6 " 1881	283,677,300 00	283,677,300 00	... ...	....
6 " (5-20's)	1,594,888,600 00	1,602,312,250 00	7,423,650 00	....
Total	2,100,154,300 00	2,107,577,950 00	7,423,650 00	....

DEBT BEARING CURRENCY INTEREST.

	October 1.	November 1.	Increase.	Decrease.
6 per ct. (RR.) bonds	$39,634,000 00	$42,194,000 00	$2,560,000 00	$.....
3-y'ars com. int. n'tes	5,251,930 00	....	....	5,251,930 00
3 p. cent. certificates	65 230,000 00	58,325,000 00	....	6,905,000 00
Navy Pen. F'd 3 p.c.	13,000,000 00	14,000,000 00	1,000,000 00	....
Total	123,115,930 00	114,519,000 00	....	$8,596,930 00

MATURED DEBT NOT PRESENTED FOR PAYMENT.

	October 1.	November 1.	Increase.	Decrease.
7-30 n. due Aug.15,'67, J'e & J'y 15, '68	$3,537,000 00	$2,956,950 00	$..........	$580,050 00
6 p. c. comp. int. n'es	6,322,070 00	5,128,310 00	....	1,193,760 00
B'ds of Texas ind'ty	256,000 00	256,000 00	....	....
Treasury notes (old)	154,111 64	151,611 64	....	2,500 00
B'ds of Apr. 15, 1842, Jan. 28, 1847 & Mar. 31, 1848	967,650 00	487,500 00	....	480,150 00
Treas. n s of Ma. 3,63	445,492 00	445,492 00	... .	....
Temporary loan	744,920 00	314,860 00	....	430,060 00
Certifi. of indebt'ess	13,000 00	13,000 00	....	....
Total	12,440,243 64	9,753,723 64	$..........	$2,686,520 00

DEBT BEARING NO INTEREST.

	October 1.	November 1.	Increase.	Decrease.
United States notes	$356,021,073 00	$356,021,073 00	$........	$........
Fractional currency	32,933,614 17	33,413,985 42	480,371 25	....
Gold certi. of deposit	20,236,400 00	19,716,840 00	....	519,560 00
Total	409,191,087 17	409,151,898 42	....	$39,188 75

RECAPITULATION.

	$	$	$	$
Bearing coin interest	2,100,154,300 00	2,107,577,950 00	7,423,650 00	....
Bearing cur'y interest	123,115,930 00	114,519,000 00	....	8,596,930 00
Matured debt	12,440,243 64	9,753,723 64	....	2,686,520 00
Bearing no interest	409,191,087 17	409,151,898 42	....	39,188 75
Aggregate	2,644,901,560 81	2,641,002,572 06	....	3,898,988 75
Coin & cur. in Treas	110,257,841 86	113,873,019 24	3,615,177 38	....
Debt less coin and cur	2,534,643,718 95	2,527,129,532 82	....	7,514,166 18

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

COIN AND CURRENCY IN TREASURY.

Coin	$96,891,847 10	$103,407,985 77	$6,516,138 67	$..........
Currency	13,365,994 76	10,465,033 47	....	2,900,961 29
Total coin & curre'y	110,257,841 86	113,873,019 24	3,615,177 38	....

The annual interest payable on the debt, as existing October 1, and November 1, 1868, exclusive of interest on the compound interest notes), compares as follows :

ANNUAL INTEREST PAYABLE ON PUBLIC DEBT.

	October 1.	November 1.	Increase.	Decrease.
Coin—5 per cents	$11,079,420 00	$11,079,420 00	$	$........
" 6 " 1881	17,020,638 00	17,020,638 00	... .. .	....
" 6 " (5-20's)	95,693,316 00	96,138,735 00	445,419 00	....
Total coin interest	$123,793,374 00	$124,238,793 00	$445,419 00	$.... ....
Currency—6 per cents	$2,378,040 00	$2,531,640 00	153,600 00	... .
" 3 "	2,346,900 00	2,169,750 00	....	177,150 00
Total currency inter't	$4,724,940 00	$4,701,390 00	$........	$23,550 00

NEW YORK, PROVIDENCE AND BOSTON RAILROAD COMPANY.

The annual report of this company for the year ending August 31, 1868, shows the following general balance sheet of receipts and expenditures for the year:

DEBTOR.

To balance, as per last annual report, to wit:		
Stoningt'n steamboat Co.	$113 43	
Bills receivable	2,000 00	
Bonds due 1878	20,000 00	
Due from c'nnecting r'ads	3,652 81	
Balance in hand	77,174 67	
		102,940 91
Receipts for year		463,464 92
Stockholders' issue, 1867		132,800 00
Bills payable, represented by steamboat stock		405,000 00
StoningtonBank collateral account		3,045 60
		1,107,251 43

CREDITOR.

By expenditures for the year	361,017 46
Interest on bonds paid	36,655 00
Interest on floating debt	21,129 89
Expenses extraordinary	7,032 50
Fire damage	13,938 03
Stock Stoningt'n Stea'b'tCo	518,650 00
Bills of August, 1867	18,564 88
Paid M. Morgan's Sons' balance	2,072 96
Balance carried to new account, to wit:	
M. Morgan's Sons	2,758 80
Due from connecting roads	12,513 58
A. S. Mathews, Sup't	5,218 11
Bills receivable	2,000 00
Due from Ira H. Palmer, andin Stonington Bank	85,683 43
Stonington Steamboat Co	22 27
Bonds	20,000 00
	$1,107,251 43

The President remarks, in concluding his report, that the future prospects of the company are better than at any time during the past two years, and we believe that it will be in a condition to resume the payment of dividends by the first of January next.

ASSISTANT TREASURER'S STATEMENT FOR OCTOBER.

The following is the official statement of the business of the office of the Assistant Treasurer of the United States, in New York, for the month of October, 1868:

RECEIPTS AND DISBURSEMENTS.

Balance, September 30, 1868		$94,499,990 11
Receipts during the month:		
On account of customs	$10,448,222 94	
do Gold notes	5,208,460 00	
do Internal revenue	244,736 33	
do Three per cent Certificates	5,810,000 00	
do Post-office Department	412,408 04	
do Transfers	10,892,000 00	
do Patent fees	5,576 20	
do Miscellaneous	12,655,385 12	
do Disbursing accounts	11,000,187 83	
do Assay office	54,218 97	
do Interest accounts	18,049 22—	56,749,293 25
Total		$151,249,283 36
Payments during the month:		
Treasury drafts	$44,263,163 55	
Post-office drafts	933,797 55	
Disbursing accounts	13,394,559 60	
Assay-Office	298,679 45	
Interest accounts, viz.:		
In coin	341,449 41	
In currency	18,019 22—	59,249,668 18
Balance		$91,999,615 18
Balance to Cr. Treasurer U. S	$79,798,155 57	
Balance to Cr. disbursing accounts	10 239,952 52	
Balance to Cr. Assay office	1,961,507 09	
Balance to Cr. Interest accounts	91,999,615 18	
Receipts for Customs in the month of Oct., 1868.		$10,448,222 94
Receipts for Customs in the month of Oct., 1867		9,082,986 27
Increase for Oct., 1868		$1,365,236 6

UNITED STATES ASSAY OFFICE FOR OCTOBER.

Statement of business at the United States Assay Office at New York, for the month ending October 31, 1868:

DEPOSITS OF GOLD.		
Foreign coin	$55,000 00	
Foreign bullion	10,000 00	
United States bullion	950,000 00	
		$1,015,000 00
DEPOSITS OF SILVER, INCLUDING PURCHASES.		
Foreign coin	$38,000 00	
Foreign bullion	20,000 00	
United States bullion (contained in gold)	12,000 00	
Colorado	4,000 00	
Lake Superior	3,000 00	
Nevada	8,000 00	
		$85,000 00
Total deposits, payable in bars	$220,000 00	
Total deposits, payable in coins	880,000 00	
		$1,100,000 03
Gold bars stamped		1,892,737 23
Transmitted to U. S. Mint, Philadelphia, for coinage		66,424 3

COMMERCIAL CHRONICLE AND REVIEW.

Stringency in the Money Market—Activity in the Stock Market—Bonds sold at the New York Stock Exchange Bond—Prices of Government Securities at New York—Course of Consols and American Securities at London—Miscellaneous Securities—General Movement of Coin and Bullion at New York—Course of Gold at New York—Course of Exchange at New York.

October has been characterized by one of those periods of excessive stringency in money, which appear to have become regularly periodic in the fall and spring months. The preparation for the quarterly bank statement caused less disturbance than had been anticipated, owing to the demand for moving the Western crops having been checked by the refusal of the New York grain merchants to buy produce at the then current high prices. In the early part of the month, however, there was a steady drain of funds to the banks of the minor cities, causing a loss of deposits and of legal tenders, and a firm 7 per cent rate of interest. About the middle of the month the market suddenly assumed a stringent aspect, the banks having little to lend, and the large balances in the hands of private bankers, which had for some time kept money easy, finding ready employment at rates much above the legal limit. With the exception of the banks and a few private bankers who, on principle refuse to accept over the legal interest, lenders obtained during the latter part of the month rates varying from 7 per cent in gold to ¼ per cent per day from borrowers on stock collaterals. Discounting operations suffered a severe check. The mercantile banks have been unable to meet fully the wants of their customers; who, however, would have suffered more in consequence had it not been that their wants were strictly moderate. An unusual amount of paper was thrown upon the street for negotiation, and the very choicest names were sold with much difficulty at from 8@12 per cent. The inability of the banks to re-discount grain bills caused the failure of some firms West and at Buffalo, and produced in consequence a heavy decline in breadstuffs. Otherwise, the mercantile community has not suffered materially; but there is no doubt an accumulation of paper in the hands of dealers which must cause a heavy pressure for discounts ere long. The following statement will show the changes in the condition of the associated banks during the month:

	Sept. 26.	Oct. 31.	Changes.
Loans and discounts....	$271,273,000	$262,365,000	Dec. $8,908,000
Specie....	12,603,000	10,620,000	Dec. 1,983,000
Circulation....	34,050,000	34,253,000	Inc. 203,000
Deposits....	202,068,000	181,948,000	Dec. 20,120,000
Legal tenders....	63,587,000	51,590,000	Dec. 11,997,000

The loss of $20,000,000 of deposits and of $12,000,000 of legal tenders, with a reduction of only $9,000,000 in loans, is quite sufficient to account for the extreme stringency that has prevailed. It is not, however, so easy to account for these violent changes. There has certainly been no outflow of legal tenders, either to the banks of other cities or into the Sub-Treasury, at all proportioned to the reduction shown in this comparison; and it therefore seems impossible to evade the conclusion that a large amount of funds has been withdrawn from the banks and hoarded by speculators, for the purpose of embarrassing the market and forcing a decline in securities. The pressure has compelled the banks to take in for redemption about $11,500,000 of 3 per cent certificates, within the month; which amounts to a contraction of the circulation to that extent, the Secretary of the Treasury having determined that the certificates are not re-issuable.

The following comparison shows the totals of the statements of the New York banks at the close of each week in October and at the close of October, 1867:

	Oct. 3.	Oct 10.	Oct. 17.	Oct 24.	Oct. 31.	Oct. 26, '67.
Loans and dis..	$269,553,868	$265,595,582	$264,644,085	$263,579,133	$262,865,569	$246,810,718
Specie....	11,757,335	9,316,097	9,186,620	9,553,583	10,620,523	6,161,364
Circulation....	34,154,806	34,188,103	34,213,948	34,193,938	34,253,210	33,959,080
Deposits....	194,919,177	189,053,997	188,830,586	186,052,847	181,948,547	173,064,123
Legal Tenders.	60,240,447	60,005,086	58,626,857	56,711,434	51,590,948	56,281,943

The following are the rates of Loans and Discounts for the month of October:

RATES OF LOANS AND DISCOUNTS.

	Oct. 2.	Oct. 9.	Oct. 16.	Oct 23.
Call loans....	7 @—	6 @ 7	6 @ 7	7 @10
Loans on Bonds and Mortgage....	—@ 7	—@ 7	—@ 7	—@ 7
A 1, endorsed bills, 2 mos....	6 @—	6½@—	6½@—	7 @—
Good endorsed bills, 3 & 4 mos....	—@ 7	—@ 7	—@ 7	7 @ 8
" " single names....	7 @ 7½	7 @ 7½	7 @ 7½	7 @ 8
Lower grades....	8 @10	8 @10	8 @10	8 @10

The stock market has exhibited unusual activity, the combined sales at both boards having amounted to 2,362,000 shares, against 1,800,000 shares in October, 1867. The severe stringency in money has been accompanied with special efforts to break down stocks, and the attempts have been partially successful, but less so than might have been expected. Cliques, who are holding very large amounts of stock, have secured their position by time loans, extending to the close of the year; which mainly accounts for the comparative firmness of the markets.

The following statement shows the sales of the several classes of stocks at both boards during October:

Classes.	1867.	1868.	Increase.	Dec
Bank shares	1,886	2,383	497	.....
Railroad "	1,536,572	2,013,944	477,372	.....
Coal "	4,080	6,209	2,1:9	....
Mining "	19,800	10?,189	89,389	.....
Improv'nt "	13,200	19,775	6,575	.....
Telegraph "	129,734	44,333	.....	85,401
Steamship "	47,337	109,833	62,496	.....
Expr'ss&c "	47,783	56,261	8,578	.....
Total—October	1,800,392	2,362,027	561,635	...
" —since January 1	18,151,147	16,906,045	.....	1,245,102

The several classes of securities have suffered less from the monetary pressure than might have been expected. Governments, indeed, have advanced steadily in the face of the growing stringency and at the close prices were 2@3 per cent above the opening quotations. The result of the October elections appears to have induced among dealers and speculators a good deal of buying, on the assumption that the election of Gen. Grant to the presidency would be accompanied with a material advance in the price of bonds. The fact that bonds have this week declined 3@4 per cent, shows that the over-discounting of future events is apt to reverse the results anticipated. The speculative transactions have been large, and the sales at the board for the month aggregate $23,479,000 against $17,649,000 for the same period of last year, as will appear from the following statement:

BONDS SOLD AT THE N. Y. STOCK EXCHANGE BOARD.

Classes.	1867.	1868.	Inc.	Dec.
U. S. bonds	$17,649,500	$23,479,150	$5,829,650	$.......
U. S. notes	3,041,900	......	......	3,041,900
St'e & city b'ds	3,881,500	11,145,100	7,263,600	....
Company b'ds	892,200	2,031,400	1,139,200	....
Total—October	$25,465,100	$36,655,650	$11,190,550	....
" —since Jan. 1	177,509,730	195,521,090	18,011,360	....

The daily closing prices of the principal Government securities at the New York Stock Exchange Board in the month of October, as represented by the latest sale officially reported, are shown in the following statement:

PRICES OF GOVERNMENT SECURITIES AT NEW YORK.

Day of month.	6's, 1881. Coup.	6's, 1881. Reg.	6's, (5-20 yrs.) Coupon 1862.	1864.	1865.	new.	1867.	1868.	5's, 10-40 yrs. C'pn.
1	113	112⅛	112¼	110	109⅞	108¼	108⅛	.....	104⅛
2	.....	....	112⅜	110¼	110⅛	108¼	108⅜	.....	.....
3	113¼	112⅛	113	110⅜	110⅞	108⅛	108⅝	108⅞	....
5	113⅜	.....	113	110⅜	110⅝	108⅜	108⅝	109	104⅝
6	113⅜	113	113	.....	110⅝	108⅛	108⅞	109⅛	.....
7	....	....	113¼	110⅛	110⅞	108⅞	109	....	105
8	113⅞	113	113	110¼	110⅛	108⅝	108¾	109⅛	105⅛
9	.....	112⅞	112⅝	110¼	110⅛	108⅝	108¾	.....	105
10	.....	112¾	112⅛	110⅛	110⅜	108⅛	108⅝	.....	105⅛
12	.....	113	112¾	110¼	110⅛	108⅛	108⅞	109¼	105⅛
13	114¼	113⅛	.....	110¾	111	108⅞	109	109⅜	105¼
14	114⅝	113¾	113⅛	111	111⅛	109½	109⅝	109⅜	...
15	115⅛	114	113¾	111⅛	111¾	110	110	111⅛	105⅞
16	115¼	114⅛	114¼	112	112	110⅛	110¾	111½	105⅝
17	115⅜	114⅛	114⅜	111⅛	111⅜	110⅞	111⅛	111¼	106¼
19	116¼	115	114¾	112⅝	112⅝	111⅝	111⅝	112	106⅛
20	116	.....	113⅞	111¾	111⅞	111	110⅝	111⅝	.....
21	115⅞	.....	113⅛	111¾	112¼	110¼	110⅜	110¼	105⅞
22	115⅝	.....	113⅝	111⅜	111⅞	110⅛	110⅞	111	105⅞
23	115⅛	.....	113⅜	111⅝	111¾	110⅜	110⅛	.....	105¾
24	.....	114⅛	113⅞	111⅝	111⅞	110⅜	110⅝	111	105¾
26	.....	....	112⅞	111¼	111⅛	110	110⅛	110⅜	105¼

27	114⅝	114¼	.....	.....	110⅝	109¾	110	.....	105⅝
28	.....	114	113	111	111¼	110	110¼	110⅜	105⅝
29	115	113¾	113	111¼	111¼	110	110⅜	.....	.....
30	.....	114	113⅛	111⅛	111⅞	110⅝	110⅞	111	106¼
31	115⅜	114	113⅜	.....	112¼	110⅞	111⅛	111¼	106⅜
First	113	112⅜	112¼	110	109⅞	108¼	108⅛	108⅞	104⅜
Lowest	113	112⅛	112¼	110	109⅞	108¼	108⅜	108⅝	104⅜
Highest	116¼	115	114⅜	112⅜	112⅜	111⅛	111⅝	112	106⅜
Range	3¼	2⅝	2⅛	2⅜	2½	3⅜	2⅜	3⅜	2
Last	115⅜	114	113⅜	111⅛	112¼	110⅞	111⅛	111¼	106⅜

The closing prices of Consols for money and certain American securities (viz U. S. 6's 5-20's 1862, Illinois Central and Erie shares) at London, on each day of the month of October, are shown in the following statement :

COURSE OF CONSOLS AND AMERICAN SECURITIES AT LONDON.

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	94⅛	73⅝	96	31⅛	Thursday 22	94⅛	73⅛	97	31⅛
Friday 2	94⅛	74⅛	97	32⅛	Friday 23	94⅛	73⅝	97	31⅛
Sat'day 3	94⅛	74	96¼	32¼	Saturday 24	94⅛	73¼	97	30¼
Monday 5	94⅝	73⅞	96⅛	32¼	Monday 26	94⅛	73⅛	97¼	28⅜
Tu'sday 6	94⅛	73⅞	96	32	Tuesday 27	94⅛	73⅛	97	28¼
Wednesday 7	94⅛	74	95⅛	32	Wednesday 28	94⅛	73⅜	97	28¼
Thursday 8	94⅛	74¼	95⅜	32⅛	Thursday 29	94⅛	73⅞	97	29¼
Friday 9	94⅛	74¼	95⅛	32⅛	Friday 30	94¼	73⅛	97	28
Saturday 10	94⅛	74¼	95¼	32⅛	Saturday 31	94⅛	74	97⅛	28
Monday 12	94¼	74⅛	95⅜	31⅜					
Tuesday 13	94¼	74⅛	95¼	31⅛	Lowest	94⅛	72⅜	95¼	28
Wedney 14	94⅛	74⅞	95¼	32¼	Highest	94⅜	74⅞	97⅛	32¼
Thurs 15	94¼	[illegible]	95⅛	32⅛	Range	⅜	2⅛	2¼	4¼
Friday 16	94⅜	72⅛	96	32⅛					
Saturday 17	94¼	72⅞	96¼	32⅛	Low } Since Jan. 1	91⅞	70⅛	84¾	28
Monday 19	94⅛	73⅜	97	32⅛	Hig } Since Jan. 1	96⅛	74⅞	102	50⅛
Tuesday 20	94¼	73⅛	96⅛	32	Rng } Since Jan. 1	4⅝	4¼	17¼	22⅛
Wednesday 21	94⅛	72⅞	97	31⅛	Last	94⅛	74	97⅛	28

The closing prices of Five-Twenties at Frankfort in each week ending with Thursday, were as follows :

Oct. 1.	Oct. 8	Oct. 15.	Oct. 22.	Oct. 29.	Month.
76¼	76⅞@77	77⅝	78¼	78⅛@78⅜	76¼@79¼

The following table will show the opening, highest, lowest and closing prices of all the railway and miscellaneous securities quoted at the New York Stock Exchange during the months of September and October, 1868 :

	September. Open.	High.	Low.	Clos.	October Open.	High.	Low.	Clos.
Railroad Stocks—								
Alton & Terre Haut	43	46⅛	43	43	42⅛	45	40	40
do do pref	64	65¼	63⅛	63⅛	....	....	....	....
Boston, Hartford & Erie	22⅛	23	22¾	23	23	27⅜	23	27⅛
Chicago & Alton	143	158⅛	141	150	150	155⅛	150	151⅛
do do pref	144	158⅛	144	151	153	156	152	156
Chicago, Burl. & Quincy	....	....	....	....	170	171	168	170
do & Gt. Eastern	40	40	38	40	40¼	49⅞	40	40¼
do & Northwest'n	84	90¾	84	88	88⅞	97⅜	88⅝	92
do do pref	84	91¼	83⅞	88⅜	88	98⅜	88	92⅞
do & Rock Island	102⅛	104⅛	100¾	102⅜	102⅛	109⅜	102	106⅜
Cleve., Col., Cin. & Ind.	81¼	82	79⅛	79⅛	79	80	75	77
do & Pittsburg	87	89	84⅛	84⅝	84¾	91⅛	84¾	88¾
do & Toledo	103	103¼	100¼	102	101¼	106⅜	101¼	103
Del., Lack & Western	118⅛	122	118⅛	122	121⅛	132	121⅛	132
Dubuque & Sioux city	80⅛	101	80⅛	101	95	101	95	101
do do pref	92⅛	97	92	98	95	95	95	95
Erie	47⅞	52⅛	46	48⅞	47	49⅛	38⅛	41¼
do pref	70	70⅛	68	70⅛	70	71	65	65
Harlem	124	124	124	124	....	....	....	....
do pref	122	122	122	122	....	....	....	....
Hannibal & St. Joseph	87	90	87	90	....	.	...	...
do do pref	87	90	87	89⅛	89	89⅛	87	89

Hudson River	140	142	138	140[illegible]	139	139	134[illegible]	137[illegible]
Illinois Central	145	146	143[illegible]	146	147[illegible]	147[illegible]	143	145
Ind. & Cin innati	51	51[illegible]	51	51[illegible]	50	50	50	50
Joliet & hicago	....	....	....	....	96	96	96	96
Long Island	....	....	....	....	45	45	45	45
) ake Shore	98[illegible]	101	96[illegible]	96[illegible]	99	102[illegible]	98[illegible]	100[illegible]
Mar. & Cincin., 1st pref.	....	....	...	....	25[illegible]	25[illegible]	23[illegible]	23[illegible]
do 2d pref.	....	....	...	....	9	10	9	10
Michigan Central	119	119	118	118[illegible]	119	119	118[illegible]	119
do S. & N. Ind	85[illegible]	86[illegible]	83	83	83[illegible]	91	83[illegible]	87
Milwaukee & St. Paul	77[illegible]	97[illegible]	77[illegible]	94	95[illegible]	111	93	102[illegible]
do do pref	84	96	84	94[illegible]	93	112	93	102[illegible]
Morris & Essex	64	65[illegible]	63	65[illegible]	65[illegible]	68	65[illegible]	66
New Jersey	133[illegible]	134	132[illegible]	132[illegible]	134	134	120[illegible]	121
do Central	120	124	120	122	122[illegible]	122[illegible]	119	120[illegible]
New York Central	126	130[illegible]	123	126[illegible]	126[illegible]	130[illegible]	123[illegible]	126[illegible]
do & N. Hav n	140	141	140	141	141[illegible]	142	141[illegible]	142
Norwich & Worcester	92	93	92	92	....	....	....	....
Ohio & Mississippi	29	29[illegible]	28	28[illegible]	28[illegible]	32[illegible]	28[illegible]	31[illegible]
do do pref	89	89	78	78	78	79	78	79
Panama	364	369	360	360	345	345	330	3 0
Pittsb., Ft. W. & Chica	108[illegible]	111[illegible]	107	109	108[illegible]	117[illegible]	108[illegible]	114[illegible]
Reading	91	95[illegible]	89[illegible]	93[illegible]	93[illegible]	100[illegible]	93[illegible]	99[illegible]
Rome & Watertown	114	114	114	114	....	....	....	...
Stonington	80	83	80	83	....	....	....	....
Third Avenue	180	190	180	180	....	....	....	....
Toledo, Wab. & Western	53[illegible]	64	53[illegible]	59[illegible]	59	67	58[illegible]	64
do do do pref	73[illegible]	78	73[illegible]	78	76	78	73[illegible]	74
Miscellaneous—								
Cumberland Coal	29[illegible]	35	29[illegible]	33	33	36	33	35
Del. & Hud. Canal Coal	128	131	127	127	128[illegible]	130[illegible]	128	129[illegible]
Pennsylvania Coal	....	....	....	....	210	220	210	220
Spring Mountain Coal	....	....	....	....	40	40	40	40
Pacific Mail	101[illegible]	113[illegible]	101[illegible]	107	110	130[illegible]	110	126[illegible]
Atlantic do	20	21	20	21	....	....	...	....
Boston Water Power	15[illegible]	15[illegible]	15	15	16[illegible]	18[illegible]	15[illegible]	18
Canton	46	49[illegible]	46	46	47	51[illegible]	47	48[illegible]
Brunswick City	7[illegible]	7[illegible]	7[illegible]	7[illegible]	9	12[illegible]	9	12[illegible]
Mariposa	3[illegible]	5[illegible]	3[illegible]	5[illegible]	5	8[illegible]	5	8
do pref	8	12[illegible]	8	12[illegible]	18[illegible]	24[illegible]	13[illegible]	23[illegible]
Quicksilver	21	23[illegible]	20[illegible]	22[illegible]	21[illegible]	27[illegible]	21[illegible]	24
Manhattan Gas	225	225	225	225	2 0	230	230	230
West. Union Telegraph	34[illegible]	34[illegible]	34	33[illegible]	34[illegible]	38	34	36[illegible]
Bankers & Brokers Ass	106	106	104[illegible]	105[illegible]	....	....	....	....
Express—								
American	44[illegible]	51	41[illegible]	48[illegible]	48	49	45[illegible]	46[illegible]
Adams	48[illegible]	52[illegible]	48	52[illegible]	52[illegible]	52[illegible]	49[illegible]	50[illegible]
United States	41	51	41	50	49	50	47	47
Merchant's Union	1[illegible]	25[illegible]	21[illegible]	24[illegible]	23[illegible]	23[illegible]	21	21[illegible]
Wells, Fargo & Co	25[illegible]	31[illegible]	25[illegible]	30	30[illegible]	31[illegible]	28[illegible]	28[illegible]

The course of the gold premium has been steadily downward, the price hav ng opened at 140½ and steadily declined to 133⅜, at which figure it closed. The market has been freely supplied from sales by the Treasury, so that, at the close of the month, the e was only $1,100,000 le s in the banks than at the beginning, although the payments for customs and the exports combined amounted to $12,000,000. From a statement given below it would appear that $9,000 000 of gold has come from unreported sources; about one-half the amount has come from the sales of the Treasury and the balance probably represents gold that has passed out of private hands into the banks.

The following formula will show the movement of coin and bullion during the month of October, 1867 and 1868, comparatively:

GENERAL MOVEMENT OF COIN AND BULLION AT NEW YORK.

	1867.	1868.	Increase.	Decrease
In banks, near first	$9,496,163	$11,757,335	$2,261,172	$... ...
Receipts from California	2,339,284	902,788	......	1,436,496
Imports of coin and bullion	219,666	553,963	334,297	....
Coin interest paid	189,357	341,449	152,092	....
Redemption of loan of 1847-'48	....	38,300	38,300	....
Total reported supply	$12,244,470	$13,593,835	$1,349,365	$........

Exports of coin and bullion	$1,205,529	$1,602,804	397,275	$......
Customs duties	9,082,986	10,448,223	1,365,237	......
Total withdrawn	$10,288,515	$12,051,027	$1,762,512	$......
Excess of reported supply	$1,958,955	$1.542,808	$........	$411,147
Specie in banks at end	6,161,164	10,620,526	4,459,862	......
Derived from unreported sources	$4,207,209	$9,077,718	$8,870,509	$....

The following exhibits the fluctuations of the New York gold market in the month of October, 1868:

COURSE OF GOLD AT NEW YORK.

Date.	Openi'g	Lowest.	High'st.	Closing.	Date.	Openi'g	Lowest.	High'st.	Closing.
Thursday........ 1	140¼	139⅝	140¼	140⅛	Friday........ 23	135⅞	135	136	135
Friday........ 2	139⅞	139¼	140⅛	139⅜	Saturday........ 24	135	134⅜	135⅛	134⅜
Saturday........ 3	140⅛	139⅝	140⅛	140	Monday........ 26	133⅞	133¾	134⅛	134
Monday........ 5	140⅜	139⅞	140⅜	140	Tuesday........ 27	134⅛	134⅛	134⅜	134¼
Tuesday........ 6	140⅛	139¾	140⅛	140¼	Wednesday........ 28	134¼	133⅞	134⅜	134⅜
Wednesday........ 7	140	139⅞	140⅛	140	Thursday........ 29	134⅜	134⅛	134⅛	134¼
Thursday........ 8	139¼	138⅞	139⅛	139⅛	Friday........ 30	134⅜	134	134⅛	134⅛
Friday........ 9	139	138⅞	139⅛	139	Saturday........ 31	134	133¾	134	133⅞
Saturday........ 10	138⅞	138⅛	138⅞	138⅛					
Monday........ 12	138⅛	137⅛	138⅛	137⅞	Oct... 1868........	140⅛	133¾	140⅛	133⅞
Tuesday........ 13	137⅝	137⅜	138	137⅜	" 1867........	143⅞	140⅜	145⅝	140⅝
Wednesday........ 14	137	136⅞	137⅜	137⅜	" 1866........	146	145⅛	154⅛	146⅝
Thursday........ 15	137¾	137½	138⅛	138	" 1865........	144⅛	144⅛	149	146⅛
Friday........ 16	137⅞	137⅛	137⅞	137¼	" 1864........	192	189	227¾	223¼
Saturday........ 17	136⅞	136⅛	137⅛	137	" 1863........	149⅜	140⅜	156⅜	145⅜
Monday........ 19	136¾	136⅝	137¼	137¼	" 1862........	121⅛	122	133⅛	129⅜
Tuesday........ 20	137⅛	136⅞	137⅜	137					
Wednesday........ 21	136⅞	136⅛	136⅞	136⅛	S'ce Jan 1, 1868........	133⅛	133¼	150	133¾
Thursday........ 22	135⅞	135⅛	135⅞	135⅞					

The following exhibits the quotations at New York for bankers 60 days bills on the principal European markets daily in the month of October, 1868:

COURSE OF FOREIGN EXCHANGE (60 DAYS) AT NEW YORK.

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	108⅝@108⅞	520 @518¾	40¾@40⅞	79 @79¼	35⅝@35⅞	71⅛@71¼
2	108⅝@108⅞	520 @518¾	40¾@40⅞	79 @79¼	35⅝@35⅞	71⅛@71¼
3	108⅝@108⅞	520 @518¾	40¾@40⅞	79 @79¼	35⅝@35⅞	71⅛@71¼
5	108¾@109	520 @517½	40¾@40⅞	79 @79¼	35⅝@35⅞	71⅛@71¼
6	108¾@108⅞	520 @518¾	40¾@40⅞	79 @79¼	35⅝@35⅞	71⅛@71¼
7	108¾@108⅞	520 @518¾	40¾@40⅞	79 @79¼	35⅝@35⅞	71⅛@71¼
8	108¾@108⅞	520 @518¾	40¾@40⅞	79 @79¼	35⅝@35⅞	71⅛@71¼
9	109⅛@109¼	518¾@517½	40¾@40⅞	79⅛@79¼	35¾@35⅞	71⅛@71¼
10	109⅛@109¼	518¾@517½	40¾@40⅞	79⅛@79¼	35¾@35⅞	71⅛@71⅜
12	109⅜@109½	517½@516¼	40¾@41	79⅛@79⅜	35¾@36	71⅞@72
13	109½@109⅝	517½@516¼	40¾@41	79⅜@79⅜	35¾@36	71⅞@72
14	109⅝@109¾	516¼@513¾	40¾@41	79⅜@79⅝	35¾@36	71⅞@72
15	109⅝@109¾	516¼@515	41 @14⅛	79⅜@79½	36 @35⅛	71⅛@71⅜
16	109⅝@109½	517½@516¼	41 @14⅛	79⅜@79½	36 @36⅛	71⅛@71⅜
17	109⅛@....	517½@516¼	41 @14⅛	79⅜@79¼	36 @36⅛	71⅛@71⅜
19	109⅜@	517½@516¼	40¾@40⅞	79⅛@79⅜	35⅞@36	71⅛@71⅜
20	109⅜@109½	516⅞@515	40¾@40⅞	79⅛@79⅜	35⅞@36	71⅛@71¼
21	109⅜@109½	516⅞@515	40¾@40⅞	79⅛@79⅜	35⅞@36	71⅛@71¼
22	109⅜@109⅝	517½@516¼	40⅞@41	79⅜@79½	35⅞@36	72⅛@....
23	109⅝@109¾	516¼@515	40⅞@41	79⅜@79¼	35⅞@36	72⅛@....
24	109⅝@109¾	516¼@515	40⅞@41	79⅜@79½	35⅞@36	72⅛@....
26	109⅞@110	515 @514⅜	41 @41⅛	79⅜@79½	36 @36⅛	71⅛@71⅜
27	110 @110⅛	514⅜@513¾	41 @41⅛	79⅜@79½	36 @36⅛	71⅛@71¼
28	110 @110⅛	514⅜@513¾	41 @41⅛	79⅜@79½	36 @36⅛	71⅛@71¼
29	109¾@109⅞	515 @513¾	41 @41⅛	79⅜@79½	36 @36⅛	71⅛@71¼
30	109¾@109⅞	515 @513¾	41 @41⅛	79⅜@79½	36 @36⅛	71⅛@71¼
31	109¾@109⅞	515 @513¾	41 @41⅛	79⅜@79¼	36 @36 ⅛	71⅛@71¼
Oct., 1867	108¾@110¼	520 @513¾	40¾@41⅛	79 @79¾	35¾@36¼	71¼@72⅛
Oct., 1868	108⅝@109⅛	521¼@515	40¾@41⅛	78⅞@78	35¾@36¼	71¼@72

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

Returns of the New York, Philadelphia and Boston Banks.

Below we give the returns of the Banks of the three cities since Jan. 1 :

NEW YORK CITY BANK RETURNS.

Date.	Loans.	Specie.	Circulation.	Deposits.	L. Tend's.	Ag. clear'gs.
January 4...	$249,741,297	$12,724,614	$34,134,39?	$187,070,786	$62,111,201	$483,266,304
January 11.	253,170,723	19,222,856	34,004,137	194,835,525	64,753,116	553,884,525
January 18 ...	256,033,938	23,191.867	34,071,006	205,883.143	66,155,241	619,797,369
January 25 ...	258,392,101	25,106,800	34,062,762	210,093,084	67,154,161	528,503,223
February 1...	266,415 613	23,955,320	44,062,521	213.330,524	65,197,153	637,449,923
February 8...	270,555,356	22,823,872	34,096,834	217,344,518	55,846,259	597,242,595
February 15...	271.015,970	24,192,955	34,043,296	216,759,823	63,471,762	550,521,185
February 21...	267,768,643	22,513,987	34,100,023	209,095,351	60,868,920	452,421,592
February 29 ...	267,240,678	22,091,642	34,0·6,223	208,651,578	58,553,607	705,109 784
March 7......	269,156,636	20,714,233	34,153 957	207,737,080	57,017,044	619,219,598
March 14......	266,816,034	19,744,701	34,218,881	201,188,470	54,738,866	691,277,641
March 21......	261,416,900	17.944.808	34,212,571	191,191,526	52,261,086	649,482,341
March 28 ..	257,878,247	17,323,367	34,190,808	186,525,128	52.123,078	557,843,908
April 4.......	254,287,891	17,077,299	34,227,108	280,956,846	51,709,706	567,783,138
April 11.......	252,936,725	16,843,150	34,194,272	179,851,880	51,982,609	493,371,461
April 18.......	254,817,936	16,775,542	34,213,581	181,832,523	50,833,660	623,713,923
April 25.......	252,314,617	14,943,547	34,227,624	180,307,489	53,866,757	602,784,154
May 2.......	257,623,672	16,166,873	34,114,843	191,206,135	57,863,599	588,717,892
May 9.......	265,755,888	21 286,910	34.205,409	199,276,568	57,541,827	507,028,567
May 16.......	267,724,783	20,939,142	34,193,249	201,313,505	57,613,095	480,186,908
May 23.......	267,381,279	20,479,947	34,183,038	202,507,550	62,233,002	488,735,142
May 30.......	268,117,490	17,861,088	34,145,606	20?,746,96?	65,633,964	602,118,248
June 6.......	273,792,867	14,328,531	34,188,159	209,089,655	68,822,023	640,663,329
June 13.......	275,142,024	11,193,631	34,166,846	210,670,765	69,202,840	530,328,197
June 20	274,117,608	9,124,830	34,119,120	211,484,387	72,567,584	553,983,817
June 27.......	276,504,036	7,753,300	34,018,721	214,302,207	73,853,303	516,726,075
July 3.......	281,945,931	11,954,730	34,032,466	221,050,806	72,125,939	525,646,693
July 11.......	284,147,708	19,235,348	34,068,202	224,320,141	63,531,542	591,756,325
July 18.......	282,912,490	20,399,031	34,004,111	228,130,749	71,847,545	505,462,464
July 25.......	280,345,255	20,804,101	33,963,373	2.6,761,662	72,235,583	437,169,387
August 1	279,811,657	20,502,737	33,957,305	228,104,867	73,638,061	409,131,169
August 8	279,705,786	24,784,427	34,074,374	231 716,492	74.051,548	587 004,381
August 15	277.808,620	22,953,851	34,114,087	223,561,087	72 925,481	482,533,952
August 22	275,315,781	19.768,681	34,137,627	216,435,405	69,757,645	610,308,551
August 29	271,780,726	16,949.108	34,112.139	210,334,646	67,757,376	480,785,665
September 5	271,830,696	16,815,778	34,170,419	207,854,311	65,983,773	470,036.175
September 12.	272,055,690	16,150,942	34.139.926	205,489,070	63,429,837	493,191,072
September 19.	271,257,096	14,665,742	34,014,693	202,824,583	63,772,700	518,471,5?2
September 26.	271,273,544	12,603,483	34,050,771	202,068,334	63,587,576	620,105,004
October 3....	269,5?3,868	11,757,835	34,154,806	194,919.177	60,2?0,4?7	747,618,516
October 10....	265,595,582	9,346,097	34,188,103	189,053,997	60,605,086	657,958,155
October 17....	261,614,035	9,186,620	34,218,918	188,880,586	58,626,857	635,516,454
October 24....	263 579,133	9,553,583	34.193,988	186,05?,847	56,711,434	850,584,443
October 31....	262,365,569	10,620,526	34,258,210	181,948,547	51,590,9?8	809,454,542

PHILADELPHIA BANK RETURNS.

Date.	Legal Tenders.	Loans.	Specie.	Circulation.	Deposits.
January 4.............	$ 6,782,432	$52.002,304	$235,912	$10,639,000	$36,621.274
January 11....	16,037,993	52,593,707	400,615	10,639,096	37,131,830
January 18	16,827,423	53,013,196	320,973	10,641,752	37,457,089
January 25	16,836,937	52,325,599	279,393	10,645,226	37,312,540
February 1.............	17,064,184	52,604,916	248,673	10,638,927	57,922,287
February 8.............	17.063,716	52.672,448	287,878	10,635'926	37.396,653
February 15..	16,949,944	52,532,946	263,157	10,663,328	37,010,520
February 22... . ..	17,573,149	52,423,166	204,929	10,632,495	36,453,464
February 29	17,877,877	52,459,757	211,365	10,634,484	35,798,314
March	17,157,954	53,081,665	232,189	10.633,713	34,826,861
March 14.	16,662,299	53,367,611	251,051	10,631,399	94,523,550
March 21	15,664,946	53,677,337	229,518	10,643,613	33,836,996
March 28...............	14,318,391	53,450,878	192 838	10,643,606	32,428,390
April 4	13,208,625	52,209,234	215.835	10,642,670	31,278,119
April 11..	14,194,885	52,256,949	250,240	10 640,932	32,255 671
April 20.......... ...	14,493,287	52,989,780	222,229	10,640,479	33,950,952
April 27	14,951.106	52,812.623	204,609	10,640,312	34,767,190
May 4..	14,990,831	53,333,740	314,366	10,631,044	35,109,937
May 11....	15,166,017	53,771,794	397,778	10,629,0?5	36,017,596
May 18....	15,381,545	53,494,583	3?3,525	10,632,665	36,030,063
May 25....	15,823,099	53,463,225	290,302	10,661,276	36,000,297
June 1..............	16,184,865	53,562,449	239,371	10,626,937	36,574,457
June 8...	16,074,308	53,491.864	226,581	10,630.945	42,910,499
June 15	15,837,117	53,122,521	175,308	10,630,979	43,016,968

Date.	Legal Tenders.	Loans.	Specie.	Circulation.	Deposits.
June 22	15,993,145	53,381,820	182,711	10,631,220	43,248,563
June 29	16,414,877	53,072,878	198,568	10,630,307	43,936,629
July 6	16,448,153	53,653,471	233,996	10,625,426	44,824,398
July 13	16,664,232	53,791,596	182,524	10,626,214	45,156,620
July 20	16,747,440	53,994,618	188,252	10,647,852	45,637,975
July 27	16,855,894	54,024,255	195,886	10,622,247	45,528,220
August 3	17,402,177	54,341,163	187,281	10,623,646	47,205,867
August 10	17,792,508	54,592,015	184,007	10,622,751	45,04[illegible],718
August 17	17,819,300	54,674,758	196,530	10,624,772	46,636,377
August 24	17,[illegible]14,195	55,151,724	185,186	10,623,360	45,985,616
August 31	17,616,325	55,255,474	181,268	10,622,581	46,068,150
September 7	16,875,409	55,684,068	222,900	10,622,316	45,279,109
September 14	16,310,565	55,646,740	209,053	10,613,974	44,730,328
September 21	15,857,032	55,620,710	197,207	10,620,531	43,955,531
September 28	16,038,854	55,468,286	234,552	10,607,940	44,927,127
October 5	15,677,539	55,248,512	195,689	10,608,33[illegible]	43,525,479
October 12	15,082,008	55,373,834	161,282	10,607,413	42,713,623
October 19	14,821,796	55,401,115	200,598	10,610,700	42,676,626
October 26	14,546,736	54,964,488	176,595	10,609,359	41,698,881

BOSTON BANK RETURNS.

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

Date.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation National.	Circulation State.
January 3	$34,960,249	$1,466,246	$15,543,169	$40,856,022	$24,636,559	$228,730
January 13	97,800,239	1,276,987	15,560,965	41,496,320	24,757,965	227,953
January 20	97,433,463	926,942	15,832,769	41,904,161	24,700,001	217,372
January 27	97,433,435	811,196	16,349,637	43,991,170	14,564,[illegible]06	226,258
February 3	96,895,260	777,627	16,738,229	42,891,128	24,628,103	221,660
February 10	97,973,916	652,939	16,497,648	42,752,067	24,850,926	221,700
February 17	98,218,828	605,740	16,561 4[illegible]1	41,502,550	24,850,055	220,452
February 24	97,469,436	616,958	16,309,501	40,387,614	24,686,212	216,490
March 2	100,243,692	633,332	16,304,846	40,954,936	24,876,089	2[illegible]5,214
March 9	101,559,861	867,174	15,556,696	39,770,418	24,987,700	210,162
March 16	101,499,611	918,485	14,582,842	39,276,514	25,062,418	197,730
March 23	100,109,595	798,606	13,712,560	37,022,546	25,094,253	197,289
March 30	99,132,268	685,034	13,736,032	36,184,640	24,983,417	197,079
April 6	97,020,925	731,540	13,004,924	36,008,157	25,175,194	168,023
April 13	97,850,230	873,487	12,522,035	36,422,929	24,213,014	167,013
April 20	98,906,805	805,486	11,905,608	36,417,890	24,231,958	166,962
April 27	98,302,848	577,[illegible]63	12,298,545	36,259,946	25,231,978	164,331
May 4	97,624,197	815,469	12,656,190	37,635,406	25,208,234	160,385
May 11	97,332,283	1,133,668	11,962,368	37,358,776	25,225,178	145,248
May 18	96,938,524	1,186,881	12,199,422	37,844,742	25,234 465	160,241
May 25	97,041,720	1,018,809	12,848,141	38,898,14[illegible]	25,210,660	160,151
June 1	97,458,997	766,553	14,188,806	40,311,569	25,204,939	159,560
June 8	98 116,632	631,149	14,368,900	41,470,376	25,194,114	159,313
June 15	99,513,988	561,990	14,373,575	41,738,706	25,190,565	159,150
June 22	99,389,632	476,433	14,564,614	42,553,871	25,197,317	158,908
June 29	99,477,074	436,699	15,195,550	42,506,816	25,182,920	158,812
July 6	100,110,830	1,617,638	15,[illegible]7,807	43,458,654	25,214,100	144,689
July 13	101,493,516	1,198,529	15,743,211	43,116,765	25,216,181	141,538
July 20	102,480,433	1,521,393	15,469,406	43,876,800	25,218,727	135,799
July 27	102,408,771	785,641	15,837,748	43,580,894	25,254,906	142,450
August 3	102,[illegible]80 658	7[illegible]6,254	15,796,059	43,389,523	25,016,492	......
August 10	103,860,686	634,963	15,753,958	44,962,268	25,197,164	......
August 17	103,956,603	6[illegible]4,698	15,554,590	43,702,501	25,182,658	.....
August 24	103,624,691	779,1[illegible]2	16,310,323	42,360,049	25,214,5[illegible]6	......
August 31	103,550,020	767,819	15,843,796	41,214,607	25,190,091	......
September 7	103,853,110	833,068	14,975,841	40,891,745	25,196,084	......
September 14	102,921,733	748,714	13,774,330	40,640,820	25,183,876	......
September 21	102,472,936	642,793	13,466,258	39,712,168	25,184,048	......
September 28	101,021,744	642,829	14,0[illegible]2,447	39,127,659	25,150,081	......
October 5	99,562,844	618,428	13,928,894	39,215,483	25,143,517	......
October 12	100,839,722	505,805	13,691,864	38,801,454	25,282,882	......
October 19	102,595,177	501,008	13,009,829	38,686,844	25,267,095	......
October 26	101,595,576	481,755	11,915,738	37,872,697	25,168,348	......

BOOK NOTICES, &c.

Mr. Van Nostrand will begin, in January, the publication of a new monthly magazine, whose title sufficiently indicates its purpose. It will be called the *Eclectic Engineering Magazine*, and will be conducted by Mr. A. L. Holley, a well-known American engineer. It will not consist entirely of original articles; the prospectus explains that the object of the conductor and publisher is "to present within limits of space and cost that all can afford, the cream of not less than fifty engineering, mechanical, chemical and metallurgical publications. The French and German magazines will be largely translated, and papers and discussions before societies will be condensed." This will certainly be a very useful and interesting addition to our Magazine literature.

THE

MERCHANTS' MAGAZINE

AND

COMMERCIAL REVIEW.

DECEMBER, 1868.

THE COMPTROLLER OF THE CURRENCY ON CERTIFIED CHECKS.

The annual reports of the heads of the financial bureaus are unusually important and voluminous, and yet somewhat infelicitious in some of their recommendations. The report of Comptroller Hulburd, though in the main an able document, presenting a clear elucidation of important current questions affecting banking, is yet open to objection on some of its conclusions. We have had repeatedly to take exception to the views of the Comptroller relative to the certification of checks, but never so decidedly as in connection with this present document.

As we view the matter, the report appears to have totally misconceived the nature and purpose of certifications as practiced by the banks of this city. The certification of a check is an affirmation by the bank on which it is drawn that the drawer is "good" for the sum specified on the order, and is regarded as binding the bank for the payment of the check. The drawer may have assets to cover the check, or he may not; and, in the latter case, the bank certifies on the understanding that his account will be made good before the close of business on the same day; these anticipatory certifications are, of course, granted only to firms of known means and credit; and the practice appears to be an almost inevitable adjunct of the present method of transacting business, especially in Wall street. A broker buys, say $100,000 of bonds, for which he has to pay principally with money borrowed from another party, giving the bonds as collateral for the loan; he cannot procure the money until he has deposited the bonds with the lender, and yet he cannot procure the bonds until he can give the seller a satisfactory check. The seller of the bonds refuses the unendorsed check of the buyer because the amount is large, and he does not sufficiently know the position of the drawer. To avoid this difficulty the buyer of the bonds asks his bank to certify his check for $100,000 as "good," promising to deposit before the close of the day the check of the party with whom he has arranged to borrow on security of the bonds. The bank knows his affairs, has confidence in his probity, and guarantees his check; the effect being to grant him a credit for the time necessary to get the bonds, deposit them with the money lender, and place the check of the latter in the hands of the bank. The banks in making this a common practice with brokers of good standing, have an important compensation in saving the handling of an immense amount of money. The fact of the check being certified causes the receiver to deposit it with his bank instead of presenting it for payment; and thus the trouble and time of counting so much currency is saved to both the bank on which it is drawn and that in which it is deposited, while the risk of carrying money from bank to bank is avoided. Next morning, the check is settled, through the Clearing House, without the use of dollar of currency, the currency lying dormant in the banks instead of repeatedly changing hands. Certification is thus seen to be a very important economy of time and trouble to the banks and their customers. Without some such arrangement, indeed, it would be almost impossible to carry on the enormous daily transactions of Wall streets Banks, bankers and brokers would have to double their establishments for the purpose of turning over and over and from hand to hand the currency which, under the present joint operations of certification and Clearing-House settlements, lie, undisturbed in the bank vaults, representing the transactions but not used in them, beyond the settlement of balances between banks.

The Comptroller characterises the expedient of certification as an "inflation" to the extent of about $112,000,000. That the checks serve the functions of circulation for the day is unquestionable; but it is an error to regard them as an addition to the active circulation; for they cause, as before stated the currency in the banks to remain inactive, instead of being turned over say twice daily. Without the use of checks there would be the same amount of business transacted as with them, except so far as operations might be curtailed by the clumsy, embarrassing and more costly method of effecting exchanges. Mr. Hulburd is literally accurate in representing the certification of checks as an extension of "credit" to the customers of the banks; but his language leads to a very mistaken conclusion, when he says that the banks thus furnish "$112,000,000 of credit for speculation," and that "a fictitious capital of $120,000,000 is created by means of certified checks." In the case of certification where the assets do not, at the time, stand to the drawers credit, there is of course an extension of credit; the credit, however, is but momentary; it is not independently of funds to be provided by the party to whom it is granted, but in anticipation of a deposit to be made immediately after, when the credit ceases to be such. The transaction effected through the certified check is really represented by the drawer's own means, and could have been effected equally without the certification, only by a less convenient method, as before indicated. The Comptroller's objections, if they had any force at all, would apply against the use of checks certified or uncertified. For if certification were abolished, checks would inevitably be used to about the same extent as now; the difference being that the business would be transacted only through firms of the highest credit, whose checks would pass without certification. If the certified checks are an inflation, why should not the uncertified be regarded as such? And why, according to this reasoning, should not all checking be abolished as "fictitious credit" conducive to demoralizing speculation?

The Comptroller attempts to prove more than even he himself allows in affirming that the New York banks "furnish $70,000,000 of capital and $112,000,000 of credit for speculation." According to this, the specu lative loans, represented almost entirely by demand loans, ought to stand at $182,000; yet, in another part of his report, he represents the demand loans as averaging only $68,500,000; conclusively disproving the assumption that the banks afford $112,000,000 of "credit" or "fictitious capital" through certification.

It is much to be regretted that the Comptroller, upon these hastily conceived opinions, should have undertaken the grave responsibility of recommending that "National Banks be prohibited by law * * * from certifying checks to be good which are not drawn against actually existing cash deposits standing to the credit of the drawer when the checks are made and presented." Such a course would be an unwarrantable and mischievous interference with the method of conducting business established between the banks and the public. It would accomplish no conservative purpose; would remedy no evil; would cause serious temporary embarrassment and perpetual inconvenience; and the effects would not fall alone upon the speculative interests of Wall street, but also upon a large extent of wholesale operations in commerce, where certification is found to be as necessary to the convenience of transfer as in the transactions on the Stock Exchange.

THE LAKE SIMCOE CANAL.

The attempt has been made, we observe, to revive the project of a ship canal from Lake Simcoe to Lake Ontario. So far as the conformation of the land through which it would pass is concerned, this undertaking seems to be feasible enough while the benefits which would accrue would be of the greatest commercial importance. Lake Simcoe is situated in the northwestern part of the Canadian Peninsula; its length is thirty miles, and it empties through the Severn River into the Georgian Bay. It thus has an uninterrupted communication with all the upper lakes, enabling it to be readily converted into a valuable thoroughfare for commerce. This would be effected easily enough, it would seem, by the construction of a ship canal of adequate dimensions, from the southern extremity of the lake to the city of Toronto on Lake Ontario, a distance of about forty miles.

This would reduce the length of water communication between the western ports and the Atlantic about four hundred miles, by obviating the necessity of passing down the southern part of Lake Huron and through the River St. Clair, Lake St. Clair, Detroit River and Lake Erie. Not only is there a great saving of distance, but time is also greatly economised by enabling vessels coming down from Mackinaw to continue on their voyage without delay from the head winds which prevail on Lake Huron blowing with such force as to impede rapid progress. Captains complain greatly of the delay and annoyance which they experience from these winds, which are, perhaps, the greatest obstacle to profitable navigation. Another advantage, by no means inconsiderable, of this route of lake transit, lies in the fact of the greater coolness of the water. Vessels laden with wheat and corn are therefore far less liable to injury and loss of their cargoes from heating than is the case by the other modes of transportation. Business men would not be slow to appreciate this fact.

There will be, however, we conceive, great difficulty in obtaining the necessary funds for the accomplishment of this undertaking. The prospect of securing any considerable government aid, it must be remarked, is very feeble. The public debt of Canada is of too formidable dimensions to warrant any such expectation. There can be only lands to grant, and the practical value of such a donation is too inconsiderable to be taken into the account. If the peninsula had been a part of the United States, this matter would have been agitated many years ago, and perhaps, with such assistance, an entire success achieved, as has been the case in so many of the States. But this country was sought by settlers and emigrants from the Old World, whereas British North America derived but small additions to population in this manner. Hence the prospective value of the surrounding land could not be a very desirable inducement for any considerable internal improvements, nor would the plan of laying direct taxes for such a project find supporters in a province sparsely populated, with little wealth.

The Simcoe Canal, therefore, must depend upon private enterprise. This is a formidable difficulty. Capitalists seldom invest largely in enterprises where the emoluments are likely to be for a long time inconsiderable as well as precarious. It is very doubtful whether the Erie Canal itself would have been constructed at this day, if individual enterprise had been required to make the entire outlay.

But times have greatly changed. The railroad era has introduced new ideas among men of fortune. Undertakings which would once have been regarded as Utopian are now taken into serious consideration. There has been for years past a great augmentation of wealth, the accumulation of which enables outlays for ventures that, in Canada, and, indeed, in our own country, not many years ago, would have been deemed chimerical

It is yet to be demonstrated whether the New Dominion of Canada has the requisite enterprise and ability to engage in an internal improvement so extensive as this proposed Lake Simcoe Canal. That any considerable subsidy can be obtained from the Home government is not, as we have already stated, to be anticipated, and we seriously question whether there is private capital or inducements sufficient for the purpose at present.

A company has been in existence for many years having for its express object the construction of a canal to connect the waters of Lake Huron with those of Lake Ontario. Two years ago it had pluck enough to give a public entertainment, at which leading forwarders and other distinguished citizens of the United States were present. The evident purpose was to divert attention from the proposed Niagara ship canal, for so long a time a pet project of citizens of Oswego and Ogdensburg. Terrapins and turkeys were duly sacrificed and copious libations made, which indeed served to bring out able speeches on the subject of better water communication, but was followed by a long spell of somnolency, which has not been since disturbed.

Whether a like end awaits the attempted revival of the Simcoe project remains to be seen. It is hardly the kind of undertaking after all to attract capital from the United States. The "solid men of Boston" and Portland, to be sure, could make it of service to those cities, as it would materially reduce their expenses of transportation, and they have but to make freights a little cheaper to increase very largely their business. So also the forwarders of Oswego would be enabled to load vessels and receive cargoes from the upper lakes, which might enable them successfully to rival Buffalo. But the proposed canal, if ever constructed, will be under the control of citizens of a foreign government which is not always sure of being friendly; and in the event of hostilities, it would be employed for the passage of vessels of war and the transportation of war material to be used in military operations against every American town situated on the great lakes. At the present time there are too many unadjusted matters in controversy between Great Britain and the United States to permit our men of capital to be very lavish of means for the construction of a foreign route of transit capable of being operated for so mischievous a purpose. The Mississippi with its branches, affording all the facilities of an inland sea, the Erie Canal with full power of transporting double the freight that now rides upon it, and the four great trunk railroads—all which are in our own territory and subject to our legislation—will in preference be depended upon for many years to come. There are too many openings for the investment of capital in this country for our men of fortune to occupy themselves about, without the necessity of crossing the line to find an opportunity in a foreign realm.

The projectors of the Simcoe Canal will, therefore, we fear, be compelled to wait some time before obtaining sufficient capital for this enterprise. We apprehend and prize the value of the facilities which they offer. The Niagara Ship Canal and analogous enterprises have not half the advantages. We regret that we have not the proper opportunity to avail ourselves of them. It would be a commercial improvement which we cannot overestimate. But we must accept the situation, and leave it for "British gold" instead of American greenbacks to do whatever is required for better navigation and transportation in the Dominion of Canada.

FLUCTUATIONS IN THE GOLD PREMIUM.

Within the last three months we have seen the gold premium fluctuate 18 points; and within the last few weeks the fluctuations have been frequent within a range of 10 points. These changes too plainly show that, although we have now attained a comparatively settled condition of affairs political and commercial, yet we are subject to wide variations in monetary values.

It is the misfortune of a suspension of specie payments that it always creates a powerful speculative interest, which seeks to prolong the suspension for the sake of profiting by means of these fluctuations. The magnitude of the speculative movements in gold in Wall street is an illustration of the extent to which this interest has expanded during the past few years in the United States. The ordinary commercial demand for gold, for the payment of duties, the purchase of exchange and the liquidation of contracts payable in gold, probably does not exceed $20,000,000 per week; and yet this amount does not represent one-twentieth part of the weekly transactions of the Gold Room. One day's exchanges at the Gold Exchange Bank this week aggregated close upon $180,000,000, and the total business of the Bank for the first fourteen days of this month reaches the surprising total of $1,580,000,000. On an average, the whole stock of gold on the market is turned over about four times every day. When it is considered that upon the major portion of this enormous amount of transactions a commission is paid of 1-16 or ⅛ of one per cent, and that besides this dealers make large profits out of the lending of coin, it is apparent that the trading in gold yields an enormous annual revenue to Wall street, and that the consolidation of this branch of business becomes an important bar to the resumtion of specie payments. For in such an extensive business interest, dependent upon the transactions in gold, we have an evident motive for a continuance of the present condition of the currency and the strongest possible inducement to efforts for producing fluctuations in the premium; while, with an immense amount of capital engaged in the transactions of the Gold Room, the power is always at hand for controlling the market upon the most shadowy pretexts. It thus becomes a part of the business of the gold dealer to produce the widest possible oscillations in the premium. Whatever may occur in the spheres of politics, finance or commerce which can be supposed to have any bearing upon the value of gold has its importance magnified to the utmost, upon the well-understood principle that an exaggerated response in the premium will be followed by a reaction to the opposite extreme, enabling the speculator to make a double profit, first by buying and next by selling, or *vice versa*. Within the last few days we have witnessed a significant illustration of the expedients to which the profits upon gold manipulations will induce speculators to resort. In two instances, the funds of a large corporation, to the extent of several millions, have been employed in the purchase of gold to be held off the market, with the result of compelling borrowers to pay from ½ to 2 per cent per day for its use, and of producing a fluctuation of 2@3 points in the premium.

With such a large and influential interest dependent upon the creation of the most frequent and the widest possible fluctuations in the premium, it is clear that steadiness in the price is virtually impossible. Could we have an even range of the premium, the evils of suspension would be much less aggravated; for the mercantile interest would then have steady data upon which to predicate its operations. But, with wide and constant oscillations thus rendered inevitable, the trade of the country is perpetually baffled and discouraged by artificial and unnecessary risks, and commerce is demoralized by being made unduly speculative. It is only necessary to analyse the course of trade, for the last few weeks, for illustration of the deranging effects of these fluctuations. The importers, instead of remitting in payment for their imports in September and October, when they had realised upon their goods, have anticipated a decline in gold this month as the result of the elections and of the free exportation of breadstuffs and cotton, and have postponed their remittances until such decline should occur. Hence the holders of gold now take advantage of this postponement of remittances, and use every sort of expedient for keeping up the premium. In some instances, the importers have borrowed gold to make their remittances, intending to return it at the time of the anticipated decline; and, to catch merchants in this position, gold has been made artificially scarce, and exorbitant rates on loans exacted. This postponement of foreign payments helped to induce, for a time, a large amount of mercantile deposits in the hands of banks and bankers, and to keep down the rate of interest to 3@5 per cent, with the result of encouraging an advance in stocks to figures from which they have had to decline heavily, under a subsequent pressure for money. The breadstuffs trade has also suffered serious inconvenience from similar causes. A decline of 10 points in the price of gold has required a corresponding fall in the price of grain, to equalize our markets with those of Europe. Farmers, however, are slow to perceive the connection between the gold premium and the market value of their produce, and have therefore resisted the required decline. The grain merchants of the West have been naturally desirous of satisfying themselves that the fall in gold would be permanent before conceding, and they have therefore held on to their large stocks with much tenacity. The result of this hesitation has been an accumulation of grain at the lake ports beyond what the banks were willing to carry, and a severe decline in prices, with injury to dealers; while the foreign exchanges have been deprived of relief the expected from a liberal supply of produce bills. During the same time, the cotton trade has been in a measure retarded, from the same cause. These are but illustrations of the manner in which the fluctuations in the gold premium impede and derange all commercial operations. These embarrassments, of course, very largely augment the risks of business enterprises, and so far tend to prevent that free employment of capital which is essential to the industrial and commercial recuperation of the country. The value of raw materials, of manufacturers, of produce and of imported merchandise are thus all rendered uncertain; and as the possible fluctuations are large enough to cover a good portion of the usual profit on commercial transactions, it results that many cautious capitalists prefer employing their means in real estate or securities to engaging in active enterprises calculated to increase the wealth of the country.

It is impossible to conceive of any stronger evidence of the mischiefs of the suspension of specie payments than is afforded by these considerations. It is out of the question to expect a permanent confidence in business while the currency is kept thus fluctuating in value; and every year of the protraction of suspension is therefore represented by a failure to accumulate a large amount of wealth which would otherwise have been realised. In the meantime we are disqualifying ourselves for competing with other countries in various forms of enterprise, and are necessitating the purchase of a large proportion of our varied supplies in foreign markets, with securities which constitute a foreign lien upon our resources.

PROPOSED DIVISION OF THE STATE OF NEW YORK.

In the midst of the excitement of the recent Presidential election several of the journals belonging to Western New York published leading articles recommending the division of the State into two separate commonwealths. The metropolitan newspapers have discussed the proposition with the gravity due to a measure so important, and some readers may have been induced to believe that the division was seriously contemplated. It is very possible that a resolution or bill will be introduced into the Legislature at its next session at Albany, proposing to give the consent required by the Federal Constitution, for the formation of a new State; but it is hardly probable that the matter, in any event, will go further. The counties to be included in the proposed "State of Manhattan" are New York, Kings, Queens, Suffolk, Richmond, Westchester and Putnam.

The Federal Constitution, Article IV., provides that "no new State shall be formed or created within the jurisdiction of any other State nor any State be formed by the junction of two or more States or parts of States, without the consent of the Legislatures of the States concerned as well as of the Congress." No action has ever been taken under this provision, except in the case of West Virginia. The erection of that State was accomplished under the pressure of a war necessity, and we are inclined to the opinion that some political convulsion will be required to obtain any sufficient pretext for dividing the State of New York.

There has never been any general agitation of the subject, or discussion, to enable the people and the Legislature to mature their judgment in regard to its expediency. In 1857, the Mayor of this city, having been defeated in his opposition to the Metropolitan Police Law, started the idea of a division of the State and procured the calling of a public meeting for the purpose of agitating the subject. But the movement perished, still-born. A second attempt, in 1861, had no better success. The alleged grievance then was the legislation for this city and the counties nearest to it, by the State Legislature; certainly a questionable policy, but clearly within the province of that body as much as local legislation for any other county.

Now we have another agitation of the same question, but we predict for it and for future efforts in the same direction a similar result. The different sections of the State have too many and great interests in common to permit this division. It is not the city alone that is interested in the vast wealth that has been accumulated here, and its future profitable employment and increase; for this port has become, by reason of its position and commercial facilities, the most prominent outlet for the productions of the interior not only of this State but of the West; and the rendering of those facilities more perfect and complete must be the object and intent alike of both sections. It may be urged that a division would not change this. We admit that it would not in the main, and yet petty jealousies and disagreements would likely arise giving a check to the present freedom of intercourse, and necessarily resulting in a direct injury to the whole country.

But as the question is raised it is not uninteresting to remember that the seven counties of the Southeast could afford the division as well as the remaining fifty-three. Whatever risk they would incur in the way of unfriendly action of the Northern State would be counterbalanced by the advantages possessed for retaliation in holding the ocean outlet for all interior productions, and also in having two representatives in the Senate of the United States always sure to watch over the interests of this metropolis.

In regard to public indebtedness and taxation, the smaller State would be the gainer. With a division, would be an adjustment of the existing obligations. The canal debts amounted, at the close of the fiscal year in 1867, to $15,730,960; and the General Fund Debt, which is also chargeable against the revenues of the canals, amounted to $5,642,600. As the Northern State would contain all the canals within its limits, it would naturally become their proprietor, and must accordingly take with them this total debt of $21,380,000. The Bounty State Debt is in terms about forty-eight millions, of which, making the apportionment according to valuation, the Southern State would have twenty-eight millions to assume. This would be all the State debt that would legitimately devolve upon us, and would make no addition whatever to our present liabilities.

The most sensible relief, however, would be in the matter of taxation for the support of Free Schools. By the law of 1867, an annual tax of 1¼ mills is to be levied for all time upon the taxable property of the State, received into the Treasury and apportioned among the school districts for the free tuition of the children. Our representatives also voted for that measure, so that under the present arrangement we have no right to complain. The aggregate of this tax for the present fiscal year will be $2,080,134 65; of which four-sevenths will be collected here, and only about one-third received back in the subsequent distribution, as will be seen in the following table:

Counties.	School Tax Paid.	School Money Received.
New York.............. ...	$891,7 5 [illegible] 7	$348,707 75
Kings	172.896 62	140 975 64
Richmond.....	7,815 37	12,304 10
Queens....	27,755 79	27,4[illegible]3 41
Putnam....................	7,264 56	8,063 10
Suffolk	12,556 45	22,403 89
Westchester................	60,233 00	50,131 00
	$1,162,246 86	$610,058 [illegible]9

It is here seen that the seven counties which it is proposed to cut off from the State of New York pay four-sevenths of all the State taxes, and actually are contributing $552,187 97 annually to support free schools in Clinton, Franklin, St. Lawrence, Jefferson, Oswego, Onondaga, Monroe, Erie, Chatauqua and other counties of the State, besides three millions and more additional to support their schools at home. This saving of more than half a million is quite an item, even in this metropolis, and our country cousins up the Hudson and away out toward the Lakes find it a snug little amount with which to lighten the burden of education in their towns and school districts.

It will take very long for the inhabitants of Northern and Western New York to ascertain what advantage they could derive and especially what equivalent to the reduction of income that would ensue after severing the counties that pay the major part of the taxes. The fable of Minutius of the Belly and the members is by no means inapplicable. It is possible to divert much commerce from the port of New York, in the event of a division of the State, by discriminating legislation in favor of other centres of trade. Perhaps the Erie Railway might be made a thoroughfare for the benefit of Boston and Philadelphia; and the Niagara ship canal could direct commerce to Montreal and Portland. But on the other hand the crippling of this great centre of trade would be to paralyze in a measure the trade of the whole country.

The configuration of the soil and the courses of the streams all indicate that Nature intended the entire State to belong to one commonwealth; and the sagacity of her four millions of inhabitants will maintain that unity unbroken. To the motto "*Excelsior*," if need be, will be added the watchword of the French Republic of 1793: "The commonwealth, one and indivisible."

THE BRIDGE OVER THE HUDSON.

It was finally determined the last week by the "Hudson Highland Suspension Bridge Company" to locate their proposed bridge over the Hudson River at the narrow point above Peekskill Bay known as Antony's Nose. On the western bank is the site of Fort Montgomery, and that of Fort Clinton near by on the eastern side. This was the site originally contemplated, and it promises superior engineering and commercial facilities.

This company was incorporated, as our readers will remember, by the Legislature at its last session, and contains among its members such men as General E. W. Serrell, Judge Robert Cochran, DeWitt C. Littlejohn, Elliott F. Shepherd, and others engaged in forwarding and transportation business, and closely identified with the commercial interest of the country. The stock is fixed at $2,500,000, and the usual powers of bridge companies are conferred by the act. The point selected for the site of the bridge is very feasible. It is less than twelve miles distant from Turner's Station on the Erie Railroad. There is a gap in the mountains on that route, so that the directors of the Erie Company could easily run a track eastwardly, passing the freight of the Dean Iron Mines and the Highland Mills at an easy grade, to the bridge, and thus go down on the eastern side of the Hudson River into this city. The New York, Newburgh and Oswego Midland Railroad Company could, if they desired, avail themselves of this way of getting over the Hudson River. So also the New York and Albany Railroad Company, if their road should ever be constructed, will be enabled to carry their track over the bridge at Fort

Montgomery, and enter New York on the northern extremity. The act of incorporation expressly provides for giving such facilities to any "Railroad corporation whose road shall have a terminus at said bridge, or shall connect with the same or either of its avenues of approach, or shall run its trains in connection with any railroad having such terminus or connection with said avenues of approach."

These are all possible connections by means of this bridge, ndicating the various ways in which it may be made available, and yet we have reason for believing that the act of incorporation was never obtained for the purpose of making connections with New York. So long as the carriage of passengers and freight through this city is surrounded with the difficulties, detention and expense now attending it, there can be little inducement for making the upper part of this island a railroad terminus. A tunnel from one end to the other of the island would work a great change in this respect. But till that improvement is made it is a positive disadvantage for a road to cross the Hudson. The Erie Railway, for example finds it far easier and cheaper to lay down its freight at Jersey City, where tug-boats can take it up and carry it to every side of New York, and to receive consignments from every part of this city in the same manner. The difficulties, delays, and enormous expense of moving freight through the city, are too exorbitant a tax not to be avoided wherever it is possible. The persons endeavoring to build a road on the western side of the Hudson naturally take a similar view of the subject. The freight question has been already brought to so fine a point, that any increase in the expense of transportation which this change would require, would be likely to result in a transferment of a large part of our traffic with the West from this city to other points. This project of bridging the Hudson at Fort Montgomery, cannot therefore be regarded as an enterprise in which the city of New York has any considerable interest, and we must look elsewhere for a true explanation of the decision to which we have referred.

Nor is it a problem of very difficult solution. During the summer of last year several citizens of Putnam and Westchester counties, and residents of Connecticut formed an association, and employed engineers to survey a route from Turner's Station eastwardly to the Hudson River at or near the base of the Highlands, and onward to the Connecticut river. So favorable was the report of the survey that the Erie and New England Railroad Company was at once incorporated to construct a railroad with two divisions; the western division extending from Turner's Station to the Hudson, a distance of about eleven miles; and an eastern division extending from the Hudson to the State line in the town of North Salem. There has been a route surveyed by citizens of Connecticut from that place to Derby, on a direct line with another railroad now being constructed from Derby to New Haven. This will afford a continuous route from the Erie Railway at Turner's, in Orange County, in about a straight line to New Haven, enabling a continuance as far as Boston.

This is sufficient to demonstrate that the "Hudson Highland Suspension Bridge" to be constructed at Antony's Nose, despite the Knickerbocker traditions, is emphatically a "Yankee notion," calculated, if not primarily designed, for the benefit of the Eastern States. Indeed, the principal "corporators" of the Bridge Company are directors also of the Erie and New England Railroad, and expect to complete their track, and have it in working order long before the bridge can be finished. They have anticipated this difficulty, however, by obtaining also a franchise for a ferry across the Hudson at Peekskill Landing, which can be used till the bridge is put in good condition.

The professed purpose of the men engaged in this enterprise is to procure coal by a more direct route. It is estimated that four millions of tons of coal are consumed every year in New England, and that part of this State lying east of the Hudson; and that it can be transported by this road a dollar a ton cheaper than by any other. The distance round to Hartford will be sixty miles, and about the same to New Haven, and no breaking of bulk will be required. Every person familiar with transportation can readily understand the force of this.

The principal interest then which the city of New York has in this bridge enterprise is that derived from the general benefit of improved commercial facilities. What increase of prosperity may come to Hartford, New Haven and Boston will, of course, indirectly help this city.

It, however, brings out in strong light the importance to this city of a system of tunnels, which shall enable us to carry from one end of the island to the other, without delay or transhipment, the largely increasing volume of freight which is every year flowing towards New York for distribution; and when that is accomplished, then, if the Midland Railway Company should determine to cross the Hudson at the bridge, as the name of Mr. Littlejohn, and other in the charter, would seem to indicate, or if the Erie Railway Company should carry a track to this city over the bridge, the distance being the same as the present route, of course the interest of this city would become at once more direct.

THE HOME CONSUMPTION OF COTTON.

It is a matter of considerable practical moment to the cotton trade to ascertain with accuracy the consumption of cotton within the United States. Before the war, the data were easily obtained, and estimate reached sufficiently accurate for all practical purposes. But, within the last four years, the routes of transportation have so materially changed that former methods of estimating the consumption are no longer reliable. Very large amounts of cotton now pass up the Mississippi and over the railroads to the East, instead of, as formerly, reaching that destination through ocean transportation. This important change has not been sufficiently taken into account in late crop statistics, and the result has been that until this year a large amount of cotton has not been counted, and that the estimates of consumption at the North and the South have been very inaccurately proportioned, too little being allowed to the North and too much to the South. In fact, no wholly complete system of reporting the cotton transported inland has been established; so that the movement in that direction has had to be, to a certain extent, made up from quite uncertain data. In our last annual cotton statement, however, we gave a result more nearly accurate than has ever before been obtained; and as other statements were deficient in this particular branch of the movement, our results varied from the figures of some who have been recognized as authorities on cotton statistics. Taking into account the railroad movement from the Southwest to the Eastern States, our estimates of Northern consumption exceeded others; while our estimate of the consumption in the Southern States was so much below contemporaneous computations that doubts were suggested in some quarters as to its accuracy. From the fact of our inquiries having covered every possible source of information, we felt the utmost confidence in the substantial accuracy of our returns, and have since had the satisfaction of finding that the trade has very generally recognized that our method of making up the crop statement is more complete than those generally adopted.

It is especially gratifying to find that returns recently completed by the National Association of Cotton Manufacturers and Planters, though compiled from sources very different from ours, afford a marked confirmation of the accuracy of our figures for the consumption in the North and South respectively. The inquiries of the Association cover all the known mills in the country, and may be considered exhaustive. Returns have been received from 643 mills, running 6,380,000 spindles; while the spindles not reported upon are estimated at about 600,000. We are indebted to

Mr. B. F. Nourse, the Statistician of the Association, for the following summary statement, made up to November 28th:

NATIONAL ASSOCIATION OF COTTON MANUFACTURERS AND PLANTERS. SUMMARY OF RETURNS FROM MILLS RECEIVED PRIOR TO NOVEMBER 28, 1868.

States.	No. Mills.	No. Spindles.	Av. No. Yarn.	No. Pounds Cotton Spun Yearly.	Av'e No. Pounds Per Spindles.
NORTHERN STATES.					
Maine	22	448,800	22.56	28,838,608	64.98
New Hampshire	37	734,400	25.83	48,089,439	65.48
Vermont	12	24,138	30.36	1,041,125	43.18
Massachusetts	140	2,227,823	27.20	124,563,652	57.80
Rhode Island	124	1,062,624	35.86	50,742,878	47.76
Connecticut	76	527,816	29.39	29,425,720	55.75
New York	43	410,070	32.28	20,545,044	50.10
New Jersey	15	158,840	36.[illegible]	6,8[illegible]5,000	51.44
Pennsylvania	64	367,856	17.06	33,353,004	90.67
Delaware	8	43,108	19.34	3,038,280	70.48
Maryland	10	39,358	12.37	6,929,788	176.07
Ohio	5	23,884	13.06	3,170,000	132.82
Indiana	1	10,800	14	1,500,000	138.89
Missouri	4	13,436	10	2,475,000	184.21
Total North	561	6,161,962	28.03	370,602,083	60.14
SOUTHERN STATES.					
Virginia	10	36,060	15.83	4,010,000	111.20
North Carolina	15	21,113	10.54	3,009,000	142.53
South Carolina	6	31,583	13.28	4,174,100	132.14
Georgia	20	69,782	12.36	10,864,350	155.70
Alabama	8	25,196	16.91	2,820,596	111.94
Mississippi	5	6,924	8.39	1,145,000	165.37
Texas	4	8,528	9.53	1,372,104	160.89
Arkansas	2	924	8.43	258,430	279.65
Tennessee	9	11,720	9.38	1,597,200	136.28
Kentucky	3	6,264	10	1,075,000	171.62
Total South	82	218,069	12.93	30,325,750	139.
Northern States	561	6,161,962	28.03	370,602,083	60.14
Southern States	82	218,099	12.93	30,325,750	139.
Total U. S	643	6,380,061	27.51	400,927,873	62.84

It appears that the 643 mills here reported upon consume 400,927,783 pounds of cotton per annum, or 890,000 bales. Allowing 85,000 bales for the consumption of the mills not heard from, and say 25,000 bales for consumption otherwise than in the mills, we have upon this basis of estimate a total consumption in the country of about 1,000,000 bales. Returns of this character, however, are subject to a certain degree of over statement, owing to a very natural trade motive in the manufacturer to give an appearance of importance to his works. It is not easy to say what allowance should be made on this account; but a moderate deduction would bring down the figures to a very close approximation to our annual statement, which shows the consumption of the United States to have been 885,000 bales. We think it must be in all fairness conceded that this result, based upon the most direct sources of information, affords a satisfactory vindication of our last crop return and of the method of computation on which it was based; and further, that it indicates the fallacy of adhering to the old method of making up the crop statements.

This statement further shows that the error of those estimates which placed the Southern consumption at near 200,000 bales. Our figures of 60,000 bales for the South, or 6¾ per cent of the whole home consumption, were received with much incredulity, even by those in the trade who have been regarded as authorities; we find, however, that returns from the mills of both sections give the proportion consumed in the South as only 7½ per cent of the whole home consumption.

Upon the foregoing estimates it may be fairly concluded that, for last year, the consumption at home averaged 17,500 bales per week. Some Eastern authorities hold that the current rate is 20,000 bales per week. Taking a course between these figures, and estimating the probable consumption for the current year at 950,000 bales, it would result, assuming the crop to be 2,700,000 bales, that we shall have for export about 1,750,000 bales, or abuot 90,000 bales more than the exports of last year. For the years 1858–9 and 1859–60, the home consumption averaged 950,000 bales; so that the cotton trade has now recovered to an extent which places it upon an equality with the most active of former years. The increase in the population of the country of course requires a larger supply of cotton goods than was needed in 1860; but, on the other hand, a much larger proportion of our cotton manufactures is now kept at home, the exports being quite nominal; and this consideration is the more material from the fact that the fabrics we formerly shipped were chiefly of a heavy character.

The above statement affords an interesting indication of the extent and character of cotton manufactures in the several States and sections. The largest consumption is in Massachusetts, the amount spun in that State being one-third of the total for the United States. Next in extent comes Rhode Island, next New Hampshire, and then Pennsylvania, Connecticut and Maine. The New England States, according to this return, consume about 295,000,000 pounds, or 73 per cent of the total quantity used in the country. New York ranks seventh in this class of manufactures. Among the Southern States, Georgia takes the lead, followed in order by South Carolina, Virginia, North Carolina and Alabama. The largest mills are in Maine and New Hampshire, where the average of spind les is 20,000 to each mill, and in Massachusetts, where the average is 16,500 per mill. The finest average class of yarns is made in New Jersey, where the average number is 36.22, and next in order Rhode Island, New York, Vermont, Connecticut, Massachusetts, New Hampshire and Maine. In the South, the goods produced are almost exclusively of a coarse, heavy character, the yarns varying from number 8.39 in Mississippi to 16.91 in Alabama. The West has scarcely any standing in this branch of manufacture, three States only being represented, and the consumption in these being but 7,000,000, or less than one-fourth that of the South.

THE CURRENCY AND THE PUBLIC DEBT.

The financial condition of the government must, from its prime importance, claim the early and earnest attention of the new administration. It is pertinent, therefore, for us to take a cursory view of the situation, with special reference to measures which seem to us practical and indispensible to any substantial progress towards the resumption of coin payments, whether that result be more or less remote.

First—That portion of the public debt which consists of gold interest bonds, having reached a condition in which government is relieved from any present provision for it, except the punctual payment of interest, may and ought to be left undisturbed until it can be either paid in coin at maturity, or until government is in condition to avail itself of its reserved right of paying a portion, after five years from date, either from proceeds of new loans, attained at lower rates of interest, or by exchange, with the consent of holders, for other bonds, upon a coin basis, on more favorable terms. In our judgment it will be expedient for Congress to authorize a five per cent loan of definite period (in the act authorizing which it should be unequivocally expressed that the principal and interest are payable in coin), to be issued in exchange for the outstanding six per cent bonds, at the option of the holders. To cover the contingency that government may at times desire to use its surplus means in paying a portion of its debt, it may be made to mature at different, yet specific periods. It is, in our judgment, certain, that all efforts to reduce the rate of interest below five per cent will prove ineffectual; and to encumber the contract with an objectionable option of pre-payment would defeat the end in view. It is far better for government to take its chances of the market in purchasing a limited amount of its debt from time to time, than thus to depreciate the whole loan. With this simple provision for the funded debt, we should leave it undisturbed by any Congressional discussion whatever.

Second—Our next step would be to pass the law, obviously just in itself, making all contracts, specifically payable in coin, legally binding upon parties making them. To this no sound objection can be made. It has already received the decided approbation of the Senate. Such a law would remove a serious impediment to foreign commerce, and it is believed would open the way for the re-introduction and gradual increase of metallic currency. The two currencies working side by side with equal liberty and legal protection, must produce the best results. It would remove the temptation to fraud and relieve the community from embarrassments which now exist with respect to all transactions in gold credit. Even if it fail to secure all the good which is confidently expected, it can at least produce little harm, and its manifest justice ought to secure its immediate adoption.

Third.—The subject that next demands consideration is the paper currency, the money of the country. Here we reach the really serious and embarrasing question. To lay violent hands upon it, will be to impede all operations of trade, arrest industry, and derange the affairs of Government itself. The paper currency consists of two kinds. First.—The direct issues of the Government. Second.—That which is issued by the National Banks, and of which the Government is practically the endorser. It is obviously the part of wisdom, first to obtain relief from this incidental liability for the bank notes, by placing them in condition to protect themselves, before a single step can be taken to provide for the direct issues of the Government itself. This is in conformity with sound mercantile policy, and the necessity of the situation. In fact, to touch the legal tender notes, which form the basis of all bank obligations, would only bring the notes down upon the Treasury for payment. The indispensible course seems therefore to be, to require of the banks a regular and practically operative redemption of their notes at a central point (New York). To secure this important end, it will be necessary so to modify the law, that all bank notes received into the Treasury in payment of taxes, shall be assorted, sealed up under Government seal, and sent to their respective places of redemption in New York City, for payment in legal tender notes. This course will enforce upon the banks the habit of protecting their issues which they have either never acquired, or have long since totally abandoned. The notes paid out now never return to the banks issuing them. They possess the same value in public estimation as the paper into which they are legally redeemable, and the banks have become accustomed to regard them as not among their immediate liabilities. Most of these notes have never been seen by the banks since their first emission, and the feeling of direct responsibility respecting them has become pratically extinct. It is both the necessity and duty of the Government to awaken this sense of obligation, and to create the habit of accountability on the part of the banks as principal debtors, before any immunity can be secured by the Treasury from its legal obligation to pay in case of default by the banks. In fact the consideration by which the National banks were allowed the privilage of issuing circulating notes was, that having special capital and resources, they possessed the means and afforded the guaranty of prompt payment, and that they were intended ultimately to supersede the legal tender issues, which were simply a temporary expedient and a war measure. It is obvious that such a system of practical redemption in legal tender notes will prepare the banks for self-support, and relieve the Government from an impending liability now hardly less than that which belongs to its own notes.

This requirement rigidly enforced would produce as much contraction of the currency as the country could bear for a considerable time. It would be unwise to proceed further until the operation of this restriction had produced a system of acknowledged regularity, and this could only be ascertained by actual experience.

Fourth.—Having done this effectually, and having thus given the banks the character and stability contemplated by Congress to make them permanent institutions, it remains only to provide finally for the redemption and funding of the legal tender notes—or their redemption in coin—and the consequent resumption of specie payment throughout the country. An important expedient in accomplishing this result has already been found in the exchange of the legal tender notes for others bearing a low yet accumulating interest, which would make it an object to withdraw some of them gradually from circulation. It is confidently believed that by this time the operation of the law giving legal protection to coin contracts, would so increase the metallic currency, and the beneficial result of the redemption system would render the banks so strong and reliable, that the legal tenders could be gradually retired, first by conversion into interest bearing notes, if need be, and these again into gold bearing five per cent bonds; and that the process of financial restoration would be effected with greater facility than now seems possible. At all events the process we suggest is a natural one, and the steps in it those which afford the best protection to all the great interests involved. G. S. C.

THE TREASURY REPORT.

There are three topics in the Treasury report which, during the last week, have been anxiously canvassed—the funding of the debt, the question of taxation, and the resumption of coin payments. The Secretary of the Treasury may certainly be complimented in having prepared, as his last report, a document which in lucid statement, practical wisdom and judicious suggestion, will compare favorably with any financial state paper ever issued in this country or elsewhere. In reading this paper we seem to pass over the entire period of Mr. McCulloch's Secretaryship, which forms indeed an interesting chapter in the financial history of this country. When he entered the Cabinet our finances were in the deplorable state of confusion and derangement incident to the conclusion of the war. Eight hundred millions of money had to be raised in a shorter space of time than so large a sum was ever obtained by any government in the world. The short date Seven-Thirties, by means of which the loan was negotiated, have now been funded into long bonds, as have also the whole of the short obligations which are supposed likely to embarrass the Treasury. The funding process is just about completed, and the report before us offers, as one of its chief features, an account of the closing up of the transaction.

A second point of interest in the period of Mr. McCulloch's service of office, is the growth of our internal revenue system. Clumsy and costly, oppressive and inquisitorial, it destroyed much more of the nation's wealth than it brought into the Treasury, and as it became too burdensome to be borne, it has by successive acts been so modified and improved that it compares favorably as a system with the revenue methods of other countries. Of course we are speaking from a legislative point of view, and when the administering of the revenue laws is made so pure and strict, and faithful, as to break up the whisky ring, and to stop the tobacco frauds, the improvement in our fiscal methods may be pushed still further, so as to relieve the industrial energies of the people from the direct pressure of taxation, and to let the fiscal screw press where the body politic is the least sensitive.

By far the most important part of the report before us is that discussing the currency. After showing how our irredeemable paper currency increased the cost of the war, and have added to the peace and expenditure of the Government; how it causes instability in prices, perturbation in trade, and hinderance to industrial progress; how it shakes the public credit by raising dangerous questions as to the payment of the public debt; how it gives to the rich and robs the poor, he concludes that "if our country is in a measure prosperous with such an incubus upon it, it is because it is so magnificent in extent, so diversified in climate, sorich in soil, so abundant in minerals, with a people so full of energy, that even a debased currency can only retard but not put a stop to its progress."

What is the remedy for this evil which is thus vividly set before us? On this point the reply of Mr. McCulloch is two fold. First, he very justly says the remedy is to be found in "a reduction of the paper circulation of the country till it appreciated to the specie standard." This sound view of the subject Mr. McCulloch says he still adheres to, and he adds that the remedy was emphatically condemned by Congress, and it is now too late to return to it. At a future time we shall have something to say about this gloomy view of contraction as being condemned by Congress and impossible of readoption. Congress intended, as we have often showed, to forbid the abuses of contraction rather than to stop contraction itself or to condemn the country forever to the miseries of a redundant, depreciated, irredeemable circulation As there is no other remedy for redundancy but contraction, so there is no other permanent remedy than this for the depreciation and unstability which redundancy brings.

The case does, however, admit of palliation. Secondly, therefore Mr. McCulloch proposes that the coin contract law should be enacted, and that another law shall be passed providing, first, that after January 1, 1870, the greenbacks shall cease to be a legal tender for private debts subsequently incurred, and secondly, that after the further lapse of one year greenbacks shall cease to be legal tender for any purpose except Government dues for which they are now receivable. Thirdly, he proposes to contract the outstanding volume of the greenbacks by making them convertible at the pleasure of the holders into bonds, bearing such a rate of interest as Congress may appoint.

This proposition of the Secretary is so judicious, and would meet so many of the conditions of the case, that we wonder it has not received more attention from the daily press. When the pending trials in the Supreme Court have settled the mooted questions about the constitutionality of the legal tender law, we shall recur to this important aspect of the currency question.

SOUTHWESTERN, GA., RAILROAD.

The Southwestern Railroad of Georgia, as at present existing, consists of the following lines :

Main Line—Macon to Albany		107.5 miles.
Branches.	Fort Valley to Butler	21.0 "
	Smithville to Eufala	59.5 "
	Cuthbert to Fort Gaines	19.5 "
Total length owned and operated		207.5 miles.

The road is laid with iron varying from 34 to 51 lbs. to the yard, and has cost about $17,500 per mile. It was constructed almost wholly on the cash principle, and is perhaps the most economically managed line in the United States. The company have never failed in the payment of dividends, and even in the years subsequent to the war, when the work of reconstruction was heaviest, have always had a surplus available for the stockholders.

The stock of engines and cars is ample for an increasing business, and is well kept up by constant additions. The following shows the number of each on the 1st August, 1865, and at the close of each of the last three fiscal years :

		Aug. 1, 1865.	July 31— 1866.	1867.	1868.
Locomotives		20	20	23	26
Cars	Passenger	10	20	20	20
	Mail, &c	8	8	8	8
	Freight	175	222	249	320
	Total	203	250	277	318

The following is a statement of the mileage of trains, and passenger and freight traffic for the last three years:

		1865–66.	1866–67.	1867–68.
Miles run by trains	Passenger and mail	122,660	151,682	173,621
	Freight, &c	141,864	151,658	159,681
	Total	264,524	306,335	333,302
Passengers carried	Through	10,867	12,006	9,853
	Way	104,920	97,474	85,021
	Total	115,787	109,477	94,874
Freight carried	Bales of cotton	87,250	137,696	283,848
	Barrels of flour	9,851	16,411	4,405
	Sacks of flour	1,820	10,005	39,411
	Bushels of corn	271,843	639,538	149,648
	Bushels of wheat	8,866	4,615	5,056
	Cwts of bacon	9,687	50,416	85,564

The number of bales of cotton in 1859–60 was 206,307. The total freight carried over the road in 1867–68 amounted to 101,238 tons.

The gross earnings from operations in the year 1859–60 and those for the three years ending July 31, 1868, compare as shown in the following statement:

	1859–60. (200.0 m.)	1865–66. (197.5 m.)	1866–67. (198.0 m.)	1867–68. (207.5 m.)
Freight—eastward	$203,815 75	$328,945 62	$321,187 11	$439,558 31
" —westward	214,270 07	178,343 86	269,829 25	257,165 18
Passengers—through	86,642 83	47,322 05	47,634 97	43,295 80
" —way	142,557 47	260,732 45	255,132 05	178,394 95
United States mails	21,082 55	....	10,804 26	2,130 60
Miscellaneous	6,527 20	41,501 62	2,365 56	....
Total gross earnings	$676,895 87	$856,845 60	$1,006,953 20	$920,544 29

Operating and other current expenses:

	1859–60.	1865–66.	1866–67.	1867–68.
Operating expenses	$291,883 58	$513,044 13	$535,454 55	$468,047 12
Internal revenue tax	....	26,934 85	23,763 68	
Annuity to city of Macon	1,250 00	1,250 00	1,250 00	1,250 00
Ordinary expenses	$293,133 58	$541,228 98	$560,468 23	$469,297 12
Extraordinary	....	....	37,525 71	108,510 70
Expenses on all accounts	293,133 58	541,228 98	597,993 94	577,807 82
Earnings less expenses	$383,762 29	$315,616 62	$408,959 26	$342,736 47

The above figures, divided by the average number of miles operated in the years severally, give the following results:

	1859–60.	1865–66.	1866–67.	1867–68.
Gross earnings per mile	$3,384 48	$4,569 84	$5,217 87	$4,436 36
Ordinary expenses, per mile	1,465 67	2,886 55	2,903 98	2,261 77
Extraordinary " "	......	......	194 43	522 85
Total " "	1,465 67	2,886 55	3,098 41	2,784 62
Earnings over ord. expenses, p.m	1,918 81	1,683 29	2,313 89	2,174 69
" over all expenses p. m	1,918 81	1,683 29	2,118 96	1,657 74
Total expenses to earnings	43.31 p.c.	63.16 p c.	59.35 p.c.	62 77 p.c

The Fort Gaines branch was only partially built and opened in 1859–60, and was not in use in 1865–66, having been taken up during the war. It was re-built in 1866–67. These acts account for the difference of mileage operated in the several years.

The total receipts and disbursements on all accounts for the years above noted were as follows:

	1859–60	1865–66.	1866–67.	1867–68.
Gross earnings	$676,895 87	$856,845 60	$1,006,958 20	$920,544 29
Expenses (incl. taxes, &c.)	293.133 58	541,228 98	597,993 94	577,807 82
Net earnings	$383,762 29	$315,616 62	$408,959 26	$342,736 47
Add premium & discount	3,841 53	....	....	....
New bonds issued	....	58,000 00	....	....
Total resources	$387,603 82	$373,616 62	$408,959 26	$342,736 47

Disposed of on the following accounts:

Interest on bonds	$27,632 50	$73,518 34	$34,160 00	$31,570 00
Macon annuity (2 years)	....	2,500 00	..	..
Dividend—February	(4)98,424 00	(4)127,936 00	(4)160,170 00	(4)128,156 00
" August	(4)116,876 00	....	(4)128,156 00	(4)128,436 00
" extra (Aug.)	(5)146,095 00	..	....	....
Bonds paid to date	....	60,500 00	....	....
Construction, &c.	...	77,462 20	70,000 00	39,644 10
Revenue tax, appropriation		....	6,407 80	6,759 79
Surplus	?,576 32	31,705 08	10,065 46	3,170 58
Total disbursements	$387,6?3 82	$373,016 62	$408,959 26	$342,736 47

By reference to the statement of earnings, it will be seen that the eastward freight increased in 1867–68 $118,371 30, while the westward freight decreased $112,664 12, and the passage, mail, and miscellaneous decreased $92,115 99. The increase in eastward traffic is due principally to the larger production of cotton in the sections tributary to the road. The down or westward traffic decreased chiefly in the fact that nearly half a million bushels of corn less than in previous years was needed for subsistence, evidencing the fact that the planters raised their own corn instead of relying on the Northwest for supplies. The falling off in passage and down freight is attributable to this, as well as to the low price of cotton last fall and winter, and the consequent scarcity of money in the country to pay for goods and travel.

The financial condition of the company, as shown by the general account of August 1, of the years above noted, was as follows:

	1860.	1866.	1867.	1868.
Capital stock	$2,921,900 00	$3,203,400 00	$3,203,900 00	$3,210,000 00
Bonds (20 years)	250,000 00	324,?00 00	326,000 00	324,000 00
" (10 ")	41,500 00	68,000 00	56,000 00	55,000 00
" (20 "), endors	102,000 00	51,000 00	51,000 00	51,000 00
Fare tickets	....	21,020 00	6,579 65	4,337 50
Transportation	....	836,360 96	990,700 98	942,760 09
Due other roads	....	5,165 63	28,810 97	8,456 99
Unclaimed dividends	....	111,550 00	118,386 00	3,239 00
Other items	....	66 00	..	147 90
Premium and discount	....	1,098 57	3,237 67	3,381 98
Bill payable	....	12,532 04	632 77	....
Profit and loss	858,655 85	179,919 79	271,163 43	13?,224 10
Total	....	$4,808,552 99	$5,055,416 45	$4,734,047 51

Against which are charged the following accounts:

Construction, &c	$3,776,236 23	$3,751,978 44	$3,802,826 84	$3,719,813 26
Transportation	....	541,228 93	560,468 23	517,807 82
Interest on bonds	27,932 50	73,518 34	34,160 00	31,570 00
Macon annuity	....	2,500 00	....	....
August dividends	262,971 00	101,?08 00	153,140 00	128,828 00
Stocks and bonds	..	39,173 66	53,?94 73	53,3?4 73
Suspense accounts	....	99,761 41	201,985 10	....
Bills receivable	221,282 98	20,707 12	56,078 05	28,566 79
Transfer agent	....	4,162 13	....	....
Confederate money	....	102,41? 68	....	...
Cash on hand & in bank	87,136 16	55,868 83	193,768 50	199,066 92
Total	....	$4,808,552 99	$5,055,416 45	$4,734,047 51

All the bonds of this company bear 7 per cent interest, and all, with the exception of $45,000, are convertible into capital stock at par. The bonds endorsed by the Central Railroad Company have been paid off one-half since 1864-65.

The twenty-year bonds are due, in various sums, in 1877, '78, '79, and 1880.

An act of the Georgia Legislature, approved March 4, 1866, authorized the consolidation of the Muscogee into the South Western Railroad Company. This change is now in progress, the latter assuming the liabilities of the Muscogee Company, and exchanging their stock for stock of the South Western, at 87½ per cent of its face value. The Muscogee Railroad extends from Butler to Columbus, and has a length of 50 miles. It cost about $1,000,000.

A detailed history of the South Western Company will be found in HUNT'S MERCHANTS' MAGAZINE of January, 1867.

LOUISVILLE AND NASHVILLE RAILROAD.

The Louisville and Nashville Railroad, commencing at Louisville, Ky, on the Ohio River, extends in a southern direction to Nashville, Tenn., a distance of 185 miles. About 30 miles south from Louisville the Lebanon Branch diverges easterly to Lebanon 37.3 miles, and thence is continued by the Lebanon Branch or Knoxville extension to Brodhead, a further distance of 54.9 miles, the intention of the company being to further extend the line to the Tennessee border in the direction of Knoxville. The Bardstown Branch, (formerly the Bards town and Louisville Railroad,) which leaves the main stem about 10 miles north of the Lebanon junction, extends to Bardstown 17.3 miles. The Memphis branch leaves the main stem about 164 miles from Louisville, and runs southwest to the State line of Tennessee, making connection with the Memphis, Clarkesville and Louisville Railroad, which with the Memphis and Ohio Railroad (both now operated by the Louisville and Nashville Company,) forms a continuous line from Louisville to Memphis.* There is also now being constructed a branch from the Knoxville extension at Sanford (75 miles from Lebanon Junction) to Richmond, a distance of 33 miles, of which at the close of the year 1867–68, there was open 7½ miles.† Thus it appears that, while the main stem pierces Tennessee in the centre, and connects with other due south lines, its western arm reaches the Mississippi at Memphis, and its eastern arm, destined to meet the roads now being constructed in Tennessee, North and South Carolina, and already in operation in Georgia, will ultimately reach the Southern Atlantic ports by lines of moderate length. When these lines are completed, Louisville will be in the great centre of the trade of the whole South and attain many commercial advantages not yet enjoyed by any of the cities of the Ohio Valley.

* The Memphis and Ohio Railroad (180¼ miles) was leased in September, 1867, for a term of ten years, and has since then been operated by the Louisville and Nashville Company. The Memphis, Clarkesville and Louisville Railroad (82¼ miles) is in the hands of a state receiver, and is operated by the Louisville and Nashville Company as agent of said receiver. The total distance from Louisville to Memphis is 367 miles.

† The Richmond branch was expected to be completed and in operation November 15, 1868.

The following statement shows the length of railroad and sidings on the main stem and branches of the Louisville and Nashville Railroad at the close of each of the last four fiscal years (June 30):

	1864-65		1865-66		1866-67		1867-68	
	Rail-road.	Sid-ings.	Rail-road.	Sid-ings.	Rail-road.	Sid-ings.	Rail-road.	Sid-ings.
Main stem	185.00	17.16	185.00	18.88	185.00	19.00	185.00	19.81
Bardst'n br'ch	17.80	.....	17.80	0.69	17.80	0.69	17.80	0.89
Leb'non br'ch	37.30	1.49	37.30	4.47	37.30	7.89	37.30	8.88
Leb. br. exten	.....	.....	47.70		47.70		54.90	
Mem. branch	46.00	2.67	46.00	2.96	46.00	3.59	46.00	3.55
Richmond br.	.....	.....	.....	.....	.....	.....	7.75	0.67
Total road & sidings	285.60	21.32	333.80	26.95	333.30	31.27	348.25	33.72
Average miles operated	285.60	....	303.10	....	333.30	....	336.30	....

The motive and carrying power employed on the main stem and branch lines July 1, 1864, and at the close of the fiscal years, as above, is stated in the following tabulation:

		July 1, 1864.	Close of fiscal years 1864-5.	1865-6.	1866-7.	'67-8.
Locomotive engines		51	60	65	66	66
Passenger train cars.	Passenger	31	42	42	45	45
	Baggage	6	9	10	15	15
	Express	8	8	8	8	8
Freight train cars	House	257	295	307	364	362
	Rack	91	104	98	98	110
	Gondola	22	21	43	43	43
	Platform	95	107	119	119	136
Service cars	Stone and gravel	57	70	82	82	82
	Wrecking	..	1	1	1	1
	Boarding	7	12	11	11	11
Total of all cars		576	669	721	786	813

The business of the road, including the performance of engines and cars, passenger and tonnage traffic, and the results yearly for the same years is epitomized in the following general statement:

Miles run by locomotives hauling trains:

	1864-65.	1865-66.	1866-67.	1867-68.
Passenger trains	744,889	418,971	452,795	438,804
Freight trains		423,879	408,232	412,754
Distributing trains	96,709	117,097	68,459	71,918
Trains of all kinds	841,558	959,947	929,486	923,471

Passengers and freight (tons) carried:

Number of passengers	455,067	583,678	360,721	365,646
Passengers carried one mile	33,042,625	46,068,719	23,078,589	21,420,247
Tons of freight	......	......	2[illegible]2,937	243,918
Tons carried one mile	.. ...	26,960,849	27,504,811	29,321,000

Gross earnings, expenses and profits from operations:

	1864-65.	1865-66.	1866-67.	1867-68.
Passenger earnings	$2,703,775 04	$1,513,725 85	$877,264 72	$856,818 89
Freight "	1,811,342 42	1,426,890 44	1,152,477 35	1,215,702 96
Express "	121,828 49	121,192 56	84,542 64	90 586 57
Mail service	37,500 00	47,658 99	40,025 00	40,025 00
Miscellaneous sources	140,094 10	37,122 18	5,564 86	25,476 02

Earned by the main stem and branches, as follows .

Main stem	$3,986,154 12	$2,960,276 04	$1,790,197 24	$1,82[illegible],763 33
Lebanon branch and extension	87,482 68	121,295 85	189,108 53	185,896 64
Memphis branch	88,078 32	104,90[illegible] 95	15[illegible],607 18	195,685 26
Bardstown branch	12,730 83	19,593 50	20,961 67	23,051 52
Richmond branch	......	....	....	213 69
Miscellaneous	140,094 10	37,122 18	....	....
Total gross earnings	$4,314,540 05	$3,143,689 47	$2,158,874 57	$2,228,909 44
Operat'g, includ'g taxes	2,142,024 63	1,557,134 70	1,348.405 90	1,309,514 83
Net earnings (profits)	$2 172,515 42	$1,[illegible]92 054 77	$810,468 67	$919,094 61
Interest account	221,758 84	177,076 33	182,912 71	227,203 21
Balance	$1,950,756 58	$1,414,978 44	$627,555 96	$691,891 40

A stock dividend of 10 per cent was paid in April, 1864, on account of twenty-two months' earnings up to June 30, 1863. Since then 8 per cent per annum in cash has been divided.

The following deductions show the average earnings and expenses per mile of road operated, the earning and expenses per train mile, and the relation of expenses to earnings for the same four years :

	1864-65.	1865-66.	1866 67.	1867-68.
Gross earnings per mile of road	$15,106 93	$10,370 54	$6,477 27	$6,626 85
Operating expenses "	7,500 08	5,117 57	4,045 62	3,893 89
Nett earnings "	7,606 85	5,252 57	2,431 65	2,732 96
Gross earnings per train mile	$5 12:68	$3 27:43	$2 32:26	$2 41:33
Operating expenses "	2 54:53	1 61:59	1 45:07	1 41:80
Nett earnings "	2 58:15	1 65:84	0 87:19	0 99:53
Expenses to earnings, per cent	49.64	49.35	62 46	58.76

The financial condition of the company at the close of each of the same years, (being the whole period since the consolidation of the main stem and branch accounts,) is shown in the following abstract of the yearly balance sheets :

	1865.	1866.	1867.	1868.
Capital stock (general)	$5,527,870 63	$5,490,106 48	$5,492,638 56	$7,869,186 87
Richmond br.—stock act.	....	....	....	369,410 30
Funded debt	3,857,500 00	3,105,000 00	2,965,000 00	2,883,500 00
Bills payable	....	....	....	335,639 55
Notes and accounts	7,298 27	5,621 63	3,596 63	5,361 88
Back taxes	....	....	17,504 67	....
Back interest	17,509 27	17,691 12	15,292 58	13,016 83
Second mortgage (funded interest) bonds due	14,500 00	2,800 00	1,400 00	....
June bills and pay-rolls	243,490 24	188,336 42	107,011 12	148,331 67
Back dividends	162,216 09	88,989 00	67,659 84	67,895 88
Dividends payable Aug. 1	221,114 82	219,604 24	219,705 54	233,105 59
Profit and loss	2,527 215 76	3,686,697 58	3,939,285 17	1,996,818 14
Total	12,578,715 08	12,754,846 49	12,841,095 48	13,992,266 15

Per contra ; the charges which follow :

	$	$	$	$
Construction account	9,665,563 97	10,062,763 94	10,168,820 48	10,196,421 28
Lebanon br. extension	....	337,106 20	582,855 39	1,187,961 69
Lebanon branch extension mort bonds	....	569,000 00	524,000 00	512,000 00
Lebanon branch extn. Louisville bonds.	....	331,470 00	304,283 75	237,669 98
Richmond branch	....	....	....	387,461 65
Tennessee State bonds.	574,772 76	258,632 91	....	....
Sundry bonds and notes	328,781 84	56,939 11	184,464 39	311,970 93
Transportation accounts	559,571 17	225,686 74	272,496 60	181,898 00
Memphis, Clarkesville & Louisville Railroad Co	....	121,562 50	147,694 64	50,847 79
Memphis Division R.R	....	....	....	90,150 91
Memphis & Ohio R.R Co	....	....	....	373,078 05
Real estate ; timber and quarry lands	83,294 13	31,040 87	30,962 55	29,032 65
Shop and fuel stock	557,941 87	555,114 52	358,654 77	408,808 88
U. S. 7-30 treasury notes	530,648 19	119,500 00		....
Cash on hand, June 30	278,142 15	85,549 70	237,347 96	74,974 39
Total	12,578,725 08	12,754,846 49	12,841,095 48	13,992,266 15

The Lebannon branch extension accounts, and also the Richmond branch accounts, are kept separately while under construction, and are as follows :

	Lebanon branch extension			Richm'd br.
	1866.	1867.	1868.	1868
Cost of road to June 30	$1,550,202 83	$1,808,659 16	$2,457,994 87	$412,124 44

Derived from the following sources :

	1866.	1867.	1868.	Richm'd br. 1868
L. & N. RR Co.: cash advanced	$337,106 21	$582,855 39	$1,187,961 69	$387,461 65
Mortgage bonds	600,000 00	600,000 00	600,000 00	....
Louisville loan bonds	600,000 00	600,000 00	600,000 00	....
Contractors (retained per centage	13,096 62	17,053 22	68,221 06	24,662 79
Sundry accounts	....	8,750 55	1,812 12	....
Total	$1,550 202 83	$1,808,659 16	$2,457,994 87	$412,124 44

Of the mortgage bonds issued on the Lebanon branch extension account, $76,000, and of the Louisville loan bonds $295,711 25 have been sold, the balance of the $600,000 of each issue is held by the Louisville and Nashville Railroad Company, and appears in the general account as part of their resources.

The funded debt of the Louisville and Nashville Railroad Company is described as issued and as outstanding year y in the following tabular statement:

	Total am't of issues	Outstanding June 30, 1865.	1866.	1867.	1868.
Main stem: 1st mort. 7 p. c. bonds, dated July 1, 1858, and due Jan 1866–77	$2,000,000	$1,765,000	$1,656,000	$1,594,000	$1,515,000
Lebanon branch: income 7 p. c. bonds, due (various) 1862–1865	175,000	21,000	1,000	....	....
Memphis branch: 1st mort. 7 p. c. bonds, due May 1, 1870–75	300,000	286,000	281,000	267,000	267,000
Bardstown & L'sville RR: 1st mort. 7 p. c. bonds, due Jan. 1, 1870	30,000	....	30,000	30,000	27,500
Lebanan branch extn.: 1st mort. 7 p. c. bonds, due Nov. 16, 1880–85	600,000	....	600,000	600,000	600,000
Tennessee 6 p. c. loan bonds, viz.:					
Main stem in Tennessee, due January 1, 1892–93	560,500	560,500	....	....	....
Louisville City 6 p c loan bonds, viz.:					
Main stem: due April and Oct. 15, 1886–87.	1,000,000	1,000,000	912,000	849,000	849,000
Lebanon branch: due June 2 and Nov. 2, 1896	225,000	225,000	225,000	225,000	225,000
Lebanon branch extension: due Aug. 15, 1893	600,000	....	600,000	600,000	600,000
Total funded debt	$5,490,500	$3,857,500	$4,305,000	$4,165,000	$4,083,500

In October, 1861, a sinking fund of $400,000 per annum was directed to beset apart out of the net earnings of the road to pay—first, the interest of the debt, next, the amount necessary for the completion of the road, and then the debt itself. The reduction of the debt yearly has been effected under the operations of this fund. The Tennessee State loan was paid off by the surrender of bonds of that State owned by the company.

The company are now issuing a series of consolidated first mortgage 7 per cent thirty year bonds, with interest, payable in April and October, and to become due April, 1898. The amount provided for is $8,000,000, of which $2,500,000 are to be set apart for the redemption of existing issues. In relation to these, the President, in his report for 1868, says:

Under the amendment to our charter, accepted by the stockholders on the 31st of March, 1868, the board of directors have made preparation for the issuance and sale of the bonds contemplated by the amendment, and have caused to be executed a mortgage upon the property of the company to secure the payment of the bonds and interest, and are now offering for sale a limited amount of the bonds in New York and Louisville.

It was the purpose of the retiring board to sell the bonds only as the proceeds were needed, for the preservation of the property, and the objects contemplated by the amendment and with this purpose steadily adhered to by our successors the wisdom of the amendment will very shortly be made practically obvious. The property cost the company more than $18,000,000, and is now worth certainly over $15,000,000, with a mortgage debt upon it less than two millions and a half; and by the proper use of the proceeds of the bonds issued under the amendment in the acquisition of additional property, the debt of the company will not certainly increase more rapidly than will the property increase in amount and value, and it is believed that much better than this may be done for the company.

We have made arrangements for the registration of our bonds, and in such manner as will protect the holders against loss by fire, theft, or other casualty, and all persons who may desire a safe security for themselves or others dependent upon them, may accomplish this purpose by a purchase and proper registration of our bonds. Our company is a home institution of growing prosperity and undoubted solvency and permanency, and will continue to increase in value as the country continues to develop and prosper.

RAILROAD EARNINGS FOR OCTOBER.

The gross earnings of the under specified railroads for the month of October, in 1867 and 1868, and for the first ten months of each year are exhibited in the subjoined statement:

Railroads.	October 1867.	October 1868.	Ten Months 1867.	Ten Months 1868.
Atlantic and Great Western	$477,528	$456,886	$4,216,988	$3,920,785
Chicago and Alton	426,754	480,212	3,208,689	3,740,999
Chicago and Northwestern	1,541,066	1,574,905	9,632,194	11,292,208
Chicago, Rock Island & Pacific	558,200	559,900	3,328,103	3,805,291
Illinois Central	823,901	901,631	5,879,882	6,040,798
Marietta and Cincinnati	142,823	125,065	1,002,943	1,053,868
Michigan Central	506,295	511,820	3,657,775	3,768,147
Michigan South. & North. Ind	539,435	582,[illegible]61	3,[illegible]19,645	4,189,140
Milwaukee and St. Paul	1,101,778	1,[illegible]37,434	4,[illegible]59,733	5,518,789
Ohio and Mississippi	279,367	263,329	[illegible]	2,455,542
Pittsburg, Ft W. & Chicago	784,801	842,114	5,977,802	6,595,461
St. Louis, Alton & Terre Haute	230,340	210,473	1,812,336	1,620,800
Toledo, Wabash and Western	406,766	430,766	3,124,1[illegible]8	3,308,032
Western Union	119,667	97,599	640,8[illegible]7	662,851
Total	$8,033,764	$8,044,195	$53,637,060	$57,923,2[illegible]9

UNITED STATES ASSAY OFFICE FOR NOVEMBER.

Statement of business at the United States Assay Office at New York, for the month ending November 30, 1868:

DEPOSITS OF GOLD.

Foreign coin	$20,000 00	
Foreign bullion	10,000 00	
United States bullion	545,000 00	
		$575,000 00

DEPOSITS OF SILVER, INCLUDING PURCHASES.

Foreign coin	$27,000 00	
Foreign bullion	15,000 00	
United States bullion (contained in gold)	6,000 00	
Colorado	5,000 00	
Lake Superior	4,000 00	
Nevada	60,000 00	
		$117,000 00
Total deposits, payable in bars	$500,000 00	
Total deposits, payable in coins	192,000 00	
		$692,000 00
Gold bars stamped		692,395 87
Transmitted to U. S. Mint, Philadelphia, for coinage		98,659 49

AGRICULTURAL RETURNS OF GREAT BRITAIN.

The official reports of the agricultural condition of England, Wales, Scotland and Ireland have just been completed and published. From these papers it appears that in the whole kingdom of Great Britain there were 3,933,924 acres under wheat in 1868, against 3,629,784 in 1867. Under barley there was less than in the former year—2,337,037 acres this year against 2,431,801 1867 Under oats there was an increase—4,452,060 acres in 1868, and 4,409,899 acres in 1867. The total acreage of land under wheat, barley, and oats was 10,723,-021 in 1868, against 10,471,284 in 1867. The number of acres devoted to the cultivation of potatoes in 1868 was 1,549,196, against 1,496,76[illegible] in 1867. In the entire kingdom there are 9,03[illegible],506 cattle, 35,508,424 sheep and 3,166,300 pigs. The number of cattle and sheep have greatly increased since last year; the number of pigs has decreased 22 per cent. The population of the United Kingdom in 1867 was 30,157,473, and in 1868, 30,369,845 The population of Ireland in 1868 is set down at 5,532,343, and of Great Britain 24,637,502.

NATIONAL BANK RESERVES.

We are indebted to the Comptroller of the Currency for the following tables, showing the state of the lawful money reserve of the National Banks on the first Monday of October, 1868. The corresponding statement for the first Monday of July will be found in the MAGAZINE for September, 1868 (vol. 59) page 205.

Table of the state of the lawful money reserve (required by sections 31 *and* 32 *of the national currency act) of the National Banking Association of the United States, as shown by the quarterly reports of their condition on the morning of the first Monday in October,* 1868, *before the commencement of business.*

STATES AND TERRITORIES.

	Number of banks reporting.	Liabilities to be protect. by a reserve of 15 per cent.	Amount required as reserve.	Items of reserve. Legal tenders.	Specie.	Comp. inter. notes & 3 p. c. temp. loan certificates.	Amt. in redemp. cities avail. for redemption of circulation.	Amount of avail. reserve	Percent. of available reserve to liabilities.
Maine	61	$13,150,366	$1,972,555	$1,040,129	$23,532	$80,350	$1,792,123	$2,986,124	22 7-10
New Hampshire	40	6,650,149	997,522	459,066	4,442	122,960	1,118,479	1,703,947	25 6-10
Vermont	40	8,414,333	1,262,151	691,488	15,057	142,330	927,925	1,776,830	21 1-10
Massachusetts	201	55,073 216	8,260,981	4,213,071	188,482	781,960	7,633,472	12,771,975	23 2 10
Rhode Island	62	19,240,527	2,885,079	1,412,625	25,982	289,910	2,289,973	4,018,490	20 9-10
Connecticut	81	30,295,938	4,544,391	2,182,190	91,917	531,330	3,688,105	6,493,542	21 4-10
New York	240	78,352,552	11,752 883	5,692 860	264,228	2,015,920	9,644,501	17,617,509	22 5-10
New Jersey	55	24,164,877	3,624,732	1,895,575	68,349	491,020	3,459,199	5,915,148	24 5-10
Pennsylvania	152	46,019,920	6,902,988	4,609,730	60,295	1,814,810	4,501,592	10,483,927	22 8-10
Delaware	11	2,778,110	416,717	205,718	4,773	106,680	339,123	656,289	23 6-10
Maryland	19	4,332,889	649.926	551,721	42,517	79,550	372 517	1,046,605	24 2-10
District of Columbia	1	139,720	20,958	14,392	322	350	14,065	29,029	20 8-10
Virginia	19	5,955,479	893,822	576,908	83,106	66,920	418,521	1,145,450	19 3-10
West Virginia	15	4,676,224	701,434	440,909	43,477	85,310	358,911	928,607	19 9-10
North Carolina	6	1,433,259	214,989	216,064	36,376	460	81,129	334,029	23 3-10
South Carolina	8	1,352,131	202,820	279,848	26,438	3,460	117,915	427,156	31 6-10
Georgia	8	3,614,672	543,701	791,778	36,901	127,460	425,975	1,382,114	34 1-10
Alabama	2	588,726	88 310	157,534	36,803	......	9,844	204,181	34 7-10
Mississippi	1	40,500	6,075	17,450	....	......	659	18,109	44 7-10
Texas	4	1,262,315	189,422	185,192	217,903	......	99,026	502,121	39 8-10
Arkansas	2	751,668	112,750	85,611	2,427	......	38,209	126,247	16 8-10
Kentucky	11	2,812,531	421,890	371,181	6,482	26,090	248,165	651,818	23 2-10
Tennessee	12	4,559,989	683,976	597,856	30,871	53,590	294,128	975,945	21 4-10
Ohio	123	30,331,148	4,519,671	3,440,905	33,632	541,760	2,395,084	6,411,881	21 1-10

Indiana	70	19,496,571	2,924,483	2,478,047	71,156	193,980	1,298,872	4,042,055	20 7-10
Illinois	70	15,468,811	2,320,322	1,833,982	104,039	152,250	1,712,510	3,802,781	24 6-10
Michigan	88	7,194,969	1,079,245	890,921	19,934	79,830	803,320	1,794,005	24 9-10
Wisconsin	31	4,924,557	740,184	661,841	17,286	64,510	396,610	1,140,247	23 1-10
Iowa	44	9,987,718	1,498,158	1,370,525	43,525	85,540	737,406	2,186,996	21 9-10
Minnesota	15	3,816,459	572,469	559,928	11,992	10,950	314,799	897,669	23 5-10
Missouri	10	2,724,280	408,642	361,515	51,125	17,620	261,9 2	691,212	25 4-10
Kansas	3	562,856	84,428	83,904	1,155	3,260	71,922	160,301	28 5-10
Nebraska	4	2,514,649	377,197	261,769	36,232	6,240	975,572	1,269,833	50 5-10
Nevada	1	253,367	38,005	16,165	51,598	......	13,163	80,921	31 9-10
Oregon	1	261,812	39,271	57,761	1,598	......	19,418	78,777	30 1-10
Colorado	3	1,127,586	169,139	192,994	20,390	......	168,709	382,093	33 9-10
Montana	1	136,894	20,534	32,500	16,200	......	6,612	56,312	41 1-10
Utah	1	212,019	31,803	32,000	1,018	......	2,420	35,433	16 7-10
Idaho	1	82,931	12,305	21,402	237	......	3,596	25,235	30 8-10
Total	1,423	$414,776,428	$62,216,475	$39,084,570	$1,781,317	$7,376,020	$47,060,541	$95,252,443	22 9-10

REDEMPTION CITIES.

Boston	46	*$72,159,413	$18,039,853	$7,761,879	$777,703	$6,345,010	†$6,992,376	$21,876,968	30 3-10
Albany	8	13,073,716	3,268,429	1,028,154	16,329	944,490	2,706,129	4,695,102	35 9-10
Philadelphia	30	52,395,965	13,098,991	7,951,090	186,065	7,485,220	1,099,173	16,721,548	31 9-10
Pittsburg	16	15,548,966	3,887,242	2,259,766	103,261	900,570	1,309,227	4,572,844	29 4-10
Baltimore	13	18,423,410	4,605,853	2,241,071	277,973	1,356,410	1,315,709	5,191,163	28 2-10
Washington	4	4,060,082	1,015,021	133,028	12,010	655,730	253,066	1,059,834	26 1-10
New Orleans	2	1,927,261	481,015	596,600	99,599	......	52,714	748,913	38 9-10
Louisville	4	1,370,396	342,599	276,054	2,900	55,870	67,959	402,783	29 4-10
Cincinnati	7	10,644,031	2,661,003	1,244,465	5,594	609,290	813,687	2,673,536	25 1-10
Cleveland	5	5,581,144	1,395,286	458,812	1,786	427,290	660,731	1,548,619	27 7-10
Chicago	13	19,089,874	4,772,469	3,420,730	41,522	857,540	2,427,647	6,747,439	35 3-10
Detroit	4	4,657,468	1,164,367	471,720	338	202,910	1,036,417	1,711,385	36 7-10
Milwaukee	5	2,698,345	674,586	499,354	9,935	50,000	341,624	900,913	33 4-10
St. Louis	8	11,333,468	2,833,367	1,450,155	55,776	617,250	700,684	2,823,868	24 9-10
Leavenworth	2	1,042,210	260,553	107,273	467	10,660	127,594	245,994	22 6-10
Total	167	$284,005,749	$58,501,439	$29,900,651	$1,597,231	$20,518,240	$19,904,737	$71,920,909	39 7-10
New York	56	$206,164,901	$51,541,225	$23,518,254	$8,870,846	$35,693,470	$........	$67,588,570	32 8-10

* Liabilities of banks in cities to be protected by a reserve of twenty-five per cent of the amount.
† Amount in New York city available for the redemption of circulation.

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 November, and 1st of December 1868:

DEBT BEARING COIN INTEREST.

	November 1.	December 1.	Increase.	Decrease.
5 per cent. bonds	$221,588,400 00	$221,588,400 00	$	$. ......
6 " 1881	283,677,300 00	283,677,300 00	....	....
6 " (5-20's)	1,602,312,250 00	1,602,570,400 00	258,150 00	....
Total	2,107,577,950 00	2,107,836,100 00	258,150 00	....

DEBT BEARING CURRENCY INTEREST.

	November 1.	December 1.	Increase.	Decrease.
6 per ct. (RR) bonds	$42,194,000 00	$44,337,000 00	$2,143,000 00	$.....
3 p. cent. certificates	58,325,000 00	58,140,000 00	....	185,000 00
Navy Pen. F'd 3 p.c.	14,000,000 00	14,000,000 00	....	....
Total	114,519,000 00	116,477,000 00	1,958,000 00	$..... ..

MATURED DEBT NOT PRESENTED FOR PAYMENT.

	November 1.	December 1.	Increase.	Decrease.
7-30 n. due Aug. 15, '67, J'e & J'y 15, '68	$2,956,950 00	$2,478,450 00	$..........	$478,500 00
6 p. c. comp. int. notes matured June 10, July 15, Aug. 15 Oct. 15, Dec. 1, 1867, May 15, Aug. 1, Sep. 1 & 15, and Oct. 1 & 16, 1868	5,128,310 00	4,224,920 00	....	903,390 00
B'ds of Texas ind'ty	256,000 00	256,000 00	....	....
Treasury notes (old)	151,611 64	149,361 64	....	2,250 00
B'ds of Apr. 15, 1842, Jan. 28, 1847 & Mar. 31, 1848	487,500 00	435,500 00	....	52,000 00
Treas. n s of Ma. 3, 63	445,492 00	445,492 00	... .	....
Temporary loan	314,860 00	243,160 00	....	71,700 00
Certifi. of indebt'ess	13,000 00	13,000 00	....	....
Total	9,753,723 64	8,245,883 64	$..........	$1,507,840 00

DEBT BEARING NO INTEREST.

	November 1.	December 1.	Increase.	Decrease.
United States notes	$356,021,073 00	$356,021,073 00	$........	$........
Fractional currency	33,413,985 42	33,875,268 17	461,282 75	....
Gold certi. of deposit	19,716,840 00	23,255,840 00	3,539,000 00	......
Total	409,151,898 42	413,152,181 17	4,000,282 75	$..... ..

RECAPITULATION.

	$	$	$	$
Bearing coin interest	2,107,577,950 00	2,107,836,100 00	258,150 00	....
Bearing cur'y interest	114,519,000 00	116,477,000 00	1,958,000 00	....
Matured debt	9,753,723 64	8,245,883 64	....	1,507,840 00
Bearing no interest	409,151,898 42	413,152,181 17	4,000,282 75	....
Aggregate	2,641,002,572 06	2,645,711,164 81	4,708,592 75	....
Coin & cur. in Treas	113,873,019 24	106,679,320 67	....	7,193,698 57
Debt less coin and cur	2,527,129,552 82	2,539,031,844 14	11,902,291 32	. ...

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

COIN AND CURRENCY IN TREASURY.

Coin	$103,407,985 77	$88,425,374 54	$..........	$14,982,611 23
Currency	10,465,033 47	18,253,946 13	7,788,912 66	....
Total coin & curre'y	113,873,019 24	106,679,320 67	....	7,193,698 57

The annual interest payable on the debt, as existing October 1, and November 1, 1868, exclusive of interest on the compound interest notes), compares as follows:

ANNUAL INTEREST PAYABLE ON PUBLIC DEBT.

	November 1.	December 1.	Increase.	Decrease.
Coin—5 per cents	$11,079,420 00	$11,079,420 00	$	$........
" 6 " 1881	17,020,638 00	17,020,638 00	....	....
" 6 " (5-20's)	96,138,735 00	96,154,224 00	15,489 00	....
Total coin interest	$124,238,793 00	$124,254,282 00	$15,489 00	$.... ....
Currency—6 per cents	$2,531,640 00	$2,660,220 00	128,580 00	....
" 3 "	2,169,750 00	2,164,200 00	....	5,550 00
Total currency inter't	$4,701,390 00	$4,824,420 00	$123,030 00	$........

DEPARTMENT REPORTS.

REPORT OF THE SECRETARY OF THE TREASURY.

TREASURY DEPARTMENT, December 1, 1868.

In compliance with the requirements of law, the Secretary of the Treasury has the honor to make to Congress the following report:

In his former communications the Secretary has expressed so fully his views upon the great subjects of the currency, the revenues, and the public debt, that it may be thought quite unnecessary for him again to press them upon the attention of Congress. These subjects, however, have lost none of their importance; on the contrary, the public mind during the past year has been turned to their consideration with more absorbing interest than at any former period. The Secretary will, therefore, he trusts, be pardoned for restating some of the views heretofore presented by him.

If there is any question in finance or political economy which can be pronounced settled by argument and trial, it is that inconvertible and depreciated paper money is injurious to public and private interests, a positive political and financial evil, for which there can be but one justification or excuse, to wit: a temporary necessity arising from unexpected and pressing emergency; and it follows, consequently, that such a circulation should only be tolerated until, without a financial shock, it can be withdrawn or made convertible into specie. If an irredeemable bank note circulation is no evidence of bankrupt or badly managed banking institutions, which should be deprived of their franchises, or compelled to husband and make available their resources in order that they may be prepared at the earliest day practicable to take up their dishonored obligations, why should not an irredeemable Government currency be regarded as an evidence of bad management of the national finances, if not of national bankruptcy? And why should not such wise and equal revenue laws be enacted, and such economy in the use of the public moneys be enforced, as will enable the Government either judiciously to fund, or promptly to redeem its broken promises? The United States notes, although declared by law to be lawful money, are, nevertheless, a dishonored and disreputable currency. The fact that they are a legal tender, possessing such attributes of money as the statute can give them, adds nothing to their real value, but makes them all the more dishonorable to the Government, and subversive of good morals. The people are compelled to take as money what is not money; and becoming demoralized by its constantly changing value, they are in danger of losing that sense of honor in their dealings with the Government and with each other which is necessary for the well-being of society. It is vain to expect on the part of the people a faithful fulfilment of their duties to the Government as long as the Government is faithless to its own obligations; nor will those who do not hesitate to defraud the public revenues long continue to be scrupulous in their private business. Justifiable and necessary as the measure was then regarded, it is now apparent that an unfortunate step was taken when irredeemable promises were issued as lawful money; and especially when they were made a valid tender in payment of debts contracted when specie was the legal as well as the commercial standard of value. The legal-tender notes enabled debtors to pay their debts in a currency largely inferior to that which was alone recognized as money at the time they were incurred, and thus the validity of contracts was virtually impaired. If all creditors had been compelled by law to pay into the public treasury fifty per cent., or ten per cent., or, indeed, any portion of the amounts received by them from their debtors, such a law would have been condemned as unequal and unjust; and yet the effect of it would have been to lessen, to the extent of the receipts from this source, the necessity for other kinds of taxation, and thus to relieve in some measure the class unjustly, because unequally taxed. By the legal-tender acts a portion of the property of one class of citizens was virtually confiscated for the benefit of another, without an increase thereby of the public revenues, and consequently without any compensation to the injured class. There can be no doubt that these acts have tended to blunt and deaden the public conscience, nor that they are chargeable, in no small degree, with the demoralization which so generally prevails.

The economical objections to these notes as lawful money—stated at length in previous reports of the Secretary—may be thus briefly restated. They increase immensely the cost of the war, and they have added largely to the expenses of the Government since the restoration of peace; they have caused instability in prices, unsteadiness in trade, and put a check upon judicious enterprises; they have driven specie from circulation and made it merchandise; they have sent to foreign countries the product of our mines, at the same time that our European debt has been steadily increasing, and has now reached such magnitude as to be a heavy drain upon the national resources, and a serious obstacle in the way of a return to specie payments; they have shaken the public credit by raising dangerous questions in regard to the payment of the public debt; in connection with high taxes (to the necessity for which they have largely contributed) they are preventing ship building, and thereby the restoration of the commerce which was destroyed by the war; they are an excuse for (if indeed they do not necessitate) protective tariffs, and yet fail, by their fluctuating value, to protect the American manufacturer against his foreign competitor; they are filling the coffers of the rich, but, by reason of the high prices which they create and sustain, they are almost intolerable to persons of limited incomes. The language of one of the greatest men of modern times, so often, but not too often, quoted, is none too strong in its descriptions of the injustice and the evils of an inconvertible currency:

"Of all the contrivances for cheating the laboring classes of mankind, none has been more effectual than that which deludes them with paper money. Ordinary tyranny, oppression, excessive taxation—these bear lightly on the happiness of the mass of the community compared with a fraudulent currency and the robberies committed by depreciated paper. Our own history has recorded for our instruction enough, and more than enough, of the demoralizing tendency, the injustice, and the intolerable oppression, on the virtuous and well disposed, of a degraded paper currency authorized or in any way countenanced by Government."

The experience of all nations that have tried the experiment of inconvertible paper money has proved the truth of the eloquent words of Mr. Webster. If our country is in a measure prosperous with such an incubus upon it, it is because it is so magnificent in extent, so diversified in climate, so rich in soil, so abundant in minerals, with a people so full of energy, that even a debased currency can only retard, but not put a stop to its progress.

The Secretary still adheres to the opinion so frequently expressed by him, that a reduction of the paper circulation of the country until it appreciated to the specie standard was the true solution of our financial problem. But as this policy was emphatically condemned by Congress, and it is now too late to return to it, he recommends the following measures as the next best calculated to effect the desired result.

Agreements for the payment of coin seem to be the only ones, not contrary to good morals, the performance of which cannot be enforced in the courts. "Coin contracts" executed before the passage of the legal-tender acts, as well as those executed since, are satisfied in all the States except California, by the payment of the amounts called for in depreciated notes. This shackle upon commerce, this check upon our national progress, this restriction upon individual rights, should no longer be continued. If it be admitted that the condition of the country during the war, and for a time after its close, created a necessity for laws and decisions making promissory notes (fluctuating in value according to the result of battles and of speculative combinations) the medium in which contracts should be discharged, this necessity no longer exists. Steps should now be taken to give stability to business and security to enterprise; and to this end *specific contracts to be executed in coin* should at once be legalized. Perhaps no law could be passed which would be productive of better results with so little private or public inconvenience. Such a law would simply enable the citizen to do what the Government is doing in its receipts for customs, and in the payment of its bonded debt; it would merely authorize the enforcement of contracts voluntarily entered into, according to their letter. The effect of such a law would be to check the outflow of specie to other countries, by creating a necessity for the use of it at home; to encourage enterprises extending into the future, by removing all uncertainty in regard to the value of the currency with which they are to be carried on. Such a law would remove a formidable embarrassment in our foreign trade, would familiarize our people again with specie as the standard of value, and show how groundless is the apprehension so generally existing, that a withdrawal of depreciated notes or the appreciation of those notes to par, would produce a scarcity of money, by proving that specie, expelled from the country by an inferior circulating medium, will return again when it is made the basis of contracts, and is needed in their performance. Business is now necessarily speculative because the basis is unreliable. Currency, by reason of its uncertain future value, although usually plentiful in the cities, and readily obtained there at low rates on short time, with ample collaterals, is comparatively scarce and dear in the agricultural districts, where longer loans on commercial paper are required. Prudent men hesitate both to lend or to borrow for any considerable period, by reason of their inability to determine the value of the medium in which the loans are to be paid. With currency now worth seventy cents on the dollar, and which within six months may advance to eighty, or decline to sixty, is it strange that the flow is to the business centres, where it can be loaned "on call," leavingthe interior without proper supplies, at reasonable rates, for moving the crops and conducting other legitimate business? Is it strange that, in such an unsettled condition of the currency, gambling is active while enterprise halts, trade stagnates, and distrust and apprehension exist in regard to the future? It is not supposed that such a measure as is recommended will cure the financial evils which now afflict the country, but it will be a decided movement in the right direction, and the Secretary indulges the hope that it will receive the early and favorable consideration of Congress.

The legal-tender acts were war measures. By reference to the debates upon their passage, it will be perceived that, by all who advocated them, they were expected to be temporary only. It was feared that irredeemable Government notes, in the unfortunate condition of the country, could only be saved from great depreciation by being made a legal tender—the great fact (not being sufficiently considered, that by possessing this character, their depreciation would not be prevented, but merely disguised. Hence it was declared that they should be "lawful money and a legal tender in payment of all debts, public or private, within the United States, except duties on imports and interest on the public debt." They were issued in an emergency for which it then seemed that no other provision could be made. They were, in fact, a forced loan, justified only by the condition of the country, and they were so recognized by Congress and the people. By no member of Congress and by no public journal was the issue of these notes as lawful money advocated of any other ground than that of necessity; and the question arises, should they not now, or at an early day, be divested of the character which was conferred upon them in a condition of the country so different from the present. The Secretary believes that they should, and he therefore recommends, in addition to the enactment by which contracts for the payment of coin can be enforced, that it be declared, *that after the first day of January, eighteen hundred and seventy, United States notes shall cease to be a legal tender in payment of all private debts subsequently contracted; and that after the first day of January, eighteen hundred and seventy-one, they shall cease to be a legal tender on any contract, or for any purpose whatever, except Government dues, for which they are now receivable.* The law should also authorize the conversion of these notes, at the pleasure of the holders, into bonds, bearing such rate of interest as may be authorized by Congress on the debt into which the present outstanding bonds may be funded. The period for which they would continue to be a legal tender would be sufficient to enable the people and the banks to prepare for the contemplated change and the privilege of their conversion would save them from depreciation. What has been said by the Secretary in his previous reports on the pernicious effects upon business and the public morals of inconvertible legal tender notes, and what is said in this report upon the advantages which would result from legalizing coin contracts, sustain this recommendation. It may not be improper, however, to suggest another reason for divesting these notes of their legal tender character by legislative action. Although the decisions of the courts have been generally favorable to the constitutionality of the acts by which they were authorized, grave doubts are entertained by many of the ablest lawyers of the country as to the correctness of these decisions; and it is to be borne in mind that they have not yet been sustained by the Supreme Court of the United States.

The illustrious lawyer and statesman, whose language upon the subject of irredeemable paper money has been quoted, in the Senate of the United States, on the twenty-first day of December, eighteen hundred and thirty-six, expressed the following opinion:

"Most unquestionably there is no legal tender in this country, under the authority of this Government or any other, but gold and silver, either the coinage of our own mints or foreign coins, at rates regulated by Congress. This is a constitutional principle, perfectly plain, and of the very highest importance. The States are expressly prohibited from making anything but gold and silver a legal tender in payment of debts, and although no such express prohibition is applied to Congress, yet, as Congress has no power granted to it in this respect but to coin money and to regulate the value of foreign coins, it clearly has no power to substitute paper or anything else for coin as a tender in payment of debts and in discharge of contracts. Congress has exercised this power fully in both its branches. It has coined money, and still coins it; it has regulated the value of foreign coins, and still regulates their value. The legal tender, therefore, the constitutional standard of value, is established, and cannot be overthrown. To overthrow it would shake the whole system.

It is by no means certain that the Supreme Court will differ from Mr. Webster upon this question, and no one can fail to perceive how important it is that the legislation recommended should precede a decision (from which there can be no appeal) that United States notes are not, under the Federal Constitution, a legal tender.

The receipts from customs for the last three years have been as follows:

For the fiscal year ending June 30, 1866	$179,046,651 58
For the fiscal year ending June 30, 1867	176,417,810 88
For the fiscal year ending June 30, 1868	164,464,599 56

While it appears from these figures that the customs receipts since the commencement of the fiscal year 1865 have been, in a revenue point of view, entirely satisfactory, the question naturally arises, what do these large receipts, under a high tariff, indicate in regard to our foreign trade and to our financial relations with foreign nations.

It is impossible to ascertain with precision the amount of our securities held in Europe, nor is there any perfectly reliable data for ascertaining, even, what amount has gone there annually since the first bonds were issued for the prosecution of the late war. In his report of 1866, the Secretary estimated the amount of United States securities of different kinds, including railroad and other stocks, held in Europe, at $600,000,000. He soon after became satisfied that this estimate was too low, by from one hundred to one hundred and fifty millions. It would be safe to put the amount so held at the present time, exclusive of stocks, at eight hundred and fifty millions of dollars, of which not less than six hundred millions are United States bonds, nearly all of which have left the United States within the last six years. The amount is formidable, and little satisfaction is derived from the consideration that these securities have been transferred in payment of interest and for foreign commodities; and just as little from the consideration that probably not over five hundred millions of dollars in gold values have been received for these eight hundred and fifty millions of debt. In this estimate of our foreign indebtedness, railroad and other *stocks* are not included, as they are not a debt, but the evidence merely of the ownership of property in the United States. Fortunately, for some years past individual credits have been curtailed, and our foreign and domestic trade, in this particular, has not been unsatisfactory. In addition, then, to the stocks referred to and the individual indebtedness, of the amount of which no accurate estimate can be made, Europe holds not less than eight hundred and fifty millions of American securities, on nearly all of which interest, and on the greater part of which interest in gold, is being paid. Nor, under the present revenue systems, and with a depreciated paper currency, is the increase of our foreign debt likely to be stayed. With an abundant harvest, and a large surplus of agricultural products of all descriptions, United States bonds are still creating, to no small extent, the exchange with which our foreign balances are being adjusted. We are even now increasing our debt to Europe at the rate of sixty or seventy millions of dollars per annum in the form of gold-bearing bonds.

The gold and silver product of California and the Territories since 1848 has been upwards of thirteen hundred millions of dollars. Allowing that one hundred millions have been used in manufactures, and that the coin in the country has been increased to an equal amount, the balance of this immense sum—eleven hundred millions—has gone to other countries in exchange for their productions. Within a period of twenty years, in addition to our agricultural products, and to our manufactures, which have been exported in large quantities, we have parted with eleven hundred millions of dollars of the precious metals, and are, nevertheless, confronted with a foreign debt of some eight hundred and fifty millions, which is steadily increasing; and all this has occurred under tariffs in a great degree framed with the view of protecting American against foreign manufacturers. But this is not all. During the recent war, most of our vessels engaged in the foreign trade were either destroyed by rebel cruisers or transferred to foreigners. Our exports, as well as our imports, are now chiefly in foreign bottoms. The carrying trade between the United States and Europe is almost literally in the hands of Europeans. Were it not for the remnant of ships still employed in the China trade, and the stand we are making by the establishment of a line of steamers on the Pacific, the coastwise trade, which is retained by the exclusion of foreign competition, would seem to be about all that can, under existing legislation, be relied upon for the employment of American shipping.

There are many intelligent persons who entertain the opinion that the country has been benefitted by the transfer of our bonds to Europe, on the ground that capital has been received in exchange for them, which has been profitably employed in the development of our national resources; and that it matters little whether the interest upon the debt is received by our own people or by the people of other countries. This opinion is the result of misapprehension of facts, and is unsound in principle. It is not to a large extent true that capital, which is being used in developing the national resources, has been received in exchange for the bonds which are held in Europe. While many articles, such as railroad iron, machinery, and raw materials, used in manufacturing—the value of which to the country is acknowledged—have been so received, a large proportion of the receipts have been of a different description. Our bonds have been largely paid for in articles for which no nation can afford to run in debt—for articles which have neither stimulated industry nor increased the productive power of the country, which have in fact added nothing to the national wealth. A reference to the custom-house entries will substantiate the correctness of these statements. Two-thirds of the importations of the United States consist of articles which, in economical times, would be pronounced luxuries. The war and a redundant currency have brought about unexampled extravagance, which can only be satisfied by the most costly products of foreign countries. No exception could be taken to such importations, if they were paid for in our own productions. This, unfortunately, is not the fact. They are annually swelling our foreign debt, without increasing our ability to pay it. How disastrous such a course of trade, if long continued, must be, it requires no spirit of prophecy to predict.

Nor is it an unimportant matter that the interest upon a large portion of our securities is received by citizens of other countries instead of our own. If the interest upon a public debt is paid out where the taxes to provide for it are collected, the debt, although a burden upon the mass of tax-payers who are not holders of securities, may be so managed as not to be a severe burden upon the nation. The money which goes into the Treasury by means of taxes will flow out again into the same community in the payment of interest; and were it not for the expenses attending it, the process would not, in a purely economical view, be an exhausting one. If the bonds of the United States were equally distributed among the people of the different States, there would be less complaint of the debt than is now heard. Anti-tax parties will attain strength only in those States in which few bonds are held. If the people of the West are more sensible of the burdens of Federal taxation than are those of the Eastern States, it is because they are not holders to the same extent of national securities. This inequality cannot, of course, be prevented by legal or artificial processes. The securities will be most largely held where capital is the most abundant; and they will be more equally distributed among the respective States—if not among the people—as the new States approach the older ones in wealth.

These manifest truths indicate how important it is that the debt of the United States should be a home debt, so that the money which is collected for taxes may be paid to our own people in the way of interest. In fact, a large national debt, to be tolerable, must of necessity be a home debt. A nation that owes heavily must have its own people for creditors. If it does not, the debt will be a dead weight upon its industry, and will be quite likely to force it eventually into bankruptcy. The United States are not only able to pay the interest on their debt, but to set a good example to other nations by steadily and rapidly reducing that debt. What is now required, as has been already intimated, are measures which will tend not only to prevent further exportation of our bonds, and in the regular course of trade to bring back to the country those that have been exported, but which will also tend to restore those important interests that are now languishing, as the result of the war and adverse legislation. The first and most important of these measures are those which shall bring about, without unnecessary delay, the restoration of the specie standard. The final difficulties under which the country is laboring may be traced directly to the issue and continuance in circulation of irredeemable promises as lawful money. The country will not be really and reliably prosperous until there is a return to specie payments. The question of a solvent, convertible currency underlies all other financial and economical questions. It is, in fact, a fundamental question; and until it is settled, and settled in accordance with the teachings of experience, all attempts at other financial and economical reforms will either fail absolutely or be but partially successful. A sound currency is the life-blood of a commercial nation. If this is debased, the whole current of its commercial life must be disordered and irregular. The starting point in reformatory legislation must be here. Our debased currency must be retired or raised to the par of specie, or cease to be lawful money, before substantial progress can be made with other reforms.

Next in importance to the subject of the currency is that of the revenue. Taxes are indispensable for the support of the Government, for the maintenance of the public credit and the payment of the public debt. To tax heavily, not only without impoverishing the people, but without checking enterprise or putting shackles upon industry, requires the most careful study, not only of the resources of the country and its relations with other nations, but also of the character of the people as affected by the nature of their institutions. While much may be learned by the study of the revenue systems of European nations, which have been perfected by years of experience and the employment of the highest talent, it must be obvious that these systems must undergo very considerable modification before they will be fitted to the political and physical condition of the United States. In a popular government like ours, where the people virtually assess the taxes, as well as pay them, the popular will, if not the popular prejudice, must be listened to in the preparation of revenue laws. Justice must in some instances, yield to expediency; and some legitmate sources of revenue may be unavailable because a resort to them might be odious to a majority of tax-payers. The people of the United States are enterprising and self-reliant. Most of them are the "architects of their own fortunes;" few the inheritors of wealth. Engaged in various enterprises, with constantly varying results, and in sharp competition with each other, they submit reluctantly to inquisitions of tax-gatherers, which might not be obnoxious to people less independent, and living under less liberal institutions. Then, too, the United States are a new country, of large extent and diversified interests; with great natural resources, in the early process of development. Not only may systems of revenue which are suited to England, or Germany, or France, be unsuited to this country, but careful and judicious observation and study are indispensable to the preparation of tax bills suited to the peculiar interests of its different sections. It was with a view of supplying Congress with such information as was needed to secure the passage of equal and wise excise and tariff laws, which would yield the largest revenue with the least oppression and inconvenience to the people, that a revenue commission was created in 1865. The creation of this commission was the first practical movement towards a careful examination of the business and resources of the country, with a view to the adoption of a judicious revenue system. The reports of this commission were interesting and valuable, and they exhibited so clearly the necessity for further and more complete investigations, that by the act of July 13, 1866, the Secretary of the Treasury was authorized to appoint an officer in his department, to be styled the special commissioner of revenue, whose duty it should be "to inquire into all the sources of national revenue, and the best method of collecting the revenue; the relation of foreign trade to domestic industry; the mutual adjustment of the systems of taxation by customs and excise, with a view of insuring the requisite revenue with the least disturbance or inconvenience to the progress of industry, and the development of the resources of the country, etc. Under this act Mr. David A. Wells was appointed special commissioner of the revenue. With what energy and ability he has undertaken the very difficult duties devolved upon him has been manifested by the reports which he has already submitted to Congress. That which accompanies, or will soon follow this communication, will prove more fully than those which have preceded it have done, the importance of the investigations in which he is engaged, and the judicious labor which he is bestowing upon them. The facts which he presents, and the recommendations based upon them, are entitled to the most careful consideration of Congress. These reports of the Commissioner are so complete that they relieve the Secretary from discussing elaborately the questions of which they treat. His remarks, therefore, upon the internal revenues and the tariff will be general and brief.

The following is a statement of receipts from internal revenues for the last three fiscal years:

For the year ending June 30, 1866	$309,226,813 42
For the year ending June 30, 1867	266,027,537 43
For the year ending June 30, 1868	191,087,589 41

It thus appears that the internal revenue receipts for the year ending June 30, 1867, fell below the receipts for the year ending June 30, 1866, $13,199,275 99, and that the receipts for the year ending June 30, 1868, fell short of the receipts for 1867, $74,939,948 02. The receipts for the first four months of the present fiscal year were $48,736,348 33. If the receipts for these months are an index of those for the remaining eight, the receipts for the present fiscal year will be $146,209,044.

This large reduction of internal revenue receipts is attributable both to inefficient collections and to a reduction of taxes. It is quite obvious that the receipts from customs cannot be maintained without an increase of exports or of our foreign debt. If the receipts from customs should be diminished, even with a large reduction of the expenses of the Government, our internal revenues must necessarily be increased. The first thing to be done is to introduce economy into all branches of the public service, not by reduced appropriations to be made good by "deficiency bills," but by putting a stop to all unnecessary demands upon the Treasury. There is no department of the Government which is conducted with proper economy. The habits formed during the war are still strong, and will only yield to the requirements of inexorable law. The average expenses of the next ten years for the civil service ought not to exceed forty millions of dollars per annum. Those of the War Department, after the bounties are paid, should be brought down to thirty-five millions of dollars, and those of the Navy to twenty millions. The outlays for pensions and Indians cannot for some years be considerably reduced, but they can doubtless be brought within thirty millions. The interest on the public debt when the whole debt shall be funded, at an average rate of interest of five per cent., will amount to one hundred and twenty-five millions, which will be reduced with the annual reduction of the principal.

When the internal revenue and tariff laws shall be revised so as to be made to harmonize with each other, it is supposed that three hundred millions can annually be realized from these sources, without burdensome taxation. How much shall be raised from each can be determined when the whole subject of revenue shall be thoroughly investigated by Congress, with the light shed upon it by Commissioner Wells in his exuhastive report of the present year. The Secretary does not doubt, however, that the best interests of the country will be subserved by a reduction of the tariff and an increase of excise duties.

According to this estimate, the account would stand as follows:

Receipts from customs and internal revenues	$300,000,000
Expenditures for the civil service	$40,000,000
Expenditures by the War Department	35,000,000
Expenditures by the Navy Department	20,000,000
Expenditures for pensions and Indians	30,000,000
Expenditures for interest on the public debt	125,000,000
Total	$250,000,000

Leaving, as an excess of receipts, $50,000,000 to be applied to the payment of the principal of the debt. If the growth of the country should make an increase of expenditures necessary, this increase will, by the same cause, be provided for by increased receipts under the same rate of taxation; and, as it is to be hoped that the regular increase of the revenues without an increase of taxation, resulting from the advance of the country in wealth and population, will be greater than the necessary increase of expenses, there will be a constantly increasing amount, in addition to that arising from a decrease of interest, to be annually applied to the payment of the debt. If large additional expenditures should be unavoidable, they should at once be provided for by additional taxes. What is required, then, at the present time, is a positive limitation of the annual outlays to three hundred millions of dollars, including fifty millions to be applied to the payment of the principal of the debt, and such modifications of the revenue laws will secure this amount, without unwise restrictions upon commerce, and with the least possible oppression and inconvenience to the tax-payers. In the foregoing estimates of resources, miscellaneous receipts and receipts from sales of public lands are omitted. The miscellaneous receipts heretofore have been derived from sales of gold and of property purchased by the War and Navy Departments during the war, and no longer needed. On a return to specie payments, there will be no premiums on coin, very little Government property will hereafter be sold, and under the homestead law, and with liberal donations of the public domain, which are likely to be made as heretofore, no considerable amount can be expected from lands. Whatever may be received from these sources will doubtless be covered by miscellaneous expenses, of which no estimate can be made.

The Act of March 31, 1868, exempting from taxes nearly all the manufactures of the country other than distilled spirits, fermented liquors, and tobacco, was sudden and unexpected. It not only deprived the Treasury of an immense revenue, but the reduction was so great as to leave an impression on the public mind that it would be only temporary, and that a tax in some degree equivalent to that which was removed would of necessity soon be resorted to. It is, perhaps, for this reason that this measure has failed to give relief to the public by a diminution of prices, and has benefited manufacturers rather than consumers. The frequent and important changes which have been made in the internal revenue laws, the ease with which exemptions from taxation have been obtained, and the suddenness with which taxes have been greatly augmented or reduced, have constituted one of the greatest evils of the system. Sudden changes in the revenue laws are not only destructive of all business calculations, but they excite—not unreasonably—a feeling of discontent and a sense of injustice among the people, most unfavorable to an efficient collection of taxes. While it is admitted that, in a new and growing country like ours, modifications of the taxes will be frequently necessary, some definite policy should at once be inaugurated in regard to our internal revenues, the general principles of which should be regarded as finally established.

Assuming that the receipts from customs will be reduced by a reduction of duties, or by the effects of a return to specie payments upon importations under the present tariff, and that, consequently, there must be an increase of internal taxes, there are three sources of revenue which are likely to be considered.

First. An increase of taxes upon distilled spirits.

The idea of deriving the bulk of the revenue from this article is a very popular one; and even our unfortunate experience has only partially convinced the public of its impossibility. The late exorbitant tax on distilled spirits, intended, perhaps, not merely as a revenue measure, but as an encouragement to temperance, proved to be the most demoralizing tax ever imposed by Congress, corrupting both the manufacturers and the revenue officers, and familiarizing the people with stupendous violations of the law. The restoration of it, or any considerable increase of the present tax, would lead to a repetition of the frauds which have brought the internal revenue system into such utter disgrace.

Second. A restoration of the tax on manufacturers abolished in March last.

The objections to the restoration of this tax are, that it would indicate vacillation on the part of Congress, and that this tax, principally on account of numerous exemptions, was partial and unjust. It is also apparent that, if restored, it would fail to be permanent by reason of the persistent and united hostility of a class of citizens influential and powerful, and whose influence and power are rapidly increasing.

Third. An increased and uniform tax on sales; and this the Secretary respectfully recommends.

Under the present law, wholesale and retail dealers in goods, wares, and merchandise of foreign or domestic production, wholesale and retail dealers in liquors, and dealers in tobacco, are subject to a similar but unequal tax upon sales. This inequality should be removed, and a tax levied upon all sales sufficient, with the revenues from other sources, to meet the wants of the Government. The reasons in favor of a tax upon sales are, that it could be levied generally throughout the country, and would not be liable to the imputation of class legislation; that it would be so equally distributed as not to bear so oppressively as other taxes upon individuals or sections; and that no depression of one branch of industry, which did not injuriously affect the business of the entire country, could greatly lessen its productiveness.

As has been already stated, the receipts from customs for the fiscal year, ending June 30. 1866, were, $179,046,651 58; for the year ending June 30, 1867, $176,417,810 88; and for the last fiscal year, $164,464,599 56. These figures show that the tariff has produced large revenues, although it is in no just sense a revenue tariff. In this respect it has exceeded the expectations of its friends, if, indeed, it has not disappointed them. It has not checked importations and complaint is made that it has not given the anticipated protection to home manufactures—not because it was not skillfully framed to this end, but because an inflated currency—the effect of which upon importations was not fully comprehended—has, in a measure, defeated its object. It has advanced the prices of dutiable articles, and, by adding to the cost of living, has been oppressive to consumers without being of decided benefit to those industries in whose interest it is regarded as having been prepared. In his last report, the Secretary recommended the extension of specific duties, but did not recommend a complete revision of the tariff, on the ground that this work could not be intelligently done as long as business was subject to constant derangement by an irredeemable currency. The same difficulty still exists, but as decided action upon the subject fo the currency ought not to be longer postponed, the present may not bean unfavorable time for a thorough examination of the tariff. It is obvious that a revision of it is required, not only to relieve it of incongruities and obscurity, and to harmonize it with excise taxes and with our agricultural and commercial interests, but also to adapt it to the very decided change which must take place in the business of the country upon the restoration of the specie standard. Large revenues are now derived from customs, because a redundant currency produces extravagance, which stimulates importations. If the currency were convertible, and business were regular and healthy, the tariff would be severely protective, if not in many instances prohibitory. Indeed, of some valuable articles it is prohibitory already.

There will be in the future, as there have been in the past, widely different opinions upon this long vexed and very important subject; but the indications are decided that the more enlightened sentiment of the country demands that the tariff shall hereafter be a tariff for revenue and not for protection, and that the revenues to be derived from it shall be no larger than, in connection with those received from other sources, will be required for the economical administration of the Government, the maintenance of the public faith, and the gradual extinguishment of the public debt. While the country is not at present, and may not be for many years to come, prepared for the abrogation of all restrictions upon foreign commerce, it is unquestionably prepared for a revenue tariff. The public debt is an incumbrance upon the property of the nation, and the taxes, the necessity for which it creates, by whatever mode and from whatever sources collected, are at last a charge upon the consumers. Taxes should not, therefore, be increased, nor will the tax payers permit them to be permanently increased, for the benefit of any interest or section. Fortunately, or unfortunately, as the question may be regarded from different standpoints, the necessities of the Government will be such for many years that large revenues must be derived from customs, so that a strictly revenue tariff must incidently benefit our home manufactures. According to the estimate made by the Secretary, an annual revenue of three hundred millions will be required to meet the necessary demands upon the Treasury, and for a satisfactory reduction of the public debt. How much of this amount shall be derived from customs it will be for Congress to determine. In examining this difficult question, the magnitude of our foreign debt, and the necessity not only of preventing its increase, but of rapidly reducing it, must be kept steadily in view. It may be necessary that a large portion of our bonds now held in Europe be taken up with bonds bearing a lower rate of interest, payable in some European city, in order that they may be less likely to be returned to the United States at unpropitious times. Whether this is accomplished or not, it is of the last importance that our tax laws, and especially the tariff, should be so framed as to encourage exports and enlarge our commerce with foreign nations, so that balances may be in our favor, and the interest, and in due time the principal, of our foreign debt may be paid by our surplus productions. Many of the investigations of the Revenue Commissioner have been made with the view of furnishing Congress with the data necessary for a thorough examination and a wise determination of this most important question, and it is fortunate that the subsidence of political excitement removes many of the difficulties heretofore in the way of an impartial consideration of it.

The public debt on the 1st day of November, 1867, amounted to $2,491,504,450, and consisted of the following items:

Debt bearing coin interest	$1,778,110,991 80
Debt bearing currency interest	426,768,640 06
Matured debt not presented for payment	18,237,538 83
Debt bearing no interest	402,385,677 39
Total	$2,625,502,848 02
Cash in the Treasury	133,998,398 02
Amount of debt less cash in the Treasury	$2,491,504,450 00

On the first day of November, 1868, it amounted to $2,527,129,552.82, and consisted of the following items:

Debt bearing coin interest	$2,107,577,950 00
Debt bearing currency interest	114,519,000 00
Matured debt not presented for payment	9,753,723 64
Debt bearing no interest	409,151,898 42
Total	$2,641,002,572 26
Cash in the Treasury	113,873,019 24
Amount of debt less cash in the Treasury	$2,527,129,552 82

By a comparison of these statements it appears that the debt, between the first day of November, 1867, and the first day of November, 1868, increased $35,625,102 82. Of this increase, $24,152,000 is chargeable to the Pacific railroads, and $7,200,000 to the purchase of Russian America. Within the same period there was paid for bounties $44,080,515, and at least $4,000,000 for interest on compound and seven three-tenth notes, which had accrued prior to the first of November, 1867. If these extraordinary advances and payments had not been made, the receipts would have exceeded the expenditures $43,787,412 18. Considering the heavy reduction of internal taxes made at the last session of Congress, and the large expenditures which have attended the military operations against the Indians on the frontier, and the maintenance of large forces at expensive points in the Southern States, this statement of the amount of the debt cannot be regarded an unsatisfactory one. The bounties will, it is expected, be entirely paid within the next three months, and very little interest, except that which accrues upon the funded debt, is hereafter to be provided for. Should there be henceforth no extraordinary expenditures, and no further donations of public moneys in the form of bounties or of additional subsidies to railroad companies—with proper economy in the administration of the General Government, and with judicious amendments of the revenue laws, and proper enforcement thereof, the public debt, without oppressive taxation, can be rapidly diminished, and easily extinguished within the period heretofore named by the Secretary.

The ability of the United States to maintain their integrity against insurrection, as well as against a foreign enemy, can no longer be doubted. The question of their ability, under democratic institutions, to sustain a large national debt is still to be decided. That this question should be affirmatively settled, it is, in the opinion of the Secretary, of the highest importance that the tax-paying voters should be encouraged by the fact that the debt is in the progress of rapid extinguishment, and is not to be a permanent burden upon them and their posterity. If it be understood that this debt is to be a perpetual incumbrance upon the property and industry of the nation, it is certainly to be feared that the collection of taxes necessary to pay the interest upon it may require the exercise of power by the Central Government, inconsistent with republicanism, and dangerous to the liberties of the people. The debt must be paid. Direct repudiation is an impossibility; indirect repudiation, by further issues of legal-tender notes, would be madness. To insure its payment without a change in the essential character of the Government every year should witness a reduction of its amount and a diminution of its burdens. The Secretary is confident that he expressed the sentiments of the intelligent tax-payers of the country when he said in his report of 1865:

"The debt is large, but if kept at home, as it is desirable it should be, with a judicious system of taxation, it need not be oppressive. It is, however, a debt. While it is capital to the holders of the securities, it is still a national debt, and an encumbrance upon the national estate. Neither its advantages nor its burdens are or can be shared or borne equally by the people. Its influences are anti-republican. It adds to the power of the Executive by increasing Federal patronage; it must be distasteful to the people, becauseit fills the country with informers and tax-gatherers. It is dangerous to the public virtue, because it involves the collection and disbursement of vast sums of money, and renders rigid national economy almost impracticable. It is, in a word, a national burden, and the work of removing it, no matter how desirable it may be for individual investment, should not long be postponed.

"As all true men desire to leave to their heirs unincumbered estates, so should it be the ambition of the people of the United States to relieve their descendants of this national mortgage. We need not be anxious that future generations shall share the burden with us. Wars are not at an end, and posterity will have enough to do to take care of the debts of their own creation.

"The Secretary respectfully suggests that on this subject the expression of Congress should be decided and emphatic. It is of the greatest importance in the management of a matter of so surpassing interest that the right start should be made. Nothing but revenue will sustain the national credit, and nothing less than a fixed policy for the reduction of the public debt will be likely to prevent its increase."

And in his report of 1867, when he remarked:

"Old debts are hard debts to pay; the longer they are continued, the more odious they become. If the present generation should throw the burden ofthis debt on the next, it will be quite likely to be handed down from one generation to another, a perpetual, if not a constantly increasing burden upon the people. Our country is full of enterprise and resources. The debt will be lightened every year with great rapidity by the increase of wealth and population. With a proper reduction in the expenses of the Government, with a revenue system adapted to the industry of the country, and not oppressing it, the debt may be paid before the expiration of the present century. The wisdom of a policy which shall bring about such a result is vindicated in advance by the history of nations whose people are burdened with inherited debts, and with no prospect of relief for themselves or their posterity."

In his last report, the Secretary referred to the condition of the Treasury at the close of the war, and at some subsequent periods, alluding especially to the emergency in the spring of 1865, arising from the very large requisitions which were waiting for payment, and the still larger requisitions that were to be provided for to enable the War Department to pay arrearages due to the army, and other expenses which had already been incurred in the suppression of the rebellion. In briefly reviewing the administration of theTreasury, from April, 1865, he did not think it necessary to state how much of the large revenue receipts had been expended in the payment of debts incurred during the war; and he would not undertake to do it now, did not misapprehension exist in the public mind in regard to the expenditures of the Government since the conclusion of hostilities, prejudicial to both the law-making and the law-executing branches of the Government.

The war was virtually closed in April, 1865. On the first day of that month the public debt amounted, according to the books and accounts of the department, to $2,366,955,077.34. On the first day of September following it amounted to $2,757,689,571.43, having increased in four months $390,734,494.09. From that period it continued to decline until November 1, 1867, when it had fallen to $2,491,504,450. On the first day of November last, it had risen to $2,527,129,552.82. By this statement it appears that between the first day of April, 1865, and the first day of September of the same year, the debt increased $390,734,494.09, and that between the first day of September, 1865, and the first day of November, 1868, it decreased $230,560,018.61; and that on the last day mentioned it was $160,174,475.48 larger than it was on the first day of April, 1865. Since then the Treasurer's receipts from all sources of revenue have been as follows:

For April, May, and June, 1865	$83,519,164 13
For the year ending June 30, 1866	558,032,620 06
For the year ending June 30, 1867	490,634,010 27
For the year ending June 30, 1868	405,638,083 32
June 30 to November 1, 1868	124,652,184 42
Total of receipts	$1,662,476,062 20
To which should be added the increase of the debt between the first day of April, 1865, and the first day of November, 1868	160,174,475 48
Total	$1,822,650,537 68

This exhibit shows that the average sum of $1,822,650,537.68 was expended in the payment of the interest and of other demands upon the Treasury in three years and seven months, being an average annual expenditure of $508,646,061.68.

If the statement of the public debt on the 1st day of April, 1865, had included all debts due at that time, and $1,822,650,537.68 had really been expended in payment of the interest on the public debt, and the current expenses of the Government between that day and the first day of November last, there would have been a profligacy and a recklessness in the expenditures of the public moneys discreditable to the Government and disheartening to tax-payers. Fortunately this is not the fact. That statement (as is true of all other monthly statements of the Treasury) exhibited only the adjusted debt, according to the books of the Treasury, and did not, and could not, include the large sums due to the soldiers of the great Union army (numbering at that time little less than a million of men) for "pay" and for "bounties," or on claims of various kinds which must of necessity have been unsettled. For the purpose of putting this matter right, the Secretary has endeavored to ascertain from the War and Navy Departments how much of their respective disbursements, since the close of the war, has been in payment of debts properly chargeable to the expenses of the war. The following is the result of his inquiries:

By the War Department	$595,431,125 90
By the Navy Department	35,000,000 00

It has been impossible to obtain an exact statement of the amount of such debts paid by the Navy Department, but sufficient information has been received to justify the Secretary in estimating in round numbers at thirty-five millions, which is probably an under rather than over estimate. The expenditures of the War Department have been furnished in detail, and are believed to be substantially correct.

These figures show that the money expended by the War and Navy Departments, between the first day of April, 1865, and the first day of November, 1868, on claims justly chargeable to the expenses of the war amounted to

...amounted to	$630,431,125 90
To which should be added amount advanced to the Pacific roads	42,194,000 00
Amount paid for Alaska	7,200,000 00
Total	$679,825,125 90

Deducting this sum from the amount of the revenues, $1,662,476,062 20, and $160,174,475 48, the increase of the public debt—the remainder, $1,142,825,411 78, or an average of $318,925,021 89 per annum, is the amount actually expended in the payment of current expenses and interest.

It is thus shown that within a period of three years and seven months, the revenues or the receipts from all sources of revenue reached the enormous sum of $1,662,496,062 20, and that $630,431,125 90 were paid on debts which were actually due at the close of the war, and for bounties which, like the pay of the army, were a part of the expenses of the war. Adding the amount thus paid to the debt, as exhibited by the books of the Treasury on the first day of April, 1865, it appears that the debt of the United States at that time was $2,997,386,203 24, and that the actual reduction has been $470,256,650 42; and but for the advances to the Pacific roads, and the amount paid for Alaska, would have been $519,650,650 42.

Nothing can better exhibit the greatness of the resources of this young nation than this statement, or show more clearly its ability to make "short work" of the extinguishment of the public debt. It will be borne in mind that these immense revenues have been collected, while one-third part of the country was in a state of great destitution, resulting from its terrible struggle to separate itself from the Union, with its political condition unsettled, and its industry in a great degree paralyzed; and while, also, the other two-thirds were slowly recovering from the drain upon their productive labor and resources—a necessary accompaniment of a gigantic and protracted war.

The Secretary has noticed with deep regret indications of a growing sentiment in Congress—notwithstanding the favorable exhibits which have been made from time to time of the debt-paying power of the country—in favor of a postponement of the payment of any part of the principal of the debt until the national resources shall be so increased as to make the payment of it more easy. If this sentiment shall so prevail as to give direction to the action of the Government he would feel that a very great error had been committed, which could hardly fail to be a severe misfortune to the country. The people of the United States will never be so willing to be taxed for the purpose of reducing the debt as at the present time. Now, the necessity for its creation is better understood and appreciated than it can be at a future day. Now it is regarded by a large majority of tax-payers as a part of the great price paid for the maintenance of the Government, and, therefore, a sacred debt. The longer the reduction of it is postponed, the greater will be the difficulties in the way of accomplishing it, and the more intolerable will seem to be the burden of taxation. The Secretary, therefore, renews the recommendations made in his first report, that a certain definite sum be annually applied to the payment of the interest and the principal of the debt. The amount suggested was two hundred millions of dollars. As the debt is considerably smaller than its maximum was estimated at, the amount to be so applied annually might now safely be fixed at one hundred and seventy-five millions of dollars, according to the estimate already made in this report.

The subject of the currency in which the five-twenty bonds may be paid—agitated for some time past—was freely discussed during the recent political canvass, and made a question upon which parties, to some extent, were divided. The premature and unfortunate agitation and discussion of this question have been damaging to the credit of the Government, both at home and abroad, by exciting apprehensions that the good faith of the nation might not be maintained, and have thus prevented our bonds from advancing in price, as they otherwise would have advanced, after it was perceived that the maximum of the debt had been reached, and have rendered funding at a low rate of interest too unpromising to be undertaken. In his report in 1865, the Secretary used the following language:

"Before concluding his remarks upon the national debt, the Secretary would suggest that the credit of the five-twenty bonds issued under the acts of February 25, 1862, and June 30, 1864, would be improved in Europe, and, consequently, their market value advanced at home, if Congress should declare that the principal as well as the interest of these bonds is to be paid in coin. The policy of the Government in regard to its funded debt is well understood in the United States, but the absence of a provision in these acts that the principal of the bonds issued under them should be paid in coin, while such a provision is contained in the act under which the ten-forties were issued, has created some apprehension in Europe that the five-twenty bonds might be called in at the expiration of five years, and paid in United States notes. Although it is not desirable that our securities should be held out of the United States, it is desirable that they should be of good credit in foreign markets, on account of the influence which these markets exert upon our own. It is, therefore, important that all misapprehensions on these points should be removed by an explicit declaration of Congress that these bonds are to be paid in coin."

Without intending to criticise the inaction of Congress in regard to a matter of so great importance, the Secretary does not hesitate to say that, if his recommendations had been adopted, the public debt would have been much less than it is, and that the reduction of the rate of interest would ere this have been in rapid progress. The Secretary does not think it necessary to discuss the question in this report. His opinions upon it are well known to Congress and the people. They were definitely presented in his report for 1867, and they remain unchanged. He begs leave merely to suggest, as he has substantially done before, that alleviation of the burden of the public debt is to be obtained—not in a decrial of the national credit; not in threats of repudiation; not in a further issue of irredeemable notes; not in arguments addressed to the fears of the bondholders; but in a clear and explicit declaration by Congress that the national faith, in letter and spirit, shall be inviolably maintained; that the bonds of the United States, intended to be negotiated abroad, as well as at home, are to be paid—when the time of payment arrives—in that currency which is alone recognized as money in the dealings of nation with nation. Let Congress say this promptly, and there can be but little doubt that the credit of the Government will so advance that within the next two years the interest on the larger portion of the debt can be reduced to a satisfactory rate. He, therefore, earnestly recommends that it be declared, without delay, by joint resolution, that the principal of all bonds of the United States is to be paid in coin.

It is also recommended that the Secretary be authorized to issue $500,000,000 of bonds, $50,000,000 of which shall mature annually; the first $50,000,000 to be payable, principal and interest, in lawful money—the principal and interest of the rest in coin; and also such further amount of bonds as may be necessary to take up the outstanding six per cents and the non-interest bearing debt, payable in coin thirty days after date, and redeemable at any time after ten years at the pleasure of the Government—the interest to be paid semi-annually in coin, and in no case to exceed the rate of five per cent.; provided that the Secretary may, in his discretion, make the principal and interest of $500,000,000 of these bonds payable at such city or cities in Europe as he may deem best.

The fact that, according to the recommendation, $50,000,000 of the bonds to be issued are to become due each year for ten consecutive years (at the expiration of which time all of the bonds would be under the control of the Government) would ensure an annual reduction of $50,000,000 of the public debt, and impart a credit to the other bonds which would ensure the negotiation of them on favorable terms.

Of the expediency of an issue of bonds corresponding, to some extent, in amount with those held in Europe—the interest and principal of which shall be paid in the countries where they are to be negotiated—there can be but little doubt. On this point, the Secretary used the following language in his report of 1866:

"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 practicable 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 to be 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.'

The Secretary has nothing further to say on this point than that careful reflection has only strengthened his convictions of the correctness of the views expressed in the foregoing extract.

In recommending the issue of bonds bearing a lower rate of interest, to be exchanged for the outstanding six per cents, the Secretary must not be understood as having changed his opinion in regard to the expediency or the wisdom of the recommendation in his last report:

"That the act of March 3, 1865, be so amended as to authorize the Secretary of the Treasury to issue six per cent. gold-bearing bonds, to be known as the consolidated debt of the United States, having twenty years to run, and redeemable, if it may be thought advisable, at an earlier day, to be exchanged at par for any and all other obligations of the Government, one-sixth part of the interest on which, in lieu of all other taxes, at each semi-annual payment, shall be reserved by the Government, and paid over to the States according to population."

He refers to what he then said in advocacy of that recommendation, as an expression of his well-considered opinions at the present time, and he is only prevented from repeating the recommendation by the fact that it met with little approval at he tlast session, and has not grown into favor since. He sincerely hopes that the future history of the debt will vindicate the wisdom of those who are unable to approve the proposition.

The following is a statement of the public debt of the 1st of July, 868:

DEBT BEARING COIN INTEREST.		
5 per cent bonds	$221,588,400 00	
6 per cent bonds of 1867 and 1868	6,893,441 80	
6 per cent bonds, 1881	283,677,200 00	
6 per cent 5-20 bonds	1,557,844,600 00	
Navy pension fund	12,000,000 00	
		$2,083,003,641 80
DEBT BEARING CURRENCY INTEREST.		
6 per cent bonds	$29,089,000 00	
3 year compound interest notes	21,604,890 00	
3-year 7-30 notes	25,534,900 00	
3 per cent certificates	50,000,000 00	
		126,228,790 00
MATURED DEBT NOT PRESENTED FOR PAYMENT.		
3-year 7-30 notes, due August 15, 1867, and June 15, and July 15, 1868	$12,182,750 00	
Compound interest notes, matured June 10, July 15, August 15, October 15, and December 15, 1867, and May 15, 1868	6,556,920 00	
Bonds, Texas indemnity	256,000 00	
Treasury notes acts July 17, 1861, and prior thereto	155,111 64	
Bonds, April 15, 1842	6,000 00	
Treasury notes, March 3, 1863	555,492 00	
Temporary loan	797,029 00	
Certificates of indebtedness	18,000 00	
		20,527,302 64
DEBT BEARING NO INTEREST.		
United States notes	$356,141,723 00	
Fractional Currency	32,626,951 75	
Gold certificates of deposit	17,678,640 00	
		406,447,314 75
Total debt		$2,636,207,049 19
Amount in Treasury, coin	$100,500,561 28	
Amount in Treasury, currency	30,505,970 97	
		131,066,532 25
Amount of debt, less cash in Treasury		$2,505,200,516 94

The following is a statement of receipts and expenditures for the fiscal year ending June 30, 1868:

Receipts from customs	164,464,599 66
Receipts from lands	1,318,715 41
Receipts from direct tax	1,788,145 85
Receipts from internal revenue	191,087,589 41
Receipts from miscellaneous sources (of which amount there was received for premium on bonds sold to redeem Treasury notes, the sum of $7,078,203 42)	46,949,033 09
Total receipts, exclusive of loans	

Expenditures for the civil service (of which amount there was paid for premium on purchase of Treasury notes prior to maturity, $7,001,151 004)	$60,011,018 71	
Expenditures for pensions and Indians	27,883,069 10	
Expenditures by War Department	123,246,648 62	
Expenditures by Navy Department	25,775,502 72	
Expenditures for interest on the public debt	140,424,045 71	
Total expenditures, exclusive of principal of public debt		$377,340,284 86

The following is a statement of receipts and expenditures for the quarter ending September 30, 1868:

The receipts from customs	$49,676,594 67	
The receipts from lands	714,895 03	
The receipts from direct tax	15,536 02	
The receipts from internal revenue	38,735,863 08	
The receipts from miscellaneous sources (of which amount there was received from premium on bonds sold to redeem Treasury notes the sum of $587,725 12)	6,249,979 97	
Total receipts, exclusive of loans		$95,392,868 77
Expenditures for the civil service (of which amount there was paid, as premium on purchase of Treasury notes prior to maturity, $300,000)	$21,227,106 33	
Expenditures for—		
Pensions and Indians	12,358,647 70	
War Department	27,219,117 02	
Navy Department	5,604,785 33	
Interest on public debt	38,742,814 37	
Total expenditures, exclusive of principal of public debt		$105,152,470 75

The Secretary estimates that, under existing laws, the receipts and expenditures for the three quarters ending June 30, 1869, will be as follows:

From Customs	$125,000,000 00	
Lands	1,000,000 00	
Internal revenue	100,000,000 00	
Miscellaneous sources	20,000,000 00	
Receipts		$246,000,000 00

And that the expenditures for the same period, if there be no reduction of the army, will be:

For the civil service	$40,000,000 00	
Pensions and Indians	18,000,000 00	
War Department, including $6,000,000 bounties	66,000,000 00	
Navy Department	16,000,000 00	
Interest on public debt	91,000,000 00	
Expenditures		$231,000,000 00

The receipts and expenditures under existing laws for the fiscal year ending June 30, 1870, are estimated as follows:

From Customs	$160,000,000 00	
Internal revenue	140,000,000 00	
Lands	2,000,000 00	
Miscellaneous sources	25,000,000 00	
Receipts		$327,000,000 00

The expenditures for the same period, if the expenses of the army should be kept up to about the present average, will be as follows:

For the civil service	$50,000,000 00	
Pensions and Indians	30,000,000 00	
War Department	75,000,000 00	
Navy Department	20,000,000 00	
Interest on public debt	128,000,000 00	
Expenditures		$3[illegible]3,000,000 00

The accompanying report of the Commissioner of Internal Revenue gives the necessary information in regard to the bureau, and contains many very judicious recommendations and suggestions, which are worthy the careful consideration of Congress.

The internal branch of the revenue service is the one in which the people feel the deepest interest. The customs duties are collected at a few points, and although paid eventually by the consumers, they are felt only by the great mass of the people in the increased cost of the articles consumed. Not so with the internal taxes. These are collected in every part of the Union; and their burdens fall, to a large extent, directly upon the tax-payers. Assessors, collectors, inspectors, detectives — necessary instruments in the collection of the revenues—are found in every part of the country. There is no village or rural district where their faces are not seen, and where collections are not made. The eyes of the whole people are therefore directed to this system, and it is of the greatest importance that its administration should be such as to entitle it to public respect. Unfortunately this is not the case. Its demoralization is admitted; and the question arises, where is the remedy? The Secretary is of opinion that it is to be found in such amendments to the act as will equalize the burdens of taxation, and in an elevation of the standard of qualification for revenue offices.

Upon the subject of internal taxes the Secretary has already spoken. In regard to the character of the revenue officers, he has only to say that there must be a decided change for the better in this respect, if the system is to be rescued from its demoralized condition. After careful reflection the Secretary has come to the conclusion that this change would follow the passage of the bill reported by Mr. Jenckes, from the Joint Committee on Retrenchment and Reform, on the 14th of May last, entitled "A bill to regulate the civil service and promote the efficiency thereof." The Secretary gives to this bill his hearty approval, and refers to the search which was made upon its introduction, by the gentleman who reported it, for an able and lucid exposition of its provisions, and for a truthful and graphic description of the evils of the present system of appointments to office.

On the 5th day of October last, the day for their regular quarterly reports, the number of national banks was sixteen hundred and forty-four, seventeen of which were in voluntary liquidation.

Their capital was	$420,634,511 00
Their discounts	655,875,277 35
Their circulation	295,684,244 40
Their deposits	601,830,278 40

In no other country was so large a capital ever invested in banking, under a single system, as is now invested in the national banks; never before were the interests of a people so interwoven with a system of banking as are the interests of the people of the United States with their national banking system. It is not strange, therefore, that the condition and management of the national banks should be, to them and to their representatives, a matter of the deepest concern. That the national banking system is a perfect one is not asserted by its friends; that it is a very decided improvement, as far as circulation is regarded, upon the systems which it has superseded, must be admitted by its opponents. Before it was established, the several States, whether in conformity with the Constitution or not—jointly with the General Government, during the existence of the charter of the U. S. Bank, and solely after the expiration of that charter—exercised the power of issuing bills of credit, in the form of bank notes, through institutions of their own creation, and thus controlled the paper money, and thereby, in no small degree, the business and commerce of the country. In May, 1863, when the National Currency Bureau was established in Washington, some fifteen hundred banks, organized under State laws, furnished the people of the United States with a bank-note currency. In some of the States the banks were compelled to protect, partially at least, the holders of their notes against loss, by deposits of securities with the proper authorities. In other States, the capital of the banks (that capital being wholly under the control of their managers) was the only security for the redemption of their notes. In some States there was no limit to the amount of notes that might be issued, if secured according to the requirements of their statutes, nor any necessary relation of circulation to capital. In others, while notes could be issued only in certain proportions to capital, there was no restriction upon the number of banks that might be organized. The notes of a few banks, being payable or redeemable at commercial centres, were current in most of the States, while the notes of other banks (perhaps just as solvent) were uncurrent beyond the limits of the States by whose authority they were issued. How valueless were the notes of many of the State banks is still keenly remembered by the thousands who suffered by their insolvency. The direct losses sustained by the people by an unsecured bank-note circulation, and the indirect losses to the country resulting from deranged exchanges, caused by a local currency constantly subject to the manipulations of money-changers, and from the utter unsuitableness of such a currency to the circumstances of the country, can be counted by millions. It is only necessary to compare the circulation of the State banks with that furnished by the national banks, to vindicate the superiority of the present system. Under the national banking system, the Government, which authorizes the issue of bank notes, and compels the people to receive them as money, assumes its just responsibility, and guarantees their payment. This is the feature which especially distinguishes it from others, and gives to it its greatest value.

The object of the Secretary, however, in referring to the national banks, is not to extol them, but to call the attention of Congress to the accompanying instructive report of the Comptroller of the Currency, especially to that part of it which exhibits the condition and management of the banks in the commercial metropolis, and to the amendments proposed by him to the act.

On the fifth day of October last, the loans or discounts of the banks in the City of New York amounted to $163,634,070 23 only $90,000,000 of which consisted of commercial paper, the balance, being chiefly made up of what are known as loans on call—that is to say, of loans on collaterals, subject to be called in at the pleasure of the banks. Merchants or manufacturers cannot, of course, borrow on such terms, and it is understood that these loans are confined mainly to persons dealing, or rather speculating, in stocks or coin. This statement shows to what extent the business of the banks in New York has been diverted from legitimate channels, and how deeply involved the banks have become in the uncertain and dangerous speculations of the street.

The deposits of these institutions on the day mentioned amounted to $226,645,655 80, and of their assets, $113,332,688 20, consisted of certain cash items which were in fact mainly certified checks, which had been passed to the credit of depositors, and constituted a part of the $226,645,655 80 of deposits, although the banks always deduct such checks from their deposits in making up their statement for the payment of interest, and their estimates for reserves. It is understood to be the practice of a number of the banks (perhaps the practice exists to a limited extent in all) to certify the checks of their customers in advance of the deposits out of which they are expected to be paid; in other words, to certify checks to be good, under an agreement between the banks and the drawers, that the money to protect them shall be deposited during the day, or at least before the checks, which go through the clearing-house, can be presented for payment. The Secretary has learned with great surprise that a number of banks—generally regarded as being under judicious management—certify in a single day the checks of stock and gold brokers to many times the amount of their capitals, with no money actually on deposit for the protection of the checks at the time of their certification. A more dangerous practice, or one more inconsistent with prudent, not to say honest banking, cannot be conceived. It is unauthorized by the act, and should be prohibited by severe penalties. Aside from the risk incurred by this reckless method of banking, the effect of such practice is to foster speculation by creating inflation. It is in fact part and parcel of that fictitious credit which is so injurious to the regular business of the city, and to the business of all parts of the country, which feel and are affected by the pulsations of the commercial centre. It is this very dangerous practice, combined with the more general practice of making loans "on call," which leads to unsafe extensions of credits, and makes many of the banks in New York helpless when the money market is stringent. Can anything be more discreditable to the banks of the great emporium of the country, or afford more conclusive evidence of their imprudent management, than the fact, that with a capital—including their surplus and their undivided profits—of one hundred millions of dollars, the withdrawal from circulation of ten or fifteen millions of legal-tender notes, by combinations for speculative purposes, can create a money stringency, by which not only the stock market is broken down, but the entire business of the city and to some extent the business of the country is injuriously affected. If the banks were no more extended than they ought to be, or had proper control over theircustomers, no such combinations would be likely to be formed, or if formed, they would utterly fail of their object.

These remarks do not. of course, apply to all the banks in New York, for some of them are strictly commercial institutions, and are under the control of men who are distinguished alike for their talents and their conservatism. They are, however, applicable to them as a class, and they undoubtedly apply in some measure to many banks in other cities.

The recommendation of the Comptroller, that all national banks be prohibited by law from certifying checks which are not drawn upon deposits actually existing at the time the checks are certified to be good, is heartily concurred in.

The Secretary has long entertained the opinion that the practice of paying interest on deposits—tending, as it does, to keep the banks constantly extended in their discounts—is injudicious and unsafe He therefore approves of the recommendation of the Comptroller, that national banks be prohibited from paying interest on bank or individual balances.

The Secretary also agrees with the Comptroller in his recommendation that authority be given to him to call upon the banks for reports on days to be fixed by himself. If a reserve is necessary, it should be kept constantly on hand, and the business of the country ought not to be disturbed by the preparation of the banks for the quarterly reports.

The views of the Secretary in regard to the necessity of a central redeeming agency for the national banks have been frequently presented, and it is not necessary for him to repeat them.

There are other suggestions in the Comptroller's report deserving the attention of Congress, which the Secretary lacks the time to consider. There is one subject, however, not discussed by the Comptroller, to which the Secretary invites special attention.

Although the national banking system should be relieved from the limitation now imposed upon the aggregate amount of notes that may be issued, this cannot safely be done as long as the suspension of specie payments continues. Nevertheless, measures should at once be adopted to remedy, as far as practicable, the inequality which exists in the distribution of the circulation. As the Government has, by the tax upon the notes of State banks, deprived the States of the power of furnishing facilities to their citizens, it is obviously just that those States, which are thus deprived of these facilities, or which do not share equally with other States in the benefits of the national banking system, should be supplied with both banks and notes. There are two modes by which this may be accomplished. One by reducing the circulation of the banks of large capital only; the other by limiting the amount of notes to be furnished to all the banks—say, to seventy per cent. of their respective capitals. The latter mode is preferable, as by it no discrimination would be made between the banks, and all would be strengthened by a reduction of their liabilities, and by a release of a part of their means now deposited with the Treasurer, which would be of material service to them in the preparation they must make for a return to specie payments. If a redeeming agency should be established, the reduction of the circulation of the existing banks could be effected as rapidly as new banks can be organized in the Western and Southern States, where they are needed.

The new Territory of Alaska has been the object of much attention during the past year, but its distance, and the uncertainty and infrequency of communication with it, and our imperfect knowledge of its condition, have somewhat embarrassed the department in organizing therein a satisfactory revenue system.

Under the authority of the act of the last session, the administration, by special agency (which in the absence of the regular machinery was of necessity resorted to) has been superseded by the appointment of a collector to reside at Sitka, who left for his post in September last, and has probably, ere this, entered upon the discharge of his duties.

A gentleman from this department accompanied him, to assist in establishing the collection service on a proper foundation, and in perfecting arrangements for the prevention of smuggling.

Recognizing also the vast importance of reliable information on matters not immediately connected with these objects, but having nevertheless a most important bearing upon them, more or less direct, another agent, long familiar with that country, was, at the same time, dispatched with directions to apply himself to the ascertainment of its natural resources, the inducements and probable channels of trade, and the needs of commerce in the way of lights and other aids to navigation. He was also particularly entrusted with a supervision of the fur interests and the enforcement of the law prohibiting the killing of the most valuable fur-bearing animals.

The existence of coal at numerous points has been known for years, and some of the beds were worked by the Russians with indifferent success; none, however, has been hitherto procured on the North American Pacific coast equal to that from the Nanaimo mines, on Vancouver's Island; and this, though raised from a considerable depth, is not of superior quality. The officers of the cutters were therefore instructed to explore the coast as far as practicable, for the purpose of ascertaining the supply and the quality of coal in the Territory. A number of localities producing coal were visited, including the abandoned Russian mines, but at none did the outcroppings exhibit any flattering promise, except on the coast of Cook's inlet. There, near Fort Kenay, about seven hundred miles from Sitka, were found upon the cliffs numerous parallel veins extending many miles along the shore. Some of the coal taken from them proved to be superior to that from the Nanaimo mines. The indications are that the supply is abundant and the quality fair.

The protection of the fur-bearing animals is a matter of importance hardly to be overrated. In consequence of information received last spring, the captain of the Wayanda was directed to visit, as early in the season as practicable, the islands in Behring's Sea, where the fur seal chiefly abounds. On his arrival at St. Paul's and St. George's Islands, he found there several large parties engaged in hunting the animals indiscriminately, and in traffic with the natives in ardent spirits and other forbidden articles. Quarrels had arisen, and the natives complained that the reckless and unskilful movements of the new hunters had already driven the animals from some of their usual haunts. The captain of the cutter instituted such measures as he felt authorized to institute for the maintenance of the peace, and the protection of the animals from indiscriminate slaughter.

The preservation of these animals, by the observance of strict regulations in hunting them, is not only a matter of the highest importance in an economical view, but a matter of life or death to the natives. Hitherto, seals have been hunted under the supervision of the Russian Company, and exclusively by the natives, who are trained from children to that occupation, and derive from it their clothing and subsistence. They have been governed by exact and stringent rules as to the time of hunting, and the number and kind of seals to be taken. It is recommended that these rules be continued by legal enactment, and that the existing law prohibiting absolutely the killing of the fur seal and sea otter be repealed, as starvation of the people would result from its strict enforcement. The natives (with the exception of the Indians in the southern part of the territory, who are fierce and warlike) are a gentle, harmless race, easy to govern, but of great enterprise and daring in the pursuit of game—many of them passing annually in their skin canoes from the mainland and Aleutian Islands to the Islands of St. Paul and St. George, a distance of about one hundred and fifty miles, through a strong sea, and returning with the proceeds of their hunt.

The seals are extremely timid and cautious. They approach their accustomed grounds each year with the greatest circumspection, sending advance parties to reconnoitre, and at once forsaking places where they are alarmed by unusual or unwelcome visitors. They have been in this way driven from point to point, and have taken refuge in these remote islands, whence, if they are now driven, they must resort to the Asiatic coast. There can be no doubt that, without proper regulations for hunting these valuable animals, and the more valuable but less numerous sea otters, a very profitable trade will soon be entirely destroyed.

The United States cannot, of course, administer such a trade as a Government monopoly, and the only alternative seems to be to grant the exclusive privilege of taking these animals to a responsible company for a series of years, limiting the number of skins to be taken annually by stringent provisions. A royalty or tax might be imposed upon each skin taken, and a revenue be thus secured sufficient to pay a large part of the expenses of the Territory.

Our relations with the Hudson Bay Company and the regulation of the transit of merchandise between their interior trading posts and the sea-coast, by way of Stikine river, will doubtless require early attention, but at present the Secretary is not sufficiently advised to offer any recommendations upon the subject.

The recent political changes in Spain, and the indications of a more liberal commercial policy on her part before the revolution took place, adds force to the remarks and recommendation of the Secretary in his last report, in regard to our commercial relations with that country. He again strongly recommends the repeal of the acts of July 13, 1832, and June 30, 1834, so that Spanish vessels may be subject to our general laws, which are ample to afford protection against unfriendly Spanish legislation, and are free from the innumerable difficulties of administration which exist under these special enactments.

The Secretary asks attention to the necessity of more exact and stringent laws respecting the carriage of passengers, and also of such legislation as shall settle, so far as they can be settled in this manner, some of the vexed questions arising under steamboat laws.

It is necessary merely to repeat what has been at other times stated in regard to the insufficiency of the tax fund to meet the necessary expenses of the marine hospitals, notwithstanding the economy which, during the past year, has reduced the expenditures more than $12,000. It is impossible to ignore the fact that these hospitals are, and must be, unless the rate of tax is greatly increased, a constant drain upon the Treasury.

The revenue cutter service now comprises twenty-five steamers and seventeen sailing vessels. Of the six steamers on the lakes, all but one are at present, agreeably to the views of Congress, out of commission, the Sherman alone being in active service.

Five of the steamers on the sea-coast are small tugs, from forty to sixty tons burden, the utility and efficiency of which at the leading ports—as substitutes for ordinary rowboats on the one hand, and for the light cutters on the other, both in the harbor duties of inspection and police, and in the prevention and detection of smuggling—have been so thoroughly tested by experience that it is thought they should be employed still more extensively than they now are. Upon the lakes in particular they would be of the greatest value, and they should be substituted for the large steamers now there, which should, with one exception, be sold, as they are depreciating in value and are a useless expense. The exception is the S. P. Chase, which is of such dimensions that she might be brought to the sea-coast, where she could be used to advantage. This would probably be preferable to a sale of her where she lies. The schooner Black, being old and not fit for further service, has been sold. The Morris, also, is about to be disposed of for the same reason. The steamer Nemaha, stationed at Norfolk, has been destroyed by accidental fire.

On the Pacific coast are the Wayanda, in Alaska, and the Lincoln, at San Francisco, both in excellent condition; the schooner Reliance, recently ordered to Sitka, is also in good order. The schooner Lane, at Puget Sound, is old and unfit for the requirements of that station.

The addition of several thousand miles of sea-coast, by the purchase of Alaska, renders the cutter force in the Pacific inadequate for even the ordinary duties pertaining to the service, without regard to the additional demands upon it for the protection of the fur-bearing animals. The recommendation heretofore made that two first-class steamers be built or purchased for the Western coast is therefore renewed. A steam-cutter is also needed for Charleston, and one for the coast of Texas.

In his report for the year 1866, the Secretary called the attention of Congress especially to the condition of the shipping interest of the United States. In his report of last year, he again referred to it in the following language:

"The shipping interest of the United States, to a great degree prostrated by the war, has not revived during the past year. Our shipyards are, with rare exceptions, inactive. Our surplus products are being chiefly transported to foreign countries in foreign vessels. The Secretary is still forced to admit, in the language of his last report, 'that with unequaled facilities for obtaining the materials, and with acknowledged skill in shipbuilding, with thousands of miles of sea-coast, indented with the finest harbors in the world, with surplus products that require in their transportation a large and increasing tonnage, we can neither profitably build ships, nor successfully compete with English ships in the transportation of our own productions.'

"No change for the better has taken place since that report was made. On the contrary, the indications are that the great shipbuilding interest of the Eastern and Middle States has been steadily declining, and that, consequently, the United States is gradually ceasing to be a great maritime power. A return to specie payments will do much, but will not be sufficient, to avert this declension and give activity to our shipyards. The materials which enter into the construction of vessels should be relieved from taxation by means of drawbacks; or if this may be regarded as impracticable, subsidies might be allowed as an offset to taxation. If subsidies are objectionable, then it is recommended that all restrictions upon the registration of foreign-built vessels be removed, so that the people of the United States, who cannot profitably build vessels, may be permitted to purchase them in the cheapest market. It is certainly unwise to retain upon the statute books a law restrictive upon commerce when it no longer accomplishes the object for which it was enacted."

What was said by the Secretary in 1866 and 1867 upon this subject is true at the present time, and he therefore feels it his duty to repeat his recommendations. The shipping interest was not only prostrated by the war, but its continued depression is attributable to the financial legislation, and the high taxes consequent upon the war. The honor and the welfare of the country demand its restoration.

Accompanying this report there is a very accurate and instructive chart, prepared by Mr. S. Nimmo, Jr., a clerk in this department, which presents, in a condensed form, the progress of shipbuilding in the United States from 1817 to 1868.

Since the abrogation of the treaty of June 4, 1854, between the United States and Canada, no favorable opportunity for a reconsideration of the commercial relations of the two countries has been presented. Canada has yet to consolidate a political confederation with the other English colonies and possessions on this continent, and until the hostility of Nova Scotia to that measure is removed, and the concurrence of Northwest British America is secured, the authorities at Ottawa are in no situation to make an adequate proposition to the United States, in exchange for the great concession of an exceptional tariff, on our northern frontier, in favor of the leading Canadian staples. On the other hand, until the United States shall have fully matured a satisfactory system of duties, external as well as internal, the Secretary would be indisposed to favor any special arrangement which would remove any material branch of the revenue system from legislative control. Meanwhile, a Canadian policy for the enlargement of the Welland and St. Lawrence Canals to dimensions adequate to pass vessels of one thousand tons burden from the Upper Lakes to the Atlantic, will doubtless be regarded as indispensable to any substantial renewal, by treaty or legislation, of the former arrangement. The discussions and experience of the last twelve months are regarded by the Secretary as warranting an authoritative comparison of views between the representatives of Great Britain and Canada and the Government of the United States; and in that event this department will cheerfully contribute, by all appropriate means, to comprehensive measures which shall assimilate the revenue systems of the respective countries, make their markets mutually available, and, for all commercial or social purposes, render the frontier as nearly an imaginary line as possible. There certainly seems no just reason why all the communities on the American continent might not imitate the example of the Zoll Verien of the German States.

The progress of the coast survey has been satisfactory, and commensurate with the appropriations, as will be seen from the annual report of the superintendent of that work. During the past year surveys have been in progress in the following localities, named in geographical order, viz: On the coast of Maine, in Penobscot bay and on the islands lying within its entrance; on the shores of St. George's and Medonick rivers; in Muscongus bay; on the estuaries of Quolog bay, and in the vicinity of Portland; completing all the in-shore work between the Penobscot and Cape Elizabeth. In Massachusetts, between the Barnstable and Monomay, completing the survey of Cape Cod. In Rhode Island, on the western part of Narragansett bay. In New York, at Rondout and in the bay of New York. In New Jersey, on the coast near the head of Barnegat bay. In Maryland and Virginia, on the Potomac river and the southern part of Chesapeake bay. In North Carolina, in Pamlico sound and on its western shore, including Neuse and Bay rivers, and of the coast north of Hatteras. In South Carolina, on the estuaries of Port Royal sound. In Georgia, on St. Catherine's, Doboy, and St. Andrew's sounds; in the Florida straits and in the bay between the keys and main shore of Florida. On the coast between Pensacola and Mobile entrances. At the passes of the Mississippi, and in Galveston, Matagorda and Corpus Christi bays, on the coast of Texas. In California surveying parties have been at work on the coast between Buenaventura and Santa Barbara, at Point Sal, and on the peninsula of San Francisco. In Oregon, on Yaquinna bay, Columbia and Uehaleur rivers. In Washington Territory, on Fuca straits and in Puget sound.

In the Coast Survey Office, forty-eight charts have been entirely or partially engraved during the year, of which nineteen have been published. Regular observations of the tides at seven principal stations have been kept up, and tide tables for all parts of the United States, for the ensuing year, have been published. A new edition of the Directory or Coast Pilot for the western coast has been prepared, and a preliminary guide for the navigation of the north-western coast has been compiled.

This brief glance at the operation of the Coast Survey during the past year shows the great scope of that work, which has justly earned a large measure of public favor. Its importance to the commerce and navigation of the country are now well understood, nor can its incidental contributions to science fail to be appreciated by the representatives of the people. The work should be pressed steadily forward, with means sufficient for the most effective working of the existing organization, so that it may embrace, at no distant period, the whole of our extended coast line within its operations, including the principal harbors in our newly acquired Territory of Alaska.

The report of the Lighthouse Board is, as usual, an interesting one. No bureau of the Treasury Department is conducted with more ability, or with a more strict regard to the public interests than this.

In view of the extension of the lighthouse system consequent upon the increase of the commerce of the country and the acquisition of sea-coast territory, it is respectfully submitted that some authoritative definition of the limit to which aids to navigation shall be extended by the General Government should be established.

It may well be doubted whether the General Government should be called upon to do more than to thoroughly provide the sea and lake coasts with lights of high order, both stationary and floating, and so to place lights of inferior order as to enable vessels to reach secure anchorages at any season of the year.

The act of Congress approved August 31, 1852, establishing the Lighthouse Board, directs that the coasts of the United States shall be divided into twelve districts. It is recommended that authority be given to increase the number of districts to fourteen.

The business of the bureau would be facilitated if Congress should confer the franking privilege upon the Lighthouse Board, in the same manner and upon the same terms as it is now exercised by the several bureaus of the Treasury Department.

The attention of Congress is called to the annual report of the Director of the Mint, which contains the usual statistics of the coinage of the country, and various suggestions and recommendations, which are worthy of consideration.

The total value of the bullion deposited at the mint and branches during the fiscal year was \$27,166,318 70, of which \$25,472,894 82 was in gold, and \$1,693,423 88 in silver. Deducting the redeposit, the amount of actual deposit was \$24,591,325 84.

The coinage for the year was: In gold coin, \$18,114,425; gold bars, \$6,026,810 06; silver coin, \$1,136,750; silver bars, \$456,236 40; nickel, copper, and bronze coinage, (one, two, three and five-cent pieces,) \$1,713,385; total coinage, \$20,964,560; total bars stamped, \$6,483,046 54.

The gold deposits of domestic production were: At Philadelphia, \$1,300,338 53; at San Francisco, \$14,850,117 84; at New York, \$5,409,996 55; at Denver, \$357,935 11. The silver deposits were: At Philadelphia, \$67,700 78; at San Francisco, \$651,239 05; at New York, \$262,313 06; at Denver, \$5,082 67.

The gold and silver deposits of foreign production were \$1,686,602 35. The amount of gold coined at Philadelphia was \$3,864,425; at San Francisco, \$14,979,558 52; of silver at Philadelphia, \$314,750; at San Francisco, \$822,000; of nickel, copper, and bronze at Philadelphia, \$1,713,385. Total number of pieces struck, \$49,735,840.

The branch mint at Denver has never coined money, and its expenses are entirely out of proportion to its business. The law under which it was organized should be repealed, and the institution reorganized as an assay office.

During the past year the branch mint building at Carson City, Nevada, has been completed, and the necessary machinery and fixtures have been forwarded. It will be ready for work early next season.

The mint at Philadelphia and the branch mint at San Francisco have the confidence of the people and of the Government, and when the new mint building in San Francisco is erected, these mints will be of ample capacity to supply coinage for the whole country. The business of coinage requires large and expensive establishments, under charge of men of science and undoubted integrity; and such can be successfully maintained only at commercial centres, where bullion of different degrees of fineness is continually offered for manipulation. The establishment of additional branch mints is, therefore, unnecessary, and would be injudicious.

The entire deposits at the branch mint in San Francisco were formerly in unparted bullion; now nearly two-thirds of the amount is deposited in bars, refined by private establishments. The law requires that the parting charge shall equal the actual cost of the process: but the experience of the past four years shows that not less than thirty thousand dollars annually may be saved to the Government by discontinuing the business of refining upon the Pacific coast, and it is, therefore, recommended that the Secretary be authorized to exchange the unparted bullion deposited at the mint for refined bars, whenever in his opinion it may be for the public interest to do so.

It is also recommended that authority be given for the redemption of the one and two-cent pieces by the Treasurer, under such rules and regulations as may be prescribed by the department.

On the first day of April last Mr. R. W. Raymond was appointed Commissioner of Mining Statistics, in place of Mr. J. Ross Browne, now Commissioner to China.

Mr. Raymond was instructed to continue the work so ably commenced by his predecessor, and his report will show with what diligence and ability he is performing the duties assigned to him. The Secretary invites the attention of Congress to this report, and asks for the recommendations which it contains due consideration.

The following extract, from the Secretary's report of 1867, presents, in language which he cannot make more explicit, his present views:

"The Secretary respectfully recommends the reorganization of the accounting offices of the Treasury Department, so as to place this branch of the public service under one responsible head, according to what seems to have been designed in the original organization of the department, and followed until the increase of business led to the creation of the office of Second Comptroller, and subsequently to that of Commissioner of Customs. There are now three officers controlling the settlement of accounts, each independent of the others, and, as a consequence, the rules and decisions are not uniform where the same or like questions arise. In the judgment of the Secretary, the concentration of the accounting offices under one head would secure greater efficiency, as well as greater uniformity of practice, than can be expected under a divided supervision. It is believed, also, that it would be advantageous to relieve the Commissioner of Customs of the duty of settling accounts, and to confine his labors to the supervision of the revenue from customs, now sufficiently large to demand his whole time. It is therefore recommended that the office of Chief Comptroller be created, having general supervision of the accounting officers, and appellate jurisdiction from their decisions: to which should be transferred the duty of examining and countersigning warrants on the Treasury, and of collecting debts due the Government, now constituting a part of the duties of the First Comptroller; and that the adjustment of accounts pertaining to the customs be restored to the latter office.

"The Secretary also renews the recommendation contained in his last annual report, of a reorganization of the bureaus of the department, and most respectfully and earnestly solicits for it the favorable action of Congress. The compensation now paid is inadequate to the services performed, and simple justice to gentlemen of the ability and character of those employed in the department requires a liberal addition to their present compensation. Since the rates of compensation now allowed were established, the duties, labors, and responsibilities of the bureaus have been largely increased, and the necessary expenses of living in Washington have been more than doubled."

The Secretary, also, again recommends that a change be made in regard to the adjustment and settlement of accounts in the office of the Third Auditor; that a period be fixed within which war claims shall be presented, and that measures be adopted to perpetuate testimony in cases of claims that are di allowed.

The able report of the Treasurer gives a detailed account of the operations of the Treasury during the last fiscal year, and contains many valuable suggestions for the consideration of Congress.

The report of the Supervising Architect gives full and detailed accounts of the progress that has been made in the construction of public buildings.

The reports of the heads of all the respective bureaus will be found to be of unusual interest—containing, as they do, accurate information in regard to the affairs of the Government in this interesting period of its history.

Mr. S. M. Clark having resigned the office of Superintendent of the Bureau of Engraving and Printing, Mr. G. B. McCartee has been placed temporarily in charge of it. As the past management and present condition of this bureau are now under investigation by the Joint Committee on Retrenchment and Reform, the Secretary feels at liberty on.y to say, at this time, that, from the examinations which he has caused to be made by officers and clerks of this department, he feels justified in remarking that the reports which have been at various times put in circulation in regard to over issues of notes or securities, and of dishonesty in the administration of the bureau, are unfounded.

A systematic effort is being made to reduce the expenses of the administration of the customs service, and with considerable success. The process is necessarily slow and beset with difficulties; but material reduction has been already made, and still greater is in progress.

During the war the business of the Treasury Department was so largely and rapidly increased, and so many inexperienced men necessarily employed, that perfect order and system could not be enforced. Many accounts were unsettled, and some branchess of business had fallen into confusion. Much attention has been given by the Secretary "to straightening up" the affairs of the Department. He is now gratified in being able to say, that order and system have been ntroduced where they were found to be needed; that the bureaus are in good working order, and that the "machinery" of the department is in as satisfactory condition as perhaps it can be, under existing laws. The result of the examinations which he has caused to be made has excited his admiration of the wisdom displayed by Mr. Hamilton in the system of accounting which he introduced, and most favorably impressed him with the value of the services of the men who, poorly paid, and little known beyond the walls of the Treasury Building, have for years conducted, with unfaltering fidelity, the details of a business larger and more complicated than was ever devolved upon a single department by any Government in the world.

In concluding this communication, it may not be inappropriate for the Secretary, in a few brief words, to review some points in the general policy of the administration of the Treasury for the past four years.

The following statement—published in the last Treasury report—exhibits the condition of the Treasury on the 1st of April, 1865:

Funded debt	$1,100,361,241 80
Matured debt	349,420 09
Temporary loan certificates	52,452,328 29
Certificates of indebtedness	171,790,000 00
Interest bearing notes	526,812,800 00
Suspended or unpaid requisitions	114,256,548 93
United States notes, legal tenders	433,160,569 00
Fractional currency	24,254,094 07
	$2,423,437,002 18
Cash in the Treasury	56,481,924 84
Total	$2,366,955,077 34

By this statement it appears that, with $56,481,924 84 in the Treasury, there were requisitions waiting for payment (the delay in the payment of which was greatly discrediting the Government) to the amount of $114,256,548 93; that there were $52,452,328 29 of temporary-loan certificates liable to be presented in from ten to thirty days' notice, and $171,790,000 of certificates of indebtedness, which had been issued to contractors, for want of the money to pay the requisitions in their favor, and which were maturing daily. At the same time, the efforts to negotiate securities were not being attended with the usual success, while the expenses of the war were not less than two millions of dollars per day. The vouchers issued to contractors for the necessary supplies of the army and navy—payable one-half in certificates of indebtedness and the other half in money—were being sold at a discount of from ten to twenty per cent., indicating by their depreciation how low was the credit of the Government, and how uncertain was the time of payment.

The fall of Richmond and the surrender of the army of Virginia under General Lee (which virtually closed the war), had not the effect of relieving the Treasury. On the contrary, its embarrassments were increased thereby, inasmuch as it seemed to leave the Government without excuse for not paying its debts, at the same time that popular appeals for subscriptions to the public loans were divested of much of their strength. As long as the Government was in danger by the continuation of hostilities, the patriotism of the people could be successfully appealed to for the purpose of raising money and sustaining the public credit, without which the war could not be vigorously prosecuted. When hostilities ceased, and the safety and unity of the Government were assured, self-interest became again the controlling power. It will be remembered that it was then generally supposed that the country was already fully supplied with securities, and that there was also throughout the Union a prevailing apprehension that financial disaster would speedily follow the termination of the war. The greatness of the emergency gave the Secretary no time to try experiments for borrowing on a new security of long time and lower interest, and removed from his mind all doubts or hesitation in regard to the course to be pursued. It was estimated that at least seven hundred millions of dollars should be raised, in addition to the revenue receipts, for the payment of the requisitions already drawn, and those that must soon follow—preparatory to the disbandment of the great Union army—and of other demands upon the Treasury. The anxious inquiries then were, by what means can this large amount of money be raised? and not what will be the cost of raising it. How can the soldiers be paid, and the army be disbanded, so that the extraordinary expenses of the War Department may be stopped? and not what rate of interest shall be paid for the money. These were the inquiries pressed upon the Secretary. He answered them by calling to his aid the well-tried agent who had been employed by his immediate predecessors and by offering the seven and three-tenths notes—the most popular loan ever offered to the people—in every city and village, and by securing the advocacy of the press, throughout the length and breadth of the land. In less than four months from the time the work of obtaining subscriptions was actively commenced the Treasury was in a condition to meet every demand upon it. But while the Treasury was thus relieved, the character of the debt was by no means satisfactory. On the first day of September it consisted of the following items:

unded debt	$1,109,568,191 80
Matured debt	1,503,020 09
Temporary loan	107,148,713 16
Certificates of indebtedness	85,093,000 00
Five-per cent. legal tender notes	33,954,230 00
Compound interest legal tender notes	217,024,160 00
Seven-thirty notes	830,000,000 00
United States notes, legal tenders	433,160,569 00
Fractional currency	26,344,742 51
Suspended requisitions uncalled for	2,111,000 00
Total	$2,845,907,626 56
Deduct cash in Treasury	88,218,055 13
Balance	$2,757,689,571 43

From this statement it will be perceived that $1,276,834,123.25 of the public debt consisted of various forms of temporary securities, $433,160,569 of the United States notes—the excess of which over $400,000,000 having been put into circulation in payment of temporary loans—and $26,344,742 of fractional currency. Portions of this temporary debt were maturing daily, and all of it, including $18,415,000 of the funded debt, was to be provided for within a period of three years. The seven-thirty notes were, by law and the terms of the loan, convertible at maturity, at the will of the holder, into five-twenty bonds, or payable, like the rest of these temporary obligations, in lawful money.

It was, of course, necessary to make provision for the daily maturing debt, and also for taking up from time to time such portions of it as could be advantageously converted into bonds or paid in currency before maturity, for the purpose of avoiding the necessity of accumulating large sums of money, and of relieving the Treasury from the danger it would be exposed to if a very considerable portion of the debt were permitted to mature, with no other means for paying it than that afforded by sales of bonds in a market too uncertain to be confidently relied upon in an emergency. In addition to the temporary loan, payment of which could be demanded on so short a notice as to make it virtually a debt payable on demand, the certificates of indebtedness, which were maturing at the rate of from fifteen to twenty millions per month; the five per cent. notes which matured in January following, and the compound interest notes, which were payable at various times within a period of three years, there were $830,000,000 of seven-thirty notes which would become due as follows, viz.:

August 15, 1867	$300,000,000
June 15, 1868	300,000,000
July 15, 1868	230,000,000

As the option of conversion was with the holders of these notes, it depended upon the condition of the market whether they would be presented for payment in lawful money, or to be exchanged for bonds. No prudent man, intrusted with the care of the nation's interest and credit, would permit two or three hundred millions of debt to mature without making provision for its payment; nor would he, if it could be avoided, accumulate large sums of money in the Treasury which would not be called for, if the price of bonds should be such as to make the conversion of the notes preferable to their payment in lawful money. The policy of the Secretary was, therefore, as he remarked in a former report, determined by the condition of the Treasury and the country, and by the character of the debt. It was simply, first, to put and keep the Treasury in such condition as not only to be prepared to pay all claims upon presentation, but also to be strong enough to prevent the success of any combinations that might be formed to control its management; and, second, to take up quietly, in advance of their maturity, by payment or conversion, such portions of the temporary debt as would obviate the necessity of accumulating large currency balances in the Treasury, and at the same time relieve it from the danger of being forced to a further issue of legal-tender notes, or to a sale of bonds, at whatever price they might command. In carrying out this policy, it seemed also to be the duty of the Secretary to have due regard to the interests of the people, and to prevent, as far as possible, the work of funding from disturbing legitimate business. As financial trouble has almost invariably followed closely upon the termination of protracted wars, it was generally feared, as has been already remarked, that such trouble would be unavoidable, at the close of the great and expensive war in which the United States had been for four years engaged. This, of course, it was important to avoid, as its occurrence might not only render funding difficult, but might prostrate those great interests upon which the Government depended for its revenues. It was, and constantly has been, therefore, the aim of the Secretary so to administer the Treasury, while borrowing money and funding the temporary obligations, as to prevent a commercial crisis, and to keep the business of the country as steady as was possible on the basis of an irredeemable and constantly fluctuating currency. Whether his efforts have contributed to that end or not, he does not undertake to say; but the fact is unquestioned that a great war has been closed, large loans have been effected, heavy revenues have been collected, and some thirteen hundred millions of dollars of temporary obligations have been paid or funded, and a great debt brought into manageable shape, not only without a financial crisis, but without any disturbance to the ordinary business of the country. To accomplish these things successfully, the Secretary deemed it necessary, as has been before stated, that the Treasury should be kept constantly in a strong condition, with power to prevent the credit of the Government and the great interests of the people from being placed at the mercy of adverse influences. Notwithstanding the magnitude and character of the debt, this power the Treasury has for the last three years possessed; and it has been the well-known existence, rather than the exercise of it, which has in repeated instances saved the country from panic and disaster. The gold reserve, the maintenance of which has subjected the Secretary to constant and bitter criticism, has given a confidence to the holders of our securities at home and abroad, by the constant evidence which it exhibited of the ability of the Government, without depending upon purchases in the market, to pay the interest upon the public debt, and a steadiness to trade, by preventing violent fluctuations in the convertible value of the currency, which have been a more than ample compensation to the country for any loss of interest that may have been sustained thereby. If the gold in the Treasury had been sold down to what was absolutely needed for the payment of the interest on the public debt, not only would the public credit have been endangered, but the currency; and, consequently, the entire business of the country would have been constantly subject to the dangerous power of speculative combinations.

Of the unavailing effort that was made by the Secretary to contract the currency, with the view of appreciating it to the specie standard, he forbears to speak. His action in respect to contraction, although authorized, and for a time sustained, was subsequently disapproved (as he thinks, unwisely) by Congress. This is a question, however, that can be better determined hereafter than now.

Complaint has been made that in the administration of the Treasury Department since the war there has been too much of interference with the stock and money market. This complaint, when honestly made, has been the result of a want of reflection, or of imperfect knowledge of the financial condition of the Government. The transactions of the Treasury have, from necessity, been connected with the stock and money market of New York. If the debt after the close of the war had been a funded debt, with nothing to be done in relation to it but to pay the accruing interest, or if business had been conducted on a specie basis, and consequently been free from the constant changes to which it has been and must be subject—as long as there is any considerable difference between the legal and commercial standard of value—the Treasury could have been managed with entire independence of the stock exchange or the gold room. Such, however, was not the fact. More than one-half of the national debt, according to the foregoing exhibits, consisted of temporary obligations, which were to be paid in lawful money, or converted into bonds, and there was in circulation a large amount of irredeemable promises constantly changing in their convertible value. The Secretary, therefore, could not be indifferent to the condition of the market, nor avoid connection with it, for it was, in fact, with the market he had to deal. He would have been happy had it been otherwise. If bonds were to be sold to provide the means for paying the debts that were payable in lawful money, it was a matter of great imporance to the Treasury that the price of bonds should not be depressed by artificial processes. If the seven-thirty notes were to be converted into five-twenty bonds, it was equally important that they should sustain such relations to each other, in regard to prices, that conversions would be effected. If bonds were at a discount, the notes would be presented for payment in legal tenders; and these could only be obtained by further issues, or the sale of some kind of securities. For three years, therefore, the state of the market has been a matter of deep solicitude to the Secretary. If he had been indifferent to it, or failed carefully to study the influences that controlled it, or had hesitated to exercise the power with which Congress had clothed him for successfully funding the temporary debt by conversions or sales, he would have been false to his trust. The task of converting a thousand millions of temporary obligations into a funded debt, on a market constantly subject to natural and artificial fluctuations, without depressing the prices of bonds, and without disturbing the business of the country, however it may be regarded now, when the work has been accomplished, was, while it was being performed, an exceedingly delicate one. It is but simple justice to say, that its successful accomplishment is in a great measure attributable to the judicious action of the Assistant Treasurer at New York, Mr. Van Dyck.

Similar complaint has also been made of the manner in which gold and bonds have been disposed of, by what has been styled "secret sales;" and yet precisely the same course has been pursued in these sales that careful and prudent men pursue, who sell on their own account. The sales have been made when currency was needed, and prices were satisfactory. It was not considered wise or prudent to advise the dealers precisely when and to what amount sales were to be made (no sane man operating on his own account would have done this), but all sales of gold have been made in the open market, and of bonds by agents or the Assistant Treasurer in New York, in the ordinary way, with a view of obtaining the very best prices, and with the least possible disturbance of business. In the large transactions of the Treasury, agents have been indispensable, but none have been employed when the work could be done equally well by the officers of the department. Whether done by agents or officers, the Secretary has no reason to suppose that it has not been done skillfully and honestly, as well as economically. He is now gratified in being able to say, that unless a very stringent market, such as was produced a few weeks ago by powerful combinations in New York, should send to the Treasury large amounts of the three per cent. certificates for redemption, no further sales of bonds are likely to be necessary. Until, however, the receipts from internal revenues are increased, the necessities of the Government will require that the sales of gold shall be continued. These sales are now being made by advertisements for sealed bids, instead of the agencies heretofore employed. The result, so far, has not been entirely satisfactory, but a proper respect for what, according to the tone of the press, appeared to be the public sentiment, seemed to require it. The new mode will be fairly tested, and continued, if it can be, without a sacrifice of the public interest.

The Secretary has thus referred to a few points in his administration of the Treasury, for the purpose of explaining some things which may have been imperfectly understood, and not for the purpose of defending his own action. Deeply sensible of the responsibilities resting upon him, but neither appalled nor disheartened by them, he has performed the duties of his office according to the best of his judgment and the lights that were before him, without deprecating criticism; and plainly and earnestly presented his own views without seeking popular favor. It has been his good fortune to have had for his immediate predecessors two of the ablest men in the country, to whose judicious labors he has been greatly indebted for any success that may have attended his administration of the Treasury. Nor is he under less obligation to his associates, the officers and leading clerks of the department, whose ability and whose devotion to the public service have commanded his respect and admiration.

HUGH McCULLOCH,
Secretary of the Treasury,

HON. SCHUYLER COLFAX,
Speaker of the House of Representatives.

REPORT OF THE COMPTROLLER OF THE CURRENCY.

OFFICE OF THE COMPTROLLER OF THE CURRENCY,
Washington, November 10, 1868.

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 report 12 national banks have been organized, of which five are new associations. One was organized to take the place of an existing State bank, and six were organized to take the place of national banks previously organized, but now in liquidation and winding up, making the total number organized upto October, 1685.

Table exhibiting the number of banks, with the amount of capital, bonds deposited, and circulation, in each State and Territory, September 30, 1868.

States and Territories.	ORGANIZATION. Organized.	Closed or closing.	In operation.	Capital paid in.	Bonds on deposit.	Circulation issued.	In actual circulation.
Maine...............	61	..	61	$9,085,000 00	$8,407,250	$7,569,186	$7,510,066
New Hampshire...	40	..	40	4,785,000 00	4,839,000	4,328,195	4,281,695
Vermont	40	..	40	6,560,012 50	6,517,000	5,802,960	5,737,560
Massachusetts.....	209	2	207	80.032,000 00	64,718,400	58,561,030	57,084,640
Rhode Island......	62	..	62	20,364,800 00	14,185,600	12,676,630	12,491,480
Connecticut	83	2	81	24,684,220 00	19,768,000	17,800,625	17,443,793
New York..........	314	15	299	116,544,941 00	79,442,500	73,823,505	68,853,726
New Jersey........	55	1	54	11,583,350 00	10,678,650	9,520,485	9,397,985
Pennsylvania......	205	8	197	50,247,390 00	44,303,350	39,940,700	38,772,102
Maryland..........	32	..	32	12,790,202 50	10,065,750	9,150,800	8,904,800
Delaware...........	11	..	11	1.428,185 00	1,348,200	2,117,225	1,198,825
Dist. of Columbia..	6	2	4	1,550,000 00	1,398,000	1,278,000	1,137,700
Virginia............	20	2	18	2,500,000 00	2,429,800	2,157,930	2,146,670
West Virginia......	15	..	15	2,216,400 00	2,243,250	2,020,350	1,988,550
Ohio...............	137	4	133	22,404,700 00	20,768,800	18,667,750	18,410,425

Indiana.............	71	3	68	12,867,000 00	12,532,500	11,169,055	11,018,735
Illinois..............	83	..	83	12,070,000 00	11,047,850	8,777,650	9,648,150
Michigan............	43	1	42	5,210,010 00	4,357,700	3,872,955	3,836,455
Wisconsin....	37	3	34	2,960,000 00	2,768,050	2,583,950	2,541,410
Iowa................	48	4	44	4,057,000 00	3,713,750	3,349,885	3,358,238
Minnesota.........	16	1	15	1,710,000 00	1,712,200	1,501,900	1,476,800
Kansas..............	5	..	5	400,000 00	382,000	354,600	341,000
Missouri	20	2	18	7,810,300 00	4,724,050	1,305,550	4,129,310
Kentucky..........	15	..	15	2,835,000 00	2,665,900	2,367,270	2,338,620
Tennessee	13	1	12	2,025,300 00	1,492,700	1,270,220	1,204,755
Louisiana..........	3	1	2	1,800,000 00	1,308,000	1,245,000	1,131,415
Mississippi.........	2	2	..	150,000 00	75,000	66,000	64,035
Nebraska.....	4	..	4	350,000 00	235,000	170,000	170,000
Colorado	3	..	3	350,000 00	297,000	254,500	254,000
Georgia	9	1	8	1,600,000 00	1,383,500	1,235,400	1,234,000
North Carolina.....	6	..	6	653,300 00	399,500	317,600	316,000
South Carolina.....	3	..	3	685,000 00	204,000	153,000	135,000
Alabama	3	1	2	500,000 00	370,500	353,025	304,900
Nevada..............	1	..	1	155,000 00	155,000	131,700	131,700
Oregon..............	1	..	1	100,000 00	100,000	88,500	88,500
Texas	4	..	4	525,000 00	472,100	417,635	407,535
Arkansas...........	2	..	2	200,000 00	200,000	179,500	179,500
Utah	1	..	1	150,000 00	150,000	135,500	135,000
Montana...........	1	..	1	100,000 00	40,000	36,000	36,000
Idaho..............	1	..	1	100,000 00	75,000	63,500	63,500
Total.............	1,685	56	1,629	426,189,111 00	342,619,950	309,915,166	299,806,565

From the number of banks organized, heretofore stated to be 1,685, should be deducted 56 leaving the number in active operation 1,629.

The banks to be excluded are the following:

NEVER COMPLETED THEIR ORGANIZATION SO AS TO COMMENCE BUSINESS.

The First National Bank of Lansing, Michigan, No. 232.
The First National Bank of Penn Yan, New York, No. 169.
The Second National Bank of Canton, Ohio, No. 463.
The Second National Bank of Ottumwa, Iowa, No. 195.

SUPERSEDED BY SUBSEQUENT ORGANIZATION WITH THE SAME TITLES.

The First National Bank of Norwich, Connecticut, original No. 65, present No. 458.
The First National Bank of Utica, New York, original No. 120; present No. 1,395.

IN VOLUNTARY LIQUIDATION.

The First National Bank of Columbia, Missouri.
The First National Bank of Carondelet, Missouri.
The National Union Bank of Rochester, New York.
The National Bank of the Metropolis, Washington, D. C.
The First National Bank of Leonardsville, New York.
The Farmers' National Bank of Richmond, Virginia.
The Farmers' National Bank of Waukesha, Wisconsin.
The City National Bank of Savannah, Georgia.
The National Bank of Crawford County, Meadville, Pennsylvania.
The First National Bank of Elkhart, Indiana.
The First National Bank of New Ulm, Minnesota.
The Pittston National Bank, Pennsylvania.
The Berkshire National Bank of Adams, Massachusetts.
The Fourth National Bank of Indianapolis, Indiana.
The Kittanning National Bank, Kittanning, Pennsylvania.
The First National Bank of Providence, Pennsylvania.
The National State Bank of Dubuque, Iowa.
The Ohio National Bank of Cincinnati, Ohio.

Since October 1, 1867:

The First National Bank of Kingston, New York.
The First National Bank of Bluffton, Indiana.
The First National Bank of Skaneateles, New York.
The First National Bank of Jackson, Mississippi.
The First National Bank of Downingtown, Pennsylvania.
The National Exchange Bank of Richmond, Virginia.
The Appleton National Bank, Appleton, Wisconsin.
The National Bank of Whitestown, New York.
The First National Bank of New Brunswick, New Jersey.
The First National Bank of Titusville, Pennsylvania.
The First National Bank of Cuyahoga Falls, Ohio.
The First National Bank of Cedarburg, Wisconsin.
The Commercial National Bank of Cincinnati, Ohio.
The Second National Bank of Watertown, New York.
The Second National Bank of Des Moines, Iowa.
The First National Bank of South Worcester, New York.
The National Mechanics and Farmers' Bank of Albany, New York.
The First National Bank of Plumer, Pennsylvania.

Of the banks in liquidation, the following are winding up for the purpose of consolidating with other banks:

The Pittston National Bank, Pittston, Pennsylvania, with the First National Bank of Pittston.

The Berkshire National Bank of Adams, Massachusetts, with the First National Bank of Berkshire.

The Fourth National Bank of Indianapolis, Indiana, with the Citizens' National Bank of Indianapolis.

The Kittanning National Bank, Kittanning, Pennsylvania, with the First National Bank of Kittanning.

The First National Bank of Providence, Pennsylvania, with the Second National Bank of Scranton, Pennsylvania.

The National State Bank of Dubuque, Iowa, with the First National Bank of Dubuque.

The Ohio National Bank of Cincinnati, Ohio, with the Merchants' National Bank, of Cincinnati.

The First National Bank of Titusville, Pennsylvania, with the Second National Bank of Titusville.

The National Exchange Bank of Richmond, Virginia, with the First National Bank of Richmond.

The Second National Bank at Watertown, New York, with the first National Bank of Watertown

The following banks in liquidation are succeeded by new organizations, which are to take their circulation as fast as it is redeemed; this being the only process by which a change of location can be effected.

The First National Bank of Downington, Pennsylvania, succeeded by the First National Bank of Honeybrook, Pennsylvania.

The First National Bank of New Brunswick New Jersey, succeeded by the Princeton National Bank, Princeton, New Jersey.

The Second National Bank of Des Moines, Iowa, succeeded by the Pacific National Bank of Council Bluffs, Iowa.

The First National Bank of Plumer, Pennsylvania, succeeded by the First National Bank of Sharon, Pennsylvania.

Statement showing the national banks in liquidation for the purpose of closing up and going out of existence, their capital bonds deposited to secure circulation, circulation delivered, circulation redeemed, and circulation outstanding, October 1, 1868.

Name of Bank.	Capital.	U. S. bonds on deposit.	Legal Tenders deposited.	Circulation delivered.	Circulation returned and destroyed.	Circulat'n outstanding.
First Nat. Bk. Columbia, Mo......	$100,000	....	$90,000	$90,000	$6,910	$83,090
First Nat. Bk. Carondelet, Mo....	30,000	....	25,500	25,500	16,640	8,860
Nat. Un. Bk. Rochester, N. Y.......	400,000	$220,000	....	192,500	....	192,500
Nat. Bk. Metropolis, Wash'n D. C...	200,000	202,000	....	180,000	....	180,000
First Nat. Bk. Leonardsville, N. Y.	50,000	50,500	....	45,000	....	45,000
Farmers' Nat. Bk. Richmond, Va..	100,000	100,000	....	85,000	....	85,000
Farmers' Nat. Bk. Waukesha, Wis.	100,000	....	90,000	90,000	140	89,860
City Nat. Bk. Savannah, Ga.......	100,000	....	....	(*)	....	....
Nat. Bk. Crawf'd Co., Meadville, Pa	300,000	....	....	(*)	....	....
First Nat. Bk. Elkhart, Ind........	100,000	100,000	....	88,150	1,000	87,150
First Nat. Bk. New Ulm, Minn.....	60,000	60,000	....	54,000	....	54,000
First Nat. Bk. Kingston, N. Y......	200,000	200,000	....	180,000	....	180,000
First Nat. Bk. Bluffton, Ind........	50,000	50,000	....	45,000	....	45,000
First Nat. Bk. Skaneateles, N. Y...	150,000	153,000	....	135,000	....	135,000
First Nat. Bk. Jackson, Miss.......	100,000	45,000	....	40,500	....	40,500
Appleton Nat. Bk., Appleton, Wis.	50,000	50,000	....	45,000	....	45,000
Nat. Bk. Whitestown, N. Y.........	120,000	50,000	....	44,500	....	44,500
First Nat. Bk. Cuyahoga Falls, Ohio.	50,000	50,000	....	45,000	....	45,000
First Nat. Cedarburg, Wis.........	100,000	80,000	....	90,000	18,000	72,000
Commercial Nat. Bk. Cin., Ohio...	500,000	407,000	....	345,950	....	345,950
First Nat. Bk. South Worcester, N.Y.	175,000	177,700	....	157,400	....	157,400
Nat. Mech. & Farmers' Bk. Alb., N.Y.	350,000	350,000	....	314,950	3,520	311,430

* No circulation.

Statement showing the national banks in liquidation for the purpose of consolidating with other banks, their capital, bonds, and circulation.

Name of Bank.	Capital.	U. S. bonds on deposit.	Circulation delivered.	Circulation returned and destroyed.	Circulat'n outstanding.
The Pittston N. B'k, Pittston, Pa.......	$200,000	....	(*)	....	....
The Berkshire N. B'k of Adams, Mass..	100,000	....	(*)	....	....
The Fourth N. B'k of Indianapolis, Ind.	100,000	$94,000	$85,700	$1,100	$84,600
The First N. B'k of Providence, Pa.....	100,000	101,550	90,000	1,000	89,000
The Kittanning N. B'k, Kittanning, Pa..	200,000	....	(*)	....	....
The Ohio N. B'k of Cincinnati, Ohio....	500,000	530,000	450,000	2,500	447,500
The N. S. B'k of Dubuque, Iowa........	150,000	146,000	127,500	3,400	124,100
The N. Ex. B'k of Richmond, Va........	200,000	206,300	180,000	....	180,000
The First N. B'k of Titusville, Pa.......	100,000	100,000	86,750	1,505	85,245
The Second N. B'k, Watertown, N. Y...	100,000	100,000	90,000	....	90,000

No circulation

STATEMENT SHOWING THE NATIONAL BANKS IN LIQUIDATION FOR THE PURPOSE OF CHANGING THEIR LOCATION, THEIR CAPITAL, BONDS, AND CIRCULATION.

Name of Bank.	Capital.	U. S. bonds on deposit.	Circulation delivered.	Circulation return'd and destroyed.	Circulation outstanding.
The First National Bank of Downingtown, Pa	$100,000	$100,000	$89,500	$1,400	$88,100
The First National Bank of New Brunswick, N. J	100,000	100,000	90,000	500	89,500
The Second National Bank of Des Moines, Iowa.	50,000	50,000	42,500	....	42,500
The First National Bank of Plumer, Pa	100,000	100,000	87,500	....	87,500

NATIONAL BANKS WHICH HAVE FAILED TO REDEEM THEIR CIRCULATING NOTES, AND FOR WHICH RECEIVERS HAVE BEEN APPOINTED.

The First National Bank of Attica, New York, Leonidas Doty, receiver.
The Venango National Bank of Franklin, Pennsylvania, Harvey Henderson, receiver.
The Merchants' National Bank of Washington, D. C., James C. Kennedy, receiver.
The First National Bank of Medina, New York, Edwin P. Healey, receiver.
The Tennessee National Bank of Memphis, Tennessee, William A. Hill, receiver.
The First National Bank of Newton, Newtonville, Massachusetts, D. Wayland Jones, receiver.
The First National Bank of Selma, Alabama, Cornelius Cadle, jr., receiver.
The First National Bank of New Orleans, Louisiana, Charles Case, receiver.
The National Unadilla Bank, Unadilla, New York, Lewis Kingsley, receiver.
The Farmers and Citizens' National Bank of Brooklyn, New York, Frederick A. Platt, receiver.
The Croton National Bank of the city of New York, C. P. Bailey, receiver.
The National Bank of Vicksburg, Mississippi, Edwin F. Brown, receiver.
The First National Bank of Keokuk, Iowa, H. W. Sample, receiver.
The First National Bank of Bethel, Connecticut, E. S. Tweedy, receiver.

The affairs of the First National Bank of Attica have been finally closed, and a dividend paid to the creditors of forty-eight per cent.

The affairs of the First National Bank of Newton have been finally closed. The government claims were paid in full, and a dividend of forty per cent paid to the general creditors.

A partial dividend has been declared to the creditors of the Farmers and Citizens' National Bank of Brooklyn, New York, of fifty five per cent, and to the creditors of the Croton National Bank of the city of New York of fifty per cent upon all claims approved or adjudicated.

STATEMENT SHOWING THE NATIONAL BANKS IN THE HANDS OF RECEIVERS, THEIR CAPITAL, AMOUNT OF UNITED STATES BONDS DEPOSITED TO SECURE CIRCULATION, AMOUNT OF CIRCULATION DELIVERED, THE AMOUNT OF CIRCULATION REDEEMED AT THE TREASURY OF THE UNITED STATES, AND THE AMOUNT OUTSTANDING ON THE 1ST DAY OF OCTOBER, 1868.

	Capital.	U. S. bonds on deposit.	Legal Tenders on deposit, realized from sale of bonds.	Circulation delivered.	Circulation redeemed.	Circulation outstanding.
The First National Bank of Attica, N. Y	$50,000	$.....	$44,000 00	$44,000	$32,750	$11,250
The Venango National Bank of Franklin, Pa.	300,000	40,000	61,871 00	85,000	64,030	20,970
The Merchants' National Bk of Washington, D.C	200,000	80,000	127,741 00	180,000	125,800	54,200
The First National Ba'k of Newt'n, Mass	150,000	146,000	....	130,000	6,500	123,500
The First National Bank of Medina, N. Y	50,000	20,000	27,320 25	40,000	26,210	13,790
The Tennessee Nat'nal B'k of Memphis, Tenn	100,000	50,000	53,272 00	90,000	59,465	30,535
The First National Bank of Selma, Ala.	100,000	60,000	41,247 20	85,000	48,125	36,875
The First National Ba'k of New Orleans, La	500,000	100,000	104,742 00	180,000	113,585	66,415
The National Unadilla Bank, Unadilla, N. Y	120,000	61,200	53,183 50	100,000	64,880	35,120
The Farmers and Citizens Nat. Bank of B'klyn, N. Y	300,000	183,500	106,504 10	253,900	137,920	115,980
The Croton Nat. B'k of the city of N. York, NY	200,000	142,000	73,181 90	180,000	105,111	74,899
The First National B'k of Bethel, Conn	60,000	30,000	....	26,300	2,020	24,280
The First National B'k of Keokuk, Iowa	100,000	100,000	....	90,000	28,780	61,220
The First National B'k of Vicksburg, Miss	50,000	50,000	.....	25,500	1,965	23,535

The following statement exhibits the number and amount of notes issued, redeemed and outstanding, October 5, 1868:

Ones.

	Notes.	
Issued	8,896,576	$8,896,576
Redeemed	254,754	254,754
Outstanding	8,641,822	8,641,822

Twos.

Issued	2,978,160	$5,956,320
Redeemed	73,176	146,352
Outstanding	2,904 984	5,809,968

Fives.

Issued	23,106,728	$115,533,640
Redeemed	482,132	2,410,660
Outstanding	22,624,596	113,122,980

Tens.

Issued	7,915,914	$79,159,140
Redeemed	142,859	1,428,590
Outstanding	7,773,555	77,735,05

Twenties.		
Issued	2,219,322	44,386,440
Redeemed	36,355	727,100
Outstanding	2,182,967	43,659,340
Fifties.		
Issued	355,181	$17,759,050
Redeemed	17,256	862,900
Outstanding	337,925	16,896,250
One Hundreds.		
Issued	267,350	$26,735,000
Redeemed	15,583	1,558,300
Outstanding	251,767	25,176,700
Five Hundreds.		
Issued	13,486	$6,743,000
Redeemed	1,759	879,500
Outstanding	11,727	5,863,500
One Thousands.		
Issued	4,746	$4,746,000
Redeemed	1,846	1,846,000
Outstanding	2,900	2,900,000
Total of all denominations outstanding on the first Monday of October, 1868..		$299,806,110
Add for fragments of notes outstanding, lost or destroyed, portions of which have been redeemed		455
		$299,806,565

(We here omit tables showing the lawful money reserves of the banks each quarter of the year, they having already appeared in the CHRONICLE. See page 712 of this Volume.)

STATEMENT OF CAPITAL LOANS AND DISCOUNTS MADE BY NATIONAL BANKING ASSOCIATIONS, 1867.

States and Territories.	Capital.	Number of distinct loans & discounts.	Aggregate amount of l'ns & disc.	Av. amo't of each loan & discount.	Av. time of each loan and dis.-days
Maine	$9,085,000 00	87,838	$50,703,849 87	$1,340 00	95
New Hampshire	4,735,000 00	13,329	11,030,942 20	827 00	95
Vermont	6,510,012 50	30,652	19,085,570 60	623 00	69
Massachusetts	79,932,000 00	182,800	392,562,183 16	2,153 00	90
Rhode Island	20,364,800 00	27,058	67,036,811 10	2,477 00	102
Connecticut	24,584,220 00	83,200	105,467,506 31	1,268 00	86
New York	116,494,941 00	545,322	1,668,141,362 30	3,059 00	52
New Jersey	11,333,350 00	111,530	84,096,828 11	752 00	75
Pennsylvania	50,277,795 00	274,182	352,188,245 20	1,284 00	71
Delaware	1,428,185 00	13,439	10,258,133 14	768 00	72
Maryland	12,590,202 50	45,396	59,094,941 92	1,302 00	54
Dist. of Columbia	1,350,000 00	7,814	4,689,302 09	600 00	64
Virginia	2,500,000 00	23,667	18,757,303 36	793 00	66
West Virginia	2,216,400 00	9,363	7,810,086 91	834 00	77
North Carolina	583,800 00	4,169	3,967,196 21	951 00	54
Georgia	1,700,000 00	8,174	18,156,271 47	2,221 00	59
Alabama	500,060 00	728	1,638,463 50	2,250 00	60
Texas	576,450 00	851	1,615,071 39	1,898 00	50
Arkansas	200,000 00	1,765	1,795,782 11	1,027 00	49
Kentucky	2,885,000 00	7,114	11,427,329 62	1,606 00	91
Tennessee	2,100,000 00	7,810	14,116,508 82	1,807 00	50
Ohio	22,404,700 00	75,454	147,287,563 46	1,952 00	70
Indiana	12,867,000 00	43,880	48,674,671 07	1,109 00	74
Illinois	11,620,000 00	65,895	106,645,884 90	1,615 00	65
Michigan	5,007,010 00	35,518	33,606,901 10	946 00	65
Wisconsin	2,935,000 00	30,279	22,491,388 40	742 00	62
Minnesota	1,660,000 00	13,810	9,906,349 58	717 00	66
Iowa	3,942,000 00	29,008	21,785,700 45	751 50	74
Missouri	7,559,300 00	14,669	39,660,096 85	2,704 00	72
Kansas	400,000 00	1,650	1,471,809 63	892 00	55
Nebraska	250,000 00	3,251	2,737,775 35	842 00	70
Oregon	100,000 00	252	178,659 81	708 00	72
Colorado Terr'ty	350,000 00	1,755	1,715,399 94	977 00	89
Utah Territory	150,000 00	220	592,275 30	2,694 00	90
Montana Territ'y	100,000 00	85	240,646 00	2,831 00	60
Idaho Territory	100,000 00	76	96,327 19	1,482 00	55
Louisiana	1,300,000 00	3,991	11,322,588 36	2,837 00	60
Total	422,804,666 00	1,755,283	3,351,004,865 08	1,909 00	71

NOTE.—The banks in Mississippi, (2,) South Carolina, (2,) and Nevada, (1,) in all five banks, not having reported, are not included in above.

STATEMENT SHOWING THE AMOUNT AND RATE OF TAXATION (UNITED STATES AND STATE), OF THE NATIONAL BANKING ASSOCIATIONS FOR THE YEAR ENDING DECEMBER 31, 1867.

States and Territories.	Amount of taxes paid U. States.	Rate per cent of United States taxat'n.	Amount of taxes paid to & ass'd by State author's.	Rate per ct. of State taxation.	Total am't of tax's p'd to the U.S & State author's.	Rate p.c. of U S. & S. tax n on cap.
Maine	$180,129 00	.02	$141,215 64	.015	$321,344 64	.035
N. Hampshire	88,772 90	.019	93,178 83	.019	181,951 73	.038
Vermont	122,218 57	.019	144,168 50	.022	266,877 07	.041
Massachus's	1,616,824 50	.0202	1,562,128 10	.02	3,178,952 60	.0402
R. Island	324,844 25	.015	195,355 32	.01	520,199 57	.025
Connecticut	434,440 35	.017	387,146 26	.016	821,586 61	.033
New York	3,022,662 16	.0261	4,058,706 11	.0348	7,068,361 27	.0609
New Jersey	253,359 31	.022	223,106 28	.02	476,465 59	.042
Pennsylvania	1,242,037 40	.0347	278,268 04	.0055	1,520,305 44	.0392
Maryland	260.261 25	.0206	166,054 11	.0131	426,3 5 36	.0337
Delaware	32,620 68	.0228	1,260 61	.0008	33,881 29	.0236
Dis. of Col'b'a	15,329 45	.0133	3,285 94	.0028	18,615 39	.0161
Virginia	48,344 81	.0193	13,925 66	.0055	62,270 47	.024
W. Virginia	46,966 84	.021	51,457 38	.023	98,423 72	.044
Ohio	514,681 46	.0229	520,951 20	.0232	1,035,632 66	.0461
Indiana	278,797 60	.0216	200,372 29	.0155	479,169 89	.0371
Illinois	321,406 24	.0276	231,917 00	.02	553,323 24	.0476
Michigan	111,789 26	.022	68,061 41	.0134	179,850 97	.0354
Wisconsin	76,583 25	.0261	62,011 51	.021	138,594 76	.0471
Iowa	106,349 34	.0266	88,281 27	.0221	194,630 61	.0487
Minnesota	39,132 48	.02	29,522 20	.013	68,654 68	.033
Kansas	10,229 23	.025	7,801 08	.02	18,030 31	.045
Missouri	133,141 77	.014	189,247 69	.02	322,389 46	.034
Kentucky	59,816 01	.021	17,466 77	.006	77,282 78	.027
Tennessee	52,459 82	.027	27,974 80	.014	80,434 62	.041
Louisiana	35,894 28	.0276	20,041 58	.0154	55,935 86	.043
Nebraska	10,734 67	.0429	7,014 39	.028	17,749 06	.0709
Colorado	9,701 72	.0277	1,615 00	.0046	11,316 72	.0323
Georgia	40,844 75	.025	6,050 46	.004	46,895 21	.029
North Carol'a	9,048 71	.0155	5,144 31	.0088	14,193 02	.0243
Alabama	8,762 52	.0175	3,829 49	.0095	12,592 01	.027
Oregon	1,623 86	.024	....	.....	1,623 86	.024
Texas	6,865 86	.0119	2,149 84	.0037	9,014 70	.0156
Arkansas	5,745 88	.0287	1,350 99	.0068	7,096 87	.0355
Utah	*1,887 42	.0125	1,097 00	.0073	2,984 42	.0198
Montana	837 81	.0083	560 00	.0056	1,397 81	.0139
Idaho	478 65	.0047	1,405 36	.014	1,884 01	.0187
Total.	9,525,607 31	2¾	8,818,126 92	2.082	18,333,734 23	4.832

STATEMENT SHOWING THE AMOUNTS AND KINDS OF UNITED STATES BONDS HELD BY THE TREASURER OF THE UNITED STATES TO SECURE THE REDEMPTION OF THE CIRCULATING NOTES OF NATIONAL BANKS ON THE 30TH DAY OF SEPTEMBER, 1868.

Description of securities.	Amounts.
Registered bonds—Act of June 14, 1858	$805,000
" " " " 22, 1860	50,000
" " " Feb. 8, 1861	3,487,000
Coupon " " " 8, 1861	1,000
" " " March 2, 1861	16,000
Registered " Acts of July 17 and August 5, 1861	58,611,000
Coupon " " " 17 " " 5, 1861	9,000
Registered bonds—Act of Feb. 25, 1862	6,506,350
Coupon bonds—Acts of Feb. 25, 1862	4,000
Registered bonds—Act of March 3, 1863	34,142,050
" " " " 3, 1864, 5 per cent	88,596,150
Coupon " " " 3, 1864, 5 "	10,000
Registered " " June 30, 1864	38,045,000
" " Acts of July 1, 1862, and July 2, 1864	9,263,000
" " Act of March 3, 1864, 6 per cent	3,503,500
" " " " 3, 1865, first series	27,218,100
" " " " 3, 1865, second series	10,714,100
" " " " 3, 1865, third series	2,387,550
" " " " 3, 1865, fourth series	185,000
Total	$342,019,950

REPORTS.

The national currency act requires every association to make a report, exhibiting in detail its resources and liabilities on the first Monday of January, April, July and October, of each year. In addition to this, every association is required on the first Tuesday of each month to make a statement, exhibiting the average amount of loans and discounts, specie and other lawful money deposits, and circulation; and banks not located in the cities named in section 31 of the act are required also to return the amount due them available for the redemption of their circulation.

The quarterly reports coming, as they do, upon a certain specified day, known in advance, and for which the amplest preparation may be made, can hardly be expected to present the actual working condition of the banks. They are, of course, careful to exhibit the full amount of reserve required, and otherwise a full compliance with all the important provisions of the law. But it is in the large cities, especially in New York, that this plan proves most objectionable. Gold and stock speculators, knowing that at certain time the banks will make it a point to have a full supply of lawful money in their vaults, get up combinations for the purpose of producing a scarcity of legal-tender notes, and a stringent money market, so as to depress the market for government, State, railroad, and other securities. National banks, held firmly to the requirements of the law, are seriously embarrassed by such trickery. Their necessities compel them to have the lawful money at any hazard. Besides the damage resulting from an unnecessary and forced depression of public securities, regular commercial transactions are impeded, suspended, or forced to be carried on at ruinous rates, owing to the artificial stringency thus produced. It is becoming more manifest, as one quarter succeeds another, that the evil is becoming more and more intolerable. Honest industry, regular trade, and legitimate business of every kind, which depend upon the banks for their usual facilities, are subjected to great inconvenience, hardship, and loss, through the abuses thus practiced.

This state of things calls for a prompt and efficient remedy. This may be found in an amendment to section 34 of the act, authorizing the Comptroller of the Currency to call upon the banks for five detailed statements or reports during each year, fixing upon some day that is past for the date of the report. In this way the condition of the banks may be ascertained at irregular intervals, without previous preparation on their part; and the precise period when the reports will be called for being unknown to the public, outside operators will be prevented from conspiring against the banks and the honest trade of the country.

This subject is commended to the early attention of Congress.

BANKS IN VOLUNTARY LIQUIDATION.

Section 42 of the currency act provides that any association may go into liquidation and be closed by a vote of shareholders owning two-thirds of its stock; that due notice of such action shall be published, &c.; and at any time after the expiration of one year from the publication of such notice, the said association may pay over to the Treasurer of the United States the amount of its outstanding notes in lawful money of the United States, and take up the bonds which it has on deposit with the Treasurer as security for such circulating notes—leaving it optional with the bank or its representatives to take up the bonds, or not.

Under this provision a bank may go into liquidation, pay off its depositors and other creditors, do no business, have no existence as a bank of discount and deposit, and yet reap all the benefits of a circulation guarantied by the government. In some cases the ownership has been concentrated in the hands of two or three individuals, who continue to do business as private bankers, avoid taxation, evade the requirements of the currency act, and still retain the most profitable feature of a national bank.

To correct abuse of this kind, it is suggested that national banking associations which go into voluntary liquidation be required to provide for their outstanding circulation in lawful money, and take up their bonds within three or six months; in default of which, the Comptroller shall have power to sell their bonds at public auction in New York City, and, after paying to the Treasurer the amount of the outstanding circulation of the bank in lawful money, to pay over any excess realized from the sale of the bonds to the association or its legal representatives.

Banks that are winding up for the purpose of consolidating with other banks, or for the purpose of reorganizing at some other and more desirable points, should be excepted from the foregoing requirements.

A CENTRAL REDEEMING AGENCY.

The opinion was expressed in the last annual report from this office that it was important that a system of redemptions for national bank notes should be established as early as practicable, by means of which they should be made convertible into the lawful money of the country, whether it be paper or gold, at the principal centre of trade. Without repeating the argument then made, the conviction is again expressed that only by rigid, unfailing redemptions at a central point can the bank currency of the country be kept at a uniform par value.

A prevalent objection to this doctrine is, that it would render the country banks tributary to New York. While there is strong reason to believe this objection would prove to be unfounded, yet it may be entirely removed by authorizing the national banks of the country to take the whole matter into their own hands. If Congress should provide by law for the organization of a national bank in New York City, without circulation, in which every national bank should be required to become a stockholder in proportion to its surplus fund, a bank with a capital of from ten to fifteen or twenty millions could be established, which would become the redeeming agency of the whole country, and the clearing-house of all national bank notes in circulation. It would be owned, controlled, and managed by the banks themselves for their benefit, and in their interest. It should have one department devoted exclusively to redemptions and exchanges of currency, and another department devoted to a general banking business. The latter department could be made to pay all the expenses of the redemptions and exchanges, and yield a revenue to the stockholders in addition, which would be so much interest on their surplus funds thus invested. Such an institution would prove of incalculable benefit to the banking, commercial and industrial interests of the country. It would place the bank circulation of the country at once upon the soundest footing, and demonstrate practically the fact that the banks stand ready to make their issues not only redeemable, but actually convertible at all times in the great markets of the Union.

Moreover, such an agency, by becoming a place of deposit for that portion of the reserves kept in New York, would remedy the evils adverted to in my last report, growing out of the payment of interest on the balances of the country banks, and their consequent use by the New York City banks. The reserves, instead of being loaned on call to speculators and brokers, as is largely done at present, would be held exactly where they would be needed, and would be applied to just the purpose for which they were intended. They would be actual reserves, and at all times available as such; thus adding to the safety and the credit of the currency of the country, and carrying into practical operation the spirit and intent of the law on this subject.

This suggestion is earnestly commended to the consideration of Congress, as tending to reconcile the interests of all sections on the question of redemptions.

THE PERIODICAL STRINGENCY IN NEW YORK CITY.

A careful study of the bank statements of New York taken separately, and the application of the facts so obtained to the aggregate statement or abstract of the whole, affords valuable and instructive information.

The abstract shows the total of loans to be $163,634,000.

An examination of the statements in detail shows the character of the loan to be substantially as follows:

Commercial or business paper	$90,000,000
Demand loans	63,500,000
Accommodation loans	8,500,000
Suspended loans	1,500,000
Total	163,500,000

Nine sixteenths, or rather more than half the loan, is legitimate business paper; the balance is upon call, or for accommodation. The amount loaned on call for commercial purposes is not stated; but reliable information leads to the belief that it is very small. The customs and necessities of trade are of such a character as to preclude loans of this kind. The merchant, with his capital invested in trade, must know when his liabilities are to mature, in order that he may be prepared to meet them. It would be unsafe for him to use money in his business which he is liable to be called on to pay at any moment. Consequently, merchants and others in business where the profits are regular and legitimate, yielding a fair return to skill and industry, cannot afford to borrow money on call. Dealers in money, stocks and gold constitute almost the only class of business men whose transactions are of such a nature as to make call loans desirable or profitable; and it is scarcely possible to avoid the inference that nearly one-half of the available resources of the national banks in the city of New York are used in the operations of the stock and gold exchange; that they are loaned upon the security of stocks which are bought and sold largely on speculation, and which are manipulated by cliques and and combinations, according as the bulls or bears are, for the moment, in the ascendancy.

In addition to this direct loan of $70,000,000, they furnish facilities by means of certified checks to the same class of operators to an amount ranging from $110,000,000 to $120,000,000 daily, (on the 5th of October the amount was $112,800,000), and these checks are made to swell the amount of individual deposits. They are credited to depositors as money, and are circulated and treated as money by the banks and by their customers; yet, when ascertaining the amount of deposits upon which they must hold a reserve, or upon which they must pay taxes, the banks invariably deduct all such checks on hand. For instance, on the 1st Monday of October they reported:

Individual deposits	$224,170,000
But deducting checks on hand	112,800,000
They had actual deposits of	$111,370,000

Taking the call loans and the certified checks together, the somewhat startling fact is developed, that the New York National Banks furnish $70,000,000 of capital and $112,000,000 of credit for speculation.

The use of certified checks is a direct inflation to that extent; which stimulates the stock market, and keeps the price of a large class of miscellaneous securities much above their actual value, so that the market is feverish and fluctuating, and a slight stringency reduces the prices. Taking advantage of an active demand for money to move the crops, west and south, shrewd operators form their combinations to depress the market by "locking up" money—withdrawing all they can control or borrow from the common fund: money becomes scarce, the rate of interest advances, and stocks decline. The legitimate demand for money continues; and, fearful of trenching on their reserve, the banks are straitened for means. They dare not call in their demand loans for that would compel their customers to sell securities on a falling market, which would make matters worse. Habitually lending their means to the utmost limit of prudence, and their credit much beyond that limit, to brokers and speculators, they are powerless to afford relief. Their customers, by the force of circumstances, become their masters. The banks cannot hold back or withdraw from the dilemma in which their mode of doing business has placed them. They must carry the load to save their margins. A panic, which should greatly reduce the price of securities, would occasion serious if not fatal results to the banks most extensively engaged in such operations, and would produce a feeling of insecurity which would be very dangerous to the entire banking interest of the country.

The fact that a banking interest with capital and surplus of $100,000,000 can be, and has been repeatedly placed at the mercy of a few shrewd, though bold and unscrupulous men, is evidence of some inherent defect in its management, and the foregoing statement may serve in some degree to show where the error lies:

1st. In demand or call loans to brokers and speculators, on collateral security, by which nearly one-half the active resources of the banks are used directly to foster and promote speculative operations.

2d. Certified checks or loans of credit to the same class of men, whereby stocks are inflated and immense operations are carried on daily upon fictitious capital.

3d. The payment of interest on bank balances; which, being payable on demand, must be loaned on call in order to avoid loss.

The necessity for making call loans is, in part, owing to the fact that a large fund, belonging to country banks, is held by the New York City banks, subject to the payment of interest. This fund is liable to be demanded at any time. But, bearing interest, it cannot be suffered to lie unemployed, and so *must* be loaned on call. It may be merely a coincidence; but on the first Monday of October, the bank deposits held by the New York City banks were $68,529,417, and the call loans reported were $68,500,000. These loans, as before stated, are made to brokers, stock and gold operators, on collateral security, and constitute a large portion of the capital used in speculation. Thus, by a vicious practice, the reserve fund of the country is handed over to the tender mercies of Wall street and its purlieus.

Not content with the $70,000,000 so absorbed, a fictitious capital of $120,000,000 is created by means of certified checks, which, by an ingenious arrangement, after being traded on the street, are finally traded back to the banks that issue them, without materially increasing or diminishing the cash deposits. Many of the largest and best managed national banks in New York deprecate the practice herein set forth, and look with anxiety and alarm toward the final issue; but they are all involved in the danger. The failure of one or more institutions, through reckless management would endanger the whole. If all bankers were wise and prudent, no law would be required to restrain them; but they are in the position of trustees—trustees for their stockholders, trustees for their depositors, and trustees for the public. If they habitually engage in practices dangerous to stockholders, depositors and the public the law may be invoked to provide a remedy. It is not becoming that institutions organized under an act of Congress for the public good, should so far pervert their corporate powers and privileges as to work detriment to the public interests. If they regard legislative interference as arbitrary and tyrannical, they may have the option of conforming to the requirements of law, or of withdrawing from a system to which they add no strength.

A return to specie payments would be the best remedy for speculation; as every departure from specie value is the signal and incentive for its rise and reign. As a present corrective, however, it is recommended that national banks be prohibited by law from paying interest on bank balances, and also from certifying checks to be good which are not drawn against actually existing cash deposits standing to the credit of the drawer when the checks are made and presented.

PANICS

Notwithstanding the fact, however, that the troubles to which the banking interest is liable are caused primarily by the disregard of sound principles on the part of the banks themselves, it is nevertheless true that they do recur from time to time, and that they are usually the cause of wide-spread disaster—disaster reaching far beyond the immediate circle in which the trouble originated, and extending into every branch of trade, and into every section of the country.

When money is abundant, the temptation is very great to find employment for it as much as possible; and though the danger of too great extension is palpable, and has been demonstrated by experience, yet the majority of bankers are prone to go on, carrying full sail, until they find themselves in the breakers, repeating the same mistakes and suffering the same retributions which they themselves, or their predecessors, have before made and suffered. The fact must be taken as they are found to exist. Panics come; and while it would be wise to learn lessons of wisdom from experience, so as to avoid their recurrence, the fact that we are, and will probably continue to be, liable to panics as long as men make mistakes, or act in reckless disregard of established principles, should be duly considered. Recognizing this fact, it may not be without profit to ascertain the nature of the trouble that prevails in a time of financial pressure.

If banks habitually lend all their available means when times are easy, or when there is no extraneous demand for money, it is evident that when an extra demand arises, it can be met only by withdrawing or calling in loans previously made. For instance, during the Summer months there is but little demand for money throughout the country generally, beyond the ordinary wants of regular trade, and a large surplus is accumulated in the large cities, principally in New York. The banks in New York, with their coffers full to overflowing, seek employment for their money, and loan freely as far as they can find borrowers, and at low rates. Their funds are thus absorbed, and to a considerable extent form the basis upon which a large amount of business is transacted. Abundance of money at low rates stimulates and builds up a certain kind of business, which comes to depend upon the banks for its activity and support. Meantime the grain crops of the West, and the cotton crops of the South, are gathered, and are made ready for shipment to market. Both are prime necessities to the country at large. They must go forward, and money is required to buy them and to move them. The demand is paramount and must be answered; but it can be met only by withdrawing money that has been absorbed and become the very life blood of a business built up and supported by its use.

The banks contract their loans, and murmurs are heard of stringency. The crops require all the money in the country to pay for them; but Wall street demands its share, insisting, and not without reason, that the banks encouraged its speculative operations by tendering means in abundance, and now to withdraw the accustomed support will be ruinous to its interests. The banks, interested so largely in the operations of their customers, cannot afford to call in their loans, or to cut off supplies; their own safety is at stake, and they must carry their customers through, or suffer with them the consequences of a dangerous convulsion, possibly of a fatal collapse.

This is substantially the history of a panic under the present order of things. Possibly it might be prevented by a proper conservatism exercised in season; but prudence is not the most distinguishing trait of the times. The important question, therefore, is how to relieve the public? There is not money enough in the country to meet all the demands at once. A suspicion that a financial institution is unable to respond to all demands, is almost fatal to its stability; and when confidence is unsettled, judgment loses its sway, and unreasoning panic follows.

THE REMEDY.

If the Treasury of the United States could hold in reserve a certain amount of legal tender notes in excess of the amount of money in regular circulation, to be advanced to banking institutions at a specified rate of interest upon the deposit of United States bonds as collateral security, a source of relief would be established which would effectually prevent a monetary pressure from being carried to any ruinous extent.

This proposition is not anomalous or without precedent. In time of severe pressure, the Bank of England has been authorized by the Chancellor of the Exchequer to issue its notes in excess of the limitations prescribed in its charter. This was done in violation, or without authority, of law, upon the pledge by the Government of an act of indemnity. In our government no power to make such pledges exists; and therefore, any extraordinary provision of the character suggested must be authorized by law.

The measure is one of relief and protection to the interests of the public at large, and therefore justifiable. If the consequences of overtrading, speculation, and otherwise reckless conduct could be confined to the parties or institutions so overtrading or speculating, they might well be left to their own resources; but immense interests are involved which are in no way responsible for the trouble. A financial panic generally extends to commercial circles, and in several instances has damaged the trade and industry of the country to such an extent that its effects have been felt for years. Any measure that would mitigate or prevent such calamities would be a measure of national importance and a proper subject for Congressional legislation.

SPECIE PAYMENTS.

The subject of specie payments naturally comes up whenever the currency question is discussed, and much ingenuity has been exercised in devising plans for an early resumption.

The principle obstacle to specie payments may be found in the statement of the public debt of the United States for the 1st of October, 1868, under the head of "Debt bearing no interest," as follows:

United States notes	$356,021,073 00
Fractional currency	32,933,614 17
Making together	388,954,687 17

of Government notes circulating as money, and designed to take the place of gold and silver by being made "a legal tender for all debts, public and private, except duties on imports" and interest on the bonded debt. As long as the people prefer an inferior currency—inferior because irredeemable and inconvertible except at a heavy discount—they will have it to the entire exclusion of the precious metals. Whenever the people conclude that it is more economical to conduct the business of the country on a specie basis, they can ordain specie payments by making provision through their representatives in Congress for the payment or withdrawal of the present depreciated paper currency issued and kept in circulation by the Government. And whenever the people wish to restore the credit of the nation, they can do it through their representatives in Congress, by removing the only embarrassment that stands in the way—by directing that provision shall be made for the payment of a floating indebtedness amounting to $388,000,000, consisting of promises to pay that are never paid—and so establish the fact that the United States is a solvent debtor, able and willing to pay every debt as it becomes due. Specie payments and the restoration of public credit are within the reach, and depend upon the will, of the people of the United States.

FREE BANKING.

Whenever Congress shall inaugurate measures looking to the appreciation of United States notes to a gold standard, the effect of such measures will probably be to diminish the volume of such notes in circulation. To what extent the reduction would have to be carried in order to place them permanently on a specie basis, would at present be mere matter of speculation. Doubtless a large amount might be carried, with profit to the Government and with benefit to the public.

As soon as the effect of such measures becomes apparent, by the gradual approach of legal tender notes to a par with gold, the restrictions imposed upon the issue of circulating notes by national banks may be safely removed, provided the establishment of a central redeeming agency in the city of New York, at which all national bank notes are redeemable at par, shall be required by law. Any inconvenience resulting from a reduction of legal tenders may thus be remedied, and the remedy will be in the hands of the only competent judge of the necessities of the case—the business public of the United States.

Respectfully submitted,

H. R. HULBURD,
Comptroller of the Currency.

HON. HUGH McCULLOCH,
Secretary of the Treasury.

THE MINES OF AUSTRALIA.

The Melbourne *Australian* says: Some interesting statistics just issued from the Mining Department show a decrease in the number of miners employed in 1867, as compared with 1866, and an increase in their average earnings. Indeed it is satisfactory to observe that these have been steadily on the rise for the last six years; while we must not lose sight of the fact that the yield of gold does not represent the whole of the miners' earnings; inasmuch as these are supplemented by the tens of thousands of pounds expended in unsuccessful ventures by capitalists in Melbourne and elsewhere. The mean number of miners employed in 1867 was 65,857, of whom about three-fourths were engaged in alluvial operations. Their average earnings per man were £67 10s. 7½d., and those of the quartz miners £158 11s. 8d¾d. per head per annum. The machinery two millions sterling; the estimated value of all claims, £7,461,212; the length of water races, 2,300 miles; and the quantity of gold exported during the past year was 1,433,687 ounces, of which 560,527 ounces were obtained from quartz veins, and 873,160 ounces from alluvial workings. We subjoin an estimate of the value of the metals and minerals raised in the colony from the first discovery of the gold fields to the 31st December, 1867:

Gold, 33,910,952¾ ounces	£185,643,811
Silver, 12,591 oz, at 5s. 6d. per oz	3,462
Tin	10,049
Copper	4,673
Antimony	80,426
Coal, 1,998 tons, at £1 10 per ton	2,899
Lignite, 235 tons, at 17s 6d. per ton	205
Kaolin, 1,757 tons, at £4 per ton	7,028
Flagging	18,603
Slates	508
Magnesite, 6¼ tons, at £2 per ton	12
Diamonds, about 80 carats, at an average of, say, £1 per carat	80
Sapphires, numbers cannot be estimated, say	150
Total	£185,906,96

COMMERCIAL CHRONICLE AND REVIEW.

Derangement of Monetary affairs—Statement of the New York Banks—Rates of Loans and Discounts—The Stock Market - Bonds sold at the New York Stock Exchange Board—Prices of Government Securities at New York—Course of Consols and American Securities at London—Railway and Miscellaneous Securities at New York—General Movement of Coin and Bullion at New York—Course of Gold at New York—Course of Foreign Exchange at New York.

November has been remarkable chiefly for derangements in monetary affairs, produced by the operations of speculative combinations in Erie stock. Extraordinary issues of shares have been made by the managers of that Company, and the proceeds hoarded for about three weeks. It is estimated that not less than $15,000,000 of legal tenders were in this way taken out of the banks. This sudden movement, coming immediately after the withdrawal of large amounts of money to the West, had the effect of reducing the legal tenders in the Clearing-House banks, in the week ending November 7th, to $47,100,000. This, of course, necessitated a violent contraction of loans, and compelled borrowers on stock collaterals to pay, for a time, rates of interest ranging from 7 per cent in gold to ½ per cent per day. About the middle of the month, the Erie party became large buyers of their stock; and in that way the funds for some time held out of circulation were again returned into the banks, with the result of a marked ease in money and a fall in the rate of interest to 5@7 per cent. The wide fluctuations in banking movements will be apparent from the following comparison of items on November 7th and 21st:

	Nov. 7.	Nov. 21.
Loans and discounts	$256,600,000	$251,000,000
Specie	16,400,000	17,300,000
Circulation	34,300,000	34,100,000
Deposits	175,500,000	184,100,000
Legal tenders	47,100,000	63,500,000

The extreme scarcity of money materially interfered with discounting operations, and caused much inconvenience to merchants; but, within the last two weeks, the accumulation of paper has been worked off and rates have declined 2@3 per cent, the rate for prime merchants paper, at the close, being 7@9 per cent. The success with which the tying up of money has thus been carried on has produced a strong impression of the evils arising from the lack of elasticity in our currency, which will probably find expression in an appeal to Congress for the adoption of measures promotive of a more effective redemption of bank circulation. The Sub-Treasury found it necessary at to reduce one period of the month, its currency balance to about $8,500,000 in redeeming 3 per cent Certificates sent in by the banks to procure legal tenders; and, as a means of staying the panicky feeling, the Secretary of the Treasury announced that, during the continuance of the pressure, rather than sell bonds or gold to supply himself with currency, he would, if necessary, reissue legal tender notes which had been redeemed but not cancelled. Fortunately, the necessity for this extreme resort did not occur; and, since the return of ease, the Treasury has again sold gold, to the amount of about $1,000,000.

The following comparison shows the totals of the statements of the New York banks at the close of each week in October and at the close of October 1867:

	Nov. 7.	Nov. 14.	Nov. 21.	Nov. 28.	Nov. 30, '67.
Loans and discounts...	$256,612,191	$249,119,539	$251,091,063	$254,386,057	$247,815,509
Specie	16,446,741	16,155,008	17,333,153	15,786,277	16,572,890
Circulation	34,353,637	34,249,564	34,195,068	31,284,563	34,060,792
Deposits...............	175,556,708	175,150,569	184,110,340	187,418,835	175,686,233
Legal Tenders....	47,167,207	51,466,693	58,599,914	62,440,206	52,038,132

Tl e following are the rates of Loans and Discounts for the month of October:

RATES OF LOANS AND DISCOUNTS.

	Nov. 6.	Nov. 13.	Nov. 20.	Nov 27.
Call loans	Irregular.	Irregular.	5 @ 7	5 @ 7
Loans on Bonds and Mortgage... ..			—@ 7	—@ 7
A 1, endorsed bills, 2 mos..........			8 @10	7 @ 8
Good endorsed bills, 3 & 4 mos.....			9 @12	8 @10
" " single names...			10 @12	9 @11
Lower grades.......................			12 @15	12 @15

The stock market during the first half of the m nth was excited and panicky, in sympathy with the condition of the money market and the ecce tric movements in Erie shares. A very sharp "corner" in Erie was devel ped, under which the price advanced to 54. During this process it is supposed the Erie combination succeeded in placing a large amount of stock upon the street. The subsequent litigation caused the sto k to be wholly neglected, and the price declined to 35½, closing at 40. The pressure in money caused the failure of a large operator in the Milwaukee and St. Paul's stocks, with the result of a break in the common shares from 97½ to 61. New York Central declined from 129½ to 115, and Hudson River from 138 to 120. All other stocks also declined very heavily; but upon the return of the "tied up" currency into circulation there was a rapid upward movement in prices, and at the close of the month the m rket was generally strong. The transactions at both boards of brokers, for the month, have been as follows:

Classes.	1867.	1868.	Increase.	Dec
Bank shares	3,221	2,345	.....	876
Railroad "	1,0[illegible]2,516	1,539,212	536,696	.....
Coal "	[illegible],806	11,6[illegible]9	7,86[illegible]	....
Mining "	13,600	28,750	15,150	.....
Improv'nt "	17,120	11,200	.....	5,920
Telegraph "	79,514	26,151	.....	53,363
Steamship "	117,719	48,926	.....	68,793
Expr'ss&c "	121,672	45,374	...	76,298
Total—November	1,359,168	1,713,627	354,459	
" —since January 1	19,510,315	18,619,672	.....	890,643

United States bonds have fluctuated very widely, in sympathy with the derangements in the money market, and with the efforts of combinations to depress prices. Early in the month Five-Twenties of 1862 fell to 106⅝, but subsequently recovered to 113⅝; this extreme rise, however, was due partially to speculation, and the price stood at the close at 111⅝. Sixty-Sevens fell to 108⅝, but recovered to 111⅛, and closed at 11[illegible]⅞. Excepting Sixty Twos, the range of fluctuations has been 2½@3 per cent. The month c os d with a healthy demand from investors, and with a generally st ong feeling am ng dealers, based upon the understanding that measures will be early introduced into Congress with a view to closing up all outstanding gold-bearing loans, and declaring the principal of all United States bonds payable in coin. We see, however, little probability of this latter measure passing the lower House. The amount of transactions at the board for the month has been $29,600,000 against $15,800,000 for the same period of 1867 The transactions in bonds registered at the Stock Exchange compare as follows:

BONDS SOLD AT THE N. Y. STOCK EXCHANGE BOARD.

Classes.	1867.	1868.	Inc.	Dec.
U. S. bonds	$10,396,500	$23,065,900	$12,669,400	$.......
U. S. notes	1,203,150	......	......	1,203,150
St'e & city b'ds	3,454,500	5,416,000	1,961,500	....
Company b'ds	827,500	1,181,700	354,200	....
Total—November	$15,881,650	$29,663,600	$13,781,950	....
" —since Jan. 1	193,391,380	225,184,690	31,793,310	....

The daily closing prices of the principal Government securities at the New York Stock Exchange Board in the month of November, as represented by the latest sale officially reported, are shown in the following statement:

PRICES OF GOVERNMENT SECURITIES AT NEW YORK.

Day of month.	6's, 1881. Coup.	6's, 1881. Reg.	6's, (5-20 yrs.) Coupon 1862.	1864.	1865.	new.	1867.	1868.	5's, 10-4 yrs. C'pn.
2	115⅝	.....	109⅜	108	107⅝	.....	110⅞	110⅞	106
3	114	.....	109¼	107⅜	107⅜	110⅛	110⅞	110¼	106
4	115	.....	108¾	106⅝	106⅝	109⅜	109⅞	110¼	105¾
5	112¼	.....	106⅝	106	105⅞	108⅜	108⅞	110	104
6	112½	112	107⅝	106½	106¼	108⅞	108¾	108⅜	....
7	112⅞	112½	107⅞	106⅝	106½	109⅜	108⅞	109⅝	104⅜
9	114¼	112⅞	107	107⅛	107⅝	110⅛	110	110⅝	104⅜
10	113⅝	112⅞	108¾	106¾	107	109⅝	109⅝	110⅝	105⅛
11	113¼	112⅞	108¾	106⅞	107	109¼	109⅞	110⅝	105
12	.....	113	108¾	106¾	106¾	109⅝	109⅝	110¼	105
13	.....	.....	108⅜	106¼	106⅜	109⅜	109⅜	109¾	....
14	113¼	112¾	108⅜	106⅝	106⅞	109¾	109¾	110	104¾
16	114	113	109⅝	107⅜	107⅝	110¼	110⅝	110⅝	105¼
17	114¼	.....	109⅞	106¾	107⅜	109½	110	110⅝	105
18	114⅜	113¼	110	107⅜	107⅜	110	110⅛	110¼	105
19	114⅛	113⅜	109⅞	107¼	.....	109⅞	110⅜	110⅞	105
20	114	114⅜	110⅝	107⅜	107⅝	110⅛	110⅛	110⅛	105¼
21	114⅞	114¼	111¼	107⅝	108	110¼	110⅛	.....	105⅜
23	115	115	112¼	107⅞	108⅜	110⅝	110¾	111	105⅜
24	115⅛	115	113⅛	108¼	108⅜	110⅞	111⅛	.....	106⅜
25	115⅜	.....	113⅜	108	108⅛	110¾	110⅞	.....	106⅜
26	(Thanksgiving Day.)								
27	115⅛	114¾	112⅛	107⅛	108	110⅛	110⅞	.....	106⅜
28	115	.	111⅜	107⅛	107⅞	110⅝	110⅝	110¾	106
30	.....	114⅞	111⅜	.....	107⅝	110⅝	110⅛	.....	.....
First	115⅝	112	109⅜	108	107⅝	110⅛	110⅝	110⅞	106
Lowest	112⅛	112	106⅝	106	105⅞	108⅜	108⅞	108⅜	104
Highest	115⅛	115	113½	108¼	108⅜	110⅞	111⅛	110⅞	106⅜
Range	3	3	6⅞	2¼	2⅞	2⅛	2¼	2⅛	2⅜
Last	115	114⅞	111⅜	107⅛	107⅝	110⅝	110⅛	110¾	106

The prices of bonds at London and Frankfort have remained remarkably steady through the wide fluctuations in the home market, as will appear from the following daily quotations:

COURSE OF CONSOLS AND AMERICAN SECURITIES AT LONDON.

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.
Monday 2		Holi	day.		Saturday 21	94⅛	74⅝	96	29¾
Tu'sday 3	94⅛	74⅞	97¼	27⅜	Monday 23	94¼	74⅛	96	28¼
Wednesday 4	94¼	74⅛	97¼	28	Tuesday 24	94⅜	74⅞	96	29
Thursday 5	94⅜	74⅛	97¼	27¾	Wednesday 25	94¼	75	96	26¾
Friday 6	94¼	74	97	27¾	Thursday 26	94¼	74⅝	96	27
Saturday 7	94⅜	73¾	97	27¼	Friday 27	94¼	74⅝	96	27
Monday 9	94⅜	73⅞	96¾	27¾	Saturday 28	94	74⅝	96	27
Tuesday 10	94⅜	74¼	96¼	27¼	Monday 30	94⅛	74⅝	96	27⅛
Wedney 11	94⅜	74	96⅛	26⅛					
Thurs 12	94¼	74¼	96¼	25¾	Lowest	94	73¾	95¾	23¾
Friday 13	94⅜	74⅜	96	23¾	Highest	94⅜	75	97¼	32¾
Saturday 14	94¼	74¼	96	26	Range	⅜	1¼	1½	9
Monday 16	94⅛	73⅞	95¾	30¼					
Tuesday 17	94	73⅞	95¾	32¾	Low } Since Jan. 1	91⅞	70⅛	84¼	23¾
Wednesday 18	94	74¼	96	30	Hig } Since Jan. 1	96⅛	75	102	50¾
Thursday 19	94⅛	74¼	96	30	Rng } Since Jan. 1	4⅝	4⅞	17¾	26⅜
Friday 20	94⅛	74¼	96	30¾	Last	94⅛	74⅝	96	27⅛

The closing prices of Five-Twenties at Frankfort in each week ending with Thursday, were as follows :

Nov. 5.	Nov. 12.	Nov. 19.	Nov 26.	Month.
79⅛@79¼	79¾	79	79¾	78⅞@79¼

The following table will show the opening, highest, lowest and closing prices of all the railway and miscellaneous securities quoted at the New York Stock Exchange during the months of October and November, 1868 :

	October.				November.			
	Open.	High.	Low.	Clos.	Open.	High.	Low.	Clos.
Railroad Stocks—								
Alton & Terre Haut	42½	45	40	40	41	41	40	40
do do pref	....	....	....	.	60	62	60	62
Boston, Hartford & Erie	23	27¼	23	27¼	27⅜	27⅜	27⅜	27⅜
Chicago & Alton	150	155⅛	150	151⅛	151	151	134	147
do do pref	153	156	152	156	150	150	135	147
Chicago, Burl. & Quincy	170	171	168	170	170	170	169	170
do & Gt. Eastern	40¼	40¾	40	40¼	....	....	....	...
do & Northwest'n	88⅜	97¼	88⅛	92	90¼	90¼	73	86
do do pref	88	98⅛	88	92⅞	91	91⅛	77¼	87⅞
do & Rock Island	102⅛	109⅛	102	106⅛	104¼	109¼	101	108⅛
Cleve., Col., Cin. & Ind	79	80	75	77	78	78	75	76⅛
do & Pittsburg	84⅛	91⅛	84¼	83¼	87	89¼	81⅛	88⅝
do & Toledo	101¼	106⅝	101¼	103	102	103	95	100⅞
Del., Lack & Western	121⅛	132	121⅛	132	130	130	126	129½
Dubuque & Sioux city	95	101	95	101	....	....	....	...
do do pref	95	95	95	95	....	....		....
Erie	47	49⅛	38⅛	41¼	40	54	35⅛	40
do pref	70	71	65	65	65	65	59	60
Hannibal & St. Joseph	....	.	....	...	90	90	90	90
do do pref	89	89⅛	87	89	89	92⅛	86	92⅛
Hudson River	139	139	134⅛	137¼	137⅛	138	120	131
do do scrip	....	....	....	....	90	90	90	90
Illinois Central	147⅛	147¼	143	145	144	144	141	143¼
Ind. & Cincinnati	50	50	50	50	....	....	....	....
Joliet & Chicago	96	96	96	96	95	95	95	95
Long Island	45	45	45	45	....	....	....	....
Lake Shore	99	102⅛	98¼	100¼	99¼	100	96	100
Mar. & Cincin., 1st pref	25⅛	25⅛	23½	23⅛	25	25	25	25
do 2d pref	9	10	9	10	....	....	....	....
Michigan Central	119	119	118⅛	119	116	118	111	117¼
do S. & N. Ind	83¼	91	83¼	87	85	91	80	89¼
Mil. & Pr. du Ch'n. 1st pf	....	....	....	....	105	105	105	105
Milwaukee & St. Paul	95⅛	111	93	102⅛	95	97⅛	61	70¼
do do pref	93	112	93	102⅛	96⅛	98¼	76	88⅛
Morris & Essex	65⅛	66	65⅛	66	....	....	...	
New Jersey	134	134	130¼	121	134	134	131⅛	133
do Central	122¼	122⅛	119	120¼	120⅛	121	116	116
New York Central	126¾	130⅛	123⅛	126⅝	125¼	129¼	115	129⅛
do & N. Haven	141⅛	142	141⅛	142	143	143	140	140
Norwich & Worcester	....	....	....	....	90	90	90	90
Ohio & Mississippi	28⅛	32⅛	28⅛	30⅜	30⅛	31¼	28⅛	31⅛
do do pref	78	79	78	79	79	79	79	79
Panama	345	345	330	330	330	330	330	330
Pittsb., Ft. W. & Chica	108¾	117¼	106⅜	114¼	112¼	113¼	105⅛	111⅞
Reading	93⅜	100¼	93⅜	99⅜	97⅞	99¼	93	99⅛
Rome & Watertown	....	....	....	...	114	114	114	114
Stonington	....	....	....	....	85	85	85	85
Toledo, Wab. & Western	59	67	58⅛	64	61⅛	62	54	58¼
do do do pref	76	78	73⅞	74	73¼	73¼	70	71
Miscellaneous—								
Cumberland Coal	33	36	33	35	35	41	34	40⅛
Del. & Hud. Canal Coal	128⅛	130⅛	128	129¼	130	133⅛	127	132⅞
Pennsylvania Coal	210	220	210	220	220	220	220	220
Spring Mountain Coal	40	40	40	40	....	....	....	....
Pacific Mail	110	130¼	110	126⅜	124¼	124⅛	112⅛	118⅜
Boston Water Power	16⅛	18⅞	15⅛	18	15½	15⅛	14⅞	16⅛
Canton	47	51⅛	47	48⅛	47	51⅛	45⅛	51
Brunswick City	9	12⅛	9	12⅛	12	12	11	11
Mariposa	5	8¼	5	8	6¼	6¼	6	6
do pref	13¼	24⅞	13¼	23⅛	22⅛	22⅛	18⅛	21⅛
Quicksilver	21¼	27¼	21¼	24	22⅛	25	20	23⅛
Manhattan Gas	230	230	230	230	225	225	225	225
West. Union Telegraph	34¼	38	34	36¼	36	37⅛	33¼	37
Express—								
American	48	49	45⅛	46⅛	46	49	41	48
Adams	52⅛	52⅛	49¼	50⅞	49¼	50	46	50
United States	49	50	47	47	48	50	44⅛	50
Merchant's Union	23⅜	23¼	21	21⅛	21⅛	21⅜	18¼	19⅛
Wells, Fargo & Co	30⅛	31⅞	28¼	28¼	28⅛	29⅛	25	27

Gold has fluctuated between 132 and 137. This wide range of quotations has been due rather to speculative operations attributed to the Erie combination than to any legitimate causes affecting the premium. Early in the month, large amounts of gold were withdrawn from the market, and the "short" interest being quite large, borrowers of coin were compelled to pay, for one day's use of it, from ½@1 per cent. The market has a very steady undertone, owing to anticipations among foreign houses that, within a few weeks, a considerable amount of coin will have to be exported. The ample supply of cotton bills, together with some exports of bonds, have obviated the necessity of shipping gold in connection with remittances against the coupons of foreign holders of our bonds.

The following formula will show the movement of coin and bullion during the month of November, 1867 and 1868, respectively:

GENERAL MOVEMENT OF COIN AND BULLION AT NEW YORK.

	1867.	1868.	Increase.	Decrease
In banks, near first	$6,161,164	$16,446,741	$10,285,577	$... ...
Receipts from California	513,855	1,200,760	686,905	....
Imports of coin and bullion	201,600	201,325	....	275
Coin interest paid	16,969,514	16,485,908	... .	483,606
Redemption of loan of 1847-'48	....	82,200	82,200	....
Total reported supply	$23,846,133	$34,366,834	$10,520,701	$........
Exports of coin and bullion	$1,569,100	$1,181,084	. ....	$888,016
Customs duties	7,804,934	7,638,888	833,954	.. ..
Total withdrawn	$8,874,034	$8,819,972	$	$54,062
Excess of reported supply	$ 4,972,099	$25,546,902	$10,574,803	$......
Specie in banks at end	16,411,726	15,786,277	... .	625,449
Derived from unreported sources	$1,439,627	$9,760,625	$8,320,998	$.....

The following exhibits the fluctuations of the New York gold market in the month of November, 1868:

COURSE OF GOLD AT NEW YORK.

Date.	Open'g	Lowest.	High'st.	Closing.	Date.	Open'g	Lowest.	High'st.	Closing.
Monday 2	133⅛	133	133⅝	133⅜	Monday 23	134⅛	134	134¼	134⅝
Tuesday 3	133¼	133¼	133¾	133⅝	Tuesday 24	134¼	134⅛	134½	134⅝
Wednesday 4	133⅛	133	133¾	133	Wednesday 25	134⅛	134⅛	135⅛	135⅝
Thursday 5	132⅝	132⅜	132⅝	132⅛	Thursday 26	(Tha	nksg	iving	Day)
Friday 6	132¼	132	132½	133⅛	Friday 27	135⅛	135	135⅞	135⅛
Saturday 7	134¼	133⅜	134⅛	134⅛	Saturday 28	134⅞	134¾	135⅜	135¼
Monday 9	134⅜	134¼	134¾	134⅝	Monday 30	135⅝	135⅛	135¾	135⅛
Tuesday 10	13[illegible]½	134⅜	135¼	134⅜					
Wednesday 11	133⅞	133¾	134⅜	134¼	Nov.... 1868	133⅛	132	137	135⅛
Thursday 12	134⅛	133⅝	134⅛	133⅝	" 1867	140¾	137⅞	141⅛	138
Friday 13	133⅝	133⅜	133¾	133⅝	" 1866	146⅜	138⅛	14[illegible]¾	141¼
Saturday 14	134¼	134¼	135	134½	" 1865	145¾	145⅛	148⅞	147¼
Monday 16	135¾	135⅛	137	136⅜	" 1864	238⅛	210	260	230
Tuesday 17	136⅜	134¼	136⅝	134⅛	" 1863	146	143	154	148⅛
Wednesday 18	134⅝	133⅞	135¼	135⅛	" 1862	129⅜	129	133¼	129
Thursday 19	134⅝	134⅛	135	134¾	" 1861	100	100	100	100
Friday 20	134⅜	134¼	134⅞	134¾					
Saturday 21	134⅛	134⅜	134½	134⅛	S'ce January 1, 1868	133⅛	132	150	135⅛

The following exhibits the quotations at New York for bankers 60 days bills on the principal European markets daily in the month of November, 1868 :

COURSE OF FOREIGN EXCHANGE (60 DAYS) AT NEW YORK.

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.
2	109⅝@	514⅜@513¾	41 @41⅛	79⅝@79⅞	36 @36⅛	71⅝@71¾
3	109⅝@109⅞	515 @514⅜	41 @41⅛	79⅝@79⅞	36 @36⅛	71⅝@71¾
4	109¾@109⅞	515 @514⅜	41 @41⅛	79⅝@79⅞	36 @36⅛	71⅝@71¾
5	109⅝@109⅞	516¼@515	41 @41⅛	79⅝@79⅞	36 @36⅛	71⅝@71¾
6	109 @109⅛	518¾@516¼	41 @41⅛	79 @79⅛	35⅞@36	71⅝@72
7	109 @109⅛	518¾@516¼	41 @41⅛	79 @79⅛	35⅞@36	71⅝@72
9	109⅛@109¼	518¾@516¼	41 @41⅛	79 @79⅛	35⅞@36	71⅝@72
10	109⅛@109¼	517½@516¼	41 @41⅛	79⅛@79¼	36 @36⅛	71⅝@71¾
11	109⅛@109¼	517½@516¼	41 @41⅛	79⅛@79¼	36 @36⅛	71⅝@71¾
12	109⅛@109¼	517½@516¼	41 @41⅛	79⅛@79¼	36 @36⅛	71⅝@71¾
13	109⅛@109¼	517½@516¼	41 @41⅛	79⅛@79¼	36 @36⅛	71⅝@71¾
14	109⅛@109¼	517½@516¼	41 @41⅛	79⅛@79¼	36 @36⅛	71⅝@71¾
16	109 @109⅛	517½@516⅞	41 @41⅛	78⅞@78⅞	36 @....	71⅝@71¾
17	109 @109⅛	517½@516⅞	41 @41⅛	78⅞@78⅞	36 @....	71⅝@71¾
18	109 @109⅛	517½@516⅞	41 @41⅛	78⅞@78⅞	36 @....	71⅝@71¾
19	109⅛@109¼	517½@516⅞	41 @41⅛	78⅞@78⅞	36 @....	71⅝@71¾
20	109⅛@109¼	517½@516¼	41 @41⅛	78⅞@78⅞	36 @....	71⅝@71¾
21	109⅛@109¼	517½@516¼	41 @41⅛	78⅞@78⅞	36 @....	71⅝@71¾
23	109⅛@109¼	517½@516¼	41 @41⅛	78⅞@78⅞	36 @....	71⅝@71¾
24	109⅛@109¼	517½@516¼	41 @41⅛	78⅞@78⅞	36 @....	71⅝@71¾
25	109⅛@109¼	517½@516¼	41 @41⅛	78⅞@78⅞	36 @....	71⅝@71¾
26	(Thanksgiving Day.)					
27	109⅛@109¼	517½@516¼	41 @41⅛	78⅞@78⅞	36 @....	71⅝@71¾
28	109⅛@109¼	517½@516⅞	41 @41⅛	78⅞@78⅞	36 @....	71⅝@71¾
30	109⅛@109¼	517½@516¼	41 @41⅛	78⅞@78⅞	36 @....	71⅝@71¾
Nov., 1867	109 @109⅝	518¾@518¾	41 @41⅛	78⅞@79⅛	35⅞@36⅛	71⅝@72
Nov., 1868	109 @109¾	517½@513¾	40⅞@41⅛	@79	35⅞@36⅛	71¾@72¾

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

Returns of the New York, Philadelphia and Boston Banks.

Below we give the returns of the Banks of the three cities since Jan. 1 :

NEW YORK CITY BANK RETURNS.

Date.	Loans.	Specie.	Circulation.	Deposits.	L. Tend's.	Ag. clear'gs.
January 4	$249,741,297	$12,724,614	$34,134,391	$187,070,786	$62,111,201	$483,266,804
January 11	253,170,723	19,222,856	34,094,187	194,835,525	64,753,116	553,834,525
January 18	256,033,938	23,191,867	34,071,006	205,883,143	66,155,241	619,797,369
January 25	258,892,101	25,106,800	34,0?2,762	210,093,084	67,154,161	528,503,223
February 1	266,415,613	23,955,320	44,062,521	213,330,524	65,197,153	637,449,923
February 8	270,555,356	22,823,872	34,096,834	217,844,518	55,846,259	597,242,595
February 15	271,015,970	24,192,955	34,043,296	216,759,823	63,471,762	550,521,185
February 21	267,763,643	22,518,987	34,100,023	209,093,351	60,868,930	452,421,592
February 29	267,240,678	22,091,642	34,0 6,223	208,651,578	58,553,607	705,100,784
March 7	269,156,636	20,714,233	34,153,957	207,737,080	57,017,044	619,219,598
March 14	266,816,034	19,744,701	34,218,881	201,188,470	54,738,866	691,277,641
March 21	261,426,900	17,944,308	34,212,571	191,191,526	52,261,086	649,482,341
March 28	257,378,247	17,823,367	34,190,808	186,525,128	52,123,078	557,843,908
April 4	254,287,891	17,077,299	34,227,108	280,956,846	51,709,706	567,783,138
April 11	252,936,725	16,343,150	34,194,272	179,851,880	51,982,609	493,371,451
April 18	254,817,936	16,776,542	34,218,581	181,832,523	50,383,660	623,718,923
April 25	252,814,617	14,943,547	34,227,624	180,307,489	53,866,757	6?2,784,154
May 2	257,623,672	16,166,373	34,114,843	191,206,135	57,863,590	588,717,802
May 9	265,755,883	21,286,910	34,205,409	199,276,568	57,541,827	507,028,567
May 16	267,724,783	20,939,142	34,193,249	201,313,305	57,613,095	480,186,908
May 23	267,381,279	20,479,947	34,183,038	202,507,550	62,233,002	438,735,142
May 30	268,117,490	17,861,088	34,145,606	204,746,964	65,633,964	602,118,248
June 6	273,792,267	14,328,531	34,188,159	209,089,655	68,822,023	640,663,329
June 13	275,142,024	11,193,631	34,166,846	210,670,765	69,202,840	530,828,197
June 20	274,117,608	9,124,830	34,119,120	211,484,387	72,567,582	553,953,817
June 27	276,504,?36	7,753,800	34,018,721	214,302,207	73,353,303	516,726,075
July 3	281,945,931	11,954,730	34,032,466	221,050,806	72,125,939	525,646,693
July 11	284,147,708	19,235,348	34,068,202	224,820,141	68,531,542	591,756,395
July 18	282,912,490	20,399,031	34,004,111	228,180,749	71,847,545	505,462,464
July 25	280,845,255	20,804,101	33,963,373	226,761,663	72,235,586	437,160,397

Date.	Loans.	Specie.	Circulation.	Deposits.	L. Tend's.	Ag. clear'gs.
August 1	279,811,657	20,502,737	33,957,805	228,101,867	73,688,061	409,184,169
August 8	279,705,786	24,784,427	31,074,374	231,716,492	74,051,518	587,004,881
August 15	277,808,620	22,953,850	34,114,087	223,561,087	72,995,481	482,528,952
August 22	275,315,781	19,768,681	34,137,627	216,435,405	69,757,645	610,808,551
August 29	271,780,726	16,949,108	34,112,139	210,334,646	67,757,376	480,785,665
September 5	271,830,696	16,815,778	34,170,419	207,854,841	65,958,778	470,036,175
September 12.	272,055,690	16,150,942	34,139,926	205,489,070	63,429,387	493,191,072
September 19.	271,252,096	14,665,742	34,044,093	202,824,583	63,772,700	518,471,552
September 26.	271,273,544	12,603,483	34,050,771	202,068,334	63,567,576	620,105,094
October 3....	269,578,868	11,757,835	34,154,806	194,919,177	60,210,447	747,618,516
October 10....	265,595,582	9,346,097	34,188,103	189,053,997	60,005,186	657,958,155
October 17....	264,644,035	9,186,620	34,218,918	185,680,586	58,626,857	635,516,454
October 24....	263,579,183	9,553,583	34,193,988	186,052,847	56,711,434	830,584,443
October 31....	262,365,569	10,620,526	34,258,210	181,948,547	51,590,9 8	809,452,542
November 7..	256,612,191	16,446,741	34,358,637	175,556,718	47,167,207	876,571,604
November 14 .	249,119,589	16 155,008	34,249,564	175,160,589	51,466,693	807,806,543
November 21..	251,091,063	17,338,153	34,195,068	184,110,340	63,599,944	865,111,990
November 28..	254,386,057	15,786,577	34,284,563	187,418,835	62,440,206	512,952,800

PHILADELPHIA BANK RETURNS.

Date.	Legal Tenders.	Loans.	Specie.	Circulation.	Deposits.
January 4.............	$16,782,432	$52,002,304	$235,912	$10,689,000	$36,621,274
January 11.............	16,037,995	52,593,707	400,615	10,639,096	37,131,830
January 18.............	16,827,428	53,013,196	320,973	10,641,752	37,157,089
January 25.............	16,836,937	52,325,599	279,393	10,645,226	37,312,540
February 1.............	17,064,184	52,604,916	248,673	10,638,927	37,922,287
February 8.............	17,063,716	52,672,448	287,878	10,635,926	37,396,653
February 15.............	16,949,944	52,582,946	263,157	10,668,328	37,010,520
February 22.............	17,573,149	52,423,166	204,929	10,632,495	36,453,464
February 29.............	17,377,877	52,459,757	211,365	10,634,484	35,798,814
March 7.............	17,157,954	53,081,665	232,180	10,633,713	34,826,861
March 14.............	16,662,299	53,367,611	251,051	10,631,899	34,523,550
March 21.............	15,664,946	53,677,337	229,518	10,643,613	33,836,996
March 28.............	14,348,391	53,450,878	192 858	10,643,606	32,428,290
April 4.............	13,208,625	52,209,234	215,835	10,642,670	31,278,119
April 11.............	14,194,385	52,256,949	250,240	10 640,932	32,255,671
April 20.............	14,493,287	52,989,788	222,220	10,640,479	33,950,952
April 27.............	14,951,106	52,812 623	204,699	10,640,312	34,767,290
May 4.............	14,990,834	53,333,740	314,866	10,631,041	35,109,937
May 11.............	15,166,017	53,771,794	397,778	10,629,055	36,017,596
May 18.............	15,881,545	53,494,583	3 3,425	10,632,665	36,030,063
May 25.............	15,823,099	53,463,295	280,302	10,661,276	36,000,297
June 1.............	16,184,865	53,562,449	239,371	10,626,937	38,574,457
June 8.............	16,078,308	53,491 364	226,581	10,630 945	42,910,499
June 15.............	15,837,117	53,122,521	175,303	10,630,979	43,016,968
June 22.............	15,998,145	53,381,820	182,711	10,631,230	43,243,562
June 29.............	16,414,877	53,072,878	198,563	10,630,307	43,936,629
July 6.............	16,443,153	53,653,471	238,996	10,625,426	44,824,398
July 13.............	16,664,232	53,791,546	182,524	10,626,214	45,156,620
July 20.............	16,747,440	53,994,618	188,252	10,647,852	45,637,975
July 27.............	16,855,894	54,024,355	195,886	10,622,247	45,583,220
August 3.............	17,402,177	54,341,163	187,231	10,623 646	47 215,867
August 10.............	17,792,508	54,592,015	184,007	10,622,751	45,045,718
August 17.............	17,819,800	54,674,758	196,520	10,624,772	46,636,377
August 24.............	17,714,195	55,151,724	185,156	10,623,360	45,985,616
August 31.............	17,616,325	55,255,474	182,218	10,622,581	46,063,150
September 7.............	16,875,409	55,684,068	222,900	10,622,316	45,279,109
September 14.............	16,310,565	55 646,740	209,053	10,618,974	44,730,398
September 21.............	15,857,032	55,620,710	197,207	10,620,531	43,955,531
September 28.............	16,038,854	55,468,286	234,552	10,607,940	44,227,127
October 5.............	15,677,539	55,248,512	195,680	10,608,831	43,525,479
October 12.............	15,082,008	55,378,834	161,282	10,607,413	42,713,623
October 19.............	14,821,796	55,401,115	200,598	10,610,700	42,616,626
October 26.............	14,546,736	54,964,488	176,595	10,609,359	41,698,881
November 2.............	13,802,798	54,731,646	222,901	10,612,512	41 107,463
November 9.............	13,229,266	53,957,647	387,221	10,611,086	39,343,970
November 16.............	12 570,478	53,323,460	335,012	10,609,645	38,377,937
November 23.............	12,685,593	52,850,530	298,754	10,605,975	37,736,444
November 30.............	13,016,734	52,386,466	249,154	10,603,153	37,176,990

BOSTON BANK RETURNS.

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

Date.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation — National.	Circulation — State.
January 3........	$34,960,249	$1,466,246	$15,543,169	$40,856,022	$24,636,559	$228,720
January 13........	97,800,239	1,276,987	15,560,965	41,496,320	24,757,965	227,953
January 20........	97,433,463	926,942	15,832,769	41,904,161	24,700,001	217,372
January 27........	97,438,435	811,196	16,349,637	43,991,070	14,564,306	226,258
February 3........	96,895,260	777,627	16,728,229	42,891,128	24,628,103	221,810
February 10........	97,973,9 6	652,939	16,497,643	42,752,067	24,850,926	221,700
February 17........	98,218,828	605,740	16,561,4 1	41,502,550	24,850,055	220,452

Date.	Loans.	Specie.	Leg. Tenders.	Deposits.	Circulation. National.	Circulation. State.
February 24	97,469,436	616,953	16,309,501	40,887,614	24,686,212	216,490
March 2	100,243,692	633,332	16,304,846	40,964,986	24,876,089	2[illegible]5,214
March 9	101,559,361	867,174	15,556,696	39,770,418	24,967,700	210,162
March 16	101,499,611	918,485	14,582,342	39,276,514	25,062,418	197,720
March 23	100,109,595	798,606	13,712,560	37,022,546	25,094,253	197,239
March 30	99,132,268	685,034	13,736,032	36,184,640	24,983,417	197,079
April 6	97,020,925	731,510	13,004,924	36,008,157	25,175,194	168,023
April 13	97,850,230	873,487	12,522,085	36,422,929	24,213,014	167,018
April 20	98,906,805	805,486	11,905,603	36,417,890	24,231,058	166,962
April 27	98,302,848	577,[illegible]63	12,2[illegible]8,545	36,259,946	25,231,978	161,331
May 4	97,624,197	815,469	12,656,190	37,635,406	25,203,234	160,385
May 11	97,332,283	1,132,668	11,962,368	37,358,776	25,225,173	145,248
May 18	96,828,524	1,186,881	12,199,422	37,844,742	25,234,465	160,241
May 25	97,041,720	1,018,809	12,848,141	38,398,14[illegible]	25,210,660	160,151
June 1	97,458,997	766,553	14,188,806	40,311,569	25,204,939	159,560
June 8	98,116,632	631,149	14,368,900	41,470,376	25,194,114	159,3[illegible]3
June 15	99,513,988	561,990	14,373,575	41,738,706	25,190,565	159,150
June 22	99,389,632	476,483	14,564,614	42,553,871	25,197,317	158,908
June 29	99,477,074	436,699	15,195,550	42,506,316	25,182,920	158,812
July 6	100,110,830	1,617,638	15,[illegible]7,307	43,453,654	25,214,100	144,689
July 13	101,493,516	1,198,529	15,743,211	43,116,765	25,216,181	141,533
July 20	102,430,483	1,521,393	15,469,406	43,876,300	25,218,727	135,799
July 27	102,408,771	785,[illegible]41	15,837,748	43,580,894	25,254,906	142,450
August 3	102,[illegible]80,658	7[illegible]6,254	15,796,059	43,389,523	25,016,492	......
August 10	103,860,686	634,963	15,753,958	44,962,268	25,197,164	......
August 17	103,956,603	6[illegible]4,695	15,554,590	43,704,501	25,182,658	......
August 24	103,624,691	779,1[illegible]2	16,310,323	42,860,049	25,214,5[illegible]6	......
August 31	103,550,020	[illegible]7,8[illegible]9	15,313,796	41,214,607	25,190,091	......
September 7	103,853,110	833,063	14,975,841	40,891,745	25,196,084	......
September 14	102,921,733	748,714	13,[illegible]74,850	40,640,820	25,183,876	......
September 21	102,472,936	642,793	13,466,[illegible]58	39,712,168	25,184,048	......
September 28	101,621,744	642,829	1[illegible],0[illegible]2,447	39,127,659	25,150,061	......
October 5	99,562,844	618,428	13,923,894	39,215,433	25,143,517	......
October 12	100,839,722	605,805	13,691,864	38,801,454	25,262,[illegible]82	......
October 19	102,595,177	501,008	13,009,829	38,6[illegible]6,344	25,267,095	......
October 26	101,595,576	481,755	11,915,738	37,872,[illegible]97	25,168,348	......
November 2	99,720,762	729,830	11,701,307	37,740,824	25,248,470	......
November 9	99,77[illegible],134	1,229,781	11,120,415	37,3[illegible]5,519	25,2[illegible]7,9[illegible]9	......
November 16	98,688,779	1,242,[illegible]85	10,961,899	34,970,223	25,230,679	......
November 23	97,354,909	1,196,09[illegible]	10,931,225	35,114,817	25,201,845	......
November 30	97,612,832	1,030,427	11,129,[illegible]38	36,515,167	25,[illegible]92,423	......

SPECIAL NOTICE.

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