

Fenn, Charles
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21612

FENN'S
COMPENDIUM
OF THE
ENGLISH AND FOREIGN FUNDS,
DEBTS AND REVENUES OF ALL NATIONS;

TOGETHER WITH STATISTICS RELATING TO
NATIONAL RESOURCES & LIABILITIES, IMPORTS, EXPORTS,
POPULATION, AREA, RAILWAY GUARANTEES,
MUNICIPAL FINANCE, & INDEBTEDNESS,
BANKS OF ALL NATIONS,

AND ALL DESCRIPTIONS OF
GOVERNMENT, PROVINCIAL, AND CORPORATE SECURITIES HELD AND
DEALT IN BY INVESTORS AT HOME AND ABROAD;
THE LAWS AND REGULATIONS OF THE STOCK EXCHANGE, &c.

DEDICATED, BY SPECIAL PERMISSION,
TO THE COMMITTEE OF THE STOCK EXCHANGE.

Thirteenth Edition,

Entirely Re-written, and brought down to the latest date.

BY ROBERT LUCAS NASH.

Author of "The Profitable Nature of Our Investments."



LONDON:
EFFINGHAM WILSON, ROYAL EXCHANGE.

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1883.

LONDON : PRINTED BY
EFFINGHAM WILSON, ROYAL EXCHANGE, E.C.

DEDICATION.

BY SPECIAL PERMISSION,
THIS WORK IS DEDICATED TO
THE CHAIRMAN,
DEPUTY-CHAIRMAN,

AND

COMMITTEE FOR GENERAL PURPOSES
OF THE
LONDON STOCK EXCHANGE.

By their obliged Servant,

THE PUBLISHER.

11, Royal Exchange, November, 1882.

21612

Released 6-30-29 MVP

INTRODUCTION.

As time passes, and new and fiercer lights come to be shed upon all questions of National finance, it is not by any means an easier task to concentrate them. It is the main purpose of **FENN ON THE FUNDS** to supply a faithful record of National indebtedness; setting forth the growth of that indebtedness; the multitude of objects upon which it has been incurred; and the burdens thus entailed upon the civilised world; and though statistics, whether home, or colonial, or foreign, are much more complete and more readily available than they used to be, they serve to prove very clearly the rapidly-increasing complexity of modern finance. It is not only that in the short space of twenty years the Government debts of the World have grown from £2,600,000,000 up to £5,400,000,000, but the character of those debts has greatly altered. Twenty years ago the great masses of those debts were "internal," and had been incurred in prosecuting wars and in covering revenue deficits. It followed that each sovereign, or its equivalent, paid to the National creditor had to be raised by taxation, or, in default, by fresh borrowing. But comparatively modern as the entire system of National indebtedness is, the system of raising public loans in a foreign country is yet more modern; and the most recent innovation of all has been the "Loan for reproductive purposes." Under this latest invention, some States are now found to be bearing easily an amount of apparent burdens which twenty years ago would have been simply overwhelming. Hence it is that a faithful record of National indebtedness in 1882 involves

the distinction between debts which are wholly, partially, or imperceptibly burdensome; and there are even some instances where the accumulated assets of the State clearly exceed its liabilities. Such distinctions it is the aim of FENN ON THE FUNDS to supply. But further complications have arisen of late years in the rapid springing up on all sides of Government guarantees. The burden entailed on the British Government owing to its outstanding £21,000,000 of liabilities by guarantee is comparatively trifling. Not so those of many other countries, which have to make good large sums in interest upon debts not primarily National. All these matters have to be taken into consideration in a comprehensive inquiry into the liabilities of nations; and then there remain the vital questions of National integrity and National wealth to be considered in summing up the value of a Government bond.

It would almost seem as though recently a check had been given to the increase of National Debts, for though there has been an undoubted growth in the past ten years, that growth is, apparently, much less than in the previous ten years.

Aggregate Capital of National Debts.

	1862.		1872.		1882.
	£		£		£
British Debt.....	820,000,000 ...		790,000,000 ...		763,000,000
British Colonial Debts	135,000,000 ...		185,000,000 ...		310,000,000
Foreign Government Debts	1,650,000,000 ...		3,630,000,000 ...		4,321,000,000
	<u>2,605,000,000 ...</u>		<u>4,605,000,000 ...</u>		<u>5,394,000,000</u>
<i>Ten years' increase</i>			<u>2,000,000,000 ...</u>		<u>789,000,000</u>

Thus the increase, which was as much as 77 per cent. in the ten years 1862 to 1872, was only 17 per cent. in the ten years 1872 to 1882. Yet Colonial borrowings were heavier in the second period than in the former; while the decrease in our home National Debt has been a constant quantity. But the Foreign Debts, which grew at the extraordinary rate of 120 per cent. during the first decade, increased only 19 per cent. in the second; and so remarkable a contrast is worthy very careful consideration. First, then—between 1862 and 1872, the United States Civil War cost the victors no less than £450,000,000, while the Austro-German War added £60,000,000; the Paraguayan War, £40,000,000; and,

lastly, the Franco-German War, £390,000,000, to the sum total of National burdens. These four wars alone accounted for nearly one-half the ten years' increase in the Foreign Debts. But in addition, Turkey between 1862 and 1872 floated £180,000,000; Egypt, £70,000,000; Spain, £220,000,000; Portugal, £40,000,000; Italy, £200,000,000; and Russia, £110,000,000 of new loans; while smaller States all became eager to create National liabilities. Hence it was that in those ten years the debts of Foreign States were more than doubled; the result being that in 1872, an amount of National insolvency existed for which the public were at the time quite unprepared. But if during that period Foreign Debts were doubled, it is equally certain that their external borrowings were quadrupled. It was wholly impossible for the countries named to raise their loans at home, and so they applied to London and to Paris; and it is only by contrasting our holdings of such investments twenty years ago with those of the present day, that we can form any adequate idea of the vast growth of foreign indebtedness to us during this period. As a curiosity, the following was the Foreign Stock list of the London Stock Exchange at the beginning of 1862, together with the approximate amounts of stock therein represented:—

Interest Receivable in London and Abroad.

	Amount. £		Amount. £
Austrian 5 %, 1852	2,250,000	Portuguese 3 %, 1853-60	15,000,000
Brazilian 5 %, 1839 and 1859	750,000	Russian 5 %, 1822	6,400,000
Do. 4½ %, 1852	3,500,000	Do. 4½ %, 1850	4,100,000
Do. 1858		Do. 4½ %, 1860	6,300,000
Do. 1860		Do. 3 %, 1859	7,000,000
Buenos Ayres 6 %		950,000	Sardinian 5 % .....	3,550,000
Do. 3 %	1,380,000	Spanish 3 %	10,000,000
Chilian 6 %	350,000	Do. New Deferred	25,000,000
Do. 3 %	520,000	Do. Passive	6,000,000
Do. 4½ %	1,500,000	Do. Certificated	8,400,000
Danish 3 %, 1825	2,350,000	Swedish 4 % Provincial Mortgage	380,000
Do. 5 %, 1850	390,000	Turkish 6 %, 1854	3,000,000
Ecuador 1 %	1,820,000	Do. 4 % Guaranteed	4,800,000
Greek 5 %	2,800,000	Do. 6 %, 1858	5,000,000
Do. Coupons		Venezuela 3 %	3,500,000
Guatemala 5 %	100,000	Do. 1½ %	
Mexican 3 %	10,240,000		
New Granada 3 %	90,000		
Do. Deferred	3,000,000		
Peruvian 4½ %, 1852	2,500,000		
Do. 3 %	1,000,000		143,890,000

Interest only Payable Abroad (but quoted Here).

	£		£
Belgian 2½ %	8,800,000	French 4 %, 1852	35,000,000
Do. 4½ %	16,000,000	Do. 3 %	400,000,000
Dutch 2½ %	57,250,000	Italian 5 %, 1861	20,000,000
Do. 4 %	16,850,000		553,900,000

In 1872, the quoted securities of this description reached nearly £600,000,000, with dividends payable in London, and about £1,880,000,000 with dividends payable abroad; and the proportion of our holding in the latter considerably increased, because our purchases of United States bonds and French Rentes had in the interim been very large, and because of the increased facilities for the transmission of dividends.

At the present time, the Foreign Stocks quoted with dividends payable partly in London reach about £830,000,000, and those quoted with dividends payable abroad exceed £2,200,000,000. Nevertheless, our holdings of stocks with dividends payable abroad have diminished rather than increased since 1872. For the bulk of our United States Government bonds have been returned to America, and France has repurchased from us most of the Rente which we acquired from her during, and soon after, the war of 1870. But British holdings of foreign stocks with dividends payable here have certainly grown in the past ten years, and that although, as has been mentioned, a check would appear to have been given to the growth of National indebtedness. That such a check was very real after the great collapse in Foreign Loans in 1875 there can be no doubt. The market values of stocks in London and Paris fell seriously—the unsafe carrying the safe down with them; and for two or three years these great international markets would hardly look at a new foreign loan, even where solvency was unimpeachable. But this suspicion of Foreign Government guarantees has passed away, and we must now look elsewhere for the apparent check to the growth of National indebtedness during the past ten years. In the first place, there has been but one costly war since 1872—that between Turkey and Russia—and though that war cost Russia 1,200,000,000 roubles, it operated so extensively to reduce the exchangeable value of the previously existing rouble debts, that, measured in sterling, there has not been the increase in the Russian debt that might have been expected. As far as Turkey was concerned, she fought the war in a bankrupt condition. The troops she brought into the field she never paid, and never could pay, and requisitions of labour and of supplies represented direct losses to the

people, not increased Government burdens. But as operating still more largely in the direction of checking the apparent growth of Government debts, the compositions effected by defaulting States claim attention. Thus within the past ten years, the nominal capitals of the following debts have been reduced :—

	Reduction in Debts Effected by Composition.
	£
Colombia.....(say)	4,500,000
Greece	3,750,000
Louisiana.....	1,000,000
North Carolina	2,400,000
Spain.....	185,000,000
Turkey	84,550,000
Venezuela	4,000,000
	<hr/> 285,200,000

If to this were added the repayment of £100,000,000 of debt by the United States, a total reduction of close upon £400,000,000 would be shown; and allowing for this, about £1,080,000,000 of additional debt has been raised during the past ten years by the remaining foreign countries—an expansion which would be something on a par with the peace requirements of the previous decade—that is, after deduction of the £940,000,000 of then incurred war expenditure.

Consequently, in contrasting the two decades, we must allow for the exceptional war outlay in the first, and the compositions effected in the second period; and having done so, the difference, though still visible, becomes much less striking that at first sight appears.

The foregoing observations take no account whatever of the growth of Local borrowings. On this point, statistics are available to a far less extent than is the case with the Government burdens; but sufficient is known to indicate that the Local Debts of the World have certainly been doubled in the past ten years. In this way, the aggregate City, County, and other Corporation Loans of England in the nine years 1871-80 rose from £63,450,000 to £137,100,000, an increase of £73,650,000; almost all the Canadian, New Zealand, and other Colonial City borrowings are of less than ten years standing;

and on the Continent and in the United States the creation of Local burdens has displayed noteworthy activity. At the present time, the City and County Loans of the United States must considerably exceed £200,000,000, apart altogether from the National and State Debts. The long lists of City Loans now quoted in the London Stock Exchange are almost the whole of them creations of the past ten years. A considerable amount of space in *FENN ON THE FUNDS* is devoted to the consideration of these Local burdens. It must, however, be borne in mind, that they do not, as a rule, rest heavily on the various communities, they having been raised in great part for works of improvement.

The following general statistics, relating, first, to the numerous Possessions of the British Empire, and secondly, to Foreign Nations in all parts of the World, summarise the latest available information concerning the countries dealt with in this volume. Briefly, it will be found that *FENN ON THE FUNDS* deals with the debts and resources of nations covering upwards of 34,700,000 square miles, inhabited by 1,171,000,000 people, and contributing between them some £875,000,000 a year towards their national expenditure.

General Statistics Relative to the British Empire.

BRITISH EMPIRE.		Area.	Population, According to Latest Returns (chiefly 1881).	Revenue.	Expenditure.	Public Debt.	Debt Per Head.	Imports.	Exports.
Sq. Miles.	Number.								
							21 19 11	21 19 11	
BRITISH EMPIRE.									
BRITISH POSSESSIONS.—ASIATIC.									
United Kingdom	121,607	35,746,568	85,822,288	85,472,556	768,045,940	387,022,489	387,022,489	287,022,775	
India (British)	904,135	198,508,798	66,484,698	69,667,615	160,953,130	60,435,653	60,435,653	82,997,356	
Straits Settlements	1,445	453,276	501,776	483,276	89,300	15,630,959	15,630,959	14,877,949	
Ceylon	24,702	2,688,355	1,394,355	1,357,293	1,899,661	5,013,490	5,013,490	4,742,614	
Lebanon	30	6,298	5,983	6,713	nill.	167,364	167,364	164,573	
Hong Kong	38	160,402	222,906	197,502	...	...	...	No Returns.	
Aden and Yerin	12	25,000	...	...	...	...	...	No Returns.	
Total	930,356	201,762,417	70,513,698	71,642,401	1,624,119,811	81,237,455	81,237,455	102,742,632	
AUSTRALASIAN.									
New South Wales	310,935	749,882	6,714,327	5,157,113	18,890,000	26 4 10	18,900,075	15,625,138	
Victoria	88,193	862,346	5,563,284	5,680,229	22,944,928	26 19 3	16,718,521	16,252,103	
South Australia	903,425	286,324	2,027,963	1,923,605	9,385,500	34 9 0	5,581,497	5,574,505	
Western Australia	975,920	31,000	180,050	204,378	500,000	16 2 8	333,669	449,183	
Tasmania	26,215	115,705	439,790	463,745	1,843,700	16 15 10	1,369,823	1,511,581	
New Zealand	108,348	490,151	3,805,233	3,619,996	27,680,263	66 10 0	7,437,045	6,090,996	
Queensland	667,615	218,159	1,612,314	1,673,695	13,246,068	66 15 6	3,167,296	3,448,160	
Fiji	7,740	121,884	90,678	91,108	210,000	1 14 6	185,741	259,539	
Total	3,065,380	2,874,451	20,432,659	18,770,723	95,322,181	33 3 6	48,703,067	49,101,415	
AFRICAN.									
Natal	18,750	493,209	582,715	494,436	1,631,700	3 16 3	2,336,684	890,969	
Cape of Good Hope	221,950	1,500,000	2,509,216	2,354,780	15,441,700	10 6 0	9,237,171	9,096,464	
Lucas	73	60,231	47,967	55,476	288	...	407,370	576,510	
St. Helena	47	5,039	11,850	11,870	10,750	...	105,002	54,315	
Ascension (say)	34	500	...	...	799,100	...	...	3,656,656	
Madagascar	713	377,373	782,109	757,396	nill.	...	2,310,114	34,395	
Seychelles, &c.	14,035	13,000	13,000	13,900	nill.	...	37,053	482,068	
Gold Coast	6,000	408,070	119,500	86,957	nill.	...	857,246	375,985	
Sierra Leone	468	60,546	76,006	87,775	83,000	1 7 5	491,988	191,580	
Gambia	69	14,150	24,588	19,926	nill.	...	191,988	138,983	
Total	243,104	2,868,163	4,167,068	3,981,916	17,866,578	6 5 3	15,344,107	15,906,136	
ATLANTIC AND SOUTH AMERICAN.									
Bermuda	19	13,948	31,988	29,935	10,484	0 15 0	248,994	84,037	
Honduras (British)	7,563	27,434	43,234	37,923	nill.	...	237,304	252,555	
British Guiana	76,000	249,110	404,461	394,563	367,131	1 9 8	2,002,696	2,617,695	
Falkland Islands	6,500	1,431	6,965	6,977	...	...	33,505	66,564	
Total	90,081	290,941	486,618	469,428	373,215	1 6 0	2,523,299	3,049,081	

			6,000,972	5,243,798	82,040,267	7 8 9	20,988,070	19,200,418
NORTH AMERICA.								
Ontario and Quebec	802,685	3,393,245						
New Brunswick	27,528	831,533						
Newfoundland	91,731	440,579						
Nova Scotia	160,000	63,954						
Prince Edward's Island	9,138	106,571						
British Columbia and Vancouver's Island	300,244	49,459						
North-West Territories	2,177,077	56,446						
Islands (Arctic and Hudson's Bay)	535,100	179,509	905,231	250,311	308,289	1 13 9	1,451,300	1,174,194
Newfoundland	40,200							
Total	3,446,743	4,204,389	6,296,903	5,474,079	32,949,556	7 8 10	21,889,370	20,374,519
WEST INDIES.								
Bahamas	5,390	43,000	43,000	43,633	58,368	1 7 0	180,815	121,499
Bermuda	4,198	4,739	7,085	6,952			94,206	27,000
Trinidad	4,198	380,304	386,092	66,579	1,300,000	9 1 4	1,475,197	1,570,669
Jamaica	57	5,927	2,130	2,130			3,986	5,472
Virgin Islands	57	99,137	83,048	8,071			163,027	149,013
St. Christopher	68	11,864	8,447	8,364	3,700	0 2 7	30,546	87,912
Nevis	50	31,964	48,675	49,253			160,767	283,551
Antigua	170	10,083	6,617	5,997	57,573	1 19 11	98,384	99,121
Montserrat	83	28,211	30,461	30,779	3,700	0 2 3	69,941	64,471
Dominica	237	82,431	82,431	81,913	6,400	0 4 10	127,363	194,684
St. Vincent	147	40,548	82,685	82,891	84,100	0 17 11	150,930	158,974
St. Lucia	166	171,860	136,403	136,767	3,500	0 1 3	1,170,783	1,168,839
Grenada	133	42,403	36,080	38,080	nil	nil.	138,619	171,788
Tobago	114	19,324	14,003	13,314	13,140	0 6 3	45,138	77,615
Trinidad	1,754	153,128	453,789	458,640	505,000	3 6 0	3,882,632	2,185,513
Total	12,908	1,313,896	1,454,543	1,570,758	1,838,974	1 11 0	6,156,568	4,335,636
EUROPEAN.								
Gibraltar	11	19,381	44,828	43,373	nil	nil.	(say)	{ ... }
Malta	119	154,962	190,661	169,316	268,011	1 17 3	3,000,000	{ ... }
Heligoland	6	2,000						{ ... }
Total	136	176,273	835,499	812,690	268,011	1 18 0	8,000,000	...
Total Colonial	7,513,602	913,689,440	108,577,145	102,091,965	310,594,456	1 9 0	178,802,836	194,903,521
Grand total	7,935,209	248,986,028	189,899,427	187,494,511	1,073,640,396	4 6 3	575,925,325	491,266,296
SUBSIDIARY AND PROTECTORATE RIGHTS.								
India—Native States	680,000	54,276,574						
Cyprus	4,300	260,000						
South Africa—Transvaal	100,000	760,000						
Zanzibar	12,000	()						
Transvaal, or Great Namaqualand	800,000	()						
North Borneo	()	()						
etc., &c.	()	()						

INTRODUCTION.

General Statistics Relative to Foreign States.

Country.	Area. Sq. Miles.	Population.	Revenue. £	Expenditure. £	Gross Public Debt. £	Debt Per Head. £ s. d.	Imports. £	Exports. £
EUROPEAN.								
{ Austria	115,874	22,190,681	56,762,071	65,122,408	{ 28,197,998	10 19 4	60,764,000	66,686,000
Hungary	124,402	15,708,315	12,118,558	13,745,560	{ 173,380,930	11 9 3	98,464,000	85,181,000
Belgium	11,370	5,536,615	2,634,900	2,315,100	9,629,257	19 16 9	11,053,000	9,983,000
Denmark	31,660	1,969,059	129,735,920	29,697,827	980,503,160	4 17 9	197,857,920	144,467,680
France	204,031	37,234,186	29,697,827	29,697,827	25,466,281	26 6 6		
Germany	134,138	27,251,067	45,653,520	45,653,520	96,785,618			
Bavaria	29,283	5,271,516	11,067,070	11,067,070	66,833,131			
Saxony	9,970,920	3,187,900	8,187,900	8,187,900	85,479,171			
Württemberg	7,529	1,970,132	2,601,522	2,601,522	18,339,506			
Baden	5,823	1,570,189	1,961,203	1,960,775	18,339,577			
Other States	25,779	6,161,018			22,317,851			
Greece	25,200	2,067,775	1,751,900	(est) 2,100,000	17,514,546	8 9 4	(est) 5,000,000	4,000,000
Italy	114,374	28,452,639	57,380,963	57,038,478	446,502,440	16 14 0	53,280,464	47,662,901
Montenegro	8,500	250,000	40,000	40,000	100,000	0 8 0		
Netherlands	12,735	4,020,000	9,651,812	9,650,963	79,532,904	19 14 8	68,997,000	52,065,000
Portugal	86,500	4,745,024	6,350,224	6,796,689	97,512,000	20 11 0	7,690,000	4,912,000
Roumania	48,000	5,376,000	4,890,648	4,890,648	90,870,797	3 16 9	10,215,458	8,755,755
Serbia	48,657	1,700,000	1,037,040	1,028,530	4,000,000	9 7 0	(est) 1,000,000	1,000,000
Spain	198,000	16,622,384	30,481,120	32,689,400	383,000,000	20 6 9	23,474,000	21,647,000
Sweden	170,928	4,565,968	4,176,800	4,176,800	12,680,000	9 14 0	15,553,340	18,015,365
{ Norway	122,823	1,913,500	2,679,558	2,431,661	5,903,580	3 0 11	8,297,899	5,980,659
{ Switzerland—Federal Government				1,611,528	1,400,000			
Do. Cantons		2,846,102						
Total purely European	1,479,369	200,418,170	415,522,311	495,246,919	2,790,574,651	19 17 4	70,1397,079	616,256,340
EUROPEAN-ASIATIC.								
Russia	8,218,789	98,010,227	65,532,253	70,678,191	520,000,000	5 6 9	87,294,000	96,015,000
Finland	114,131	2,025,021	1,296,390	1,318,134	2,486,220	1 6 0	5,548,000	4,924,000
Turkey	1,117,500	21,100,000	12,950,000	(est) 12,000,000	149,687,454	7 9 7		
Eastern Rounelia		80,000						
Bulgaria	24,000	1,995,701					15,000,000	(est) 15,000,000
Total European-Asiatic	9,517,970	123,864,049	79,578,633	84,077,325	673,183,654	5 8 6	107,842,000	114,989,000

INTRODUCTION.

ASIATIC.		AMERICAN.		AFRICAN.		GRAND TOTAL.	
China	1,500,000	\$50,000,000	(est) 23,000,000	(est) 23,000,000	2,073,901	37,185,000	19,798,000
Japan	185,480	84,938,479	13,714,799	11,719,988	foreign debt	7,894,448	8,488,986
Netherlands India	600,000	28,000,000	13,714,799	12,058,000	70,853,827	11,704,000	14,989,000
Peru	640,000	2,000,000	2,000,000	(est) 2,000,000	(f)	2,000,000	1,500,000
Siam	270,000	5,000,000	...	...	nil.	1,350,000	1,940,000
Total Asiatic	3,165,480	623,338,479	50,398,299	48,774,968	72,869,028	49,473,448	43,720,298
ARGENTINE.		MEXICO.		EGYPT.		LIBERIA.	
Argentina	580,000	2,500,000	4,986,400	4,923,007	26,493,400	10,883,000	12,451,000
Separate States	500,000	2,750,000	585,000	601,000	(est) 4,000,000	17,966,900	23,096,290
Bolivia	3,100,000	9,490,478	12,013,662	14,351,145	18,383,660	7,016,000	10,484,000
Brazil	350,000	3,000,000	3,984,000	3,411,544	4,280,834	2,077,400	2,760,860
Chili	50,000	200,000	1,590,360	1,134,715	2,285,358	783,000	1,293,000
Colombia, or New Granada.	25,000	45,000	1,282,577	1,128,667	18,641,000	1,500,000	14,176,305
Costa Rica.	45,000	1,000,000	1,000,000	1,000,000	3,476,833	1,770,000	1,770,000
Cuba	250,000	1,000,000	423,400	473,000	3,476,833	783,564	1,770,000
Ecuador.	250,000	1,000,000	1,000,000	1,000,000	3,476,833	...	...
Honduras.	14,000	50,000	184,000	171,000	3,476,833	...	...
Paraguay	780,000	9,654,688	4,923,457	4,724,068	30,102,440	5,153,125	5,840,000
Mexico	60,000	200,000	200,000	200,000	30,102,440	206,000	6,817,827
Paraguay	10,000	500,844	500,844	500,844	30,102,440	306,000	521,000
Salvador	20,000	600,000	600,000	600,000	30,102,440	483,006	521,000
San Domingo	20,000	250,000	250,000	250,000	30,102,440	286,000	196,000
United States	2,945,134	52,799,000	83,709,357	83,071,680	(est) 250,000	148,546,125	150,299,750
Separate States	877,390	80,146	...	...	35,402,000	...	...
Alaska.	73,151	438,245	1,628,466	1,915,347	(est) 10,000,000	8,865,775	8,950,440
Yonacata.	408,000	2,075,245	986,000	890,000	12,650,000	3,980,000	2,260,000
Total American	10,256,675	91,527,531	130,271,748	109,867,231	670,689,726	203,338,077	230,683,948
AFRICAN.		EGYPT.		LIBERIA.		MOROCCO.	
Egypt	800,000	5,517,427	8,965,170	9,223,067	109,016,650	6,823,000	13,453,070
Equatorial Provinces	800,000	11,800,000	20,000	(est) 20,000	100,000	705,130	602,290
Liberia	14,200	7,000,000	155,207	155,207	6,390,000	2,000,000	1,000,000
Morocco	250,000	7,000,000	(f)	(f)	nil.	709,560	670,550
Orange Free State	43,000	150,000	(f)	(f)	113,316,350	10,258,020	15,968,270
Tunis	43,000	150,000	(f)	(f)	4,381,623,709	1,074,268,614	1,922,831,464
Zanzibar (Inland)	600	200,000	9,140,377	9,403,067	4,381,623,709	10,258,020	15,968,270
Total African	1,452,800	27,150,945	863,118,368	670,172,530	4,381,623,709	1,074,268,614	1,922,831,464
Grand total Foreign Countries	25,872,294	863,369,494	1,302,717,448	1,098,667,231	6,706,689,726	2,033,338,077	2,260,683,948

Perhaps the most striking feature of the foregoing tables is that showing the entire inadequacy of the *Population Test* as a measure of National burdens. If we accepted the debt per head as the measure of solvency, then Honduras, with £19 14s. of debt per head, would be more solvent than the United Kingdom with £21 12s. 11d.; Hungary, with £11 2s. 3d. per head, and Italy, with £15 14s., more solvent than France with her £26 5s. 6d; while Australasia, with an average debt of £33 3s. 6d. per head, would be more hopelessly bankrupt than any of the communities on the face of the globe. Of course, if we had given us the wealth per head of the various populations of the World, and the average charge per head for interest paid upon their debts, after deducting amounts of interest paid out of sources of revenue other than taxation, then the population test might be applied with advantage. But as it stands, such a record tells us comparatively little.

A second and most necessary criticism upon the foregoing tables is that *the nominal capital is no adequate measure of a nation's debts*. The French system, with all its drawbacks of giving the annual "Rente," is a truer system; only people in this country have been trained to measure by capital, and under such circumstances, the significance of a table of comparative interest payments would not be properly grasped. Besides which, the numerous instances where sinking funds are combined with the interest payments would tend to confuse the statement. Nevertheless, it is equally certain that the money burden entailed by £1,000,000 of British Three per Cents. should only be reckoned at one-half that of £1,000,000 of Argentine Six per Cents.; while if we regarded the Reduced Turkish Debt in the light of One per Cents., then the charge upon £6,000,000 Turkish bonds, £2,000,000 Consols, and £1,000,000 Argentine Six per Cents., would be one and the same amount; and measured by the Argentine standard, the capital of the British Debt appears twice as large, and that of the Turkish Reduced Debt six times as large, as it ought to be. Under these circumstances, I will endeavour, in the following table, to furnish the leading National Debts of the World upon a uniform 5 per cent. interest basis.

	Present Nominal Capital.			Per Head.	After Adjustment on a 5 % Basis.			Per Head.
	£	s.	d.		£	s.	d.	
United Kingdom	768,045,940	=	31 12 11	.....	461,272,320	=	13 1 10
Colonies—								
Canadian Dominion	32,040,267	=	7 8 2	.....	29,654,100	=	6 17 0
Cape of Good Hope..	15,441,700	=	10 6 0	.....	13,426,600	=	9 0 0
India	160,953,120	=	0 16 3	.....	118,672,285	=	0 12 0
New South Wales...	18,930,000	=	25 4 10	.....	16,971,300	=	22 12 6
New Zealand.....	27,680,293	=	56 10 0	.....	26,150,000	=	53 7 4
Queensland	13,249,086	=	60 15 5	.....	12,113,990	=	55 11 0
South Australia ...	9,865,600	=	34 9 0	.....	9,582,560	=	33 0 8
Victoria	22,944,602	=	26 12 3	.....	22,338,880	=	25 17 7
Europe—								
Austria* †	236,197,998	=	10 13 4	.....	226,623,000	=	10 4 9
Hungary* †	173,380,930	=	11 2 3	.....	173,000,000	=	9 0 0
Belgium	70,927,630	=	12 16 2	.....	53,697,400	=	9 14 0
France	980,503,160	=	26 5 6	(say)	780,000,000	=	20 13 0	
Germany—Prussia (including pro- portion of Ger- man debt.....)	114,000,000	=	4 3 8	.....	91,400,000	=	3 7 0
Greece*	17,514,546	=	8 9 4	(say)	20,000,000	=	9 4 0	
Italy* †	446,502,440	=	15 14 0	.....	432,561,400	=	15 4 0
Netherlands	78,522,604	=	19 14 8	.....	46,946,360	=	11 12 6
Norway	5,803,990	=	3 0 11	.....	5,200,000	=	2 14 4
Portugal.....	97,512,000	=	20 11 0	.....	61,805,700	=	12 18 5
Spain	338,000,000	=	19 13 5	(say)	250,000,000	=	15 0 10	
Sweden	12,669,590	=	2 14 0	.....	11,403,000	=	2 10 0
Russia*								
Turkey|| (Reduced Debt,calculated at 1½ per cent.)	149,687,434	=	7 2 7	.....	44,000,000	=	2 1 8
Asia—								
Japan*	70,535,827	=	2 1 1	.....	93,006,950	=	2 14 0
America—								
Argentina	26,493,400	=	10 12 0	(say)	33,000,000	=	13 4 0	
Brazil*	85,355,660	=	8 10 8	(say)	89,500,000	=	9 0 3	
Chili|| .....	18,834,000	=	8 2 3	(say)	19,000,000	=	8 3 10	
Honduras†	4,922,000	=	19 14 0	.....	8,631,900	=	34 10 0
Mexico†	30,106,450	=	3 2 4	.....	25,060,000	=	2 12 0
Peru†	48,708,000	=	18 1 0	(say)	50,900,000	=	18 17 0	
United States.....	387,507,687	=	7 6 10	.....	225,000,000	=	4 5 3
Uruguay (reckoned at full interest, though now re- duced)	10,000,000	=	22 10 0	.....	14,650,000	=	33 9 0
Africa—								
Egypt	109,016,850	=	19 15 0	.....	98,961,860	=	17 18 10

* Depreciated paper currency estimated to entail a 5 per cent. burden on these countries.

† In default.

‡ No allowance made for "income tax."

|| Paper money not included in Turkey, and only to 1860 in Chili.

This brings us a step nearer to the point at which the respective National Debts could be effectually contrasted. If, for instance, the debt of the United Kingdom were converted into Five per Cents., the apparent total could be reduced by

fully £300,000,000, and the debt per head would be only £13 1s. 10d.—a very material reduction in the scale. The oppressive nature of the burdens (that is, if they could meet them), of such States as Honduras and Uruguay, stands out in more prominent relief. But still, there is the remarkable rate of indebtedness in the Australasian Colonies to be faced; and the Five per Cent. adjustment has, it will be noted, but slightly affected those burdens.

The question then arises, To what extent are these liabilities covered by reproductive works? Taking the heaviest debt per head on the entire list—that of Queensland—we find that it has been raised to the extent of £7,509,000 for railways, £430,000 for telegraphs, £915,000 for harbours and navigations, £643,000 for roads and bridges, and £691,000 for loans to municipalities (Local Loans) for water supply and other works, or together, £10,188,000, out of a total £13,249,000 bonds issued; and if to these items were added the money absorbed by immigration expenses and public buildings, we should find practically the whole of the debt had been contracted for works of utility, even if some of them are not directly reproductive. The pages of FENN ON THE FUNDS prove that the borrowings not only of our Australasian Colonies, but of almost all the dependencies of the British Crown, have been in the main for works of public utility, and some of them, like Victoria and New South Wales, have expended larger sums upon public works than they have raised by loans. Amongst Foreign Countries, the same may be said respecting some of the German States, of Switzerland, and Sweden. We are scarcely, however, entitled to write off blindfold the whole of this outlay upon public works. It would hardly be a just apportionment of burdens to state the debts of Queensland or New Zealand, Prussia or Sweden at "nil" because there are these railways and other works to show for them. Railways, like those of Peru, may have been wastefully constructed and badly placed; and we can only judge of the value of such outlay by what it actually repays to the State. If in the year 1880-81 the Government of Victoria derived £705,422 from railway net receipts, £87,223 from waterworks, and £19,849 from interest on Local Loans, we

here obtain a sum of £812,494, or sufficient to cover a 5 per cent. charge on a debt of £16,249,880; and deducting this from the £22,338,880 debt in the foregoing table, the conclusion is arrived at that the Victorian Government had only to tax the community so as to provide 5 per cent. on a debt of £6,089,000 (equal to £7 1s. 3d. per head), and it is quite certain that the benefits conferred upon the community by the public works in Victoria have already amply justified the outlay. It has been impossible, however, to deal with the accounts of all countries precisely in this manner; and in the following Table of *net* Indebtedness, there may in some cases be assets which have not been fully allowed for. Nevertheless, every effort has been made to render the contrasts accurate.

Table of *Net Indebtedness*.

	Debt Adjusted to 5 per Cent. (as Already Given.)	Deduct— Debt Covered by Net Earn- ings, &c.	Balance to be Covered by Taxation.	Per Head to be Covered by Taxation.	Annual Exports per Head.
	£	£	£	£ s. d.	£ s. d.
United Kingdom	461,272,000	29,660,000	431,612,000	19 4 10	8 8 6
Colonies—					
Canadian Dominion	29,654,000	1,243,000	28,411,000	6 11 4	4 8 10
Cape	13,426,000	(?) 7,000,000	6,500,000	4 6 8	6 1 3
India	118,672,000	34,808,000	83,864,000	0 8 6	0 8 5
New South Wales	16,971,000	(?) 8,500,000	8,500,000	11 6 0	20 13 4
New Zealand	26,150,000	7,370,000	18,780,000	38 6 6	13 7 6
Queensland	12,113,000	(?) 3,780,000	8,333,000	38 6 5	15 16 4
South Australia	9,582,000	3,902,000	5,780,000	20 4 3	19 9 9
Victoria	22,338,000	16,249,000	6,089,000	7 1 3	18 17 0
Europe—					
Austria	226,623,000	...	226,000,000	10 4 9	} 1 16 0
Hungary	173,000,000	...	173,000,000	11 0 0	
Belgium	53,697,000	24,000,000	29,700,000	5 7 0	15 7 0
France	780,000,000	60,000,000	720,000,000	19 6 0	3 17 6
Prussia	91,400,000	100,000,000	nil.	nil.	4 0 0
Greece	20,000,000	...	20,000,000	9 4 0	1 18 0
Italy	43,561,000	32,000,000	100,000,000	14 1 0	1 13 6
Netherlands	46,945,000	6,546,000	40,400,000	10 1 0	12 19 3
Norway	5,200,000	2,363,000	2,837,000	1 9 8	3 2 7
Portugal	61,305,000	...	61,305,000	19 18 5	1 0 0
Spain	250,000,000	...	250,000,000	16 0 10	1 7 0
Sweden	11,403,000	10,070,000	1,333,000	0 5 10	2 17 0
Russia	485,612,000	28,600,000	457,012,000	4 13 3	0 19 8
Turkey	44,000,000	...	44,000,000	2 1 8	0 14 0
Asia—					
Japan	93,008,000	2,500,000	90,500,000	2 19 6	0 3 3
America—					
Argentina	33,000,000	...	33,000,000	13 4 0	5 0 0
Brazil	89,500,000	5,000,000	84,500,000	8 9 0	2 6 0
Chili	19,000,000	(?) 6,500,000	12,500,000	5 8 0	4 10 0
Honduras	8,631,000	...	8,631,000	34 10 0	1 0 0
Mexico	25,000,000	...	25,000,000	9 19 0	0 13 0
Peru	50,800,000	(?)	(?)	(?)	(?)
United States	225,000,000	...	225,000,000	4 5 3	2 18 6
Uruguay	14,650,000	...	14,650,000	33 9 0	9 0 4
Africa—					
Egypt	98,962,000	29,320,000	69,640,000	12 19 0	2 9 0

In most of the countries where no deduction is made in col. 2, the railway guarantees and other liabilities fully absorb the net revenues of the State assets. For instance, Hungary's State railway's net receipts in 1881 (£713,618) is more than liquidated by interest advanced on railway guarantees (£1,071,900).

Incomplete as this table may possibly be, it tells us much. If we regard the National Debts of the World simply in the light of the amount of taxation they entail upon their respective inhabitants, we find that in Prussia they represent no burden whatever, in Sweden practically none, and that the debts of our Colonies, like New South Wales and Victoria, instead of being heavier per head than that of the mother country, are certainly lighter. But in respect to not a few foreign countries no deductions whatever can, as yet, be made from the volume of taxation which these burdens upon the face of them entail. Still, however, New Zealand and Queensland, Uruguay and Honduras, stand out as the countries most heavily-indebted per head on the face of the globe; and, as we all know, the two foreign States last named have been unable to meet the burdens cast upon them.

But the debt "per head to be covered by taxation," is, so to speak, only one side of a nation's balance-sheet—it is a measure of liabilities, not of its assets. There is, perhaps, no better available test of a nation's wealth than its foreign trade; for, as a rule, countries which are rich have those things which other nations covet, and countries which are poor have not. The test, however, cannot by any means be regarded as perfect; for while so many foreign countries, and some of our Colonies besides, do their best to check trade by protecting home industries, they force their populations into industries which are only available for home markets, when they could be more profitably employed in supplying foreign markets. Some countries, also, from their geographical position, attract a considerable volume of transit trade, while others (like our own sugar-producing islands) exist mainly to supply external requirements, and their exports appear unnaturally swollen. Nevertheless (allowing for all this), when we see that the annual export trade of Honduras is probably not above one thirty-fourth part of the capital of the debt, we have the type of an impossible burden. Such a liability was from the first hopeless. For railway purposes, there might, or might not, have been an opening for an outlay of capital by a company, but the 10 per cent. guaranteed interest and 3 per cent.

sinking fund was not only valueless, but choked the whole affair. Uruguay, however, has a considerable trade for a small country, while both in New Zealand and Queensland the exports "per head" largely exceed those of the mother country. Nevertheless, the indebtedness in those two Colonies has reached a point which is for the time being oppressive. Contrast, for instance, New Zealand with New South Wales in the foregoing table. The net debt per head in New Zealand is £27 higher, the annual exports £8 6s. less; and there can be no doubt whatever which is in the sounder financial position. It may be said, and very truly said, of Queensland and New Zealand, and of many other countries as well, that the foregoing contrast is unfair to them, because it takes the net revenues of a number of recently opened, or partly opened, railways, and treats those incipient earnings as a just gauge of the profitableness of their public works, whereas, in a few years those railways and public works generally will be far more profitable, as, for instance, those of Victoria are now. Granting this to the full, and that Queensland, with her millions of cattle and sheep, her sugar estates, and mineral wealth, and that New Zealand, with her magnificent climate and productive soil, and both with their millions of acres of land fit for occupation, may advance rapidly in the years to come—granting all this, would it not be a wiser policy to wait a few years, until their available assets had more effectually overtaken their liabilities, before incurring fresh indebtedness? Even for the most legitimate objects, there is a risk in too deeply mortgaging the future.

So far reference has only been made to the most prominent features in the foregoing Table. But it may be pointed out, that wherever, as in the instances of the Cape, India, Holland, Norway, Sweden, and others, the annual exports approach, or exceed, the volume of the debt to be covered by taxation, the position of the National creditor must be one of as absolute security as it is possible to obtain. Further than this, no defaulters are to be found even amongst those States where it would take two or three years' purchase of the total exports to cover the net indebtedness. But it is where, as recently was the case with Spain, there were £500,000,000 of debt, against £20,000,000 of exports (twenty-five years' purchase), that the

defaults have in the long run occurred. It will be noticed that in the foregoing Table of "Net Indebtedness," the contrasts between debt and trade are unfavourable in the instances of many European countries; and in those cases, like France, where practically the entire debt is internal, and where trade is artificially checked, the figures are open to some modification. Still, the strain upon countries like Italy, where a large portion of the debt is in foreign hands, and the exports do not reach one-eighth part of the net debt, must be very considerable; and the necessity can be understood for the "income tax" on coupons of late years to avoid a more decided defalcation. Turkey, again, could never, even in careful hands, have met her creditors while her debt exceeded £200,000,000 and her exports were much below £20,000,000. In one or two instances, it is apparent that it must require a strong determination, and no inconsiderable efforts to meet the letter of their obligations to enable the Governments in question to pay as they do. While there are yet other States, the bondholders of which have less to fear from financial than from political and social unsoundness; and probably many would name the Russian Empire as the type of this class. The result is that, though no very accurate measure of National wealth can be supplied, the "trade test," with due allowance for artificial restrictions, is found to be fairly effective.

In completing my labours upon this latest edition of *FENN ON THE FUNDS*, I must express my best thanks for the valuable data and assistance I have received. A work such as this must, from beginning to end, be an appeal to authorities, written and personal, and to the latter especially I take this opportunity of acknowledging my obligations.

ROBERT LUCAS NASH.

November, 1882.

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Salvador	564	Spain	589
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A COMPENDIUM

OF THE

BRITISH AND FOREIGN FUNDS, &c.

PUBLIC DEBT OF THE BRITISH EMPIRE.

The Public Debt of Great Britain and Ireland stood thus at the close of the financial years ended 31st March, 1861, 1871, and 1881 :—

	1861.		1871.		1881.
	£		£		£
Funded debt	788,970,719	...	732,043,270	...	709,078,526
Unfunded debt	16,689,000	...	6,091,000	...	22,077,500
	<u>805,659,719</u>	...	<u>738,134,270</u>	...	<u>731,156,026</u>
Add — Estimated capital of					
Terminable Annuities	17,668,903	...	54,413,310	...	37,547,666
	<u>823,328,622</u>	...	<u>792,547,580</u>	...	<u>768,703,692</u>
Population (Census, same dates).....	29,071,000	...	31,628,000	...	34,862,000
Debt per head	£28 6s. 5d.	...	£25 1s. 2d.	...	£22 1s. 0d.

The decrease in the capital of the debt during the decade, 1861 to 1871, was £30,781,042 (averaging £3,078,104 per annum), notwithstanding that £6,180,417 "capital" was added during this period in the shape of "1865 Annuities" for Fortifications and Barracks, and a further sum (£7,300,000 stock) was sold for the purchase of Telegraphs, largely exceeding the £5,715,048 at first estimated to be required. The decrease in the debt during the decade, 1871 to 1881, was £23,843,888 (averaging £2,384,389 per annum), notwithstanding that during the latter period £4,796,999 capital was added for Fortifications, £4,000,000 for the purchase of Suez Canal shares, £3,648,172 for extension of the Telegraph system, and £14,150,000 was raised in Exchequer Bills and Bonds and Treasury Bills for Local loans through the medium of the Public Works Loan Commissioners. The bulk of these additions to the National Debt are, therefore, productive of revenue.

The details of the debt on the 31st March, 1882, show a further debt reduction of £5,657,752, as follows:—

Three per Cent. Consols	£395,963,310	
Three per Cent. Reduced.....	91,870,698	
New 3 per Cents.	202,186,924	
New 3½ per Cents.....	225,746	
New 2½ per Cents.....	5,187,700	
Exchequer bonds, 2½ per cent.	418,300	
Bank of England debt (3 per cent.)	11,015,100	
Bank of Ireland debt (3 per Cents.)	2,630,769	
Funded debt, 31st March, 1882	£709,498,547	
Exchequer bills—Dated June 11 { variable } ...	2,353,400	
" " " March 11 { rates. } ...	2,809,400	
	£5,162,800	
Exchequer bonds 3½ per cent.	3,750,000	
" " " Suez Canal.....	3,663,900	
Treasury bills, 3 months { variable }	4,631,000	
" " 6 " { rates. }	800,000	
Unfunded debt, 31st March, 1882	£18,007,700	
	Annual Charge.	
Annuitiies terminable in 1885	£6,062,964	} Capital value in 3 per cent. stock at £92 6s.
Do. do. in 1906	115,864	
Red Sea and India Telegraph Annuitiies, 1908	36,000	
"Savings Banks Act, 1880," Annuitiies, 1908	83,673	
"National Debt Act, 1881," Annuitiies.....	42,106	
Sinking Fund Annuity on New 2½ per Cents.	6,907	
Annuitiies for terms of years	25,850	
Life Annuitiies	971,916	
Exchequer Tontine Annuitiies	7,000	
	£35,539,693	
The foregoing is a statement of the gross Public Debt at the present time. But Parliamentary Returns have recently been issued, at the instance of Mr. Hubbard, setting forth the net amount of the National Debt after deduction of all assets like the Suez Canal shares and Local loans, for which debt was raised, and which are productive of revenue. This Return, to the 31st March, 1882, may be summarised as under:—		
Funded debt	£709,498,547	
Unfunded debt	18,007,700	
Terminable Annuitiies (calculated in 3 per Cents. at par)...	33,181,875	
	£760,688,122	
Add—Deficit to Savings' Banks and Friendly Societies' accounts (20th November, 1880).....	2,144,562	
	£762,832,684	
Deduct—Loans recoverable from Local bodies	£ 29,800,000	
Suez Canal shares purchase, exclusive of commission to Messrs. Rothschilds' ...	3,976,582	
	33,776,582	
Net debt 31st March, 1882	£729,056,102	

Since 1870, the National Debt of the United Kingdom no longer stands forth as the largest in the world. The events whereby this burden was incurred must now be briefly narrated.

The National Debt at the period of the Revolution in 1688 amounted to about £664,000, principally in the form of Terminable Annuities, specially charged upon certain branches of the revenue. The system of borrowing money on annuities for terms of years and lives was continued by Government for several years subsequent to this period, until the magnitude of the Public Debt, and the heavy annual charge thus created, rendered the method no longer practicable.

It was during the War with France in which this country engaged at the time of the Revolution, and which continued for a period of nearly ten years, that the foundation of the present National Debt was laid. At the close of this War, in 1697, at the Peace of Ryswick, the debt was found to amount to £14,522,925, and the revenue was deficient the sum of £5,000,000. At this time, also, from the irregularity with which the interest upon the floating debt was paid, Exchequer tallies and orders were at a discount of 40 per cent., and Government, to redeem the credit of the nation, as well as to provide for the deficiency of the revenue, was obliged to contract a further debt, and to fund a portion of the floating securities. The Terminable Annuities gradually expiring effected a reduction in the amount of the Public Debt, which, at the close of the reign of William and Mary, in 1702, was £12,767,225, taking the Terminable Annuities at a valuation, and the annual charge for interest and annuities was £1,215,324.

The return of war, on the Accession of Queen Anne, brought with it an increased expenditure to the country, and a consequent addition to the Public Debt. Various expedients were resorted to in order to raise money, and the terms of the loans appear to have been but little regarded; life annuities and annuities for fixed terms, tontines, and lotteries, were the means most frequently made use of in order to provide the necessary supplies for the exigencies of the State. The financial embarrassment of the nation led to the establishment of the South Sea Company, in the year 1711, after the War had continued for nine years. This association was projected with the avowed intention of carrying on trading intercourse with the South Seas and the North-West Coast of America; but its chief object appears to have been to assist the Government in its financial operations. The Government unfunded obligations outstanding at this period amounted to £10,628,364, upon which little or no interest had been paid,

owing to the exigencies of the State, and, as a consequence, they were greatly depreciated. The South Sea Company were empowered to receive these obligations as subscriptions for stock in the Company, and were thus constituted the chief creditors of the State. The amount of stock thus created was £9,177,968, which was increased in 1715 to £10,000,000, by the addition of certain arrears of interest to the capital stock. For this sum the Company received 6 per cent. interest, and £8,000 per annum for the expenses of management.

At the close of the reign of Queen Anne, in 1714, the Public Debt had increased to £36,175,460, bearing an annual charge for interest and annuities of £3,063,135. Of this the permanent debt was £27,820,321, and the unfunded obligation, £8,355,139.

In the year 1718, the interest on part of the permanent debt, £3,775,028, was reduced from 6 to 5 per cent., and a regular Sinking Fund was provided by Act of Parliament (3 Geo. I., c. 7) for the redemption of the permanent debt. By the former operation, an annual saving was effected of £328,560; but very little appears to have been accomplished by the action of the Sinking Fund. In 1720 the funded debt was greatly increased, the stock of the South Sea Company, which had then proved a failure, having been charged to the Consolidated Fund; so that, although the falling in of annuities effected a trifling reduction in the annual charge upon the revenue, the National Debt, at the close of the reign of George I., amounted to £53,979,708, or above £17,000,000 more than at the conclusion of the previous reign. The annual charge was considerably diminished by the reduction of interest in 1717, and by a further reduction from 5 per cent. to 4 per cent. in 1727, at the end of which year the annual charge was £2,360,934. In 1722 the first Three per Cents. were issued, amounting to £141,094.

In the Peace which prevailed during the greater part of the interval from 1727 to 1739, about £7,360,000 of the debt was discharged by the operation of the Sinking Fund, and the falling in of temporary annuities. In June, 1739, such was the credit of the Home Government that the Three per Cent. Annuities of 1726 were then dealt in as high as £107 per cent., and no such quotation has ever since been recorded. On the 31st December, 1739, the debt amounted to £47,122,579, whereof £42,949,562 constituted the permanent debt, and the remainder consisted of anticipated duties and unfunded securities: the annual charge was £2,030,884.

From the year 1739, the National Debt received vast additions annually for several years, mostly in the shape of Four per

Cents. The disturbed state of this country, owing to the landing of Charles Edward Stuart in 1745, and the War in which the nation engaged in 1740, in support of the Queen of Hungary's pretensions to the Throne of Austria, involved the Government necessarily in very large expenses. The debt on the 31st December, 1748, soon after the Treaty of Peace, concluded at Aix-la-Chapelle, amounted to £77,488,940, being an increase during the War of about £30,500,000.

In the short interval of peace which succeeded the Treaty of 1748, the Government was enabled, by the rise in the price of stocks, to effect a reduction of interest on the Four per Cents. to 3 per cent. This was done on the 29th November, 1749. The stockholders were to receive 4 per cent. until the 25th December, 1750; from that time till the 25th December, 1757, they were to be allowed 3½ per cent., after which time the interest was to be reduced to 3 per cent. In the year 1751, several of these stocks were consolidated into one fund, amounting collectively to £9,137,821. This was the origin of the present Consolidated Three per Cent. Annuities. Various other stocks were consolidated in the previous year to the amount of £17,701,324, forming the commencement of the present Three per Cent. Reduced Annuities.

The War with France, which broke out in 1756 by an attack on two French frigates in South America, though it continued but seven years, added some £60,000,000 to the Public Debt, which at the conclusion of the War in 1763 amounted to £133,287,940, besides Terminable Annuities, entailing an annual charge upon the nation of £5,032,732.* The terms upon which the various loans were issued are given below:—

Year.	Seven Years' War.	Actual Sums Borrowed.	Capital Funded.	Terminable Annuities Issued (Annual Charge).
		£	£	£
1756..	3½ per Cents. at par	1,500,000	1,500,000	...
1757..	3 per Cents. at par	500,000	500,000	...
1758..	3 per Cents. at par (together with a life annuity of 2s. 6d. per annum	3,000,000	3,000,000	33,750
"	3½ per Cents. at par	4,500,000	4,500,000	...
"	3 per Cents. at £120 stock for £100 cash	500,000	600,000	...
	Carried forward	10,000,000	10,100,000	33,750

* There appears to be some difference amongst writers on the amount of Public Debt at this period. Sir John Sinclair, in his "History of the Revenue," gives the amount of the funded and unfunded debt at £146,682,844, which is the amount given by Dr. Price.

Year.	Seven Years' War.	Actual Sums Borrowed.	Capital Funded.	Terminable Annuities Issued (Annual Charge).
		£	£	£
	Brought forward.....	10,000,000	10,100,000	33,750
1759..	3 per Cents. at £115 stock for £100	6,600,000	7,590,000	...
1760..	4 per Cents. at £103 " "	8,000,000	8,240,000	...
1761..	3 per Cents. at par, and 22s. 6d. per cent. annuity till 1860	11,400,000	11,400,000	128,250
"	3 per Cents.	600,000	600,000	...
1762..	4 per Cents. at par, and £1 per cent. annuity till 1860	12,000,000	12,000,000	120,000
1763..	4 per Cents. at par	3,500,000	3,500,000	...
"	4 per Cents. at par	3,483,553	3,483,553	...
1765..	3 per Cents. at par (War concluded) ...	1,482,000	1,482,000	...
		57,065,553	58,395,553	282,000

During the twelve years of tranquility which succeeded the Peace of Paris, about £7,000,000 of the debt was discharged, so that at the commencement of the American War, in 1775, the debt amounted to £126,842,811. During the seven years in which this country was engaged in war with the United States, the National Debt was nearly doubled; for although the Independence of America was acknowledged in 1782, yet loans were raised in several subsequent years, in order to defray the remaining expenses of the War; and it was not until 1786 that the revenue was found to be sufficient for the expenditure. According to the following table, loans were raised producing £91,763,842 in cash; but the stock issued was £115,267,993, and the value of the bonuses granted in Terminable Annuities was about £10,000,000 in addition:—

Year	American War.	Actual Sums Borrowed.	Capital Funded.	Terminable Annuities Issued (Annual Charge).
		£	£	£
1776	3 per Cents. at 107½ per cent. in stock for £100	2,000,000	2,150,000	...
1777	4 per Cents. at par, and ½ per cent. annuity for 10 years	5,000,000	5,000,000	25,000
1778	3 per Cents. at par, and 2½ per cent. annuity till 1808	6,000,000	6,000,000	150,000
1779	3 per Cents. at par, and 3½ per cent. annuity till 1808, or for life	7,000,000	7,000,000	262,500
1780	4 per Cents. at par, and 1½ per cent. annuity till 1860	12,000,000	12,000,000	217,500
	Carried forward.....	32,000,000	32,150,000	655,000

Year.	American War.	Actual Sums Borrowed.	Capital Funded.	Terminable Annuities Issued (Annual Charge).
	Brought forward	£ 32,000,000	£ 32,150,000	£ 655,000
1781	{ 3 per Cents. £150 stock, together with	} 12,000,000	{ 18,000,000	} ...
	{ 4 per Cents. £25 in stock, for £100 cash		{ 8,000,000	
1782	{ 3 per Cents., £100. { and annuity of $\frac{1}{4}$ per cent. till 1860 ...	} 18,500,000	{ 13,500,000	} 135,040
	{ 4 per Cents., £50... {		{ 6,750,000	
1783	{ 3 per Cents., £100. { and annuity of $\frac{1}{4}$ per cent. till 1860 ...	} 12,000,000	{ 12,000,000	} 80,000
	{ 4 per Cents., £25... {		{ 8,000,000	
1784	{ 3 per Cents., £100. { and annuity of 5s. 6d. till 1860	} 6,000,000	{ 6,000,000	} 16,500
	{ 4 per Cents., £50... {		{ 2,998,000	
"	5 per Cents. at 107 $\frac{1}{2}$ per cent. in stock for £100	6,397,900	6,379,342	...
1785	5 per Cents. at £111 8s. per cent. in stock for £100	9,865,942	10,990,651	...
		91,763,842	115,267,998	886,540

On the 5th January, 1786, the debt, after allowing for sinking funds, amounted to £245,466,855, including the Terminable Annuities taken at a valuation, and the annual charge was £9,666,541.

Early in the year 1793 the War with France commenced, which continued, with only a very short interruption, until 1815, a period of 22 years. In 1792, the annual interest was £9,432,179, including the charge for Terminable Annuities, £1,312,671. This long contest brought with it an immense increase in the expenditure of the country, and a consequent augmentation of the Public Debt: stock to the amount of £613,000,000 was added to the National Debt during this contest, besides a large sum in Terminable Annuities, and about £23,000,000 to the annual charge. During all this period loans were issued at a very heavy discount, and the plan was followed more extensively than in the previous War of giving bonuses in Four and Five per Cent. stock and annuities until 1860. Thus, for every £100 invested in the first loan of 1794, besides £100 in the Three per Cents., the subscriber received £25 in the Four per Cents., and an annuity of 11s. 5d. until 1860. The particulars of all these issues are given below; the asterisk (*) against many of the loans indicating that a portion of the loans in question were primarily based upon Irish revenues.

Year.	French War.	Actual Sums Borrowed.	Capital Funded.	Annuities Issued (Annual Charge).
1793..	3 per Cents. at £72 in cash	£ 4,500,000	£ 6,250,000	£ ...
1794..	{ 3 per Cents., £100 { and annuity 4 per Cents., £25 { of 11s. 5d. } till 1860..... }	11,000,000	{ 11,000,000 2,750,000 }	{ 62,792
"	5 per Cents. at £101 in stock for £100	1,907,451	1,926,526	...
1795..	{ 3 per Cents., £100 { and annuity 4 per Cents., £33½ { of 9s. 6d. till 1860..... }	18,000,000	{ 18,000,000 6,000,000 }	{ 85,500
"	3 per Cents. and 6 per cent. annuity (Austria).....	4,600,000	3,833,333	230,000
"	5 per Cents. at £108 stock for £100.	1,480,647	1,609,898	...
"	3 per Cents., £145 (annuity 6s. 6d. till 1860).....	18,000,000	26,095,800	58,500
1796..	3 per Cents., £145 (annuity 5s. 6d. till 1860).....	7,500,000	10,798,825	20,582
"	5 per Cents., £104 and £105 for £100.	4,228,727	4,414,074	...
"	{ 3 per Cents., about £140 } { 4 per Cents., about £6½ } for £100	13,029,399	{ 18,437,874 869,860 }	{ ...
"	{ 5 per Cents., about £17½ } 5 per Cent. Loyalty Loan, £112½ in stock for £100	18,000,000	20,124,843	...
1797*	{ 3 per Cents., £175 { and annuity 4 per Cents., £20 { of 6s. till 1860	14,500,000	{ 25,375,000 2,900,000 }	{ 43,500
"	3 per Cents., £219 stock for £100 ...	1,620,000	3,669,300	...
1798*	3 per Cents., £200 (annuity 4s. 11d. till 1860) for £100	17,000,000	34,000,000	41,791
"	3 per Cents., £187½ per cent. stock...	3,000,000	5,624,250	...
1799*	3 per Cents., £175 per cent. stock...	15,500,000	27,125,000	...
1800*	3 per Cents., £147 per cent. stock...	20,500,000	32,185,000	...
1801*	3 per Cents., £175½ per cent. stock...	28,000,000	49,210,000	...
1802..	{ 3 per Cents., £50 } and annuity { 4 per Cents., £50 } of 10s. 9d. till { 5 per Cents., £25 } 1860.	8,910,450	{ 4,455,225 4,455,225 2,227,612 }	{ 47,796
"	{ 3 per Cents., £125 stock, together with	25,000,000	{ 31,250,000 1,740,625 }	{ ...
"	{ 3 per Cents., £6 19s. 3d. † stock.....	12,000,000	19,200,000	38,500
1803*	3 per Cents., £160 (annuity 6s. 5d. till 1860).....	14,500,000	26,390,000	...
"	3 per Cents., £182 stock	1,526,899	5,143,126	...
1805*	3 per Cents., £172 stock	22,500,000	38,700,000	...
"	Irish Loan 5 per Cents., £24, and 5 per cent. annuity till 1860	1,500,000	360,000	75,000
1806*	3 per Cents., £168 stock	20,000,000	33,200,000	...
1807*	{ 3 per Cents., £140 stock, together with	14,200,000	{ 19,880,000 1,505,200 }	{ ...
"	{ 5 per Cents., £12½ stock	1,500,000	2,409,265	...
"	Irish Loan 3 per Cents., £160½ stock for £100	1,500,000	2,409,265	...
	Carried forward	£24,011,373	£505,415,953	703,961

† Interest deferred till 1808.

Year.	French War.	Actual Sums Borrowed.	Capital Funded.	Annuities Issued (Annual Charge).
	Brought forward	£ 824,011,873	£ 505,415,953	£ 703,561
1806*	4 per Cents., £118 8s. 6d. stock	10,500,000	12,408,375	...
"	5 per Cents., £105 stock for £100 ...	3,524,200	3,700,410	...
"	{ 5 per Cents., £63, and 4 per Cents. £50	475,800	{ 800,944 } 237,900	{ ... }
1809*	{ 3 per Cents., £60 { and annuity of } 4 per Cents., £60 { 8s. 10d. till } 1860	†14,600,000	{ 8,760,000 } 8,760,000	{ 64,488 }
"	5 per Cents., £108½ stock	6,483,200	6,693,904	...
"	{ 5 per Cents., £81½, and 4 per Cents. £26½	1,448,900	{ 1,179,404 } 380,386	{ ... }
1810..	5 per Cents., £108½ stock	8,311,000	8,581,108	...
"	3 per Cents., £140½ stock	12,000,000	16,845,000	...
"	Irish Loan 3 per Cents., £140½ stock for £100	1,400,000	1,965,250	...
1811..	5 per Cents., £108·7 stock	7,018,700	7,278,392	...
"	5 per Cents., £102·7 stock	4,981,300	5,166,319	...
"	{ 8 per Cents., £120, and 4 per } annuity of Cents. £20, for { 6s. 11d. till } £100	12,000,000	{ 14,400,000 } 2,400,000	{ 41,500 }
1812..	5 per Cents., £108 stock	5,431,700	5,866,236	...
"	5 per Cents., £108 stock	6,789,625	7,332,795	...
"	3 per Cents., £176 (£2,500,000 being for the East India Company)	22,500,000	39,600,000	...
"	5 per Cents., £115½ stock	12,000,000	13,860,000	...
"	4 per Cents., £139 stock	3,755,700	5,220,423	...
1813*	3 per Cents., £170 (annuity 8s. 6d. till 1860)	27,000,000	45,900,000	114,750
"	3 per Cents., £177 stock	22,000,000	38,940,000	...
"	3 per Cents., £150 stock	7,400	11,100	...
1814*	{ 3 per Cents., £108½, and 5 per } Cents., £30 stock	24,000,000	{ 24,837,930 } 7,199,400	{ ... }
1815..	5 per Cents., £117 stock	11,127,500	13,019,175	...
"	5 per Cents., £117 stock	7,008,089	8,189,228	...
"	{ 3 per Cents., £174 stock, and 4 } per Cents., £10 stock	86,000,000	{ 62,640,000 } 3,600,000	{ ... }
1816..	3 per Cents. issued at par	3,000,000	3,000,000	...
	Totals	537,374,487	†641,058,785	924,694

† £800,000 for Portugal. † This column totals £388,639,533; but Return "No. 145, 1822," gives it at £241,058,785, as during these years £175,475,082 was paid to the Commissioners for sinking fund, and a large amount of stock redeemed to sustain the market.

In 1813, the gross Irish debt stood at £103,033,750, the charge being nearly equal to the entire revenue of the Island; but it was on January 5, 1817, merged into the liabilities of the United Kingdom, and in all statements given here it has so been treated.

The War at length over, attention was immediately directed towards reducing the burden of the debt. The Three per

Cents., which in 1812-13-14 did not average above 60, in 1817 averaged about 75 in the market, and in 1824 nearly 90; and this enabled reductions of interest on many loans to be made, as well as conversions, and the establishment of a large amount of Terminable Annuities. These last, twenty years later, were valued at as much as £65,291,017, and largely by their means the next forty years witnessed a reduction in the debt of nearly £92,000,000, and in the annual charge of £4,780,000. Not that a continuous reduction had been possible, for in 1835 and 1836 as much as £20,000,000 was raised for the purpose of compensating the owners of slaves in the Colonies, and in 1847 and 1848 upwards of £11,000,000 of Consols were issued mainly for the purpose of providing food in Ireland during the great famine.

The year 1854 witnessed the outbreak of the Crimean War, and from that date until the Peace in 1857, some £30,400,000 was added to the National Debt, including about £27,000,000 of Consols; and in March, 1857, the total stood at £312,951,794 stock and unfunded debt, which, with the addition of the Terminable Annuity estimate, made an aggregate of £838,918,443.

Twenty-five years have since elapsed, and it may be said truly that the reduction of the debt has reached nearly as large a sum as in the thirty-nine years' Peace after the Battle of Waterloo. Apparently the diminution has been only £75,872,503; but many millions having been raised by Local bodies through the instrumentality of the Government, these sums are added to the nominal total of the debt. In 1870, there was also a sale of Consols for the purchase of the Telegraphs, and in 1876 four millions of Exchequer bonds were issued for the purchase of the Suez Canal shares. It has already been shown (page 2) what deductions may fairly be made from the existing gross total of £763,045,940.

The following table, partly extracted from a Return furnished to the House of Commons, shows the progress of the National Debt from its commencement to the close of the War in 1815, and its decrease since:—

	Principal.	Annual Charge.
	£	£
National Debt at the Revolution in 1688	664,263	39,855
Increase during William III.'s reign	12,102,962	1,175,469
Debt at the Accession of Queen Anne, 1702 ...	12,767,225	1,215,324
Increase during her reign	23,408,235	1,847,811

	Principal.	Annual Charge.
	£	£
At the Accession of George I., 1714	36,175,460	3,063,135
Increase during his reign	16,675,337	323,507
At the Accession of George II., 1727	52,850,797	2,739,628
Decrease during 12 years' Peace, ending 1739	6,236,914	708,744
At the commencement of the Spanish War, 1739	46,613,883	2,030,884
Increase during the War	29,193,249	1,134,881
At the end of the Spanish War, 1748	75,812,132	3,165,765
Decrease during 8 years' Peace	1,237,107	412,199
At the commencement of the Seven Years' War, 1756	74,575,025	2,753,566
Increase during the War	52,219,912	1,994,283
At the Peace of 1762	126,794,937	4,747,849
Increase during 13 years' Peace	367,476	44,330
At the commencement of the American War, 1775	127,162,413	4,703,519
Increase during the War	104,681,218	4,362,066
At the end of the American War, 1783	231,843,631	9,065,585
Increase during 10 years' Peace	16,031,203	645,653
At the commencement of the French War, 1793	247,874,434	9,711,238
Increase during 9 years' War	289,778,574	10,557,313
At the Peace of Amiens, 1802	537,653,008	20,268,551
Increase during 13 years' War	337,783,837†	12,377,067
Debt at the Peace of Paris, in September, 1815	900,436,845*	32,645,618
Decrease to 31st March, 1855	91,918,397	4,781,085
Debt in March, 1855	808,518,448	27,864,533
Increase during 2 years of the Russian War...	30,399,995	816,644
Debt in March, 1857	838,918,443	28,681,177
Decrease during the past 25 years	75,872,503	(+)984,768
Debt in March, 1882	763,045,940	29,665,945

* This item is inclusive of the "Capital of Terminable Annuities," which has since been calculated at £39,397,000. † £25,000,000 has been deducted from the apparent increase, representing Terminable Annuities previously existing.

Since the conclusion of the long War in 1815, the National Debt of the Empire has thus declined 15½ per cent., notwithstanding the additions in 1835, in 1847, in 1855-56, in 1870, and in 1876. The annual charge on the debt has fallen from

£32,645,618 to £29,665,945 in the same period, or about 9½ per cent.; but it must be borne in mind that this reduction would have been still more considerable had not the present charge included over £6,000,000 yearly towards the payment of the principal of the Terminable Annuities, besides the New Sinking Fund. In reality, the interest on the National Debt may be set down at £23,063,616.

SINKING FUNDS.

It was in 1786, after the War of Independence, that a "New Sinking Fund" was established for the reduction of the debt; that constituted by 3 Geo. I., c. 7, having become obsolete. The Act of Parliament by which the Sinking Fund of 1786 was established (26 Geo. III., c. 31) appointed certain Commissioners to carry its object into effect, who were continued in office by the Act 9 Geo. IV. The Commissioners were the Speaker of the House of Commons, the Chancellor of the Exchequer, the Master of the Rolls, the Accountant-General of the Court of Chancery, and the Governor and Deputy-Governor of the Bank of England for the time being. The fund, which was to consist of £1,000,000 annually, after passing through various modifications, was amended by the Act 10 Geo. IV., c. 27, passed the 1st of June, 1829, which provided that from the 5th of July, 1829, there should be issued out of the Consolidated Fund only such annual sum as should appear to be the actual surplus revenue of the United Kingdom, to be applied towards the reduction of the National Debt by the Commissioners appointed for that purpose; and that the Lords Commissioners of the Treasury should, every quarter, make up accounts of the annual revenue for the four preceding quarters, and one-fourth of the annual surplus was to be issued to the Commissioners for the Reduction of the National Debt, who were to publish in the *London Gazette* the sum which would be so applicable in the ensuing quarter. It was further enacted, that all stock and annuities for terms of years standing in the names of the Commissioners for the Reduction of the National Debt on the 5th of July, 1829, should be cancelled, and the dividends cease to be issued out of the Consolidated Fund, and that in future all stock purchased by the Commissioners should be cancelled from the day of transfer. The Commissioners were also empowered to purchase Exchequer Bills, which would be cancelled within seven days after the expiration of each quarter. This arrangement continued in force until 1875, when (by 38 & 39 Vict., c. 45) the last "New Sinking Fund" was established. By its provisions, the permanent charge of the debt was to be increased to £27,400,000 in 1875-6, to £27,700,000 in 1876-7, and to

£28,000,000 in every subsequent year, and the difference between the sum actually required for the service of all the debts and those fixed amounts is applied to purchases of stock for redemption. At the same time, the old cumbrous method of applying revenue surpluses was superseded, and it was decreed that the surplus of any financial year should be wholly applied to purchases for redemption in the following year. A return obtained by Mr. Childers showed "the estimated amount of stock to be purchased in each year, from 1875-6 to 1904-5 inclusive, under the operation of the plan applying a fixed sum of £28,000,000 annually to the interest and reduction of the National Debt." From this return, it appeared that the total amount of stock to be purchased in the ten years ending 1884-5 would be £6,795,000; and the additional amount to be purchased out of surplus revenue by life annuities, &c., £13,073,000, making a total of £19,868,000. In thirty years ending 1904-5, the total amount of stock to be purchased from this £28,000,000 a year would be £192,485,300, and the additional amount by life annuities £39,219,000, or a total of £231,704,300. These purchases to be exclusive of the annual surpluses whenever accruing. In 1880, however, it was arranged that £6,000,000 of the accumulated deficits of the three previous years—years when the Russo-Turkish and Zulu Wars combined with great trade depression to make the revenue inelastic and to swell the expenditure—should be converted into 1885 Annuities; and the annual charge was increased to £28,800,000 (43 Vict., cap. 15) for that purpose, while about £300,000 of the New Sinking Fund had to be likewise appropriated with this object. By the Trustee Savings Banks Deficiency Annuity Act, 1880, the permanent charge is increased another £83,673, and the National Debt Act, 1881, causes a fresh addition.

INCREASE IN TERMINABLE ANNUITIES.

In 1881, Mr. Gladstone proposed to effect a far larger operation for the reduction of debt by the conversion of no less than £60,000,000 of Three per Cents. into annuities terminable in 1906. The preoccupation resulting from the passage of the Irish Land Act prevented this measure from becoming law; but it may, with modifications, be revived. This conversion he proposed to effect as follows:—In the first place, he asked Parliament to empower him to convert immediately £2,000,000 of the annuities terminating in 1885 into annuities running until 1906. By thus extending from four to 25 years the term of the annuity, the annual payment would be reduced from £2,000,000 to about £460,000, the calculation being that an annuity of £460,000 for 25 years

is of the same capital value as one of £2,000,000 for four years. The effect of this operation would be to set free at once £1,540,000 of revenue, and Mr. Gladstone's second proposal was to apply this sum to the cancelling of £60,000,000 of funded debt. An annuity of sufficient amount to pay off the £60,000,000 of principal, besides interest, in 25 years, assuming Consols to be at par, was £3,428,600, and towards the payment of that Mr. Gladstone would have had the £1,540,000 saved by the conversion of the £2,000,000 of short annuities. Moreover, by the cancelling of the £60,000,000 of stock the annual interest on the funded debt would have been reduced by £1,800,000, and this added to the £1,154,000 made a total of £3,340,000 available for the payment of the proposed annuity of £3,428,000. Thus, only £88,000 remained to be provided, and that Mr. Gladstone proposed to take out of the New Sinking Fund.

One section of this measure, however, Mr. Gladstone was enabled to pass, the "Indian Loan Act, 1881" creating a "1906" Annuity of £115,864 per annum. The National Debt Act, 1881, provided—

(1.) The Treasury may pay off any Exchequer bonds [which bear 3½ per cent. interest] held at the passing of this Act by the National Debt Commissioners on account of Trustee and Post Office Savings' Banks, not exceeding in the whole £7,750,000, by the creation, as from the day on which each such bond falls due, of perpetual annuities of equivalent capital value. (2.) During 25 years from the date of the creation of any perpetual annuities, in pursuance of this section, there shall be charged on, and paid out of, the Consolidated Fund, as a Sinking Fund, an annual sum for the first four years of £1, and afterwards of £34s. 4d. for every hundred pounds of the nominal capital amount of perpetual annuities created; and the Sinking Fund under this section shall not be paid out of the permanent annual charge of the National Debt.

By this operation Mr. Gladstone has increased the amount of the New 2½ per Cents. in circulation.

BURDEN OF THE DEBT.

During the 67 years since 1815 both the population and the wealth of the Empire have materially increased, thus rendering the individual burden far less onerous. The following outline will convey some idea of the comparative drain entailed by the National Debt upon individual resources and national wealth:—

Years.	Population of Great Britain and Ireland.*	Amount of National Debt.	Average Debt per Head.		
			£	s.	d.
1815.....	20,000,000	900,437,000	45	0	0
1855.....	28,200,000	805,412,000	28	11	2
1861.....	29,071,000	823,329,000	28	6	5
1871.....	31,628,000	792,548,000	25	1	2
1881.....	34,862,000	768,704,000	22	1	0
1882.....	35,250,000	763,046,000	21	12	11

* The Census returns shewed the population of the United Kingdom in 1881 amounted to

Years.	Annual Charge on Debt (Including Annuity Repayments).	Rate of Annual Charge per Head.	
		£	s. d.
1815	32,646,000	1.63	or 32 7
1855	27,977,000	0.99	or 19 10
1861	26,231,000	0.90	or 18 1
1871	26,826,000	0.85	or 17 0
1881	29,575,000	0.85	or 17 0
1882	29,666,000	0.84	or 16 10

There is, therefore, now a very much smaller tax upon each individual inhabitant of the British Islands on account of the National Debt than there was half a century ago; and if the facts were accessible, it might probably be shown that, in respect of wealth as well as population the burden had diminished yet more rapidly. It is as nearly certain as anything incapable of absolute proof can be, that of late years, since the introduction of railways, and the increased facilities for ocean communication, the wealth of this country has increased at a more rapid rate than the population of the country. Taking, as the measure of increasing wealth, the imports and exports published by the Board of Trade, the following figures would indicate a broad outline of the scale of progress, and thereby of the declining burden of the National Debt:—

Years.	Population.	Annual Charge on Debt.	Value of Net Imports and Exports Together. (1820 to 1880 Official Values.)	Wealth as Measured by Imports and Exports.	
				Imports and Exports per Head.	Annual Charge on Debt per Cent. on Imports and Exports.
		£	£	£	Per Cent.
1820 ...	21,200,000	31,300,000	79,500,000	3½	39½
1830 ...	24,500,000	29,100,000	93,000,000	3½	31½
1840 ...	26,500,000	29,400,000	132,500,000	5	22½
1850 ...	27,500,000	28,100,000	193,500,000	7	14½
1861 ...	29,071,000	26,231,000	343,000,000	11½	7½
1871 ...	31,628,000	26,826,000	554,100,000	17½	4½
1881 ...	34,862,000	*29,575,000	629,600,000	18	4½

* Augmented by larger provisions for redemptions.

These figures present still more striking results than those furnished with respect to population and debt, the imports and exports having increased 78½ per cent. since 1860, 247 per cent. since 1850, and not less than 743 per cent. since 1820.

35,246,562, as against 31,845,379 in 1871, 29,321,398 in 1861, 27,745,940 in 1851, 27,057,223 in 1841, 24,392,465 in 1831, and 21,272,187 in 1821. England in 1881 had 24,608,391 inhabitants; Wales, 1,350,395; Scotland, 3,734,370; Ireland, 5,159,839; Isle of Man, 53,492; Channel Islands, 87,731; Army, Navy, and seamen abroad, 242,844 men. The area of the country is 121,607½ square miles, giving 239 persons per square mile. England has 422 per square mile. The population of London was 3,614,571, within the limits of the "Local Management Act;" against 3,264,530 in 1871.

ALTERATIONS IN DEBT SINCE 1815.

Increases in the Public Debt after the termination of the War with France, in 1815, were usually made by issues of Exchequer bills, which were generally funded afterwards into Consols or Reduced Three per Cents. In 1818 a new stock was created, bearing interest at $3\frac{1}{2}$ per cent., by the conversion of Three per Cent. Consols and Reduced, and the funding of a portion of Exchequer bills; and in 1822 another new stock, bearing 4 per cent. interest, was formed, which was increased in 1826 and 1829 by conversions of unfunded debt.

But the most considerable debts incurred since the Peace of 1815 were £20,000,000, borrowed in 1835 and 1836 for the purpose of compensating the owners of slaves in the Colonies, and over £30,000,000 in 1855 and 1856 for the Crimean War.

The following are the details of the stock and annuities created since 1820. Full descriptions of all existing securities are furnished on subsequent pages:—

NEW FOUR PER CENTS. formed in 1822 from Navy Five per Cents., commuted in 1830 to New $3\frac{1}{2}$ per Cents. and New Five per Cents.

NEW FIVE PER CENTS. originated in 1830, on conversion of New Four per Cents. Guaranteed till the 5th January, 1873; then *paid off*.

NEW $3\frac{1}{2}$ PER CENTS. originated in 1830, on conversion of New Four per Cents. Reduced in 1844 to New $3\frac{1}{2}$ per Cents.

In 1834, Government discharged, under the terms of the Charter, a fourth part of the debt due to the Bank of England, amounting to £3,671,700; this was done by the creation of £4,080,000 Reduced Three per Cents., the Corporation having agreed to accept the same in lieu of payment in money.

In 1835.		£
Consols		11,250,000
Reduced		3,750,000
Long Annuities		101,875
In 1836.		
Reduced $3\frac{1}{2}$ per Cents.		5,171,624

Again, in 1836, £1,777,879 Consols were created and placed in the names of the Commissioners for the Reduction of the National Debt, on account of the Savings' Banks, in exchange for Exchequer bills purchased by the Commissioners.

		£
In 1843 and 1844.		
Consols in the place of Exchequer bills purchased by the Commissioners for the Reduction of the National Debt..		60,065
In 1847.		
Consols to raise eight millions sterling for the supply of food to Ireland during the famine (issued at about 89) ...		8,938,547
In 1848.		
Consols to meet deficiency.....		2,288,435
In 1853.		
Consols in the place of Exchequer bills purchased by the Commissioners for the Reduction of the National Debt..		383,098
Ditto, ditto		891,663
Exchequer bonds		408,900
NEW THREE PER CENTS. on conversion of New 3½ per Cents.		
NEW 2½ PER CENTS. on conversion of South Sea Stock, Old and New South Sea Annuities, Three per Cent. Annuities of 1726 and 1751.		
NEW 3½ PER CENTS. on conversion of South Sea Stock, Old and New South Sea Annuities, Three per Cent. Annuities of 1726 and 1751.		
		£
In 1855.		
Consols (Crimean War)	{ Taken by Rothschilds who paid the £16 millions by instalments over 9 months }	16,000,000
Bonus in "1885" Annuities of 14s. 6d.		{ 115,957
		{ annually
In 1856.		
Exchequer bills funded (Crimean War)		3,333,250
Consols to raise five millions "	(issued at 90)	5,555,417
" " " "	(" " 93)	5,376,458
In 1863 to 1869.		
Annuities terminating at various dates in 1885, purchased out of Post Office Savings' Banks' deposits (to the amount of £1,380,938 per annum).....	} over	30,000,000
In 1869.		
Annuities terminating at various dates in 1885, purchased out of Savings' Banks' deposits (amount £2,246,990 per annum).....		
In 1870.		
Consols for the purchase of the Telegraphs		7,000,000
In 1871 to 1879.		
Consols for the purchase and extension of the Telegraphs...		3,648,172
In 1861 to 1880.		
Annuities terminating on the 5th April, 1885, providing loans for Fortifications (amounting to £968,553 annually)		10,333,000
In 1876.		
Annuities expiring in 1912 for purchase of Suez Canal shares (amounting to £200,000 annually)		4,000,000
(These are described more fully under the unfunded debt.)		
In 1880.		
Annuities terminating on the 20th March, 1885, sold to the National Debt Office, to cover £6,000,000 of accumulated deficits (£1,350,583 per annum).....		6,000,000
In 1877 to 1880.		
3½ per cent. Exchequer bonds for three years, for purposes of Local loans (See Unfunded Debt)		7,750,000
Treasury bills (See Unfunded Debt)		5,431,000

The following is a statement of the Funded and Unfunded Debt,
CAPITAL OF BRITISH DEBT FROM 1816.

Years Ended	Funded Debt.	Terminable Annuities. ||	Unfunded Debt.	Total Debt.
	£	£	£	£
January 5, 1816	816,311,941	39,396,796	44,727,108	900,436,845
" 1820	794,980,482	40,968,580	41,550,500	877,499,562
" 1825	781,123,222	56,623,201	37,900,450	875,646,873
" 1830	772,607,326	60,384,333	25,607,600	858,599,259
" 1835	745,326,516	65,291,017	28,521,550	839,139,083
" 1840	768,038,354	59,047,700	20,951,550	848,037,604
" 1841	767,946,051	57,025,400	21,626,350	846,597,801
" 1842	774,319,914	55,489,833	18,293,000	848,102,747
" 1843	774,859,379	53,254,500	18,182,100	846,295,979
" 1844	773,990,293	51,692,067	18,407,300	844,089,660
" 1845	771,069,859	51,934,767	18,404,500	841,409,126
" 1846	768,789,241	50,037,733	18,380,200	837,207,174
" 1847	766,818,457	48,296,867	18,310,700	833,426,024
" 1848	774,712,855	45,412,533	17,946,500	838,071,888
" 1849	776,465,436	42,879,600	17,786,700	837,131,736
" 1850	775,734,580	41,057,567	17,758,700	834,550,847
" 1851	771,967,222	39,993,823	17,756,600	829,717,645
" 1852	767,946,656	37,780,112	17,742,800	823,469,568
" 1853	764,541,297	36,514,215	17,742,500	818,798,012
" 1854	757,951,282	...	16,029,600	} 808,024,062
Qr. to April 5, 1854	...	34,043,180	...	
March 31, 1855	755,170,877	30,196,171	23,151,400	808,518,448
" 1856	778,996,991	29,943,821	28,182,700	837,123,512
" 1857	784,962,794	26,966,649	27,989,000	838,918,443
" 1858	782,941,832	24,278,407	25,911,500	833,131,739
" 1859	790,480,719	21,615,628	18,277,400	830,373,747
" 1860	789,718,208	18,386,895	16,228,300	824,333,403
" 1861	788,970,719	17,668,903	16,689,000	823,328,622
" 1862	788,229,618	18,042,782	16,517,900	822,790,300
" 1863	787,422,929	19,261,286	16,495,400	823,179,615
" *1864	781,712,401	24,829,451	13,136,000	819,677,852
" 1865	780,202,104	24,307,821	10,742,500	815,252,425
" 1866	773,941,190	23,833,621	8,187,700	805,962,511
" 1867	770,188,604	25,607,076	7,956,800	803,752,501
" †1868	741,844,981	53,258,874	7,911,100	803,014,955
" 1869	741,112,640	51,913,623	9,896,100	802,922,363
" 1870	741,514,681	49,667,479	6,761,500	797,943,660
" 1871	732,043,270	54,413,310	6,091,000	792,547,580
" 1872	731,756,962	52,286,775	5,155,100	789,198,837
" 1873	727,374,082	50,201,768	4,829,100	782,404,950
" 1874	723,514,005	48,024,178	4,479,600	776,017,783
" 1875	714,797,715	52,311,487	5,239,300	772,348,502
" 1876	713,657,517	49,078,792	11,401,800	774,138,109
" 1877	712,621,355	46,549,819	13,943,800	773,114,974
" 1878	710,843,007	43,644,057	20,603,000	775,090,064
" 1879	709,430,593	40,345,454	25,870,100	775,646,147
" 1880	710,476,359	36,222,976	27,344,900	774,044,235
" 1881	709,078,526	37,547,666	22,077,500	768,703,692
" 1882	709,498,547	35,539,693	18,007,700	763,045,940

* £5,000,000 converted into Terminable Annuities. † £24,000,000, &c., converted into Terminable Annuities. || To 1825 inclusive at prices of day; 1830 at 4½ per cent.; 1835 to 1856 at 3½ per cent.; thereafter at 3¼ per cent.

BRITISH DEBT—ANNUAL TOTAL.

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with the Annual Charges thereon, from 1816 to 1882 inclusive :
ANNUAL CHARGE OF BRITISH DEBT FROM 1816.

Annual Charge of—			Total Annual Charge (Management Included).	Years Ended
Funded Debt.	Terminable Annuities.	Unfunded Debt.		
£	£	£	£	
28,278,921	1,894,613	2,183,594	32,645,618	1816, January 5.
27,736,448	1,776,140	1,371,913	31,354,749	1820 "
25,541,051	2,542,575	801,917	29,174,122	1825 "
25,318,867	2,641,780	781,758	29,067,653	1830 "
23,591,473	4,028,777	733,781	28,517,236	1835 "
24,290,241	4,294,719	636,658	29,385,451	1840 "
24,283,940	4,114,021	859,600	29,415,924	1841 "
24,444,231	4,096,944	760,572	29,462,030	1842 "
24,459,843	3,989,781	690,405	29,300,112	1843 "
24,432,020	3,924,722	530,591	29,047,473	1844 "
23,719,148	4,025,209	433,409	28,272,652	1845 "
23,642,677	3,967,091	422,233	28,125,113	1846 "
23,580,033	3,931,521	422,029	28,025,253	1847 "
23,813,747	3,846,090	689,019	28,442,683	1848 "
23,862,256	3,742,742	607,604	28,307,343	1849 "
23,836,434	3,755,099	405,120	28,091,579	1850 "
23,719,301	3,808,863	405,072	28,025,523	1851 "
23,594,786	3,816,272	405,284	27,907,068	1852 "
23,489,287	3,891,856	370,938	27,842,236	1853 "
23,297,534	3,829,517	319,689	27,597,645	1854 "
5,829,822	576,850	159,589	6,566,260	1854, Qr. to April 5.
23,356,292	3,846,861	565,505	27,844,533	1855, March 31.
23,305,723	3,863,907	870,284	28,112,825	1856 "
23,615,645	3,985,932	1,008,670	28,681,177	1857 "
23,574,920	3,979,956	984,643	28,627,103	1858 "
23,517,643	3,972,739	968,183	28,527,483	1859 "
23,807,495	4,320,385	437,829	28,638,726	1860 "
23,808,689	1,946,633	400,087	26,231,019	1861 "
23,644,968	1,837,968	600,900	26,142,606	1862 "
23,609,698	1,910,364	495,666	26,231,657	1863 "
23,592,445	1,991,846	427,288	26,211,791	1864 "
23,416,945	2,340,522	409,352	26,369,398	1865 "
23,344,379	2,361,894	329,682	26,233,288	1866 "
23,207,536	2,378,164	287,888	26,081,778	1867 "
22,660,246	3,447,270	256,356	26,571,750	1868 "
22,245,842	3,951,155	213,797	26,618,326	1869 "
22,224,893	4,365,848	252,951	27,053,560	1870 "
22,045,378	4,378,737	192,640	26,826,437	1871 "
21,947,386	4,512,706	169,943	26,839,601	1872 "
21,927,521	4,539,548	128,912	26,804,853	1873 "
21,777,390	4,586,274	134,350	26,706,726	1874 "
21,572,031	5,173,654	140,797	27,094,480	1875 "
21,415,932	5,364,487	175,800	†27,443,750	1876 "
21,381,714	5,374,199	404,873	†27,992,834	1877 "
21,375,868	5,547,518	516,963	†28,412,750	1878 "
21,307,965	5,711,318	782,617	†28,644,183	1879 "
21,295,957	5,717,471	890,008	†28,762,874	1880 "
21,245,816	6,852,636	876,648	†29,575,264	1881 "
21,185,241	7,192,797	809,225	†29,665,945	1882 "

† Includes New Sinking Fund. (See page 46).

In the preceding table, the figures down to 1854 are partly taken from the Parliamentary Report, No. 443, Session 1858, which embraces a detailed account of the National Debt from 1691 to 1859.

In 1854, the end of the financial year was changed to 31st March, and the figures have otherwise been adjusted to meet the altered methods introduced at different dates. The expenses of management are included.

A Return was issued in 1873 showing the gross capital value of all Terminable Annuities outstanding in 1815, 1820, 1825, 1830, and 1835, and in each year since 1835, with a statement of the principle on which such capital is calculated. This Return has also been used in the construction of the preceding table. The Comptroller-General says, in a note to the Return: "The Terminable Annuities on Jan. 5, 1815, 1820, 1825, appear from former Returns to have been valued 'in capital stock at the current prices of the day;' in another Return made for 1830 the rate of interest is stated to have been $4\frac{1}{2}$ per cent. per annum; and in subsequent Returns made for 1835 and for every following year, interest has been taken after the rate of $3\frac{1}{2}$ per cent. per annum."

Detailed Statement of the National Debt as it existed 31st March, 1882.

CAPITAL FUNDED DEBT.

	Capitals.	Annual Charge.
GREAT BRITAIN:		
New Annuities, at $\text{£}2\frac{1}{2}$ per cent.	£ 5,185,370	£
Exchequer Bonds, created per 16 Vict. c. 23, at $\text{£}2\frac{1}{2}$ per cent.	418,300	
Total, at $\text{£}2\frac{1}{2}$ per cent.	5,603,670	140,092
Debt due to the Bank of England, at $\text{£}3$ per cent.	11,015,100	
Consolidated Annuities, at $\text{£}3$ per cent.	391,297,899	
Reduced Annuities, at $\text{£}3$ per cent.	91,742,402	
New Annuities, at $\text{£}3$ per cent.	177,562,553	
Total, at $\text{£}3$ per cent.	671,617,954	20,148,539
New Annuities, at $\text{£}3\frac{1}{2}$ per cent.	225,746	, 7,901
Total, Great Britain	677,447,370	*20,296,531

* Of this amount the sum of $\text{£}119,087$, being the charge upon $\text{£}4,210,588$ Consols created per 44 & 45 Vict., c. 55, is not paid out of the permanent annual charge for the National Debt.

CAPITAL FUNDED DEBT—Continued.

	Capitals.	Annual Charge.
IRELAND :		
New Annuities, at £2½ per cent.	£ 2,330	£ 58
Debt due to the Bank of Ireland, at £3 per cent.	2,630,769	
Consolidated Annuities, at £3 per cent.	4,665,412	
Reduced Annuities, at £3 per cent.	128,295	
New Annuities, at £3 per cent.	24,624,371	
Total, at £3 per cent.	32,048,847	961,465
Total, Ireland	32,051,177	961,523
Total capital of the Funded Debt of the United Kingdom on 31st March, 1882, and Charge thereof	709,498,547	21,258,055

TERMINABLE ANNUITIES.

Annuities, per 18 Vict. c. 18, expiring 5th April, 1885	£	£ 116,000
Annuities, per 23 & 24 Vict. c. 109, and subsequent Acts, expiring 5th April, 1885 (Fortifications) .....	...	589,722
Annuity, per 26 Vict. c. 14 (P. O. Savings' Banks), expiring 5th April, 1885 .....	...	9,983
Annuities, per 32 & 33 Vict. c. 59, and 29 Vict. c. 5 (P. O. and other Savings' Banks), expiring at various dates in 1885 (payable yearly) .....	...	3,617,845
Annuities, per 35 & 36 Vict. c. 68, expiring at various dates in 1885 (payable yearly), "The Military Forces Localisation Act" .....	...	378,831
Annuities, per 43 Vict. c. 15, expiring 20th March, 1885, "National Debt Act, 1880" .....	...	1,350,583
Annuity, per 44 & 45 Vict. c. 54, expiring 5th July, 1906 .....	...	115,864
Annuity, per 43 & 44 Vict. c. 36, expiring 1908. Red Sea and India Telegraph Company's Annuity, 25 & 26 Vict. c. 39, expiring 4th August, 1908 .....	...	36,000
Sinking Fund Annuity on New £2½ per Centa., per 33 & 34 Vict. c. 71, s. 69 .....	...	6,907
Sinking Fund, expiring at various dates, "National Debt Act, 1881" .....	...	42,106
Annuities for terms of years, per 10 Geo. IV. c. 24, and 3 Wm. IV. c. 14, expiring at various periods, viz. :—	£	
Granted up to 31st March, 1882,	1,780,398	
Deduct, expired and unclaimed up to ditto	1,754,548	
		25,850

TERMINABLE ANNUITIES—*Continued.*

	Capitals.	Annual Charge.
Payable at the National Debt and Post Office.	£	£
	Life Annuities, per 10 Geo. IV. c. 24; 3 Wm. IV. c. 14; 16 & 17 Vict. c. 45, and 27 & 28 Vict. c. 43, viz. :— Granted up to 31st March, 1882 £ 4,383,307 Deduct, expired and un- claimed up to ditto... 3,411,388	...	971,916
Exchequer Tontine Annuities, per 29 Geo. III. c. 41.....	...	7,000
	£	28,610,336
Management { Great Britain 213,983 } { Ireland 13,229 }	...	227,212
Total Funded Debt and Charge on } 31st March, 1881	709,498,548	28,837,548

Of this amount the sum of £1,415,117 stands in the names of the National Debt Commissioners on account of unclaimed stock and dividends, viz. :—

	£	£
Balance of unclaimed stock in } Commissioners' names at the } 31st March, 1882	England 746,744	} 771,204
	Ireland 24,460	
Transferred to Commissioners in } the year ended 31st March, 1882 }	England 75,846	} 77,556
	Ireland 1,710	
		848,760
Re-transferred to claimants in the } year ended 31st March, 1882 ... }	England 46,021	} 49,096
	Ireland 3,074	
Balance of unclaimed stock at } 31st March, 1882	England 776,569	} 799,664
	Ireland 23,096	
Balance of stock purchased with unclaimed dividends to 31st March, 1882		615,452
Total stock.....		1,415,117

The following annuities are also unclaimed, viz. :—

Annuities for terms of years, 18 Vict. c. 18	£ 187
Red Sea and India Telegraph Annuities	113

National Debt Office, }
18th May, 1882. }

C. Rivers Wilson,
Comptroller-General.

UNFUNDED DEBT.

Statement of the Total Amount of Exchequer Bills, Exchequer Bonds, Suez Exchequer Bonds (Annuities), and Treasury Bills outstanding on March 31, 1882.

Exchequer bills, dated as under, viz. —					£
June 11, 1861, not bearing interest.....					100
June 11, 1876 " "					200
March 11, 1877 " "					7,000
March 11, 1878 " "					2,400
March 11, 1879 " "					100
March 11, 1881 " "					2,000
£					11,800
June 11, 1881, bearing interest				2,358,100	
March 11, 1882 " "				2,797,900	
					5,151,000
Exchequer bonds, viz. :—					5,162,800
Series.	Date.	When Payable.	Rate of Interest per Cent. per Annum.	Amount.	
	879.	1882.	£	£	
Z.	June 29	June 29	} 3½	500,000	
AA.	Aug. 19	Aug. 19		500,000	
BB.	Sept. 29	Sept. 29		500,000	
CC.	Sept. 29	Sept. 29		500,000	
DD.	Dec. 15	Dec. 15		750,000	
EE.	Dec. 19	Dec. 19		250,000	
	1880.	1883.			
FF.	Feb. 5	Feb. 5	} 3½	300,000	
GG.	Mar. 30	Mar. 30		450,000	
					3,750,000
Suez Canal (with accumulative sinking fund) under 39 Vict. c. 1.....	Mar. 20	Half-yearly up to 1912.	} 3½	...	3,668,900
Treasury bills :—					£
Three months' bills, dated January 7th, 1882 ...				1,425,000	
" " " " February 10th, 1882..				1,470,000	
" " " " March 7th, 1882				1,736,000	
Six months' bills, dated October 8th, 1881.....				600,000	
" " " " March 7th, 1882				200,000	
					5,481,000
					18,007,700

	Amount.	Interest.
	£	£
MEM.—The unfunded debt may be distributed as follows:		
1. For Supply.—Exchequer bills	4,193,800	... 105,116
2. For Local loans.—Exchequer bills ...	£969,000	... 24,225
Exchequer bonds...	3,750,000	... 250,250
Treasury bills	5,431,000	... 150,701
	10,150,000	... ..
3. For Suez Canal shares.—Exchequer bonds	3,663,900	... 199,874
4. Interest on stock in lieu of bonds .....	...	... 85,772
5. Sinking fund under National Debt Act, 1881 ...	...	... 12,546
	18,007,700	... 578,611

Detailed Description of British Government Stocks.

EXISTING STOCKS.

[NOTE.—It is worthy of remark that though the bulk of the following securities are registered at the Bank of England, stock certificates to bearer may be obtained for £50, £100, £200, £500, or £1,000, with coupons attached, the Bank charging 2s. per £100 for such conversion. Transfers are free of charge before One o'clock on any business-day, except Saturday. Otherwise, a 2s. 6d. fee per certificate is charged.]

THREE PER CENT. CONSOLIDATED ANNUITIES (CONSOLS).

This stock, commonly known as the Three per Cent. Consols, originated in 1751 (25 Geo. II., cap. 27), when several descriptions were consolidated into one, bearing a uniform rate of interest of 3 per cent. per annum, due on the 5th (payable on the 6th) of January and July. This stock has from time to time been purchased and cancelled out of the surplus revenue; but it is also redeemable at par, upon twelve months' notice; and "any vote or resolution of the House of Commons inserted in the *London Gazette*, and affixed on the Royal Exchange in London, shall be deemed sufficient notice" of intended redemption. Should a reduction of interest to $2\frac{3}{4}$ or $2\frac{1}{2}$ per cent. at any time be effected, it is probable that the option to convert would be accompanied by such a notice of prepayment at par. At the period of its consolidation it amounted only to £9,137,812; but in 1882, it stood at £395,963,310, including £4,665,411 Irish Three per Cent. Consols. The stock which is now registered at the Bank of Ireland may be transferred to the Bank of England, or from England to Ireland at option. The balances for dividends are struck on the 1st June and December, after which Consols are dealt in "ex dividend."

REDUCED THREE PER CENT. ANNUITIES.

This stock was formed at the same period (25 Geo. II., cap. 27), when it amounted to £17,701,323. The interest is due on the 5th (payable on the 6th) April and October, and the redemption arrangements are similar to those of Consols. In March, 1882, the amount stood at £91,870,697, including £128,295 Irish.

NEW THREE PER CENT. ANNUITIES.

This stock originated in 1830 by the conversion of the New Four per Cents., which had been formed in 1822 from the Navy Five per Cents. The holders had the option of receiving £100 of 3½ per cent. stock, or £70 of Five per Cents., or of being paid off at par. The stock, created in 3½ per Cents. in 1830 (4 Wm. IV., cap. 31), amounted to £150,119,609, and the Five per Cent. Annuities to £469,398. In 1844, the rate of interest was reduced to 3¼ per cent. (7 & 8 Vict., cap. 4), and the stock consolidated with several others, amounting to £248,860,663. The amount of stock paid to dissentients was £103,352, leaving the capital stock at £248,757,311, effecting thereby a saving of interest to the amount of £621,893 per annum. In 1854, the rate of interest was further reduced to 3 per cent. (7 & 8 Vict., cap. 4.) This rate of interest was not liable to any further reduction until after the 10th of October, 1874, but is now redeemable at par on twelve months' notice. The interest is payable on the 6th April and October. The amount of unredeemed capital in 1882 was £202,186,924, including £24,624,371 on the Irish register. The reason that Ireland holds so large an amount of New Three per Cents. is because the Irish loans early in this century were issued in 5 per Cents., which were reduced in 1830.

NEW 3½ PER CENT. ANNUITIES.

This stock was created in 1853 (16 & 17 Vict., cap. 23), and stood in 1882 at £225,746. It originated on conversion of the South Sea Stock, Old and New South Sea Annuities, and Three per Cent. Annuities of 1726 and 1751. (See "Exchequer bonds," page 32, for further details.) The interest is payable on the 6th January and 6th July; and the principle is repayable at Government option on or after the 5th January, 1894. There can be little doubt that it will be so redeemed.

NEW 2½ PER CENT. ANNUITIES.

This stock, also created in 1853 (16 & 17 Vict., cap. 23), on conversion of the South Sea Stock, Old and New South Sea Annuities, and Three per Cent. Annuities of 1726 and 1751,

amounted in March, 1882, to £5,606,000, including £2,330 Irish. (See pages 14 & 33 for further details.) The interest is payable on the 6th January and 6th July, and the principal may be repaid by the Government from the 5th January, 1894. There is, however, little prospect of such a repayment, and the comparatively high price it commands in the market points to New 2½ per Cents. being a favourite security of the future.

2½ PER CENT. FUNDED EXCHEQUER BONDS.

This £418,300 originated at the same time as New 3½ and New 2½ per Cents., and was first treated as unfunded debt. This stock carries interest payable on 1st March and 1st September, and is redeemable after September, 1894. (See page 33.)

DEBT DUE TO THE BANK OF ENGLAND.

This debt consists of various sums which have been borrowed by the Government from the Bank, at different periods, since its first establishment in 1694, when it amounted to £1,200,000. In 1881, it amounted to £11,015,100, and this sum is repayable at Government option upon twelve months' notice. But full details of this debt will be found under the head of the Bank of England hereafter. The Bank makes up its accounts to 28th February and 31st August in each year, declaring dividends out of all profits in excess of £3,000,000, below which the "rest" is not reduced. These dividends are payable on 6th April and 6th October. For the sums receivable from Government for the management of the National Debt see page 35. This sum is paid annually, on the 5th July following the year for which the charge is calculated.

DEBT DUE TO THE BANK OF IRELAND.

This debt amounts to £2,630,769, at 3 per cent. interest, to which rate it was reduced from the 6th April, 1865. The capital of the Bank is £3,000,000 of old Irish currency, or £2,700,000; and the dividends are payable in January and July.

SAVINGS' BANKS ANNUITIES.

By Act of 1864, 26 Vict., c. 25, £24,000,000 of 3 per cent. stock, standing in the names of the Commissioners for the Reduction of the National Debt in the books of the Bank of England, was ordered to be cancelled, and in place of it was created a perpetual charge upon the Consolidated Fund of £720,000 per annum. Of this £24,000,000, £13,000,000 was New, £5,000,000 Reduced, and £6,000,000 Consols. In 1868, however, this amount was re-converted into a Terminable Annuity, expiring in 1885.

ANNUITIES FOR TERMS OF YEARS.

These annuities have been granted at various dates, and expire at different periods. They are created under the 59 Geo. III., c. 34; the 10 Geo. IV., c. 24; and the 3 Will. IV., c. 14, in exchange for stock or money transferred to the Commissioners for the Reduction of the National Debt. The amount in 1882 was reduced to £25,850 per annum.

ANNUITIES TERMINABLE IN 1885.

These annuities were first created on the 16th April, 1855, and for the most part expire on the 5th April, 1885; 14s. 6d. per annum having been given with each £100 Three per cent. Stock of the loan raised at that time. The amount was originally £116,000 per annum, which has since been increased from time to time, the amount on 31st March, 1882, being £6,062,964, including £589,722, the annual charge for £7,000,000 granted for fortifications by the Commissioners for the Reduction of the National Debt, per 25 and 26 Vict., c. 78, and terminating on 5th April, 1885. The £6,062,964 annually mainly passes into the hands of the Commissioners for the Reduction of the National Debt, and a large portion is due upon the Savings' Banks Annuities already alluded to.

RED SEA TELEGRAPH COMPANY'S ANNUITY.

This annuity, to the amount of £36,000, was created per 25 & 26 Vict., c. 39, and expires on 4th August, 1908. The amount of capital debt thus created, as estimated at 31st March, 1865, was £797,219.

LIFE ANNUITIES.

These annuities were created under the Acts 48 Geo. III., c. 142; the 10 Geo. IV., c. 24; the 3 Wm. IV., c. 14; 16 & 17 Vict., c. 45, and 27 & 28 Vict., c. 43, and are payable at the National Debt Office, Old Jewry. The Commissioners grant annuities in exchange for stock or money, on single or joint lives, according to the age of the respective parties, at rates set forth by Act of Parliament.

In 1829, Mr. Finlaison, the Government Actuary, found that the tables which had been used in calculating these annuities occasioned an annual loss to the public of about £100,000, owing to the improved value of human life; the consequence was the introduction of the tables now in use. The amount of these annuities chargeable upon the public revenue on 31st March, 1882, was £971,916.

DEFUNCT STOCKS.

IMPERIAL THREE PER CENTS. were changed to Consols, July, 1824.

FIVE PER CENTS., 1797 (Loyalty Loan), changed to Consols, October, 1825.

NAVY FIVE PER CENTS. created 5th July, 1784, and, after paying two dividends, were consolidated with other five per cent. stock. Reduced in 1822 to New Four per Cents., with addition of bonus of five per cent. (See New Four per Cents.)

IRISH FIVE PER CENTS. originated in 1805; and **IRISH THREE PER CENTS.** in 1807, afterwards converted chiefly into New Three per Cents.

NEW FOUR PER CENTS. formed in 1822, from Navy Five per Cents., commuted in 1830 into New $3\frac{1}{4}$ per Cents. and New Five per Cents.

NEW FIVE PER CENTS. originated in 1830 on conversion of New Four per Cents., guaranteed till the 5th January, 1873, then paid off.

NEW $3\frac{1}{2}$ PER CENTS. (old) originated in 1830 on conversion of New Four per Cents., reduced in 1844 to New $3\frac{1}{4}$ per Cents. (See New $3\frac{1}{4}$ per Cents.)

NEW $3\frac{1}{4}$ PER CENTS. originated in 1844, on conversion of New $3\frac{1}{2}$ per Cents., reduced in 1854 to New Three per Cents. (See New Three per Cents.)

CONSOLIDATED $3\frac{1}{2}$ PER CENTS. merged into Reduced in 1758.

THREE PER CENT. EAST INDIA ANNUITIES, which originated October, 1750, were added to Reduced Three per Cents., April, 1793.

SOUTH SEA STOCK; OLD SOUTH SEA ANNUITIES; NEW SOUTH SEA ANNUITIES; THREE PER CENT. ANNUITIES, 1726; THREE PER CENT. ANNUITIES, 1751.—These stocks were converted in 1854 to New $3\frac{1}{2}$ per Cents., 1854, New $2\frac{1}{2}$ per Cents., and Exchequer bonds, on election by the stockholders, otherwise £100 cash for every £100 stock.

SAVINGS' BANKS ANNUITIES.—Converted in 1868 in Terminable Annuities.

INDIA STOCK, $10\frac{1}{2}$ per Cent., capital £6,000,000 (3 and 4 Wm. IV., cap. 85), guaranteed on revenues of India until 22nd April, 1874, when it was paid off, £200 money for every £100 stock. Stock changed from Leadenhall Street to Bank, 1860. By same Act, Security Fund instituted, setting apart £2,000,000 in 1833, to be invested in names of Commissioners for Reduction of National Debt (Great Britain). Any surplus revenue to be added.

ANNUITIES EXPIRED IN 1860.—These were issued as bonuses with many of the loans raised between 1780 and 1815, and involved for many years prior to their termination an annual charge of £1,157,091.

DESCRIPTION OF BRITISH GOVERNMENT STOCKS. 29

THE DEAD WEIGHT ANNUITY of £585,740, paid to the Bank of England, arose out of the pensions due to the Army and Navy at the termination of the War in 1815, which then amounted to nearly £5,000,000 per annum. It was estimated that the whole of these pensions would terminate in 45 years, by a gradual decrease annually. By the Act 4 Geo. IV., c. 22, the annuity was authorised to be contracted for to the amount of £2,800,000. The Bank of England agreed to take a part of this annuity, to the amount of £585,740 per annum, for which they paid, between 1823 and 1828 inclusive, £13,089,419. The annuity expired in 1867.

TONTINE ANNUITIES, which partook of the nature of lotteries, have now practically ceased to exist, only one Exchequer tontine (created 29 Geo. III., c. 41) appearing as a charge upon current revenues.

Highest and Lowest Prices of 3 per cent. Consols in each Year from 1789 to 1881 inclusive.

	Highest.	Lowest.		Highest.	Lowest.		Highest.	Lowest.
1789	81½	71¼	1820	70½	65¼	1851	99½	95¼
1790	80¾	70½	1821	78¾	68¾	1852	102	95¾
1791	89¾	75¾	1822	83	75¼	1853	101	90¾
1792	97½	72½	1823	85¾	72	1854	95¾	85½
1793	81	70½	1824	96¾	84¾	1855	93¾	86½
1794	72¾	62¾	1825	94½	75	1856	95¾	85¾
1795	70½	61	1826	84½	73¾	1857	94½	86½
1796	70¼	53½	1827	89½	76¾	1858	98¾	93¾
1797	56¾	47½	1828	88¾	80¾	1859	97¾	89½
1798	58	47½	1829	94½	85¼	1860	95¾	92½
1799	69	52¾	1830	94½	77½	1861	94½	89
1800	67½	60	1831	84¾	74¾	1862	94¾	90½
1801	70	54½	1832	85¾	81¾	1863	94	90
1802	79	66	1833	91½	84½	1864	92	87½
1803	73	50½	1834	93	87½	1865	91½	86¾
1804	59¾	53¾	1835	92¾	99½	1866	90¾	84¾
1805	62	57	1836	92½	86¼	1867	96¾	89¾
1806	64¾	58½	1837	93¾	87¾	1868	96½	91¾
1807	64½	57¼	1838	95½	90¾	1869	94½	91¾
1808	69½	62¾	1839	93¾	89½	1870	94½	88½
1809	70½	63¾	1840	93½	85¾	1871	94	91¾
1810	71	63½	1841	90½	87½	1872	93¾	91½
1811	66¾	61¾	1842	94¾	88¾	1873	94	91¾
1812	63	55½	1843	97½	92½	1874	93¾	91½
1813	67½	54½	1844	101¾	96½	1875	95¾	91½
1814	67½	54½	1845	100¾	91¾	1876	97½	99¾
1815	72½	61½	1846	97¾	94	1877	97¾	93
1816	65¾	53¾	1847	93¾	78¾	1878	98	93¾
1817	84½	62	1848	90	80	1879	99¾	94½
1818	82	73	1849	98¾	88¾	1880	100¾	97½
1819	79	64¾	1850	98¾	94¾	1881	103	98½

For many years the market quotations of New Three per Cents. and Reduced Three per Cents. have averaged from 1 to 2 per cent. below those for Consols.

Highest and Lowest Prices of New 2½ per Cent. Annuities in each Year from 1865 to 1881 inclusive.

	Highest.	Lowest.		Highest.	Lowest.		Highest.	Lowest.
1865	74	69	1871	76	73	1877	79	76
1866	72	67½	1872	75½	73½	1878	79	75½
1867	77½	71	1873	75½	73½	1879	82	75½
1868	77½	74½	1874	76	73½	1880	83	78½
1869	76½	73½	1875	77½	73½	1881	90½	81
1870	76½	71	1876	79	75			

THE UNFUNDED DEBT.

Exchequer Bills.

Formerly Exchequer bills were the only form of unfunded debt, but now there are considerable amounts of Exchequer bonds and Treasury bills also unfunded. Exchequer bills were first used as currency to supply the want of metallic money during the great re-coinage of 1695. Montague, the Chancellor of the Exchequer, was said to have invented these securities, and they were issued for sums as low as £5, and bearing interest at 7½ per cent. Like other securities of that day, the interest not being regularly paid, they fell to a discount; and the Bank of England having been empowered to increase its capital, subscriptions were made partly in Exchequer bills, of which the Bank held a considerable amount, and on which they received interest from Government. The essential distinction between Exchequer bills and bonds and other Government securities is, that on the former the State contracts to pay the principal as well as interest, and on the latter the interest only. Prior to 1861 the interest on Exchequer bills was calculated at a daily rate per cent., payable, together with the principal, in March or June, and they were thus termed March or June bills. In 1861, the method of payment was changed, and from that time to the present the interest has been calculated half-yearly, and paid on March bills on 10th March and 10th September, and on June bills on 10th June and 10th December. A few days

before these dates of payment the rate of interest to be paid for the ensuing half-year is published in the *Gazette*; and the Government give the holders the option of renewal at the new rate of interest in March or June. If the bills are not to be renewed, the holder is required to give 3 days' notice, and to deposit his bills for verification. Both interest and principal are payable at the Bank of England. Exchequer bills are drawn for sums of £100, £200, £500, or £1,000, or a new series is issued at farthest every five years. These bills may be used for payments of taxes, &c., in the second half of any year of their currency.

The amount of Exchequer bills in circulation has varied at different periods, according to the exigencies of the Government for the time being. The highest amount in circulation since the War was in 1817, when it was £56,974,750; and the lowest in 1875, when it was £4,239,300.

The Stock Exchange always deal in Exchequer bills, "ex accrued dividend," the buyer giving the seller the dividend to the day of purchase in addition to the purchase-price. Further details respecting these unfunded securities will be found on page 23.

In March, 1853, Mr. Gladstone, as Chancellor of the Exchequer, reduced the rate of interest to 1d. per cent. per day; and the effect in one week was a fall from 57s. premium to 12s. premium. In February, 1847, with interest at 1½d. per day, they were at 4s. to 8s. premium. On the 23rd October in that year, they fell to a discount of 37s., with interest at 3d. per day. In 1857, they went to 39s. discount, but since then they have never gone much below par, and are generally at a premium. From 1870, the highest and lowest quotations for Exchequer bills have been as follows:—

	Highest.	Lowest.		Highest.	Lowest
	%	%		%	%
1870	15/ pm.	2/ dis.	1876	30/ pm.	4/ dis.
1871	17/ pm.	Par.	1877	30/ pm.	10/ dis.
1872	10/ pm.	10/ dis.	1878	20/ pm.	12/ dis.
1873	5/ pm.	15/ dis.	1879	30/ pm.	5/ dis.
1874	8/ pm.	9/ dis.	1880	15/ pm.	4/ dis.
1875	15/ pm.	7/ dis.	1881	18/ pm.	8/ dis.

Interest on Exchequer Bills, dated—

MARCH 11.		Per Cent. per Diam.	JUNE 11.		Per Cent. per Diam.
Oct. 11, 1853, to	June 11, 1854	2d.	June 9, 1853, to	Oct. 10, 1853	1d.
June 12, 1854, "	Oct. 24, 1855	2½d.	Oct. 11, 1853, "	June 14, 1858	2d.
Oct. 25, 1855, "	March 14, 1858	2½d.	June 15, 1858, "	March 20, 1861	1½d.
March 15, 1858, "	March 13, 1859	2d.	March 25, 1861, "	June 10, 1861	2d.
March 14, 1859, "	March 10, 1861	1½d.			
March 11, 1861, "	March 10, 1862	2d.			
		Per Cent. per An.			Per Cent. per An.
March 11, 1862, to	Sept. 10, 1862	£3	June 11, 1861, to	Dec. 10, 1861	£3½
Sept. 11, 1862, "	Sept. 10, 1863	2½	Dec. 11, 1861, "	Dec. 10, 1862	3
Sept. 11, 1863, "	March 10, 1864	2½	Dec. 11, 1862, "	June 10, 1863	2½
March 11, 1864, "	Sept. 10, 1864	3	June 11, 1863, "	Dec. 10, 1863	2½
Sept. 11, 1864, "	March 10, 1865	4	Dec. 11, 1863, "	June 10, 1864	3
March 11, 1865, "	Sept. 10, 1865	3½	June 11, 1864, "	Dec. 10, 1864	3½
Sept. 11, 1865, "	March 10, 1866	3	Dec. 11, 1864, "	June 10, 1865	4
March 11, 1866, "	Sept. 10, 1866	3	June 11, 1865, "	June 10, 1866	3
Sept. 11, 1866, "	March 10, 1867	4	June 11, 1866, "	June 10, 1867	4
March 11, 1867, "	Sept. 10, 1867	3	June 11, 1867, "	Dec. 10, 1867	2½
Sept. 11, 1867, "	March 10, 1869	2	Dec. 11, 1867, "	Dec. 10, 1868	2
March 11, 1869, "	Sept. 10, 1869	2½	Dec. 11, 1868, "	June 10, 1869	2½
Sept. 11, 1869, "	March 10, 1870	2½	June 11, 1869, "	Dec. 10, 1869	3
March 11, 1870, "	March 10, 1871	2½	Dec. 11, 1869, "	Dec. 10, 1870	2½
March 11, 1871, "	March 10, 1873	2½	Dec. 11, 1870, "	Dec. 10, 1872	2½
March 11, 1873, "	March 10, 1874	2½	Dec. 11, 1872, "	Dec. 10, 1873	2½
March 11, 1874, "	Sept. 10, 1875	3	Dec. 11, 1873, "	Dec. 10, 1875	3
Sept. 11, 1875, "	March 10, 1876	2½	Dec. 11, 1875, "	Dec. 10, 1876	2½
March 11, 1876, "	Sept. 10, 1876	3	Dec. 11, 1876, "	June 10, 1877	2
Sept. 11, 1876, "	Sept. 10, 1877	2	June 11, 1877, "	Dec. 10, 1877	2½
Sept. 11, 1877, "	Sept. 10, 1878	2½	Dec. 11, 1877, "	June 10, 1878	3
Sept. 11, 1878, "	March 10, 1879	3½	June 11, 1878, "	Dec. 10, 1878	2½
March 11, 1879, "	Sept. 10, 1879	3	Dec. 11, 1878, "	June 10, 1879	3½
Sept. 11, 1879, "	March 10, 1880	2	June 11, 1879, "	June 10, 1880	2
March 11, 1880, "	March 10, 1882	2½	June 11, 1880, "	June 10, 1881	2½
March 11, 1882, "	Sept. 10, 1882	3½	June 11, 1881, "	Dec. 10, 1881	2
			Dec. 11, 1881, "	June 10, 1882	3
			June 11, 1882, "		2½

Exchequer Bonds.

This comparatively new description of public securities was introduced by Mr. Gladstone in his scheme for commuting some of the public stocks in 1853, pursuant to resolutions and orders of the House of Commons. The object was to pay off the capital stocks standing in the name of the South Sea Company, and also to convert a portion of permanent into terminable debt, by giving the proprietors the option of receiving, in lieu of the stocks named in the resolutions, three descriptions of new securities, reserving to the holders of South Sea Stock the right of being paid off in money at par. These new securities were as follow:—

1. For every £100 Three per Cent. Stock, a new stock of £82 10s. 3½ per Cent. Annuities, to be paid at that rate until

the 5th January, 1894, and then subject to redemption by Parliament.

2. Or, for every £100 Three per Cents., the sum of £110 in a new stock of $2\frac{1}{2}$ per Cent. Annuities, to be paid at that rate until the 5th January, 1894, and after that date to be subject to redemption by Parliament.

3. Or, for every £100 Three per Cents., an *Exchequer bond* for the same amount, carrying interest at the rate of £2 15s. per cent. per annum, payable half-yearly on the 1st March and 1st September, to a year to be named in the bond, and not later than the 1st September, 1864, inclusive, and thenceforward £2 10s. per cent. per annum, payable in like manner to the 1st September, 1894, inclusive; and then to be redeemed at par, at the option of the holder, or at the option of the Commissioners of Her Majesty's Treasury, as shall be named in the bond.

A great opposition was raised to this scheme in both Houses of Parliament, but Mr. Gladstone succeeded in carrying the measure. The South Sea Company voted unanimously against the plan, and claimed the whole amount of their stock to be paid off at par, to the extent of £3,662,784 8s. 6d. The Exchequer bonds first issued in 1853 under Mr. Gladstone's Conversion Act, 16 Vict., c. 23, to the amount of £418,300 (being in conversion of £408,900 Exchequer bills and £9,400 Three per Cent. Stock), were omitted in the Finance Accounts of Funded and Unfunded Debt in 1854 and 1855-56. In the Finance Accounts of 1856-57 their amount is brought to the account of Unredeemed Funded Debt "per Order of Treasury, dated 3rd April, 1857," and they are now very properly treated as funded, for the reason that they are not payable at the option of the holder, but "at the option of the Commissioners of Her Majesty's Treasury, so soon as Parliament shall have made due provision in respect thereof; and until such redemption, such principal sum will continue to carry interest at the said rate of $2\frac{1}{2}$ per cent. per annum."

During the Russian War, in 1855-56, Exchequer bonds were issued to the amount of £6,000,000; and these, as well as those issued later, were of a different character, having been made absolutely payable at par at fixed periods, varying from three to six years. These have been properly treated as unfunded debt. Such unfunded Exchequer bonds for a time ceased to exist, in the year 1871-72, when "Series T" for £700,000 was redeemed out of surplus revenue.

In 1877, 1878, and 1879, however, an extensive issue of $3\frac{1}{2}$ per Cent. Exchequer bonds was effected for the purposes of contributing towards local public works. These bonds

have in every instance a three years' currency, and on the 31st March, 1881, the twenty-five series current represented a total of £7,750,000. In the following year, however, £4,000,000 were funded (per 44-5 Vict., cap. 55). Though classed as Government debt, these loans were in no way raised for Imperial purposes, and the Government receives interest from local bodies, so that they can hardly be considered a national burden.

Suez Exchequer Bonds—

bearing $3\frac{1}{2}$ per cent. interest, were created under 39 Vict., c. 1, for the purchase by the Government, for the sum of £4,000,000, of the Khedive's holding of Suez Canal shares, namely, 176,602 shares of £20 each, or £3,532,040, upon which the Egyptian Government pay interest to the British Government until 1894, when the Canal Company will have to pay dividends on this capital. A convention between the Canal Company and the Khedive, in 1869, placed all the interest on these shares at the service of the Company, and 120,000 "*délégations*" were issued against it, which will be redeemed prior to 1894. Messrs. Rothschilds, at the close of 1875, advanced the necessary sum to effect this purchase until a Parliamentary vote could be obtained; and on 20th March, 1876, received these Suez Exchequer bonds, to the amount of £4,000,000, bearing interest half-yearly, on 20th March and 20th September, and repayable by an accumulative sinking fund, applied half-yearly up to 1912, when the final repayment will be made. The amount outstanding on 31st March, 1882, was £3,663,900.

Treasury Bills.

In 1877, under 40 Vict., c. 2, powers were taken to create a new form of unfunded debt, upon the lines suggested by the late Mr. Walter Bagehot, and for purposes of local loans. For the past three years, £5,431,000 of these Treasury bills have been running in the London market. They are drawn in sums of £1,000, £5,000, or £10,000 each, either for three or six months, and new bills are tendered for monthly at the Bank of England, as the old ones fall due, those tenders at the lowest rate of discount being accepted. At first, these bills were not tendered for below the rates current for high-class commercial paper; but latterly they have grown in favour for many purposes, and Government bills are now keenly competed for. While the value of money is low, they form a very convenient means for the raising of loans upon cheap terms.

Explanatory Memorandum of the Amount included in preceding Statements under the head of Management.

	Great Britain.	Ireland.
Unredeemed capital, as it stood on the 5th April, 1880 :	£	£
New Annuities, at £2½ per cent.	3,729,336	2,330
Consolidated Annuities, at £3 per cent.	390,437,491	4,916,022
Reduced Annuities, ditto	92,123,064	136,225
New Annuities, ditto	177,415,424	26,097,941
New £3½ per Cent. Annuities	225,746	...
Annuities for terms of years { Computed at 10 years' purchase to make a nominal capital, under Act 24 Vict., c. 3. }	291,386	}
Annuities expiring in 1885 ...	47,123,025	
Red Sea Telegraph Annuity	358,865	
Annuities for terms of years, computed at 15 years' purchase, under Act 24 Vict., c. 3 ...	6,594	...
	<u>711,710,931</u>	<u>31,152,518</u>
Charge for management on the above capital for the year to 5th April, 1881 :		
Bank of England (per Act 24 Vict., c. 3). On £600,000,000, at the rate of £300 per million	£ 180,000	
On £111,710,931, at the rate of £150 per million	16,757	
	196,757	...
Bank of Ireland (per Act 28 Vict., c. 16). On £31,152,518, at the rate of £300 per million	...	9,346
Management of Exchequer bills, bonds, and Treasury bills by the Bank of England, for one year to 30th November, 1881 (per Acts 29 & 30 Vict., c. 25, and 40 Vict., c. 2):		
On £24,594,500* (the amount outstanding on 1st December, 1880), at the rate of £100 per million	2,459	...
	£	
*Exchequer bills	5,145,800	
Exchequer bonds ...	14,017,700	
Treasury bills.....	5,431,000	
	<u>24,594,500</u>	
	199,216	9,346
Amounts issued for payment to the Banks of England and Ireland	£ 206,562	
Amount issued for salaries, &c., of the National Debt Office	16,497	
	<u>225,059</u>	

Amount of the Funded and Unfunded Debt of the United Kingdom, and Amount of Interest Paid thereon, with the Increase or Decrease thereof, in the various Years when War or Peace commenced, between 1691 and 1881.

War or Peace, and its Duration.	Years.	Amount of Debt, and of Increase (+) or Decrease (-).			Amount of Interest Paid, and of Increase (+) or Decrease (-).			
		Funded.	Unfunded.	Total.	On Funded Debt.	On Unfunded Debt.	Annuities.	Total.
War, 7 years	1691 to 1697	£ 1,200,000 + 1,200,000	£ 3,130,000 13,322,925 10,192,925	£ 3,130,000 14,522,925 11,892,925	£ 100,000 100,000 100,000	£ 232,000 911,112 679,112	£ ... 811,407 811,407	£ 232,000 1,322,519 1,080,519
Peace, 5 years	1702 to	£ 3,200,000 + 2,000,000	£ 9,567,225 - 3,755,700	£ 12,767,225 - 1,755,700	£ 260,000 160,000	£ 647,759 263,353	£ 307,565 - 8,842	£ 1,215,324 - 107,195
War, 11 years	1713 to	£ 26,078,085 + 22,878,085	£ 8,621,762 - 945,463	£ 34,699,847 + 21,932,622	£ 1,532,025 1,272,025	£ 560,098 87,663	£ 912,169 + 604,604	£ 3,004,287 + 1,788,963
Peace, 5 years	1718 to	£ 34,766,109 + 8,688,114	£ 5,613,485 - 3,008,277	£ 40,379,694 + 5,679,897	£ 1,724,451 192,426	£ 329,643 230,450	£ 911,705 - 374	£ 2,965,889 - 38,398
War, 3 years	1721 to	£ 49,811,715 + 15,045,516	£ 4,593,393 - 1,020,092	£ 54,405,108 + 14,025,424	£ 2,477,574 763,123	£ 194,582 135,061	£ 183,224 - 728,571	£ 2,855,380 - 110,509
Peace, 16 years	1739 to	£ 42,962,486 - 6,849,220	£ 3,651,397 - 941,996	£ 46,613,883 - 7,791,225	£ 1,749,199 729,375	£ 128,201 66,381	£ 154,484 - 28,740	£ 2,080,884 - 824,496
War, 9 years	1748 to	£ 68,420,147 + 25,457,661	£ 7,391,985 - 3,740,588	£ 75,812,132 + 20,198,249	£ 2,639,152 869,963	£ 316,616 188,415	£ 209,997 + 66,513	£ 8,165,765 + 1,134,881

INCREASE AND DECREASE OF BRITISH DEBT.

Peace, 8 years	1756	{ + 78,769,470	- 815,555	74,575,025	2,442,268	107,700	208,550	2,763,566
		{ - 5,389,328	+ 6,576,430	- 1,237,107	- 196,884	- 208,907	- 6,408	- 412,199
War, 7 years	1763	{ + 129,160,198	3,555,856	132,716,049	4,255,523	299,675	477,535	5,082,783
		{ - 55,400,723	+ 2,740,301	+ 58,141,024	+ 1,813,255	+ 191,966	+ 273,946	+ 2,279,167
Peace, 11 years	1774	{ + 124,763,009	2,899,404	127,162,413	4,089,867	189,859	475,587	4,698,313
		{ - 4,397,184	- 1,156,452	- 5,553,636	- 222,156	- 110,316	- 1,948	- 334,400
War, 9 years	1783	{ + 212,773,347	19,070,284	231,843,631	6,825,808	888,947	1,350,880	9,065,565
		{ + 88,010,338	+ 16,670,880	+ 104,681,218	+ 2,792,441	+ 699,698	+ 875,243	+ 4,307,272
Peace, 10 years	1793	{ + 234,084,716	13,839,718	247,924,434	7,846,812	553,848	1,311,078	9,711,288
		{ + 21,261,369	- 5,230,566	+ 16,030,803	+ 1,021,004	+ 335,599	- 39,752	+ 645,053
War, 9 years	1802	{ + 522,231,786	15,421,222	537,653,008	17,574,537	801,192	1,892,822	20,268,551
		{ + 238,197,070	+ 1,581,504	+ 289,778,574	+ 9,727,725	+ 247,844	+ 581,744	+ 10,557,313
Peace, 1 year	1803	{ + 528,260,642	19,472,154	547,732,796	17,754,727	1,132,931	1,925,254	20,812,962
		{ + 6,028,856	+ 4,050,932	+ 10,079,788	+ 180,190	+ 331,789	+ 32,432	+ 544,411
War, 12 years	1815	{ + 816,311,941	44,727,108	861,039,049	28,567,411	2,183,594	1,894,613	32,645,618
		{ + 288,081,299	+ 25,254,954	+ 313,306,253	+ 10,812,684	+ 1,050,613	- 30,641	+ 11,832,656
Peace, 40 years	1855	{ + 762,064,119	28,151,400	775,215,519	23,452,167	565,505	3,846,861	27,864,533
		{ - 64,247,822	- 21,575,708	- 85,823,530	- 5,115,244	- 1,618,059	+ 1,952,248	- 4,791,085
War, 2 years	1857	{ + 784,962,794	27,989,000	812,951,794	23,686,575	1,008,670	3,985,932	28,681,177
		{ + 28,055,503	+ 4,387,600	+ 32,893,208	+ 234,408	+ 443,165	+ 139,071	+ 816,644
Peace, 24 years	1881	{ + 709,078,526	22,077,500	731,156,026	21,494,578	876,648	7,204,088	29,575,264
		{ - 75,784,263	- 5,911,500	- 81,795,763	- 2,191,997	- 132,022	+ 3,218,106	+ 894,087

* Including New Sinking Fund.

HOLDERS OF GOVERNMENT SECURITIES.

On the books of the Bank of England there are inscribed at the present time about 195,000 accounts, representing holdings of $3\frac{1}{2}$, 3, and $2\frac{1}{2}$ per cent. Funded debt. The number has somewhat diminished of late years, for in 1875 the corresponding number was 207,259. It must not, however, be forgotten that certificates "to bearer" are now issued, and that numerous small holdings are being acquired through the Post Office.

The largest holders are the Court of Chancery, the Commissioners for the Reduction of the National Debt, and the Bank of England itself. The amounts thus absorbed are given below:—

*Amount of Government Stocks held by the Chancery Division
of the High Court of Justice.*

	October 1, 1847.	October 1, 1862.	August, 1879.
	£	£	£
Consols	35,722,000	39,703,000	47,763,000
Reduced Three per Cents.	6,861,000	7,270,000	5,673,000
New Three per Cents.....	4,213,000	5,722,000	8,450,000
Total	46,796,000	52,695,000	61,886,000

On the 20th November, 1881, the Commissioners for the Reduction of the National Debt held, on account of Savings' banks—Consols, £4,252,365; Reduced Three per Cents., £3,649,631; New Three per Cents., £9,792,393; Exchequer bonds, £2,600,000; ditto Suez bonds, £2,115,700; bonds of the Public Works Loan Commissioners, £2,340,287. Annuities expiring in 1885, £3,302,475 per annum, and other securities guaranteed by the Home Government; the whole (with banking balances, £42,099) amounting to £43,650,176, valued at the prices of the day. Besides this, £151,672 in Reduced Three per Cents., and £18,920 in New Three per Cents., were held on account of Friendly Societies.

The Commissioners for the Reduction of the National Debt, on the 4th of March, 1882, also held Government securities on account of the Post Office Savings' Banks Fund, valued at £37,620,736, consisting mostly of New Three per Cent. Consols and annuities. The growth of these investments may be judged from the Savings' banks statistics furnished on a later page.

The Government securities owned by the Bank of England may be gathered from the securities in the weekly return, which in March, 1882, stood as follows:—In the Issue Department, £15,750,000; in the Banking Department, £13,296,309; together, £29,046,309. Almost all the leading joint-stock and private banking institutions are also large holders of Government securities. Thus, on the 31st December, 1881, the London and County Bank held £3,331,251 Government

securities, the London and Westminster, £3,785,074; the London Joint Stock, £2,000,000; the National Provincial of England, £5,421,903; the Union of London, £1,267,052; and so on. Apart from the Bank of England, it appears probable that the joint-stock banks of the United Kingdom hold not far short of £50,000,000 of Government stocks.

LOCAL INDEBTEDNESS.

Loans Raised in England and Wales in Connection with Local Taxation.

	1870-71.	1879-80.	More at Later Date.	Less at Later Date.
On security of Rates.....	£ 38,249,508	£ 107,003,378	£ 68,753,870	£ ...
" Tolls and Dues.....	22,968,283	30,093,229	7,124,946	...
" Duties	2,240,000	...	...	*2,240,000
	63,457,791	137,096,607	75,878,816	...
Increase in nine years .....	...	...	73,638,816	

* Now included with other loans.

The Loans Secured on the Rates are divided as under :—

	1870-71.	1879-80.	More at Later Date.	Less at Later Date.
	£	£	£	£
Poor's Rate	2,485,869	4,975,980	2,490,111	...
County and Rural Police Rates ...	3,157,425	2,924,915	...	232,510
Borough and Town Police Rates ...	6,216,935	6,172,887	...	44,048
Highway Rate	89,715	49,190	9,475	...
Metropolitan Local Management Rate	1,495,491	2,416,549	921,058	...
Metropolitan Board of Works Consolidated Rate	8,650,517	14,645,816	5,995,299	...
Town Improvement Rates.....	4,481,660	(a)50,325,471	45,843,811	...
Local Board Rates	9,493,652	(b)11,354,152	1,860,500	...
Sewers Rates	81,771	66,598	34,827	...
Drainage and Embankment Rates	1,303,040	1,550,510	247,470	...
Burial Board Rates	780,535	1,682,009	901,474	...
Church Rates	112,898	48,467	...	64,431
Rural Sanitary .....	...	848,198	848,198	...
Port Sanitary .....	...	5,484	5,484	...
School Board.....	...	9,937,152	9,937,152	...
	38,249,508	107,003,378	69,094,859	340,989

Urban Sanitary.—(a) Raised by Town Councils; (b) Raised by other authority.

The loans secured on "Tolls, dues, and rents chiefly" are £30,093,229, of which £23,950,405 represents Harbour Commissions, and £5,129,800 the City of London.

Scotland.—In 1881, the indebtedness of the principal local bodies in Scotland was £16,338,379, of which £8,455,714 was secured on Burgh rates, £7,002,587 upon harbour dues, and £691,286 upon poor's rates.

LOANS GUARANTEED BY

Statement of all Outstanding Guaranteed Loans, giving

	Amount of Loan.	Purpose for which Loan was Intended.
West Indies :	£	
	500,000	Redemption of certain Debts of the Colony
Jamaica	367,600	Extension of Period of Repayment of Loans under 11 & 12 Vict. c. 130, and 17 & 18 Vict. c. 54.
	500,000	Payment of Debts due by Colony, and Purchase of Native Lands
New Zealand	500,000	Expenses in connection with the New Zealand War, Immigration, and other purposes
	1,000,000	Immigration and Construction of Roads, Bridges, and other Communications ..
	3,000,000	Construction of Railway from Rivière du Loup, Quebec, to Truro, Nova Scotia..
Canada	300,000	Purchase of Rupert's Land from Hudson's Bay Company
	3,000,000	Construction of Pacific Railway, and Improvement of Canals
Turkey	5,000,000	Prosecution with vigour of the War with Russia. (Interest guaranteed jointly and severally with France.)
Danube European Commission	135,000	Improvement of the Mouth of the River (Interest and Sinking Fund guaranteed jointly and severally with Germany, France, Turkey, and Italy.)
Metropolitan Board of Works	4,200,000	Main Drainage of the Metropolis
	3,730,000	Thames Embankment and Metropolis Improvement
Irish Church Temporalities Commission	9,000,000	Purposes of the Irish Church Act
Ditto	1,000,000	Intermediate Education, Ireland
Ditto	1,200,000	Relief of Distress, Ireland
Board of Trade	700,000	Constructing Lighthouse on Great Basses Rock, Ceylon
	33,502,600	

NOTE.—No portion of the Greek Loan, of which one-third part (19,838,805*l.*) was guaranteed by Great Britain in 1832, remains outstanding, the final instalment having been paid in 1871. The amount issued out of the Consolidated Fund, on account of the principal and interest of this loan, was £1,351,071. The annual sums repaid by the Greek Government to 1881 amounted to £177,533, and £268,000 has been remitted; thus leaving a net sum of £1,105,538 paid by the British Government on account of this guarantee.

THE BRITISH GOVERNMENT.

the Amount of each Loan, and other Particulars thereof.

Statute.	Interest Paid by Treasury.	Amount Paid off by Sinking Fund, &c.	Amount Outstanding on 31st March, 1882.	Nominal Amount of Securities held on Account of Sinking Fund on 31st March, 1882.
	£	£	£	£
17 & 18 Vict. c. 54	428,600	71,400	22,016
32 & 33 Vict. c. 69	287,700	82,596
20 & 21 Vict. c. 51	500,000	416,000
29 & 30 Vict. c. 104.....	500,000	112,200
33 & 34 Vict. c. 40, and 36 Vict. c. 15.....	1,000,000	Only £200,000 has been actually raised.
30 Vict. c. 16.....	3,000,000	450,300
32 & 33 Vict. c. 101.....	300,000	49,600
36 & 37 Vict. c. 45	3,000,000	155,500
18 & 19 Vict. c. 99	194,064 (including expenses.)	1,184,800 (last payment on Sinking Fund, Aug. '75.)	3,815,200	N.B.—The Turkish Government have the option of redeeming this balance at par at any time after 1st January, 1878, on giving six months' notice.
31 & 32 Vict. c. 126.....	...	122,845	12,155	...
{ 21 & 22 Vict. c. 104 }	...	3,506,000	694,000	...
{ 26 & 27 Vict. c. 68.. }	...	3,430,000	300,000	...
{ 27 & 28 Vict. c. 61.. }
{ 31 & 32 Vict. c. 43.. }
32 & 33 Vict. c. 42	3,725,291	5,274,709	...
{ 41 & 42 Vict. c. 66.. }	1,000,000	...
{ 32 & 33 Vict. c. 42.. }	1,200,000	...
43 Vict. c. 4	1,200,000	...
32 & 33 Vict. c. 77	15,300	54,700	The principal and interest of the loan are charged upon the dues of the Lighthouse & Lightship.
	194,064	11,984,236	21,009,864	

In addition to the Guaranteed Loans above mentioned, Great Britain took upon herself under the Acts 55 Geo. III., c. 115, and 2 & 3 Wm. IV., c. 81, a debt of 25,000,000*fl.*, Dutch currency (being part of a loan contracted by Russia in Holland), in order that a suitable return might be made to the former country for the heavy expense incurred in delivering Belgium and Holland from the power of France. The amount of principal paid off to the 31st December, 1881, was 16,500,000*fl.*, and the balance outstanding, 8,500,000*fl.*

FROM THE STATISTICAL ABSTRACTS OF THE BOARD OF TRADE.

PUBLIC REVENUE, EXPENDITURE, &c.

Total Gross Amount of the Estimated and Actual Public Revenue and Expenditure of the United Kingdom, with the Difference between the Estimated and Actual Amounts, and the Surplus or Deficiency of Income.

Years Ended 31st March from 1854.	GROSS REVENUE.				GROSS EXPENDITURE.				Surplus (+) or Deficiency (-) of Income (excluding Fortifications and Military Barracks, page 46.)
	Estimated in the Budgets.	Receipts at the Exchequer.	More (+) or Less (-) than Budget.	Receipts per Head of Population.	Estimated in the Budgets and Supplementary Votes.	Payments out of the Exchequer (excluding Fortifications and Barracks).	More (+) or Less (-) than Budget.	Payments per Head of Population.	
	£	£	£	£ s. d.	£	£	£	£ s. d.	£
1840	...	51,684,776	...	2 1 19 0	53,344,494	...	...	2 0 2	- 1,559,718
1850	...	57,519,970	...	2 9 10	54,692,177	...	...	1 19 9	2,827,793
1860	...	71,089,669	...	2 9 11	69,502,249	285,269	...	2 8 8	+ 1,587,390
1861	69,460,000	70,253,674	+ 1,629,669	2 8 3	73,691,000	898,941	...	2 10 8	- 2,506,385
1862	72,248,000	69,874,479	- 608,321	2 8 4	71,116,185	370,515	...	2 9 11	- 1,442,006
1863	70,285,000	70,000,000	- 553,561	2 8 7	69,302,068	805,992	...	2 8 2	+ 1,301,533
1864	70,050,000	70,208,964	+ 2,037,961	2 7 7	67,053,298	1,226,714	...	2 6 0	+ 3,152,678
1865	68,171,000	70,208,964	+ 3,185,437	2 7 0	66,462,207	786,793	...	2 5 0	+ 3,851,230
1866	67,125,000	70,213,437	+ 3,185,437	2 5 1	65,914,537	1,494,643	...	2 4 2	+ 1,897,935
1867	66,292,000	67,512,292	+ 1,220,292	2 5 6	66,793,396	350,604	...	2 4 0	+ 2,654,172
1868	67,013,000	69,434,968	+ 2,421,968	2 5 6	71,236,242	507,68	...	2 6 6	- 1,636,024
1869	69,970,000	69,900,218	- 369,782	2 5 6	72,069,321	2,893,184	...	2 8 6	- 2,990,925
1870	73,150,000	72,391,991	- 538,009	2 6 8	74,552,000	...	...	2 4 0	+ 6,569,500
1871	73,515,000	75,434,232	+ 1,919,232	2 6 4	68,483,000	368,752	...	2 4 3	+ 396,681
1872	67,634,000	69,948,220	+ 2,314,220	2 6 3	68,894,539	62,539	...	2 5 0	+ 3,213,694
1873	72,315,000	74,708,714	+ 2,393,714	2 6 3	71,496,900	942,960	...	2 5 5	+ 5,843,522
1874	71,940,000	76,095,770	+ 4,155,770	2 6 3	70,714,449	84,532	...	2 7 7	+ 663,147
1875	71,700,000	77,350,637	+ 5,650,637	2 6 3	576,468,510	108,980	...	2 5 10	+ 593,833
1876	73,185,000	74,311,873	+ 1,126,873	2 6 3	74,298,000	119,297	...	2 6 10	+ 490,930
1877	73,045,000	77,351,093	+ 4,306,093	2 7 6	76,821,778	775,777	...	2 7 3	+ 339,390
1878	79,116,000	79,152,093	+ 36,093	2 7 6	78,125,227	3,645,503	...	2 9 3	+ 2,410,197
1879	80,280,000	79,782,299	- 497,701	2 7 8	82,463,495	583,391	...	2 9 6	- 2,991,817
1880	81,055,000	83,115,972	+ 2,060,972	2 7 7	85,407,739	1,894,117	...	2 9 3	- 2,540,690
1881	80,886,000	81,265,045	+ 379,045	2 7 7	83,107,934	732,101	...	2 8 3	+ 983,364
1882	82,998,000	84,041,298	+ 1,043,298	2 8 0	86,840,025	1,181,697	...	2 8 10	+ 319,726
1883	85,100,000	85,522,232	+ 422,232	2 8 0	85,473,556	...	...	2 8 10	+ 319,726

* Including Supplemental Votes for Abyssinian Expedition (£2,000,000), and other services (£962,000).
 † Supplemental Votes at Revenue out of Telegraph Loan.
 ‡ Including £900,000 repaid to Revenue out of Telegraph Loan.
 § Including £3,200,000 for Alabama Claims.
 ¶ Including Extraordinary Expenditure on account of Russo-Turkish War.
 †† Including Extraordinary Expenditure for War in South Africa.

LOCAL TAXATION.
Amount of Direct and Indirect Taxation, and of other Sources of Receipts, for the Purposes of Local Expenditure, in each Division of the United Kingdom.
 YEAR 1870-71.

DIVISIONS.	LOCAL TAXES.			OTHER SOURCES OF RECEIPTS.					Total Receipts.
	Direct Levied by Rates.	Indirect From Tolls, Dues, &c.	Total of Taxes.	From Sales or Rents of Property.	From Government Contributions.	Raised by Loans.	From Miscellaneous Sources.		
England and Wales	£ 17,406,300	£ 3,344,500	£ 20,750,800	£ 1,153,100	£ 955,400	£ 5,222,200	£ 2,862,200	£ 30,943,700	
Scotland (estimated)	1,500,000	500,000	2,000,000	450,000	200,000	250,000	100,000	3,000,000	
Ireland	2,296,100	367,200	2,663,300	35,500	982,100	58,600	87,900	3,807,400	
Total for United Kingdom	21,202,400	4,211,700	25,414,100	1,638,600	2,117,500	5,530,800	3,050,100	37,751,100	
YEAR 1873-74.									
England and Wales	19,773,122	4,105,907	23,879,029	1,181,738	1,005,524	8,201,499	3,463,403	37,731,193	
Scotland (partly estimated)	1,908,210	464,347	2,372,557	323,201	160,751	149,494	196,711	3,202,714	
Ireland	2,640,737	355,272	2,996,009	47,616	1,238,400	129,493	188,880	4,599,908	
Total for United Kingdom	24,322,069	4,925,526	29,247,595	1,552,555	2,404,675	8,480,486	3,848,504	45,533,815	
YEAR 1879-80.									
England and Wales	25,694,477	4,574,322	30,268,799	1,300,940	2,733,846	13,717,911	4,985,826	53,007,322	
Scotland	2,622,000	1,060,000	3,682,000	294,000	556,000	1,122,000	417,000	6,071,000	
Ireland	2,654,719	610,005	3,264,724	71,287	106,960	263,971	261,200	3,968,142	
Total for United Kingdom	30,971,396	6,244,327	37,215,723	1,666,227	3,396,806	15,103,882	5,664,026	63,046,684	

In 1879-80, the total local taxation for the United Kingdom (£37,215,723) was in the proportion of £1 1s. 7d. per head of the population. The total taxes actually received at the Exchequer amounted in 1879-80 to £37,836,000. Adding this sum to the above £37,215,723 of local taxation, the total taxation of the United Kingdom in 1879-80 would be £75,051,723, or £3 0s. 10d. per head of the population.

Branches of Local Expenditure in each Division of the United Kingdom, in the Years 1870-1; 1873-4, and 1879-80.

BRANCHES OF LOCAL EXPENDITURE.	1870-1.	1873-4.	1879-80.	
ENGLAND AND WALES.				
In the Metropolis:—				
Poor Relief, including Workhouse Loans repaid	£ 1,646,103	£ 1,636,541	£	
All other Parochial Expenditure payable out of Poor Rates	140,321	136,507		
Extraordinary Expenditure for Construction and Repairing of Workhouses and Pauper Asylums	285,367	not incld.		
	2,081,791	1,773,048		
Local Management by Vestries, &c. (exclusive of Metropolitan Board of Works), Maintenance of Roads, &c., Watering, Lighting, Sewerage, &c.	1,331,215	1,516,964	Metropolis and Country combined.—Poor Relief, £3,042,797; School Boards, £3,631,108; Police, Sanitary, Highways, and Asylums, £34,233,777; Burial Boards, £263,243, &c.	
Metropolitan Board of Works, Local Public Works, Sewerage, &c.	1,402,806	1,335,015		
Corporation and Commissioners of Sewers of City of London, Local Public Works, Sewerage, &c.	1,031,722	1,136,371		
Metropolitan Police	859,616	1,041,901		
Burial Boards, &c.	42,586	53,710		
School Boards .....	...	743,448	
Total Local Expenditure in Metropolis	6,749,738	7,653,157		
Country Districts:—				
Poor Relief, including Workhouse Loans repaid	6,240,621	6,053,998		
All other Parochial Expenditure payable out of Poor Rates	618,457	583,154		
Extraordinary Expenditure for Construction and Repairing of Workhouses and Pauper Asylums	303,637	not incld.		
	7,162,735	6,637,152		
For County Purposes, Police, Prisons, Lunatic Asylums, &c. In Municipal Boroughs for Local Public Works, Police, &c. By Improvement Commissioners and Local Boards, for Local Public Works, Lighting, Sewerage, &c.	2,542,531	2,780,165		
For Maintenance of Public Roads by—	2,966,834	3,573,433		
Highway Boards	4,908,591	8,117,627		
Turnpike Trusts	1,375,064	1,575,608		
By Burial Boards for Public Cemeteries	937,226	671,089		
School Boards	191,787	341,871		
Other purposes	407,265	1,214,617		
	422,465	422,465		
Total Local Expenditure in Country Districts	20,492,043	25,334,137		
Coast Districts:—				
For Erection, Maintenance, and Repairs of Commercial Harbours	2,539,912	3,062,571	2,538,244	
For Erection, Maintenance, and Repairs of Lighthouses, &c., and for Pilotage, and Saving Life at Sea	615,308	680,689	670,433	
Total Local Expenditure for England and Wales	30,397,001	36,750,554	51,492,943	
SCOTLAND.				
By Parochial Boards for Relief of the Poor	1869	851,365	918,217	
Town Authorities	1,002,803	1,176,000	2,097,000	
County Assessments: Police, Prisons, &c.	(?)	258,000	410,000	
Turnpike Trusts	210,000	180,158	145,700	
School Boards	217,034	327,847	1,203,953	
Other purposes	(?)	364,172	1,145,620	
Total Local Expenditure for Scotland	2,512,667	3,157,542	5,920,400	
IRELAND.				
By Town Authorities	510,879	663,776	819,147	
Grand Jury Cess: Roads, Bridges, Prisons, &c.	1,030,071	1,139,583	(?)	
Poor Relief	838,353	1,000,890	1,060,748	
Police	959,493	1,214,183	1,145,930	
Harbours	321,420	477,861	430,811	
Other purposes	215,205	119,341	(?)	
Total Local Expenditure for Ireland	3,875,421	4,615,624	3,761,148	
Total Local Expenditure in United Kingdom	37,272,422	44,523,720	61,174,480	

Amount of the Gross Public Revenue of the United Kingdom (Charges for Collection of Revenue not deducted), distinguishing the Principal Branches thereof.

Year ended Mar. from 1854.	Customs.	Excise, Licences, &c.	Stamps.	Taxes. [†]	Property and Income Tax. (For Rate in the £ see Note.*)	Post Office.	Telegraph Service.	Crown Lands. (Net Receipts.)	Interest Received on Local Loans and Suez Canal Shares.	MISCELLANEOUS.				Total Gross Revenue.
										Naval and Military Extra Receipts from India; and War Indemnities.	Surplus from Extra Civil Departments, Unclaimed Dividends, &c.	Receipts from India; and War Indemnities.	Total of Miscellaneous.	
1850	22,041,651	15,273,208	6,724,729	4,567,237	5,324,928	2,277,363	...	100,000	...	£ 582,395	414,159	£ 946,554	57,519,970	
1861	23,305,777	19,435,000	8,348,412	3,127,000	10,923,817	3,400,000	...	290,568	...	931,861	625,650	1,557,511	70,338,045	
1862	24,674,000	18,382,000	8,590,945	3,160,000	10,365,500	3,510,000	...	205,000	...	1,050,998	887,114	1,938,112	69,965,057	
1863	24,034,000	17,155,000	8,994,000	3,150,000	10,567,000	3,650,000	...	390,000	...	788,300	788,300	2,754,562	70,094,068	
1864	23,252,000	18,397,000	9,317,000	3,218,000	9,084,000	3,410,000	...	395,000	...	2,231,524	804,541	3,036,065	70,290,965	
1865	22,572,000	19,558,000	9,530,000	3,292,000	7,958,000	4,100,000	...	310,000	...	2,054,400	938,987	2,993,387	70,313,787	
1866	21,276,000	19,788,000	9,591,000	3,350,000	6,300,000	4,250,000	...	320,000	...	1,294,165	744,127	2,038,292	67,818,292	
1867	22,303,000	20,070,000	9,420,000	3,468,000	5,700,000	4,470,000	...	330,000	...	1,817,032	1,226,536	3,043,568	69,454,598	
1868	22,650,000	20,462,000	9,541,000	3,590,000	6,177,000	4,630,000	...	330,000	...	1,731,290	890,936	2,596,218	69,690,218	
1869	22,421,000	21,783,000	9,248,000	3,491,000	8,618,000	4,670,000	...	375,000	...	1,619,732	1,619,732	3,355,992	72,531,992	
1870	21,520,000	21,783,000	9,248,000	3,491,000	10,044,000	4,670,000	...	375,000	...	1,453,743	1,453,743	3,205,252	72,434,252	
1871	20,191,000	22,788,000	9,097,000	4,230,000	10,044,000	4,670,000	...	375,000	...	1,799,167	1,450,733	3,250,250	69,945,250	
1872	20,326,000	23,326,000	9,772,000	4,230,000	9,084,000	4,680,000	...	375,000	...	1,501,382	1,501,382	4,094,314	74,794,314	
1873	21,031,000	25,785,000	9,947,000	4,230,000	7,500,000	4,770,000	...	375,000	...	1,853,983	1,910,007	3,766,170	76,934,170	
1874	20,339,000	27,172,000	10,540,000	4,230,000	6,250,000	4,800,000	...	375,000	...	1,841,943	2,040,004	3,882,657	77,335,657	
1875	20,029,000	27,385,000	11,020,000	4,230,000	4,300,000	5,050,000	...	385,000	...	1,320,898	1,989,001	3,309,899	74,924,873	
1876	19,029,000	27,730,000	10,800,000	4,230,000	4,100,000	6,000,000	...	385,000	...	1,697,150	1,697,150	3,394,300	74,530,300	
1877	19,625,000	27,654,000	10,968,000	4,230,000	4,100,000	6,150,000	...	410,000	...	1,919,483	1,919,483	3,838,966	75,369,266	
1878	20,106,000	27,490,000	10,670,000	4,230,000	5,290,000	6,240,000	...	410,000	...	2,018,731	1,919,483	3,938,214	76,307,428	
1879	19,329,000	25,390,000	11,300,000	4,230,000	6,350,000	6,350,000	...	380,000	...	1,097,751	2,250,133	3,347,884	74,655,268	
1880	19,184,000	25,390,000	11,340,000	4,230,000	9,250,000	6,350,000	...	380,000	...	1,254,536	1,625,357	2,879,893	81,235,153	
1881	19,287,000	25,390,000	11,340,000	4,230,000	10,650,000	6,700,000	...	380,000	...	1,217,712	2,171,611	3,389,323	81,235,153	
1882	19,287,000	27,240,000	12,260,000	4,230,000	9,945,000	7,000,000	...	380,000	...	1,219,252	2,296,681	3,515,933	83,822,282	

* On incomes from £100 to £150, 1890-61, 7d.; 1861-63, 6d. On incomes of and above £150, 1861-63, 10d.; 1861-63, 9d. On incomes of and above £100, abatement of 50% on incomes under £200, 1890-67, 4d.; 1867-48, 5d.; 1848-69, 6d.; 1870-71, 4d.; 1871-72, 6d.; 1872-73, 4d. On incomes of £50 on incomes under £200, 1873-74, 3d.; 1874-75, 2d. On incomes of and above £150 (abatement £120, under £400), 1877-78, 3d.; 1878-80, 5d.; 1881-82, 5d.; 1882-83, 6d. † Including only Land Tax and House Duty, licences imposed in lieu of other taxes. ‡ Including £550,000 issues for Abyssinian Expedition repaid.

Amount of the Gross Public Expenditure of the United Kingdom, distinguishing the Principal Branches thereof.

Year ended 31st March from 1854	INTEREST AND MANAGEMENT OF NATIONAL DEBT.						Interest on Loans raised for Local Purposes	Civil List and Civil Charges (See Page 50).	FORCES (exclusive of Fortifications).				Charges of Collection (Post-Office, Kitchens, &c.)	Total Gross Expenditure.	Extra Expenditure out of Loans for Fortifications and Barracks.
	Funded.		Unfunded.	Total of Funded and Unfunded, including Management.	Army.				Navy.	Total †					
	Permanent.	Terminable Annuit-ies.			Expenditure including Ordnance.	Purchase Commission.					Indian Home Charges.	Including Transport Service.			
1850	£	3,757,925	£	463,706	£	6,758,909	£	8,955,061	£	6,437,883	£	54,682,177	£	50,000	
1861	...	1,946,633	...	400,087	...	10,780,029	...	14,970,000	...	13,331,668	...	4,487,148	...	970,000	
1862	...	1,857,968	...	600,900	...	10,821,956	...	15,570,689	...	12,598,012	...	4,699,581	...	1,050,000	
1863	...	1,910,364	...	496,859	...	10,891,512	...	16,294,780	...	11,370,588	...	4,553,461	...	800,000	
1864	...	1,991,846	...	498,578	...	10,771,490	...	14,633,051	...	10,821,596	...	4,527,453	...	800,000	
1865	...	2,340,522	...	410,532	...	10,205,412	...	14,332,672	...	10,898,253	...	4,606,472	...	820,000	
1866	23,344,579	2,361,894	...	329,688	...	10,250,045	...	13,904,450	...	10,259,788	...	4,601,937	...	563,000	
1867	35,297,536	2,273,164	...	287,688	...	10,523,019	...	14,675,540	...	10,676,101	...	4,823,958	...	450,000	
1868	22,690,246	3,447,270	...	276,356	...	11,183,758	...	15,418,552	...	11,168,949	...	4,863,293	...	520,000	
1869	22,245,882	3,951,155	...	213,797	...	11,966,643	...	15,000,000	...	11,366,545	...	5,021,502	...	595,000	
1870	22,224,883	4,365,848	...	252,951	...	12,254,700	...	13,595,400	...	9,737,290	...	4,933,902	...	200,000	
1871	22,045,378	4,378,737	...	192,640	...	11,962,511	...	13,430,400	...	9,456,641	...	6,522,550	...	150,000	
1872	21,947,386	4,512,706	...	169,943	...	12,160,295	...	15,321,580	...	9,900,466	...	6,626,963	...	370,000	
1873	21,927,521	4,539,548	...	128,912	...	11,760,139	...	14,464,700	...	9,543,000	...	7,203,256	...	308,000	
1874	21,777,380	4,586,274	...	134,350	...	*15,928,139	...	14,426,990	...	10,279,900	...	7,610,781	...	500,000	
1875	21,572,031	5,173,654	...	132,050	...	13,557,716	...	14,519,434	...	10,689,440	...	7,771,861	...	300,000	
1876	21,415,983	5,364,487	280,150	132,050	27,400,000	48,750	14,753,020	500,000	501,638	26,942,566	7,568,447	76,831,773	260,000		
1877	21,381,714	5,374,190	624,780	112,039	29,000,000	292,850	14,928,890	498,362	1,361,338	27,396,117	7,917,850	78,123,298	900,000		
1878	21,375,863	5,547,518	761,825	104,213	28,000,000	412,750	15,624,139	14,607,445	59,4719	10,978,562	30,590,766	77,775,850	82,403,495		
1879	21,367,965	5,711,318	693,676	138,434	28,000,000	644,183	16,599,183	17,283,598	367,578	1,080,000	1,962,316	7,860,789	85,407,789		
1880	21,285,957	5,717,471	651,064	127,134	28,000,000	762,874	16,923,140	15,397,988	247,869	1,115,030	1,416,132	7,997,137	84,105,754		
1881	21,285,816	6,952,636	351,402	101,384	28,000,000	775,264	17,356,499	15,538,631	1,100,000	10,702,925	37,953,236	82,107,924	nil.		
1882	21,185,241	7,192,797	270,120	105,116	28,961,838	704,109	18,545,476	16,909,585	1,100,000	10,756,453	38,796,038	85,472,556	nil.		

* Including Alabama Claims. † Including in the Total Amount for the "Forces". — For the Russian War in the years ended 31st March, 1862, £253,431; and 1864, £25,925. For the Abyssinian War in the years ended 31st March, 1868, £2,000,000; 1869, £5,000,000; 1870, £1,500,000; and 1879, £17,835. For the War in Europe in the years ended 31st March, 1871, £1,350,000; and 1872, £101,097. For the Ashantee War in the years ended 31st March, 1874, £30,000; 1875, £125,000; and 1877, £2,017. For the War in South Africa in the years ended 31st March, 1879, £1,500,000; and 1880, £2,244,920. For the Russo-Turkish War in the year ended 31st March, 1878, £5,500,000. For the Grant to India in the years ended 31st March, 1881, £500,000; and 1882, £250,000. ‡ Including Packet Service from 1871; before that in Civil Charges. (See Page 50).

Gross Amount of Revenue Collected from Customs, Excise, and Stamps (after deducting Repayments and Drawbacks), distinguishing the principal Articles subject to Duty.

Years Ended	CUSTOMS.										Total.
	Sugar and Molasses.	Tea.	Coffee.	Corn, Meal, and Flour.	Spirits, Foreign and Colonial.	Wine.	Tobacco and Snuff.	Other Imported Articles.	Miscellaneous Receipts.		
January 5, 1851	£ 4,114,133	5,396,061	565,659	467,881	2,836,247	1,631,123	4,410,323	2,425,983	87,569	£ 22,019,784	
March 31, 1861	6,067,800	5,419,532	439,422	865,368	2,635,615	* 1,144,794	5,606,468	1,850,527	257,936	23,278,250	
" " " "	6,385,250	5,516,951	436,078	800,886	2,519,369	1,104,976	5,596,211	903,029	300,063	23,682,935	
1863	6,427,923	5,485,159	420,352	711,063	2,708,832	* 1,137,365	5,774,665	807,746	311,345	24,038,393	
1864	6,354,875	5,489,475	420,700	589,321	2,879,683	1,125,744	5,694,069	849,927	191,860	23,254,356	
1865	5,325,098	5,283,729	385,729	743,514	3,203,185	1,217,021	6,080,184	1,073,951	1,80,977	21,527,373	
1866	5,627,629	5,689,517	397,166	767,639	3,173,077	1,207,021	6,275,011	1,073,951	1,63,323	21,302,239	
1867	5,687,727	5,689,517	390,161	869,829	4,539,402	1,491,692	6,549,919	1,571,498	764,536	22,491,981	
1868	5,594,663	5,691,337	383,619	869,829	4,539,402	1,491,692	6,549,919	1,571,498	764,536	22,491,981	
1869	5,594,663	5,691,337	383,619	869,829	4,539,402	1,491,692	6,549,919	1,571,498	764,536	22,491,981	
1870	5,594,663	5,691,337	383,619	869,829	4,539,402	1,491,692	6,549,919	1,571,498	764,536	22,491,981	
1871	5,594,663	5,691,337	383,619	869,829	4,539,402	1,491,692	6,549,919	1,571,498	764,536	22,491,981	
1872	5,594,663	5,691,337	383,619	869,829	4,539,402	1,491,692	6,549,919	1,571,498	764,536	22,491,981	
1873	5,594,663	5,691,337	383,619	869,829	4,539,402	1,491,692	6,549,919	1,571,498	764,536	22,491,981	
1874	5,594,663	5,691,337	383,619	869,829	4,539,402	1,491,692	6,549,919	1,571,498	764,536	22,491,981	
1875	5,594,663	5,691,337	383,619	869,829	4,539,402	1,491,692	6,549,919	1,571,498	764,536	22,491,981	
1876	5,594,663	5,691,337	383,619	869,829	4,539,402	1,491,692	6,549,919	1,571,498	764,536	22,491,981	
1877	5,594,663	5,691,337	383,619	869,829	4,539,402	1,491,692	6,549,919	1,571,498	764,536	22,491,981	
1878	5,594,663	5,691,337	383,619	869,829	4,539,402	1,491,692	6,549,919	1,571,498	764,536	22,491,981	
1879	5,594,663	5,691,337	383,619	869,829	4,539,402	1,491,692	6,549,919	1,571,498	764,536	22,491,981	
1880	5,594,663	5,691,337	383,619	869,829	4,539,402	1,491,692	6,549,919	1,571,498	764,536	22,491,981	
1881	5,594,663	5,691,337	383,619	869,829	4,539,402	1,491,692	6,549,919	1,571,498	764,536	22,491,981	
1882	5,594,663	5,691,337	383,619	869,829	4,539,402	1,491,692	6,549,919	1,571,498	764,536	22,491,981	

* Duties reduced.
 † Duties repealed from May, 1874.
 ‡ Duties upon various articles repealed or reduced.
 § Duties increased.
 || Duties repealed from June 1, 1868.

Gross Amount of Customs and Inland Revenue Collected, &c.—Continued.

Years Ended	EXCISE.										Total.
	Spirits.	Malt.	Sugar used in Brewing	Beer.	Licences.	Railways.	Chloory.	Other Receipts.			
January 5, 1851	5,969,363	5,391,922	10,509	...	1,138,159	463,023	13,273	2,821,775			15,260,639
March 31, 1861	19,225,539	6,206,813	83,294	...	1,492,187	471,632	23,359	2,621,094			19,548,133
" " 1862	9,618,291	5,866,302	63,370	...	1,500,613	486,142	21,608	1,307,334			18,292,540
" " 1863	9,399,707	5,389,908	63,447	...	1,776,852	499,297	15,910	1,607,816			17,174,283
" " 1864	9,692,515	6,082,738	56,077	...	1,843,873	500,556	15,848	800,001			18,428,925
" " 1865	10,176,731	6,394,553	...	...	2,144,402	506,423	16,982	712,638			19,428,324
" " 1866	10,437,168	6,421,260	10,509	...	2,211,907	527,568	14,454	261,023			19,818,163
" " 1867	10,855,849	6,816,385	83,294	...	2,304,318	471,632	23,359	203,486			20,708,323
" " 1868	10,511,530	6,302,419	63,370	...	2,640,237	486,142	21,608	165,032			20,190,338
" " 1869	10,556,218	6,527,708	63,447	...	2,636,206	499,297	15,910	176,954			20,475,740
" " 1870	10,969,180	6,483,612	56,077	...	3,697,354	500,556	15,848	156,602			21,879,238
" " 1871	11,463,899	6,978,371	194,545	...	3,728,770	506,423	16,982	44,917			22,833,907
" " 1872	12,274,596	6,670,955	100,286	...	3,781,979	527,568	14,454	46,326			23,886,964
" " 1873	13,740,542	7,544,175	141,326	...	3,934,393	507,079	16,647	21,238			25,904,450
" " 1874	14,639,562	7,753,617	127,570	...	3,912,498	514,715	5,145	17,952			27,115,969
" " 1875	14,895,783	7,746,740	147,637	...	3,499,756	629,737	3,200	7,294			27,254,132
" " 1876	15,154,327	7,654,681	506,790	...	3,514,168	736,369	3,200	...			27,563,323
" " 1877	14,873,165	8,040,378	487,763	...	3,548,557	728,718	2,942	...			27,681,523
" " 1878	15,183,921	7,721,548	528,298	...	3,584,882	741,919	2,536	...			27,710,514
" " 1879	14,406,690	7,739,507	640,695	...	3,622,217	774,797	2,115	...			27,186,021
" " 1880	13,631,785	6,732,279	628,406	...	3,497,636	726,131	2,066	...			25,218,303
" " 1881	14,393,572	82,676,462	\$501,991	...	3,568,005	748,491	1,371	...			25,372,193
" " 1882	14,273,786	7,619	...	...	3,573,687	798,333	1,792	...			27,170,798

* Duties reduced. † Duties increased or imposed in lieu of other taxes.
 ‡ Duties increased. § Duty repealed from 30th September, 1880. || Duty imposed from 1st October, 1880.
 The excise on bricks repealed 1850; on soap, 1852; on paper, 1861; on hops, 1862.

Gross Amount of Customs and Inland Revenue Collected, &c.—Continued.

Years Ended	STAMPS.										Total.
	Deeds and Other Instruments.	Probates of Wills.	Legacies and Successions.	Insurances, Fire.	Insurances, Marine.	Bills of Exchange, Bankers' Notes, and Composition for Duty on Bills and Notes.	Receipts and Drafts.	Other Receipts.			
January 5, 1851.....	£ 1,543,414	£ 940,720	£ 1,907,466	£ 1,104,858	£ 162,769	£ 592,946	£ 169,570	£ 885,603			£ 6,706,761
March 31, 1861.....	1,327,348	1,286,294	2,161,825	1,485,540	325,942	645,442	436,602	700,476			8,368,869
" " 1862.....	1,596,152	1,907,907	2,266,350	1,534,642	335,198	619,639	423,955	767,211			8,590,654
" " 1863.....	1,396,358	1,325,359	2,374,436	1,580,637	366,607	704,169	452,682	776,490			8,976,738
" " 1864.....	1,503,817	1,471,651	2,251,581	1,633,434	407,695	794,186	477,196	785,290			9,224,850
" " 1865.....	1,636,784	1,511,161	2,337,994	1,572,366	398,768	900,471	500,249	684,622			9,582,645
" " 1866.....	1,633,923	1,580,776	2,604,332	* 1,178,385	472,562	900,705	531,324	703,495			9,605,505
" " 1867.....	1,619,313	1,623,373	2,568,044	952,338	482,167	859,731	547,533	713,214			9,365,663
" " 1868.....	1,602,193	1,635,835	2,892,748	974,019	* 162,374	820,796	562,548	834,064			9,475,177
" " 1869.....	1,572,571	1,561,729	2,769,711	1,018,654	79,637	827,152	567,455	814,541			9,241,450
" " 1870.....	1,686,942	1,769,130	2,953,591	† 442,861	83,223	853,201	583,569	915,338			9,288,583
" " 1871.....	1,665,110	1,856,250	2,949,047	... 283	99,300	900,080	603,273	906,667			8,979,729
" " 1872.....	1,842,422	1,852,560	3,360,489	... 283	109,772	987,100	643,843	988,079			9,789,546
" " 1873.....	1,955,287	1,943,306	3,177,710	... ..	119,159	1,102,111	694,604	1,039,476			9,998,033
" " 1874.....	1,991,006	2,065,210	3,413,712	... ..	127,398	1,127,945	733,153	1,081,284			10,497,607
" " 1875.....	1,965,792	2,153,797	3,400,375	... ..	124,734	1,044,496	747,301	1,081,284			10,497,607
" " 1876.....	2,204,251	2,253,842	3,531,142	... 49	119,259	998,591	781,907	1,189,333			11,023,374
" " 1877.....	2,091,551	2,164,979	3,675,802	... ..	118,975	910,162	789,130	1,108,464			10,877,063
" " 1878.....	2,090,157	2,236,173	3,722,161	... ..	120,379	915,068	814,668	1,132,508			11,031,114
" " 1879.....	2,040,787	2,284,760	3,304,965	... ..	112,601	859,560	825,560	1,193,342			10,621,521
" " 1880.....	2,076,196	2,532,492	3,700,606	... ..	120,560	839,109	812,792	1,225,159			11,306,914
" " 1881.....	2,175,475	3,064,616	3,592,777	... ..	130,383	868,854	877,300	1,224,709			11,933,114
" " 1882.....	2,120,761	3,515,409	3,540,535	... ..	141,693	884,437	889,520	1,255,720			12,348,175

* Stamp duty upon Fire Insurances repealed from 26th June, 1869.

† Duties reduced.

Charges for Collection of Revenue.

SALARIES (Including Superannuation and Retired Allowances) and Management of Revenue Departments in Each Year ended 31st March, from 1861.

	Customs.	Inland Revenue.	Post Office.			Total Cost of Collection.
			Post Office.	Packet Service.	Tele-graphs.	
	£	£	£	£	£	£
1861	1,025,848	1,542,589			...	5,557,226
1862	1,006,527	1,514,675			...	5,591,501
1863	990,927	1,487,930			...	5,474,048
1864	976,601	1,476,632			...	5,449,514
1865	986,364	1,483,528			...	5,477,144
1866	988,265	1,511,338	2,102,333	845,404	...	5,447,340
1867	1,000,465	1,480,471	2,343,021	815,994	...	5,639,951
1868	989,925	1,491,227	2,402,051	808,518	...	5,691,721
1869	994,369	1,581,795	2,445,138	1,096,338	...	6,117,640
1870	979,918	1,577,884	2,316,000	1,221,552	60,000	6,155,354
1871	967,184	1,605,944	2,373,000	1,214,148	362,274	6,522,550
1872	998,761	1,579,332	2,455,692	1,138,700	454,477	6,626,962
1873	972,510	1,621,792	2,634,130	1,133,058	841,766	7,203,256
1874	1,007,652	1,668,363	2,732,341	1,139,470	1,062,956	7,610,781
1875	1,022,534	1,672,374	2,911,917	972,000	1,193,066	7,771,891
1876	994,504	1,699,889	2,982,000	884,054	1,022,000	7,582,447
1877	988,283	1,777,997	3,159,218	850,889	1,141,000	7,917,387
1878	965,547	1,722,720	3,185,346	763,000	1,139,237	7,775,850
1879	962,722	1,828,447	3,273,000	777,600	1,109,000	7,950,769
1880	973,842	1,810,475	3,333,000	772,820	1,107,000	7,997,137
1881	992,491	1,858,000	3,415,200	716,934	1,240,000	8,222,625
1882	1,000,959	1,839,796	3,606,800	708,542	1,366,000	8,522,097

Civil List and Civil Services.

This item, amounting to £17,356,499 in the year 1880-1, is comprised of a vast number of charges, including for that year £407,629 for Civil List; £310,706 for annuities and pensions; £93,650 for salaries, &c.; £595,273 for Courts of Justice; and £170,510 miscellaneous items—these covering the "Consolidated Fund." The Civil Services, in addition, absorbed £15,778,730, including £1,446,401 for public buildings; £2,251,845 for salaries of Government officers; £5,922,443 for law and justice—covering county courts, prisons, police and constabulary, prosecutions, &c.; £4,288,214 for education, science, and art; £607,036 for foreign and colonial services, mainly consular and diplomatic; £1,211,229 for charitable and non-effective services, such as asylums; and £51,562 for other matters.

In 1881-2, these services absorbed £18,548,476, including £535,000 for settlement of Transvaal and Zulu affairs.

Amount of Taxes Repealed or Reduced, and Imposed.

Years.	Repealed or Reduced.	Estimated Amount.	Imposed or Increased.	Estimated Amount.
		£		£
1845...	.....	4,546,306	.....	53,270
1846...	.....	1,151,790	.....	2,000
1847...	.....	344,886	.....	...
1848...	.....	585,968	.....	84
1849...	.....	388,798	.....	...
1850...	.....	1,310,151	.....	...
1851...	.....	2,679,864	.....	600,000
1852...	.....	95,928	.....	...
1853...	.....	3,247,474	.....	3,356,383
1854...	.....	1,284,107	} Crimean War ... {	9,954,643
1855...	.....	312,960		5,225,907
1856...	Malt war-tax.....	2,203,475	
1857...	Income tax and tea...	10,753,582	.....	92
1858...	Income tax	2,100,000	.....	456,780
1859...	.....	...	Income tax	4,340,000
1860...	French Treaty	3,085,931	} Home spirits & in- { comes	3,030,904
		34,091,220				27,020,063
1861...	{ Paper duty and income tax	2,689,558	.....	80,000
1862...	.....	353,671	.....	252,500
1863...	Tea and income tax...	4,646,319	.....	30,811
1864...	Sugar and income tax	3,354,384	.....	119,000
1865...	Tea and income tax...	5,344,981	.....	1,576
1866...	Timber, pepper, &c...	601,462	.....	...
1867...	.....	315,000	Income tax	1,600,000
1868...	.....	...	Income tax	1,450,000
1869...	{ Fire insurance & income tax..... }	4,848,670	.....	1,113,114
1870...	Sugar and income tax	4,644,681	.....	147,338
		26,798,726		4,794,339
1871...	.....	47	Income tax	3,808,268
1872...	Income tax	3,968,743	.....	64
1873...	Sugar and income tax	3,311,237	.....	26,060
1874...	Do. do. and horses	4,186,007	.....	61,250
1875...	.....	58,000	.....	...
1876...	.....	422,950	Income tax	1,881,500
1877...	.....	6,000	.....	...
1878...	.....	80,150	Income tax & tobacco	4,236,787
1879...	.....	...	.....	...
1880...	{ Malt, brewing } { sugar, &c. }	8,444,401	{ Beer, probates, } { and incomes ... }	11,678,000
1881...	Income tax & legacies	2,624,000			Probates. ....	654,500
		20,477,535		21,191,929
Total, 37 years		83,991,481		53,660,831

Balance—Taxation repealed, £30,330,650.

Value of the Total Imports and Exports of Merchandise into and from the United Kingdom, with Proportion thereof per Head of Total Population.

Years.	Imports.		Exports.				TOTAL OF IMPORTS AND EXPORTS.			Years.
	Total Value.	Proportion per Head of Population of United Kingdom.	British Produce.		Foreign and Colonial Produce.	Total Value of British and Foreign and Colonial Produce.	Total Value.	Proportion per Head of Population of United Kingdom.		
			Total Value.	Proportion per Head of Population of United Kingdom.						
1840			£ 51,926,740	£ 1 14 9	£ 31,003,915	£ 116,631,900	£ 9 7 0	1840		
1845			{ 60,111,083	2 8 10	28,630,124	164,631,531	13 0 7	1845		
1850			{ 64,888,085	3 11 10	34,839,884	159,688,468	13 0 5	1850		
1855			{ 85,591,227	4 14 7	42,173,870	198,902,409	13 8 5	1855		
1860			{ 125,102,314	4 6 5	50,300,807	313,619,614	15 3 5	1860		
1865			{ 133,992,364	5 0 0	52,948,551	318,831,578	16 9 0	1865		
1870			{ 146,602,343	5 5 4	49,982,146	325,805,692	16 8 2	1870		
1875			{ 160,449,033	5 8 4	44,840,008	350,985,698	17 15 2	1875		
1880			{ 163,535,735	5 11 1	47,061,065	352,472,068	17 1 3	1880		
1885			{ 188,917,536	6 5 7	44,463,755	387,015,052	17 4 6	1885		
1890			{ 180,961,283	5 5 17	44,840,008	350,985,698	17 10 10	1890		
1895			{ 179,677,613	6 2 7	47,061,065	352,472,068	17 4 6	1895		
1900			{ 198,983,947	6 8 11	44,463,755	387,015,052	17 10 10	1900		
1905			{ 198,596,828	6 7 7	60,268,638	383,574,700	19 1 0	1905		
1910			{ 233,088,162	7 4 7	60,268,638	383,574,700	21 0 6	1910		
1915			{ 256,257,347	8 1 0	58,331,467	311,489,834	21 4 9	1915		
1920			{ 355,184,603	7 13 10	55,046,348	311,004,765	20 11 10	1920		
1925			{ 339,538,191	7 7 9	58,098,948	327,650,464	20 0 4	1925		
1930			{ 200,465,963	6 16 6	58,146,360	281,612,323	20 0 4	1930		
1935			{ 226,639,204	6 6 1	56,137,398	255,776,602	19 1 11	1935		
1940			{ 196,893,065	5 18 11	53,453,955	245,466,080	18 3 6	1940		
1945			{ 192,846,914	5 5 14	53,834,944	245,466,080	18 3 6	1945		
1950			{ 221,581,758	6 5 13	57,251,006	278,832,764	19 1 13	1950		
1955			{ 223,080,446	6 5 12	63,554,020	286,634,466	20 4 10	1955		
1960			{ 231,022,478	6 14 0	63,060,097	297,062,775	19 17 5	1960		

The foregoing figures, showing the gross trade of the country, are entirely exclusive of the imports and exports of bullion and specie, which in 1881 amounted to £16,864,918 and £22,502,819 respectively. [See "Bullion and Coinage."]

For details respecting the various items which go to make up the vast figures given in the preceding table, the reader is referred to the Board of Trade Returns, and to the "Statistical Abstract for the United Kingdom." The following, however, are a few of the principal exports of British produce and manufacture :—

	1861.		1871.		1881.
	£	...	£	...	£
Cotton manufactures	37,579,728	...	57,760,207	...	65,924,478
" yarn and twist	9,292,761	...	15,061,204	...	13,165,053
Woolen and worsted manu- factures	11,118,692	...	27,182,385	...	18,128,756
Woolen and worsted yarn	3,552,976	...	6,100,727	...	3,224,368
Linen manufactures	3,852,341	...	7,503,816	...	5,843,929
Jute manufactures .....	...	...	1,026,759	...	2,370,083
Silk manufactures	1,395,582	...	2,053,086	...	2,564,673
Iron and steel	10,326,646	...	26,124,134	...	27,590,908
Coals and other fuel.....	3,604,790	...	6,246,133	...	8,798,960
Copper.....	2,147,855	...	2,962,634	...	3,438,555
Haberdaahery	3,434,194	...	5,901,979	...	4,190,177
Hardware	3,425,610	...	4,006,385	...	3,859,340
Steam engines	1,258,164	...	2,064,004	...	3,186,550
Other machinery	2,955,506	...	3,902,037	...	6,767,063
Apparel and slops.....	2,168,186	...	2,707,499	...	3,710,475
Beer.....	1,411,205	...	1,853,733	...	1,724,846

To the United States in 1881 we shipped our home manufactures to the value of £29,783,553; to India, £23,276,890; to Germany, £17,335,861; to France, £17,017,424; to Australasia, £19,573,205; and to Holland, £8,880,370.

The imports of foreign and colonial produce and manufactures cover a very wide field, and a few of the principal items are contrasted below :—

	1861.		1871.		1881.
	£	...	£	...	£
Raw cotton	38,653,898	...	55,907,070	...	43,834,647
Wool.....	9,717,636	...	17,926,639	...	26,011,024
Flax	2,998,417	...	5,030,431	...	3,398,272
Jute	709,961	...	3,729,735	...	3,990,292
Wheat	19,051,464	...	23,318,883	...	31,531,535
" flour	4,945,635	...	3,498,008	...	9,205,807
Indian corn	4,879,540	...	6,468,863	...	10,408,302
Sugar	12,589,230	...	18,186,297	...	24,288,777
Tea	6,850,562	...	11,635,644	...	11,203,601
Butter	4,902,394	...	6,939,040	...	10,861,599
Bacon and hams.....	1,341,192	...	2,725,909	...	10,680,177
Wood	11,322,396	...	12,087,210	...	14,866,547
Silk manufactures.....	5,729,445	...	8,195,725	...	11,699,667
Wine	3,862,233	...	7,072,099	...	5,660,202
Horned cattle.....	1,558,065	...	3,582,501	...	6,251,577

Of the total imports in 1881, as much as £102,879,588 came from the United States, £40,019,276 from France, £27,470,473 from India, £20,825,336 from Australia, £22,729,100 from Holland, £23,646,610 from Germany, £14,051,017 from Russia, and £8,874,257 from Canada.

It should be borne in mind that these are values only, and that differences in price often affect the values of the imports and exports greatly. Thus, in 1871, the average value of the cotton imported was £3 10s. 6d. per cwt., while in 1881 it was only £2 18s. per cwt., the difference mainly accounting for the reduction in values shown above. Indeed, most commodities, imported or exported, were dearer in 1871 than in 1881. Prior to 1871 the *real values* of the imports were "computed," whereas since that date they have been "declared," like the exports. Prior to 1854 the trade returns were rendered in "official values," which were notoriously wide of the mark. In 1854, the total imports were returned at £152,389,053, and the exports at £115,821,092.

The trade statistics between Great Britain and the various Colonies and foreign countries are furnished more in detail as those countries are dealt with.

Emigration to and Immigration from Countries out of Europe.
(Selected Years.)

	BRITISH EMIGRATION TO—				IMMI-GRANTS.
	United States.	Canadian Dominions.	Australasia.	Total.	
1842	63,852	54,123	8,534	128,344	...
1843	28,335	23,518	3,478	57,212	...
1851	267,357	42,605	21,532	335,966	...
1852	244,261	32,873	87,881	368,764	...
1853	230,885	34,522	61,401	329,937	...
1854	193,065	43,761	83,237	323,429	...
1861	49,764	12,707	23,738	91,770	...
1873	166,730	29,045	25,137	228,345	86,416
1880	166,570	20,902	24,184	227,542	68,316
1881	176,104	23,912	22,682	243,002	77,105

In 1881 the emigrants were, English, 139,976; Scotch, 26,826; Irish, 76,200.

BRITISH MINES.

Quantities and Value of Coal and Metals produced in the United Kingdom.

Years.	METALS PRODUCED FROM BRITISH ORES.								Total of Coal and Metals.	Years.
	Coal.	Pig Iron.	Fine Copper.	Metallic Lead.	White Tin.	Zinc.	Silver, from Lead.	Other Metals.		
QUANTITIES.										
	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Oz.			
1860	80,042,688	3,826,752	15,968	63,317	6,695	4,357	628,740	...	...	1860
1865	96,150,587	4,819,254	11,988	67,181	10,039	4,460	724,856	...	...	1865
1870	110,431,192	5,963,515	7,175	73,420	10,200	3,936	784,562	...	...	1870
1871	117,352,028	6,627,179	6,280	69,056	10,900	4,966	761,490	...	...	1871
1873	123,497,316	6,741,929	5,703	60,420	9,560	5,181	622,920	...	...	1873
1873	127,016,747	6,569,451	5,240	54,235	9,973	4,471	537,707	...	...	1873
1874	125,067,916	5,991,408	4,927	58,777	9,942	4,470	506,277	...	...	1874
1875	131,967,105	6,365,462	4,563	57,435	9,614	6,713	487,358	...	...	1875
1876	133,244,828	6,555,997	4,694	58,667	8,500	6,941	483,422	...	...	1876
1877	134,610,763	6,608,664	4,486	61,403	9,500	6,281	497,375	...	...	1877
1878	132,654,887	6,381,051	3,952	58,333	10,106	6,309	420,079	...	...	1878
1879	134,006,228	5,995,337	3,462	50,912	9,532	6,271	333,462	...	...	1879
1880	146,818,622	7,749,233	3,662	56,949	8,918	7,162	295,518	...	...	1880
1881	154,184,300	8,155,073	3,885	48,415	8,617	15,947	306,518	...	...	1881

In making a ton of pig iron, about 2 tons 4 cwts. of coal are now consumed; in 1870 the consumption was 3 tons; and in 1840 it was 3½ tons.

Years.	METALS PRODUCED FROM BRITISH ORES.								Total of Coal and Metals.	Years.
	Coal.	Pig Iron.	Fine Copper.	Metallic Lead.	White Tin.	Zinc.	Silver, from Lead.	Other Metals.		
ESTIMATED VALUE AT THE PLACE OF PRODUCTION.										
	£	£	£	£	£	£	£	£	£	£
1860	20,010,674	9,566,880	1,706,261	1,412,760	871,382	89,536	172,909	170,927	34,001,323	1860
1865	24,537,646	12,048,133	1,134,664	1,433,161	971,273	104,810	199,335	150,000	40,584,846	1865
1870	27,697,798	14,908,787	551,309	1,432,715	1,299,505	74,096	196,140	3,500	43,694,600	1870
1871	35,285,608	16,667,947	475,143	1,251,815	1,498,759	92,743	190,372	3,000	55,385,378	1871
1872	46,811,143	18,540,304	583,232	1,208,411	1,459,999	118,076	157,320	2,500	68,380,976	1872
1873	47,631,280	18,057,739	502,822	1,263,375	1,329,766	120,069	131,077	5,000	69,041,158	1873
1874	45,849,194	16,476,372	443,032	1,298,463	1,077,712	106,773	127,319	4,540	65,383,405	1874
1875	46,163,486	15,645,774	413,284	1,290,373	896,266	102,790	115,747	6,812	64,684,532	1875
1876	46,670,698	16,062,192	391,130	1,270,415	675,750	158,011	106,222	3,928	65,338,316	1876
1877	47,113,767	16,191,236	340,067	1,262,600	695,162	136,612	113,950	3,313	65,856,727	1877
1878	46,429,210	16,154,992	271,042	972,491	663,080	123,025	88,296	10,196	64,712,332	1878
1879	46,902,579	14,988,342	222,507	765,489	689,163	95,806	70,860	2,790	63,727,881	1879
1880	62,395,414	19,373,082	253,277	953,895	813,767	123,544	63,015	1,509	83,977,494	1880
1881	65,528,327	20,387,682	264,180	724,408	839,835	269,500	67,488	1,200	88,082,670	1881

These estimated values appear faulty. In coal, for instance, for many years the value was calculated at 5s. per ton, and in 1873, at 7s. 6d., whereas it is well-known that the average price in 1873 was more than double what it was a few years previously. In 1881, the average price appeared to be 8s. 6d., or more than in 1873.

SHIPPING.

Total Number and Tonnage of Vessels Registered as Belonging to the United Kingdom, including Jersey, Guernsey, and the Isle of Man, at the end of each Year.

Years.	Sailing Vessels.		Steam Vessels.		Total.	
	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.
1840	21,883	2,680,334	771	87,928	22,654	2,768,262
1850	24,816	3,475,657	1,227	186,687	26,043	3,662,344
1860	25,663	4,204,360	2,000	454,327	27,663	4,658,687
1861	25,905	4,300,518	2,133	506,308	28,038	4,806,826
1862	26,212	4,396,509	2,228	537,891	28,440	4,934,400
1863	26,339	4,731,217	2,298	596,856	28,637	5,328,073
1864	26,142	4,980,219	2,490	697,281	28,632	5,627,500
1865	26,069	4,936,776	2,718	823,533	28,787	5,760,309
1866	26,140	4,903,652	2,831	875,685	28,971	5,779,337
1867	25,842	4,852,911	2,931	901,062	28,773	5,753,973
1868	25,500	4,878,233	2,944	902,297	28,444	5,780,530
1869	24,187	4,765,304	2,972	948,367	27,159	5,713,671
1870	23,189	4,577,855	3,178	1,112,934	26,367	5,690,789
1871	22,510	4,374,511	3,382	1,319,612	25,892	5,694,123
1872	22,103	4,213,295	3,673	1,538,032	25,776	5,751,327
1873	21,698	4,091,379	3,863	1,713,783	25,561	5,805,162
1874	21,464	4,108,220	4,033	1,870,611	25,497	5,978,831
1875	21,291	4,206,897	4,170	1,945,570	25,461	6,152,467
1876	21,144	4,257,986	4,335	2,005,347	25,479	6,263,333
1877	21,169	4,260,699	4,564	2,139,170	25,733	6,399,869
1878	21,058	4,238,692	4,826	2,316,472	25,884	6,555,164
1879	20,538	4,068,742	5,027	2,511,233	25,565	6,579,975
1880	19,938	3,851,045	5,247	2,723,468	25,185	6,574,513
1881	19,325	3,688,008	5,505	3,003,988	24,830	6,691,996

According to the statistics of the "Bureau Veritas," Great Britain owns 64½ per cent. of the entire ocean steam tonnage of the world, and about 39 per cent. of the entire sailing tonnage. The United States stands second on the list; France third and Germany fourth as regards steam vessels; Norway third as regards sailing vessels. The merchant seamen employed on British vessels in 1881 were 192,903 in number (24,805 foreigners), or 2.97 per ton, against 3.52 per ton in 1870, and 4.03 per ton in 1860.

Acreege of Crops and Number of Live Stock.

Description of Crops and Live Stock.	UNITED KINGDOM, including the Isle of Man and Channel Islands (Total Area, 77,828,948 Acres).						
	1867.	1870.	1871.	1875.	1878.	1880.	1881.
	Acres.	Acres.	Acres.	Acres.	Acres.	Acres.	Acres.
Cultivated area	45,387,066	46,177,370	46,667,178	47,313,789	47,386,615	47,596,700	47,646,113
Corn Crops.							
Wheat	3,640,051	3,773,663	3,831,054	3,514,068	3,881,701	3,065,885	2,967,059
Barley or bere	2,440,242	2,623,752	2,616,965	2,751,362	2,722,879	2,695,000	2,662,927
Oats	4,483,097	4,424,536	4,362,139	4,176,177	4,124,029	4,191,716	4,306,361
Eye	60,616	74,527	81,222	64,579	71,074	47,987	49,064
Beans	547,782	539,968	550,613	574,414	446,466	436,361	451,310
Peas	320,715	318,607	391,250	318,410	284,096	225,177	217,926
Total	11,432,503	11,755,053	11,833,243	11,399,030	11,030,175	10,972,086	10,654,667
Green Crops.							
Potatoes	1,500,860	1,639,296	1,693,625	1,431,879	1,964,508	1,380,578	1,443,434
Turnips and swedes	2,519,437	2,559,629	2,500,585	2,485,256	2,372,198	2,336,469	2,341,045
Mangold	277,886	332,409	392,941	405,527	399,306	385,319	394,651
Carrots	20,667	19,225	25,047	18,633	19,163	21,402	20,012
Cabbage, kohl-rabi, and rape	169,473	189,344	222,610	231,717	218,555	204,016	177,590
Vegetables, lucerns, &c.	463,559	366,532	436,410	463,817	468,163	418,450	426,509
Total	4,951,866	5,107,135	5,271,396	5,057,029	4,832,195	4,746,293	4,603,211
Other Crops, Grass, &c.							
Flax .....	...	218,870	174,269	107,999	119,076	166,521	153,634
Hops	64,234	60,367	60,053	69,172	71,789	66,705	64,943
Bare fallow or uncropped arable land	953,996	630,294	565,896	570,005	650,238	823,776	817,696
Clover, sanfoin, and grasses under rotation	5,679,433	6,320,126	6,236,598	6,387,953	6,537,748	6,389,225	6,384,172
Permanent pasture (exclusive of heath or mountain land)	22,052,510	22,065,295	22,525,761	23,772,602	24,065,394	24,717,092	24,767,767
Orchards, market gardens, and nursery gardens			Not ascertained.				
Woods, coppices, and plantations	Not ascertained.		2,500,461	2,512,251	2,517,994	2,749,121	2,786,876
Live Stock.							
Horses—for agriculture, mares for breeding, and unbroken	No.	No.	No.	No.	No.	No.	No.
Other kinds .....	...	1,750,498	1,742,569	1,619,637	1,927,066	1,929,680	1,923,619
Cattle .....	...	860,806	855,624	971,164	971,945	972,969	...
Sheep	8,731,473	9,235,052	9,346,216	10,162,737	9,761,228	9,871,153	9,905,013
Pigs (exclusive of those kept in towns and by cottagers)	33,617,951	32,786,763	31,403,500	33,461,946	32,571,018	30,239,620	27,896,273
Total	4,221,100	3,650,730	4,136,616	3,465,167	3,767,960	2,863,468	3,149,173
Wheat yield (Kains-Jackson's Estimate), per acre	25 bush.	32 bush.	27 bush.	23 bush.	30 bush.	26 bush.	26 bush.
Average value of English wheat—December—per bushel	8s. 4d.	6s. 7d.	7s.	5s. 8d.	5s.	5s. 5d.	5s. 8d.

Upon the supposition that the wheat crop in 1881 reached 77,000,000 bushels, the total value, at 5s. 8d. per bushel, would be £21,800,000. At an average of £15 per head, the cattle, including calves, would represent a capital value of £148,000,000; while the sheep and lambs, at £2 per head, would represent a capital of about £56,000,000.

INCOME TAX.

*Annual Value of Property and Profits in the United Kingdom,
Assessed under each Schedule.*

Year.	Schedule A.	Schedule B.	Schedule C.	Schedule D.	Schedule E.
	£	£	£	£	£
1860	138,950,658	52,003,030	29,701,283	95,439,063	19,094,284
1861	141,663,783	52,102,396	27,480,840	94,740,269	19,666,923
1862	148,651,682	54,301,291	29,083,200	99,373,470	20,335,598
1863	150,102,371	54,301,965	30,652,613	103,120,613	20,965,335
1864	151,942,588	54,344,997	31,528,697	112,240,268	21,046,292
1865	161,397,345	56,180,564	32,044,489	124,075,550	22,130,732
1866	165,615,039	56,234,491	33,070,680	134,439,145	23,745,825
1867*	*136,867,815	56,434,848	33,640,440	*173,088,935	23,741,530
1868	143,071,379	57,806,550	33,689,568	171,848,056	23,953,418
1869	144,876,190	57,960,869	34,790,120	173,054,195	24,122,583
1870	146,526,171	58,007,418	35,700,480	178,378,696	26,301,463
1871	152,463,197	59,124,812	38,118,540	189,024,567	26,863,250
1872	153,817,528	59,196,176	38,646,360	202,905,367	27,772,886
1873	155,621,992	59,246,526	40,530,120	228,870,082	29,538,564
1874	160,281,836	60,342,214	41,819,280	249,878,354	30,704,077
1875	162,431,893	66,752,223	42,389,640	266,942,347	32,540,064
1876	164,816,587	66,806,095	41,765,002	271,865,316	34,044,347
1877	174,173,113	69,237,966	39,968,177	256,908,743	30,043,390
1878	177,139,578	69,172,300	39,861,802	260,626,971	31,494,320
1879	180,037,896	69,140,132	39,510,310	257,370,699	31,987,260
1880	185,377,770	69,383,066	39,860,483	249,489,398	32,786,184

Schedule A.*—On all lands, tenements, tithes not commuted, manors, fines, &c. (railways, canals, mines, gasworks, waterworks, &c. prior to 1867.)

Schedule B.—On the occupation of land, tenements, and hereditaments.

Schedule C.—On all profits arising from annuities, dividends, &c. payable out of public revenues—home, colonial, or foreign.

Schedule D.*—On all gains arising from any profession or trade (railways, canals, mines, gasworks, waterworks, &c. subsequent to 1866).

Schedule E.—On all public offices and pensions paid out of the public revenue, and salaries, &c., of employes of corporate bodies, &c.

Total Annual Value of Property and Profits Assessed.

Year.	England.	Scotland.	Ireland.	United Kingdom.
	£	£	£	£
1850	229,226,929	26,904,830	...	...
1855	256,008,450	30,543,911	21,586,782	308,139,143
1860	282,312,309	29,913,124	22,962,885	335,188,318
1865	335,175,427	36,195,384	24,457,869	395,828,680
1870	379,310,635	39,533,365	26,070,228	444,914,228
1875	481,774,580	53,934,528	35,347,059	571,056,167
1876	489,841,820	53,926,912	35,528,615	579,297,347
1877	480,425,213	54,441,576	35,464,600	570,331,389
1878	486,698,836	55,712,709	35,929,649	578,294,971
1879	485,939,056	55,897,204	36,210,037	578,046,297
1880	485,676,370	55,079,954	36,140,577	576,896,901

SAVINGS' BANKS.

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Total Amount Received and Paid by Trustees of SAVINGS' BANKS from and to Depositors in each Year, and of the Computed Capital of Savings' Banks at the end of each Year.

	Received.	Interest Credited.	Paid.	Capital (Deposits in Hand).
	£	£	£	£
1841.....	5,694,908		5,487,723	24,474,689
1850.....	6,363,690		6,760,323	28,930,982
1860.....	9,478,585	...	8,258,421	41,258,368
1861.....	8,764,870	†1,144,776	9,621,539	41,546,475
1862.....	8,136,630		10,195,629	40,562,256
1863.....	8,248,702		8,906,642	40,951,505
1864.....	8,174,679		10,781,829	39,520,336
1865.....	7,684,637	†1,097,397	9,557,072	38,745,298
1866.....	7,225,809	(† Estimates not in Official Returns.)	10,652,998	36,382,116
1867.....	7,260,831		8,160,060	36,533,203
1868.....	7,411,203		8,076,918	36,867,457
1869.....	7,667,735		7,857,091	37,553,746
1870.....	7,571,667	†1,000,919	8,167,783	37,958,549
1871.....	8,038,022		8,150,513	38,819,663
1872.....	8,562,971		8,386,184	39,679,880
1873.....	8,788,385		9,071,244	40,500,135
1874.....	9,066,674		9,216,325	41,466,399
1875.....	9,295,515	†1,134,834	9,509,219	42,387,529
1876.....	9,293,879		9,537,695	43,283,458
1877.....	9,363,631	1,246,732	9,655,135	44,238,686
1878.....	9,158,618	1,261,678	10,365,597	44,293,385
1879.....	8,915,772	1,248,459	10,659,756	43,797,960
1880.....	9,008,315	1,246,829	10,076,557	43,976,447
1881.....	9,227,816	1,146,493	10,210,640	*44,140,116

* Exclusive of about £136,000 invested in Three per Cent. Stock for depositors.

In 1880, the capital of £43,976,447 was held as follows:—England, £34,223,298; Wales, £1,079,039; Scotland, £6,573,945; Ireland, £2,100,165.

Total Amount Received from and Paid to Depositors in the POST OFFICE SAVINGS' BANKS, and of the Computed Capital of those Savings' Banks at the end of each Year.

	Received (Including Interest).	Paid.	Capital (Deposits in Hand).
	£	£	£
1864.....	3,452,351	1,836,056	4,993,124
1865.....	3,851,887	2,318,611	6,526,400
1866.....	4,569,830	2,975,055	8,121,175
1867.....	4,877,264	3,248,510	9,749,929
1868.....	5,605,887	3,689,141	11,666,655
1869.....	6,084,610	4,227,056	13,524,209
1870.....	6,333,082	4,758,187	15,099,104
1871.....	7,041,967	5,115,467	17,025,004
1872.....	8,129,995	5,896,660	19,318,339
1873.....	8,433,591	6,584,181	21,167,749
1874.....	8,865,815	6,876,095	23,157,469
1875.....	9,355,436	7,325,560	25,187,345
1876.....	9,601,681	7,792,476	26,996,550
1877.....	9,828,198	8,083,991	28,740,757
1878.....	10,185,000	8,514,194	30,411,563
1879.....	10,630,745	9,030,174	32,012,134
1880.....	11,079,137	9,346,634	33,744,637
1881.....	12,694,146	10,244,287	*36,194,496

* Exclusive of £712,219 invested in Three per Cent. Stock for depositors.

In 1880, the capital of £33,744,637 was held as follows:—England and Wales, £31,568,770; Scotland, £619,973; Ireland, £1,555,894.

NATIONAL DEBT OFFICE.

This Office was established in 1786, for the purposes of reducing the National Debt by the application of sinking funds, and subsequently for the selling of Government annuities, and later still, for investing sums received from the trustees of Savings' Banks and Friendly Societies of the United Kingdom. The sums received by the Commissioners for the Reduction of the National Debt for investment from such trustees from the commencement, in 1817, to 20th November, 1881, together with the interest due thereon, which is credited half-yearly, have amounted to £130,670,697. They have repaid to the trustees in the same time £84,705,790, and at 20th November in that year there was due to the trustees from the Commissioners £45,964,907. The value of the securities (mainly Three per Cents., Exchequer Bonds, Suez Bonds, 1885 and other annuities, Irish Church, and Public Works Loan Commissioners' Bonds, and Turkish Guaranteed Loan) held by the Commissioners on the 20th November, 1881, calculating their value by the prices of that day, was £43,820,344, leaving a deficiency of £2,144,562 to be made good from the public purse if necessary.

The sums received by the Postmaster-General from Post Office Savings' Banks are also invested by the Commissioners. The amount of this fund was £36,697,522 on the 7th January, 1882.

The Government annuities granted by this Office are of two descriptions, under separate Acts of Parliament.

The Act 10 Geo. IV., cap. 24, empowers the Commissioners to grant life annuities, and annuities to continue for a certain term of years, such respective annuities to commence either

immediately or at a future period (in which case they are called *Deferred Annuities*), upon the payment of money or the transfer of stock or Bank annuities to them in consideration for the same. No sum less than £100 of stock (or money or annuities equal in value to £100 of Three per Cent. Stock) can be transferred or paid in *the first instance*; but additions may be made to any annuity already purchased by transferring an amount not less than £20 of Three per Cents., or of any stock carrying a higher rate than 3 per cent., or of Bank stock, or money equivalent thereto.

Annuities under this Act may be increased to any extent, subject to the approval of the Commissioners.

No person may be appointed the nominee for any life annuity who shall be under the age of fifteen years, nor can any annuity, to continue for a term of years certain, be purchased for a shorter term than ten years.

The Commissioners are authorised to sell any immediate annuities, or any temporary annuities, or any deferred annuities (except that no deferred annuities can be granted under the provisions of the said Act for any certain limited term of years, to commence from and after the death of any nominee); but the tables are too long to be published. Information relating to them may be obtained at the Office.

In the case of *deferred life annuities*, sums of money, amounting to £5 or upwards, may be paid by the purchaser annually, instead of paying the whole consideration at once; but it is enacted that, whenever it shall happen that any person having made any one or more yearly payments in respect of the purchase of any deferred annuity shall make default in paying the residue of such annual payments until the whole consideration for any such annuity shall be fully paid according to the agreement, the amount of all annual payments which shall have been made previous to such default shall be forfeited for the benefit of the public, and all title to any annuity in respect thereof shall be extinguished.

No annuity can be deferred for a less period than ten years. *Life annuities* cannot be transferred in parts or shares, nor can the original nominee ever be changed.

If *money* be paid for the purchase of an annuity, the Act directs a charge of 2s. 6d. to be made upon the purchaser, for every £100 Three per Cent. Stock which such money would purchase on the day of contract.

Acts 3 & 4 Wm. IV., c. 14; 16 & 17 Vict., c. 45; and 27 & 28 Vict., c. 53, empower the Commissioners to grant annuities not exceeding £50 to depositors in Government Savings' Banks, or other persons of small means. These

annuities are distinguished by the name of Savings' Bank Annuities, and may be purchased at Savings' banks as well as at the National Debt Office. Should the proposed nominee not be a depositor in a Savings' bank, a declaration concerning the amount of his or her income is required to be made. The nominee must also be sole proprietor, except in the case of females, minors, or imbeciles, when the annuity is allowed to be purchased in the names of two trustees, who are co-proprietors with the nominee. A husband and wife may each hold an annuity of £50, and annuities on joint lives may also be contracted for; but in no case can a sum greater than £50 depend on one life. All payments for purchases must be made in money, for which under this Act, as distinguished from the former, no commission is charged, and the age of any nominee at the time of purchase must not be less than ten years. No annuity, immediate or deferred, can be purchased less than £4 per annum in the first instance; but further purchases of not less than £1 per annum can be made subsequently.

If a deferred annuity be contracted for, the purchase-money may be paid in one sum at the time of contract, or in equal annual instalments; but no annuity may be deferred for less than ten years. A deferred annuity may be contracted for, having the purchase-money returnable or not, at the option of the purchaser. The advantages of the returnable class are, that should the annuitant die before the annuity becomes due, all sums actually paid by him are returnable to his representative; or should he, during his life, desire to be repaid the sums actually paid by him, such repayment will be made, if the annuity has not become due.

These annuities cannot be sold, transferred, or otherwise disposed of, but always remain the property of the original purchaser.

Should an annuity be received by power of attorney, such document is free from stamp duty.

These annuities are subject to the same laws as deposits in Savings' banks.

The following rules are common to both descriptions of annuity:—

Annuities are made payable by two equal half-yearly payments, on the 5th January and 5th July, or on the 5th April and 10th October.

Stocks cannot be transferred while they are "shut" for the dividends.

<p>If the annuity shall be transferred, or payment shall be made in money, between the 5th January, <i>exclusive</i>, and the 5th April, <i>inclusive</i>.</p>	<p>{</p>	<p>Such annuity will become payable the 5th July and the 5th January in every year.</p>
<p>If between the 5th April, <i>exclusive</i>, and the 5th July, <i>inclusive</i>.</p>	<p>{</p>	<p>It will become payable the 10th October and the 5th April in every year.</p>
<p>If between the 5th July, <i>exclusive</i>, and the 10th October, <i>inclusive</i>.</p>	<p>{</p>	<p>It will become payable the 5th January and the 5th July in every year.</p>
<p>If between the 10th October, <i>exclusive</i>, and the 5th January, <i>inclusive</i>.</p>	<p>{</p>	<p>It will become payable the 5th April and the 10th October in every year.</p>

Take Notice.—The 4th April, the 4th July, the 9th October, and the 4th January are the last days in each quarter on which contracts can be entered into to enable the transfer of stock or payment in money, on the 5th April, the 5th July, the 10th October, and the 5th January, for the annuity to become payable as above stated. *If either of the last-mentioned quarter-days should happen to fall on a Sunday, then the contract must be entered into on the 3rd April, the 3rd July, the 8th October, and the 3rd January.*

The Act directs that for the space of fourteen days next after any of the said quarterly days no bargain or contract shall be made by or on behalf of the said Commissioners for the grant or purchase of any annuity under the said Act.

Warrants are delivered by the National Debt Office, and are payable at the Bank of England; they may be received by power of attorney. The nominee of a life annuity must either appear personally, or a certificate of existence must be produced; if the annuity depend on two lives and the longer liver of them, a certificate of the existence of either will suffice.

Upon the death of any single nominee, or of the survivor of any two joint nominees in respect of any *life annuity*, or upon the death of either of the two joint nominees, in case the annuity shall have depended upon the *joint continuance* of the lives of two joint nominees, a sum equal to one-fourth part of the annuity depending upon the life of such single or surviving nominee, or such two joint nominees (over and above all half-yearly arrears thereof respectively), will be payable to the person entitled to such annuity, or his executors (as the case may be), provided such last-mentioned payment shall be claimed within *two years* after such decease, but not otherwise; provided also that the fourth part of any expired life annuity, payable under the provisions of the said Act, will not be payable, nor be paid upon or in respect of any *deferred life annuity*, unless one half-yearly payment of such deferred life annuity shall have been actually paid or become due at the time of the decease of such nominee. Persons having once produced the documents required by the Act, may purchase a further annuity upon the life of the same nominee, without exhibiting any fresh certificate of age, &c.

If certificates or declarations containing false statements of the ages of nominees, with intent to obtain a higher rate of annuity than would be obtained according to their true age, should be produced, all Bank annuities, or *stock*, or money which may have been transferred or paid for the purchase of such annuities, will be forfeited; and all right and title to any annuity which would or might otherwise have been payable in respect thereof will cease; and the person on whose behalf such Bank annuities, or *stock*, or money may have been transferred or paid will forfeit treble the amount of any and every such sum which may have been received on account of any such annuity, and also the further sum of £500.

Persons receiving annuities after the same ought to cease by virtue of the Act (knowing the nominees to be dead) will forfeit treble the amount of all money so received, and also the further sum of £500.

Persons convicted of forging, counterfeiting, or altering any register of birth, or baptism, or any copy thereof, or any of the certificates, declarations, or other instruments required by the Act, or of personating any true and real nominee or nominees, will be adjudged guilty of felony.

Persons convicted of wilfully or corruptly swearing or affirming any matters or things which shall be untrue will be subject to the penalties of perjury.

Tables and blank forms are delivered *gratis*; and for the accommodation of the public, they will be transmitted to persons on writing to the "*Secretary*," National Debt Office, 19, Old Jewry, London, E.C.

TERMINABLE ANNUITIES.

Since 1808, annuities for life or for years have been granted by the Government amounting to £6,163,703, the consideration being something like £70,000,000 of stock or Exchequer bills. Of the annuities thus created, £5,165,936 have ceased to be payable. This does not include the annuities (expiring in 1885) which have been created since 1860 to raise money for fortifications and other purposes.

THE PRICES OF ANNUITIES.

The prices of annuities, which are published at the National Debt Office, are calculated with reference to the rate of interest paid by the Three per Cents., according to their market value. The price of Three per Cents. mentioned in the tables is the mean price of Consols and Reduced Three

per Cents., after deducting the interest accrued upon both stocks from the last dividend to the time of contracting the annuity. For example :—

If an annuity be purchased after the 1st of May in any year, the price of Three per Cent. Consols being 100, and of Reduced Three per Cents. 99, the following is the calculation in order to find the actual value of Three per Cent. Stock on that day, by which the price of an annuity, either for a fixed term or on a life, according to the Government tables, is regulated :—

	£	s.	d.	£	s.	d.
Three per Cent. Consols	100	0	0			
Deduct interest accrued from the 5th of January		0	19	3		
				99	0	9
Three per Cent. Reduced.....	99	0	0			
Deduct interest accrued from the 5th of April..		0	4	3		
				98	15	9
				197	16	6
Mean price per cent. of Three per Cent. Stock, excluding the dividend				98	18	3
Interest produced.....				3	0	8

By the above method, the price of a Government annuity may be easily determined within a trifling sum, by referring to the column in the tables at the head of which the net price of Three per Cent. Stock thus computed occurs.

If one of the Three per Cent. Stocks be shut for the dividend, the calculation is made in the other, by merely deducting the accrued interest from the average price of such stock on the day of contract. If any stock bearing a higher rate of interest be tendered at the Annuity Office, it is converted into Three per Cents. by calculation, according to the average price of such stock on the day of tender. Payment may also be made for an annuity in money; in which case a charge of 2s. 6d. per cent. on the amount invested is made at the Annuity Office, in order to defray the expense of laying out the money in the Government funds in the names of the Commissioners for the Reduction of the National Debt.

THE BANK OF ENGLAND.

The first charter of the Bank of England was dated the 27th July, 1694, when it was incorporated by the Act 5 Wm. and Mary, c. 20, for the term of eleven years. The origin of this charter was an advance to the Government of £1,200,000 at 8 per cent. interest, together with £4,000 per annum for management. This loan was made redeemable by Parliament after twelve months' notice to that effect, given after the 1st August, 1705; but it remains still unpaid, together with the various additions subsequently made, amounting altogether now to £11,015,100. The various loans by the Bank of England to the State, amounting to this aggregate sum, together with the dates, are comprised in the following table; and it will be observed, from the historical outline following the table, that the different charters conveying exclusive privileges to the Bank of England have been conceded either as equivalents for these loans or for their deferred liquidation:—

	£	s.	d.
1694. Original subscription, lent at 8 per cent.	1,200,000	0	0
1708. Advanced without interest	400,000	0	0
" Exchequer bills cancelled.....	1,775,027	17	10
1717. " "	2,000,000	0	0
1722. Advanced to pay off South Sea stockholders..	4,000,000	0	0
	9,375,027	17	10
1727-8. Deduct sum paid out of the Sinking Fund...	1,775,027	17	10
	7,600,000	0	0
1728. Advanced on the security of duties	1,750,000	0	0
" " on lottery	1,250,000	0	0
	10,600,000	0	0
1728. Paid out of Sinking Fund	£500,000		
1738. " "	1,000,000		
	1,500,000	0	0
Carried forward	9,100,000	0	0

	£	s.	d.
Brought forward	9,100,000	0	0
1742. Advanced without interest	1,600,000	0	0
1746. Exchequer bills cancelled	986,800	0	0
1816. Advanced at 3 per cent.	3,000,000	0	0
	<hr/>		
	14,686,800	0	0
1835. By transfer of £4,080,000 Reduced Three per Cents., equal to one-fourth	3,671,700	0	0
	<hr/>		
	11,015,100	0	0

The charters granted by the Government to the Bank of England have been in effect as follows:—

1694.—Original charter granted under 5 Wm. III., c. 20, for eleven years, on the condition that the Company advanced £1,200,000 to Government, at 8 per cent. per annum, and the sum of £4,000 per annum for management. No notes were issued under £20.

In 1696, the Bank became involved in difficulties through the scarcity of specie during the great recoinage, which took place about this time, and its notes were at a discount of 20 per cent., and Exchequer tallies at a discount of 30 to 40 per cent.

1697.—To overcome the difficulties the Bank had to encounter from the depreciation of its notes, the Act 8 & 9 Wm. III., c. 20, empowered it to increase its capital by subscriptions in these notes, of which the proportion was one-fifth, and four-fifths in tallies, to the extent of £1,001,171 10s., making the total capital £2,201,171 10s., and the charter was extended to 1710; and by the 28th section it was enacted that no other corporation, fellowship, company, or institution, in the nature of a bank, should be established by Act of Parliament in the kingdom.

1708.—During the reign of Queen Anne, the demand for money to carry on war afforded great temptations to speculators to take advantage of the necessities of the Government; and it was during this reign that the Bank of England laid the foundation of its present banking monopoly. And by 7 Anne, c. 7, sec. 61, it was enacted that, “during the continuance of the corporation of the Governor and Company of the Bank of England, it shall not be lawful for any body politic or corporate whatsoever, erected or to be erected (other than the said Governor and Company of the Bank of England), or for any other parties whatsoever, united or to be united in covenants or partnership, exceeding the number of *six persons*, in that part of Great Britain called England, to borrow, owe, or take up any sum or sums of money on their bills, notes, payable on demand, or at any time less than six months from the borrowing thereof.”

This extraordinary power was given to the Bank to crush a body of adventurers who came forward at this period, under the title of the "*Mine Adventure Company*," and gave to the Bank the sole power of banking and creating paper money. The charter was this year extended to the 1st August, 1732, and the Company authorised to double its capital. The sum of £400,000 was lent to Government; and from the 1st August, 1711, the rate of interest upon the total debt was to be at 6 per cent. per annum.

1709, 1710.—The capital of the Bank was increased as follows:—

	£	s.	d.
Existing capital.....	2,201,171	10	0
Subscriptions in equal amount	2,201,171	10	0
February, 1709, call of 15 per cent.	656,204	0	0
December, 1710, call of 10 per cent.	501,448	10	0
	5,559,995	10	0

1713.—This year the charter was again extended to August, 1742, for which the Bank undertook to circulate £1,200,000 Exchequer bills. In 1717, the Bank added to its loan £2,000,000 in Exchequer bills, at 5 per cent. interest, and after Midsummer in 1718 reduced its interest from 6 to 5 per cent.

In 1722, the Bank was authorised to purchase South Sea Stock to the amount of £4,000,000, on which 5 per cent. interest was payable till Midsummer, 1727, and afterwards 4 per cent.

In 1727, the Bank received from the Sinking Fund the balance of £1,775,027 17s. 10d., which reduced the Bank debt to £7,600,000. In the following year it advanced £1,750,000, at 4 per cent., on the coal duties; £1,250,000 on lottery; and received from the Sinking Fund £500,000. In 1738, the sum of £1,000,000 was paid from the Sinking Fund, reducing the debt to £9,100,000.

1742.—In this year the charter was renewed by Act 15 Geo. II., c. 13, until 1764, and £1,600,000 was advanced to Government, without interest. The capital of the Bank was increased by subscription £840,004, making the total capital £9,800,000.

In 1745, the advance of Charles Stuart, styled the Pretender, at the head of a body of Highlanders, as far as Derby, caused a run upon the Bank for coin; and in order to gain time, the directors adopted the plan of paying in shillings and sixpences. But the merchants and traders of the City of London having met and passed a resolution to receive banknotes in payment of all sums due to them, and Charles Stuart having been defeated, the former position of the Bank was restored.

In 1746, Exchequer bills issued on spirit licences, to the amount of £986,800, were converted into a loan at 4 per cent., making the Bank debt due from the State £11,686,800; a call of 10 per cent. was at the same time added to the stock, making the total capital of the Bank £10,780,000.

In 1749, by 23 Geo. II., the Bank agreed to receive 4 per cent. interest on £8,486,800 to Christmas, 1750; then 3½ per cent. to 1757; and from thence, 3 per cent. on the whole debt.

In 1756, a seven years' war began, and in 1759 the Bank first issued £10 notes.

1764.—The charter continued by 4 Geo. III., c. 25, until 1786, and the Bank paid into the Exchequer £110,000 without the repayment of principal or interest. This was the first *bonâ fide* money consideration paid by the Bank to the Government without equivalent, nominal or real, since its foundation. Between this year and 1774 the war brought with it great distress amongst the commercial and industrial classes, and Treasury orders were issued from time to time, fixing the weight at which gold coins would be received into the Exchequer. But this only produced greater confusion, which led to the enactment that silver should not be a legal tender beyond £25, except by weight, at 5s. 2d. per ounce.

1781.—The charter continued by 21 Geo. III., c. 60, until 1812. Under this Act, the Bank advanced to the Government £2,000,000 for three years, at 3 per cent. per annum. Between this period and the next renewal of the charter, in 1800, the Bank had to contend against some of the greatest difficulties experienced since its first establishment.

In 1793, the French Revolution began; and in 1794, £5 notes were first issued. The failure of twenty-six country banks, in 1793, caused the Bank of England to increase its issues to supply the wants of the country. But in consequence of the great demand for specie to carry on the war, the notes in circulation were reduced from £14,017,510, in 1795, to £9,674,780 on the 26th February, 1797. On this memorable day, the amount of bullion held by the Bank was only £1,086,170; having undergone a gradual decline from August, 1791, when it stood at £8,055,510. At this crisis the King was requested to come from Windsor, although it was Sunday, and assist at the Privy Council held at St. James's Palace; and another was immediately afterwards held in Downing Street, between the members of the Administration and the Governor, Deputy-Governor, Mr. Thornton, Mr. Bosanquet, &c., directors of the Bank. The result of these conferences was the following Order in Council:—

“Upon the representation of the Chancellor of the Exchequer, stating that, from the result of the information

which he has received, and of the inquiries it has been his duty to make, respecting the effect of the unusual demands for specie that have been made upon the metropolis, in consequence of ill-founded or exaggerated alarms in different parts of the country, it appears that unless some measure is immediately taken there may be some reason to apprehend a want of a sufficient supply of cash to answer the exigencies of the public service; it is the unanimous opinion of the Board that it is indispensably necessary for the public service that the directors of the Bank of England should forbear *issuing any cash in payment* until the sense of Parliament can be taken on the subject, and the proper measures adopted thereupon for maintaining the means of circulation, and supporting the public and commercial credit of the kingdom at this important juncture. And it is ordered that a copy of this Minute be transmitted to the directors of the Bank of England; and they are hereby required, on the grounds of the exigency of the case, to conform thereto until the sense of Parliament can be taken, as aforesaid.

(Signed) "W. FAWKENER."

In consequence of this Order, the following advertisement appeared next day:—

"Bank of England, February 27, 1797.

"In consequence of an Order of His Majesty's Privy Council, notified to the Bank last night, the Governor, Deputy-Governor, and directors of the Bank of England think it their duty to inform the proprietors of Bank stock, as well as the public at large, that the general concerns of the Bank are in a most affluent and prosperous situation, and such as to preclude every doubt as to the security of its notes.

"The directors mean to continue their usual discounts for the accommodation of the commercial interest, paying the amount in bank-notes, and the dividend warrants will be paid in the same manner.

(Signed) "FRANCIS MARTIN, *Secretary.*"

In 1797, notes under £5 were issued, and the Restriction Act, 37 George III., c. 45, was passed, which was extended from time to time until the introduction of what is commonly known as Peel's Act of 1819, which provided for a return to cash payments. This Act contained three distinct provisions for paying the bank-notes in gold. The first was that from 1st February to 1st October, 1820, the price of gold should be fixed at 81s. per ounce, and notes exchanged for gold *bullion* in sums not less than sixty ounces; the second, that a rate not greater than 79s. 6d. per ounce should be charged from 1st October to 1st May, 1821; and the third, at the rate of 77s. 10½d. per ounce, from 1st May, 1821, to May, 1823, and

thenceforward to pay their notes in gold *coin* at the same rate per ounce.

1800.—The charter was continued by 40 Geo. III., c. 28, until 1833, and the Bank advanced £3,000,000 to Government, for six years, without interest, which was subsequently continued until six months after a definitive peace. In 1816, by authority of 56 Geo. III., c. 96, the Bank advanced £3,000,000 at 3 per cent., to be repaid on or before the 1st August, 1833, making the total debt due to the Bank £14,686,800. In the same year, an Act was passed authorising the directors to divide a portion of the accumulated profits amongst the proprietors by adding 25 per cent. to their capital stock, amounting to £2,910,600, making the total capital of the Bank £14,553,000.

1819.—In this year a return to specie payments was enacted (see preceding page), the effect of which is shown under the head of "Bullion and Coinage."

1833.—The charter was extended until 1845 by 3 & 4 Wm. IV., c. 98, with a proviso that it should cease at the end of ten years, upon twelve months' notice being given, and upon repayment of the debt due to the Bank at the expiration of such notice. The exclusive privileges previously enjoyed by the Bank of England were continued with regard to the issue of promissory notes. But sec. 3 provided, "that any body politic or corporate, or society, or company, or partnership, *although consisting of more than six persons*, may carry on the trade or business of banking in London, or within sixty-five miles thereof, provided that they do not borrow, owe, or take up in England, any sum or sums of money on their bills or notes, payable on demand, or at any less time than six months from the borrowing thereof, during the continuance of the privileges granted by this Act to the Governor and Company of the Bank of England."

Several important measures were introduced into this Act. Bank of England notes were made a legal tender; the laws of usury were relaxed; country joint-stock banks were allowed an agent in London; one-fourth of the debt due to the Bank was to be paid off; and an account of the amount of bullion and securities held by the Bank, and of deposits and notes in circulation, was to be transmitted to the Chancellor of the Exchequer weekly, and an average state of the Bank account for the preceding three months to be published monthly in the *London Gazette*.

By this Act the Bank was to deduct £120,000 per annum from the charge of managing the Public Debt.

1844.—The charter was renewed this year for ten years by Act 7 & 8 Vict., c. 32, whereby the business of the Bank of

England was divided into departments of Issue and Banking. The issues of notes by country bankers were also fixed, with the provision that, as they lapsed, the Bank of England should be authorised to increase its note circulation to the amount of two-thirds the country circulation expunged. This Act further prohibited the creation of any new banks of issue in any part of the United Kingdom, as well as the issue of any other than Bank of England notes within a radius of sixty-five miles round London. But the most important provision of this Act of 1844 was the limitation of the issue of notes to the amount of £14,000,000, together with the amount of bullion and specie for the time being in the vaults of the Issue Department. That is, if the Bank of England held £16,000,000 of bullion and specie in the Issue Department, they could, under the law of 1844, issue £30,000,000 in notes; and if £6,000,000 of bullion, £20,000,000 of notes. Experience has proved, during the last twenty years, that so large a circulation of Bank of England notes as £30,000,000 has only once been required (after the failure of the City of Glasgow Bank, when, on January 23, 1879, the notes in circulation were £33,243,450); but if, under this law of 1844, it were attempted to contract the bank-note circulation to £20,000,000, the operation would be virtually impossible. The difference between the authorised circulation ("Circulation Issue" in the Bank Return) and the amount of Bank of England notes in the hands of the public is designated the "reserve of notes," and on three occasions since the passing of this Act—in the years 1847, 1857, and 1866—there has been little or no "reserve," owing to drains of the precious metals; whereupon the Government for the time being has been compelled to suspend the Act of 1844 limiting the issues of bank-notes. At such times of pressure a temporary increase of the currency becomes a necessity, and as every sovereign withdrawn from the Bank reduces the power to issue notes by a like amount, the currency is rendered inelastic; and the relief experienced as soon as the suspension of the limitation clause has been notified has been instantaneous. At such times the question has been raised whether some modification of existing arrangements would not be desirable. By degrees the authorised issue of Bank of England notes against securities other than coin and bullion has been raised since 1844, by lapsed country issues, from £14,000,000 to £15,750,000, at which amount it now stands. The latest addition of £750,000 was obtained by the Order in Council of April, 1881.

The amounts of bullion and specie held, and notes in circulation, from 1789 to the present time will be found summarised under the head of "Bullion and Coinage."

The Bank Charter of 1844 is appended in full (*vide* page 77).

BANK DIVIDENDS.

A Table showing the Annual Dividends Paid by the Bank of England from 1703 to 1881; also the Highest and Lowest Quotations of Bank Stock in each Year from 1732 to 1881, inclusive.

Years.	Dividend.			Years.	Dividend.			Years.	Dividend.		
	Pr.Ct.	Highest	Lowest		Pr.Ct.	Highest	Lowest		Pr.Ct.	Highest	Lowest
1703	16½	...	...	1766	5	139	135	1824	8	245	227
1704	15½	...	...	1767	5¼	159	142	1825	8	299	196
1705	15½	...	...	1768	5½	190	158	1826	8	223	193
1706	18½	...	...	1769	5½	175	149	1827	8	217	200
1707	7½	...	...	1770	5½	153	105	1828	8	215	203
1708	12½	...	...	1771	5½	155	134	1829	8	218	208
1709	8½	...	...	1772	5½	153	144	1830	8	203	194
1710	7½	...	...	1773	5½	143	139	1831	8	204	189
1711	7	...	...	1774	5½	146	139	1832	8	208	185
1712-14	8	...	...	1775	5½	146	141	1833	8	213	190
1715	7½	...	...	1776	5½	143	134	1834	8	225	211
1716-18	8	...	...	1777	5½	138	128	1835	8	225	208
1719	7½	...	...	1778	5½	120	107	1836	8	219	199
1720	7½	...	...	1779	5½	118	106	1837	8	212	203
1721	6	...	...	1780	5½	116	109	1838	8	208	201
1722	6	...	...	1781	5½	119	105	1839	7	206	177
1723	6	...	...	1782	6	124	109	1840	7	179	156
1724	6	...	...	1783	6	131	112	1841	7	173	157
1725	6	...	...	1784	6	118	110	1842	7	173	165
1726	6	...	...	1785	6	142	111	1843	7	185	172
1727	6	...	...	1786	6	158	138	1844	7	211	185
1728-9	5½	...	...	1787	6	160	145	1845	7	215	199
1730	5½	...	...	1788	7	178	158	1846	7	211	199
1731	5½	...	...	1789	7	191	169	1847	7	206½	180
1732	5½	152	109	1790	7	188	164	1848	7	202	183
1733	5½	151	130	1791	7	204	178	1849	7	200	188½
1734	5½	140	132	1792	7	219	171	1850	7	216	203
1735	5½	146	138	1793	7	180	161	1851	7	216½	210
1736	5½	151	148	1794	7	169	153	1852	7½	234½	216
1737	5½	151	142	1795	7	180	152	1853	8	230½	208
1738	5½	145	140	1796	7	180	142	1854	9	221	201
1739	5½	144	115	1797	7	146	115	1855	8	216	205
1740	5½	144	138	1798	7	138	118	1856	9½	220	205
1741	5½	143	135	1799	7	176	134	1857	10	220	207
1742	5½	143	136	1800	6½	175	154	1858	10	229	217
1743	5½	148	145	1801	7	190	148	1859	9	234	215
1744	5½	148	116	1802	7	207	178	1860	9½	235½	223
1745	5½	147	133	1803	7	193	136	1861	10	241	226
1746	5½	136	125	1804	7	169	146	1862	8½	244	231
1747	5	129	119	1805	7	197	167	1863	8½	244	232
1748	5	129	117	1806	7	223	191	1864	11	245	234
1749	5	140	128	1807	10	235	208	1865	10½	250	238
1750	5	136	131	1808	10	240	221	1866	11½	253	240
1751	5	142	135	1809	10	288	235	1867	10	264	240
1752	5	149	141	1810	10	276	273	1868	8	251	239
1753	4½	144	135	1811	10	251	229	1869	8½	246	235
1754	4½	135	130	1812	10	232	212	1870	8½	242	230
1755	4½	162	119	1813	10	242	211	1871	8½	247	232
1756	4½	121	114	1814	10	266	234	1872	9½	250	238
1757	4½	120	115	1815	10	262	219	1873	10	254	242
1758	4½	123	116	1816	10	262	215	1874	10	261	249½
1759	4½	123	109	1817	10	294	220	1875	9	262	251
1760	4½	114	101	1818	10	292	207	1876	9	259	248
1761	4½	116	98	1819	10	267	210	1877	9½	267	255
1762	4½	119	91	1820	10	226	215	1878	9½	263	249
1763	4½	131	111	1821	10	240	221	1879	10½	271	249
1764	4½	127	112	1822	10	252	235	1880	9½	280	269
1765	5	136	126	1823	8	246	204	1881	9½	299	278

*Minimum Rates of Discount charged by the Bank of England
from 1773 to 1882, inclusive.*

Year.	Date.	Per Cent.	Year.	Date.	Per Cent.
1773.	May 13	5	1856.	May 22	6
1822.	June 20	4	"	" 29	5
1825.	December 13	5	"	June 26	4½
1827.	July 5	4	"	October 1	5
1836.	July 21	4½	"	" 6	7
"	September 1	5	"	November 13	7
1838.	February 15	4	"	December 4	6½
1839.	May 16	5	"	" 18	6
"	June 20	5½	1857.	April 2	6½
"	August 1	6	"	June 18	6
1840.	January 23	5	"	July 16	5½
1841.	June 3	5	"	October 8	6
1842.	April 7	4	"	" 12	7
1845.	March 13	2½	"	" 19	8
"	October 16	3	"	November 5	9
"	November 6	3½	"	" 9*	10
1846.	August 27	3	"	December 24	8
1847.	January 14	3½	1858.	January 7	6
"	" 21	4	"	" 14	5
"	April 8	5	"	" 28	4
"	August 2	6	"	February 4	3½
"	" 5	5½	"	" 11	3
"	October 1	6½	"	December 9	2½
"	" 25*	8	1859.	April 28	3½
"	November 22	7	"	May 5	4½
"	December 2	6	"	June 2	3½
"	" 23	5	"	" 9	3
1848.	January 27	4	"	July 14	2½
"	June 15	3½	1860.	January 19	3
"	November 22	3	"	" 31	4
1849.	" 22	2½	"	March 29	4½
1850.	December 26	3	"	April 12	5
1852.	January 1	2½	"	May 10	4½
"	April 22	2	"	" 24	4
1853.	January 6	2½	"	November 8	4½
"	" 20	3	"	" 13	5
"	June 2	3½	"	" 15	6
"	September 1	4	"	" 29	5
"	" 15	4½	"	December 31	6
"	" 29	5	1861.	January 7	7
1854.	May 11	5½	"	February 14	8
"	August 3	5	"	March 21	7
1855.	April 5	4½	"	April 4	6
"	May 3	4	"	" 11	5
"	June 14	3½	"	May 16	6
"	September 6	4	"	August 1	5
"	" 13	4½	"	" 15	4½
"	" 27	5	"	" 29	4
"	October 4	5½	"	September 19	3½
"	" 18	7	"	November 7	3

* Act, 1844, suspended.

Minimum Rates of Discount (Bank of England)—Continued.

Year.	Date.	Per Cent.	Year.	Date.	Per Cent.
1862.	January 9	2½	1866.	May 8	8
"	May 22	3	"	" 11	9
"	July 10	2½	"	" 12*	10
"	" 24	2	"	August 16	8
"	October 30	3	"	" 23	7
1863.	January 15	4	"	" 30	6
"	" 28	5	"	September 6	5
"	February 19	4	"	" 27	4½
"	April 23	3½	"	November 8	4
"	" 30	3	"	December 20	3½
"	May 16	3½	1867.	February 7	3
"	" 21	4	"	May 30	2½
"	November 2	5	"	July 25	2
"	" 5	6	1868.	November 19	2½
"	December 2	7	"	December 3	3
"	" 3	8	1869.	April 8	4
"	" 24	7	"	May 6	4½
1864.	January 20	8	"	June 10	4
"	February 11	7	"	" 24	3½
"	" 25	6	"	July 15	3
"	April 17	7	"	August 19	2½
"	May 2	8	"	November 4	3
"	" 5	9	1870.	July 21	3½
"	" 19	8	"	" 23	4
"	" 26	7	"	" 28	5
"	June 16	6	"	August 4	6
"	July 25	7	"	" 11	5½
"	August 4	8	"	" 18	4½
"	September 8	9	"	" 25	4
"	November 10	8	"	September 1	3½
"	" 24	7	"	" 15	3
"	December 15	6	"	" 29	2½
1865.	January 12	5½	1871.	March 2	3
"	" 26	5	"	April 13	2½
"	March 2	4½	"	June 15	2½
"	" 30	4	"	July 13	2
"	May 4	4½	"	September 21	3
"	" 25	4	"	" 28	4
"	June 1	3½	"	October 7	5
"	" 15	3	"	November 16	4
"	July 27	3½	"	" 30	3½
"	August 3	4	"	December 14	3
"	September 28	4½	1872.	April 4	3½
"	October 5	6	"	" 11	4
"	" 12	7	"	May 9	5
"	November 24	6	"	" 30	4
"	December 28	7	"	June 13	3½
1866.	January 4	8	"	" 20	3
"	February 22	7	"	July 18	3½
"	March 15	6	"	September 18	4
"	May 3	7	"	" 26	4½

* Act, 1844, suspended.

Minimum Rates of Discount (Bank of England)—Continued.

Year.	Date.	Per Cent.	Year.	Date.	Per Cent.
1872...	October 3	5	1875...	October 21	4
" ..	" 10	6	" ..	November 18	3
" ..	November 9	7	" ..	December 30	4
" ..	" 28	6	1876...	January 6	5
" ..	December 12	5	" ..	" 27	4
1873...	January 9	4½	" ..	March 23	3½
" ..	" 23	4	" ..	April 6	3
" ..	" 30	3½	" ..	" 20	2
" ..	March 27	4	1877...	May 3	3
" ..	May 7	4½	" ..	July 5	2½
" ..	" 10	5	" ..	" 12	2
" ..	" 17	6	" ..	August 28	3
" ..	June 4	7	" ..	October 4	4
" ..	" 12	6	" ..	" 11	5
" ..	July 10	5	" ..	November 29	4
" ..	" 17	4½	1878...	January 10	3
" ..	" 24	4	" ..	" 31	2
" ..	" 31	3½	" ..	March 28	3
" ..	August 22	3	" ..	May 30	2½
" ..	September 25	4	" ..	June 27	3
" ..	" 29	5	" ..	July 4	3½
" ..	October 14	6	" ..	August 1	4
" ..	" 18	7	" ..	" 12	5
" ..	November 1	8	" ..	October 14	6
" ..	" 7	9	1879...	January 16	4
" ..	" 20	8	" ..	" 30	3
" ..	" 27	6	" ..	March 13	2½
" ..	December 4	5	" ..	April 10	2
" ..	" 11	4½	" ..	November 6	3
1874...	January 8	4	1880...	June 17	2½
" ..	" 15	3½	" ..	December 9	3
" ..	April 30	4	1881...	January 13	3½
" ..	May 28	3½	" ..	February 17	3
" ..	June 4	3	" ..	April 28	2½
" ..	" 18	2½	" ..	August 18	3
" ..	July 30	3	" ..	" 25	4
" ..	August 6	4	" ..	October 6	5
" ..	" 20	3½	1882...	January 30	6
" ..	" 27	3	" ..	February 23	5
" ..	October 15	4	" ..	March 9	4
" ..	November 16	5	" ..	" 23	3
" ..	" 30	6	" ..	August 17	4
1875...	January 7	5			
" ..	" 14	4			
" ..	" 28	3			
" ..	February 18	3½			
" ..	July 8	3			
" ..	" 29	2½			
" ..	August 12	2			
" ..	October 7	2½			
" ..	" 14	3½			

BANK ACT OF 1844.

7 & 8 Victoria, cap. 32.

An Act to regulate the Issue of Bank Notes, and for giving to the Governor and Company of the Bank of *England* certain Privileges for a limited period. [19th July, 1844.]

WHEREAS it is expedient to regulate the Issue of Bills or Notes payable on Demand: And whereas an Act was passed in the Fourth Year of the Reign of His late Majesty King *William* the Fourth, intituled *An Act for giving to the Corporation of the Governor and Company of the Bank of England certain Privileges for a limited Period, under certain Conditions*; and it is expedient that the Privileges of exclusive Banking therein mentioned should be continued to the said Governor and Company of the Bank of *England*, with such Alterations as are herein contained, upon certain Conditions: May it therefore please Your Majesty that it may be enacted; and be it enacted by the Queen's Most Excellent Majesty, by and with the Advice and Consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the Authority of the same, That from and after the 31st day of *August*, 1844, the Issue of Promissory Notes of the Governor and Company of the Bank of *England*, payable on Demand, shall be separated and thenceforth kept wholly distinct from the general Banking Business of the said Governor and Company; and the Business of and relating to such Issue shall be thenceforth conducted and carried on by the said Governor and Company in a separate Department to be called "The Issue Department of the Bank of *England*," subject to the Rules and Regulations hereinafter contained; and it shall be lawful for the Court of Directors of the said Governor and Company, if they shall think fit, to appoint a Committee or Committees of Directors for the Conduct and Management of such Issue Department of the Bank of *England*, and from Time to Time to remove the Members, and define, alter, and regulate the Constitution and Powers of such Committee, as they shall think fit, subject to any Bye-laws, Rules, or Regulations which may be made for that Purpose: Provided, nevertheless, that the said Issue Department shall always be kept separate and distinct from the Banking Department of the said Governor and Company.

3 & 4 Wm.
IV., c. 98.

Bank to
establish a
separate
Depart-
ment for
the Issue of
Notes.

II. And be it enacted, That upon the 31st day of *August*, 1844, there shall be transferred, appropriated, and set apart by the said Governor and Company to the Issue Department of the Bank of *England* Securities to the Value of Fourteen million Pounds, whereof the Debt due by the Public to the said Governor and Company shall be and be deemed a part; and there shall also at the same Time be transferred, appropriated, and set apart by the said

Manage-
ment of the
Issue by
Bank of
England.

Governor and Company to the said Issue Department so much of the Gold Coin and Gold and Silver Bullion then held by the Bank of *England* as shall not be required by the Banking Department thereof; and thereupon there shall be delivered out of the said Issue Department into the said Banking Department of the Bank of *England* such an Amount of Bank of *England* Notes as, together with the Bank of *England* Notes then in circulation, shall be equal to the aggregate Amount of the Securities, Coin, and Bullion so transferred to the said Issue Department of the Bank of *England*; and the whole amount of Bank of *England* Notes then in circulation, including those delivered to the Banking Department of the Bank of *England* as aforesaid, shall be deemed to be issued on the Credit of such Securities, Coin, and Bullion so appropriated and set apart to the said Issue Department; and from thenceforth it shall not be lawful for the said Governor and Company to increase the Amount of Securities for the Time being in the said Issue Department, save as hereinafter is mentioned, but it shall be lawful for the said Governor and Company to diminish the Amount of such Securities, and again to increase the same to any Sum not exceeding in the whole the sum of Fourteen million Pounds, and so from Time to Time as they shall see occasion; and from and after such Transfer and Appropriation to the said Issue Department as aforesaid it shall not be lawful for the said Governor and Company to issue Bank of *England* Notes, either into the Banking Department of the Bank of *England*, or to any Person or Persons whatsoever, save in exchange for other Bank of *England* Notes, or for Gold Coin or for Gold or Silver Bullion received or purchased for the said Issue Department under the Provisions of this Act, or in Exchange for Securities acquired and taken in the said Issue Department under the Provisions herein contained: Provided always that it shall be lawful for the said Governor and Company in their Banking Department to issue all such Bank of *England* Notes as they shall at any Time receive from the said Issue Department or otherwise, in the same Manner in all respects as such Issue would be lawful to any other Person or Persons.

Proportion of Silver Bullion to be retained in the Issue Department.

III. And whereas it is necessary to limit the Amount of Silver Bullion on which it shall be lawful for the Issue Department of the Bank of *England* to issue Bank of *England* Notes: Be it therefore enacted, That it shall not be lawful for the Bank of *England* to retain in the Issue Department of the said Bank at any One Time an Amount of Silver Bullion exceeding One Fourth Part of the Gold Coin and Bullion at such time held by the Bank of *England* in the Issue Department.

All Persons may demand of the Issue Department Notes for Gold Bullion.

IV. And be it enacted, That from and after the 31st day of *August*, 1844, all Persons shall be entitled to demand from the Issue Department of the Bank of *England* Bank of *England* Notes in exchange for Gold Bullion, at the rate of Three Pounds Seventeen Shillings and Ninepence per Ounce of Standard Gold: Provided always, that the said Governor and Company shall in all Cases be entitled to require such Gold Bullion to be melted and assayed by Persons approved by the said Governor and Company, at the Expense of the Parties tendering such Gold Bullion.

V. Provided always, and it be enacted, That if any Banker who on the 6th day of *May*, 1844, was issuing his own Bank Notes, shall cease to issue his own Bank Notes, it shall be lawful for Her Majesty in Council, at any Time after the Cessation of such Issue, upon the Application of the said Governor and Company, to authorise and empower the said Governor and Company to increase the Amount of Securities in the said Issue Department beyond the total Sum or Value of Fourteen million Pounds, and thereupon to issue additional Bank of *England* Notes to an Amount not exceeding such increased Amount of Securities specified in such Order in Council, and so from Time to Time: Provided always, that such increased Amount of Securities specified in such Order in Council shall in no case exceed the proportion of Two Thirds the Amount of Bank Notes which the Banker so ceasing to issue may have been authorised to issue under the Provisions of this Act; and every such Order in Council shall be published in the next succeeding *London Gazette*.

Power to increase Securities in the Issue Department and issue additional Notes.

VI. And be it enacted, That an Account of the Amount of Bank of *England* Notes issued by the Issue Department of the Bank of *England*, and of Gold Coin and of Gold and Silver Bullion respectively, and of Securities in the said Issue Department, and also an Account of the Capital Stock, and the Deposits, and of the Money and Securities belonging to the said Governor and Company in the Banking Department of the Bank of *England*, on some Day in every Week to be fixed by the Commissioners of Stamps and Taxes, shall be transmitted by the said Governor and Company weekly to the said Commissioners in the Form prescribed in the Schedule hereto annexed marked (A), and shall be published by the said Commissioners in the next succeeding *London Gazette* in which the same may be conveniently inserted.

Account to be rendered by the Bank of *England*.

VII. And be it enacted, That from and after the said 31st day of *August*, 1844, the said Governor and Company of the Bank of *England* shall be released and discharged from the Payment of any Stamp Duty, or Composition in respect of Stamp Duty, upon or in respect of their Promissory Notes payable to bearer on Demand; and all such Notes shall thenceforth be and continue free and wholly exempt from all Liability to any Stamp Duty whatsoever.

Bank of *England* exempted from Stamp Duty upon their Notes.

VIII. And be it enacted, That from and after the said 31st day of *August*, 1844, the Payment or Deduction of the annual Sum of One hundred and twenty thousand Pounds, made by the said Governor and Company, under the Provisions of the said Act passed in the Fourth Year of the Reign of His late Majesty King *William* the Fourth, out of the Sums payable to them for the Charges of Management of the Public Unredeemed Debt, shall cease, and in lieu thereof the said Governor and Company, in consideration of the privileges of exclusive Banking, and the exemption from Stamp Duties, given to them by this Act, shall, during the Continuance of such Privileges and such Exemption respectively, but no longer, deduct and allow to the Public, from the sums now payable by Law to the said Governor and

Bank to allow £180,000 per Annum.

Company for the Charges of Management of the Public Unredeemed Debt, the annual sum of One hundred and eighty thousand Pounds, anything in any Act or Acts of Parliament, or in any Agreement, to the contrary notwithstanding: Provided always, that such Deduction shall in no respect prejudice or affect the Rights of the said Governor and Company to be paid for the management of the Public Debt at the Rate and according to the

Terms provided in an Act passed in the Forty-eighth Year of the Reign of His late Majesty King *George the Third*, intituled *An Act to authorise the advancing for the Public Service, upon certain Conditions, a Proportion of the Balance remaining in the Bank of England, for the Payment of Unclaimed Dividends, Annuities, and Lottery Prizes, and for regulating the allowances to be made for the Management of the National Debt.*

48 Geo.
III., c. 4.

Bank to
allow the
Public the
Profits of
increased
Circulation

IX. And be it enacted, That in case, under the Provisions hereinbefore contained, the Securities held in the said Issue Department of the Bank of *England* shall at any Time be increased beyond the total Amount of Fourteen million Pounds, then and in each and every Year in which the same shall happen, and so long as such Increase shall continue, the said Governor and Company shall, in addition to the said annual Sum of One hundred and eighty thousand Pounds, make a further Payment or Allowance to the Public equal in Amount to the net Profit derived in the said Issue Department during the current Year from such additional Securities, after deducting the Amount of the Expenses occasioned by the additional Issue during the same Period, which Expenses shall include the Amount of any and every Composition or Payment to be made by the said Governor and Company to any Banker in consideration of the Discontinuance at any time hereafter of the Issue of Bank Notes by such Banker; and such further Payment or Allowance to the Public by the said Governor and Company shall, in every Year while the Public shall be entitled to receive the same, be deducted from the Amount by Law payable to the said Governor and Company for the Charges of Management of the Unredeemed Public Debt, in the same Manner as the said annual Sum of One hundred and eighty thousand Pounds is hereby directed to be deducted therefrom.

No new
Bank of
Issue.

X. And be it enacted, That from and after the passing of this Act no Person other than a Banker who on the 6th day of *May, 1844*, was lawfully issuing his own Bank Notes, shall make or issue Bank Notes in any Part of the United Kingdom.

Restriction
against
Issue of
Bank
Notes.

XI. And be it enacted, That from and after the passing of this Act it shall not be lawful for any Banker to draw, accept, make, or issue, in *England* or *Wales*, any Bill of Exchange or Promissory Note or Engagement for the Payment of Money payable to Bearer on Demand, or to borrow, owe, or take up, in *England* or *Wales*, any Sums or Sum of Money on the Bills or Notes of such Banker payable to Bearer on Demand, save and except that it shall be lawful for any Banker who was on the 6th day of *May, 1844*, carrying on the Business of a Banker in *England* or *Wales*, and was then lawfully issuing, in *England* or *Wales*, his own Bank Notes, under the Authority of a Licence

to that Effect, to continue to issue such Notes to the Extent and under the Conditions hereinafter mentioned, but not further or otherwise; and the Right of any Company or Partnership to continue to issue such Notes shall not be in any manner prejudiced or affected by any Change which may hereafter take place in the personal Composition of such Company or Partnership, either by the Transfer of any Shares or Share therein, or by the Admission of any new Partner or Member thereto, or by the Retirement of any present Partner or Member therefrom: Provided always that it shall not be lawful for any Company or Partnership now consisting of only Six or less than Six Persons to issue Bank Notes at any time after the Number of Partners therein shall exceed Six in the whole.

XII. And be it enacted, That if any Banker in any Part of the United Kingdom who after the passing of this Act shall be entitled to issue Bank Notes shall become bankrupt, or shall cease to carry on the Business of a Banker, or shall discontinue the issue of Bank Notes, either by Agreement with the Governor and Company of the Bank of *England* or otherwise, it shall not be lawful for such Banker at any Time thereafter to issue any such Notes.

Bankers
ceasing to
issue Notes
may not
resume.

XIII. And be it enacted, That every Banker claiming under this Act to continue to issue Bank Notes in *England* or *Wales* shall, within One Month next after the passing of this Act, give Notice in Writing to the Commissioners of Stamps and Taxes at their Head Office in *London* of such Claim, and of the Place and Name and Firm at and under which such Banker has issued such Notes during the Twelve Weeks next preceding the 27th day of *April* last; and thereupon the said Commissioners shall ascertain if such Banker was on the 6th day of *May*, 1844, carrying on the Business of a Banker, and lawfully issuing his own Bank Notes in *England* or *Wales*, and if it shall so appear, then the said Commissioners shall proceed to ascertain the average Amount of the Bank Notes of such Banker which were in circulation during the said Period of Twelve Weeks preceding the 27th day of *April* last, according to the Returns made by such Banker in pursuance of the Act passed in the Fourth and Fifth Years of the Reign of Her present Majesty, intituled *An Act to make further Provision relative to the Returns to be made by Banks of the Amount of their Notes in Circulation*; and the said Commissioners or any Two of them shall certify under their Hands to such Banker the said average Amount, when so ascertained as aforesaid; and it shall be lawful for every such Banker to continue to issue his own Bank Notes after the passing of this Act: Provided nevertheless, that such Banker shall not at any time after the 10th day of *October*, 1844, have in circulation upon the Average of a Period of Four Weeks, to be ascertained as hereinafter mentioned, a greater amount of Notes than the Amount so certified.

Existing
Banks of
issue to con-
tinue under
certain
limitations.

4 & 5 Vict.,
c. 50.

XIV. Provided always, and be it enacted, That if it shall be made to appear to the Commissioners of Stamps and Taxes that any Two or more Banks have, by written Contract or Agree-

Provision
for united
Banks.

ment (which Contract or Agreement shall be produced to the said Commissioners), become united within the Twelve Weeks next preceding such 27th day of April as aforesaid, it shall be lawful for the said Commissioners to ascertain the average Amount of the Notes of each such Bank in the Manner hereinbefore directed, and to certify the average Amount of the Notes of the Two or more Banks so united as the Amount which the united Bank shall thereafter be authorised to issue, subject to the regulations of this Act.

Duplicate Certificate to be published in the *Gazette*

Gazette to be Evidence.

in such Certificate or Duplicate is by Law authorised to issue and to have in circulation as aforesaid.

XV. And be it enacted, That the Commissioners of Stamps and Taxes shall, at the Time of certifying to any Banker such Particulars as they are hereinbefore required to certify, also publish a Duplicate of their Certificate thereof in the next succeeding *London Gazette* in which the same may be conveniently inserted; and the *Gazette* in which such Publication shall be made shall be conclusive Evidence in all Courts whatsoever of the Amount of Bank Notes which the Banker named in such Certificate or Duplicate is by Law authorised to issue and to have in circulation as aforesaid.

In case Banks become united, Commissioners to certify the Amount of Bank Notes which each Bank was authorised to issue.

XVI. And be it enacted, That in case it shall be made to appear to the Commissioners of Stamps and Taxes, at any time hereafter, that any Two or more Banks, each such Bank consisting of not more than Six Persons, have, by written Contract or Agreement (which Contract or Agreement shall be produced to the said Commissioners), become united subsequently to the passing of this Act, it shall be lawful to the said Commissioners, upon the Application of such united Bank, to certify, in manner hereinbefore mentioned, the aggregate of the Amounts of Bank Notes which such separate Banks were previously authorised to issue, and so from Time to Time; and every such Certificate shall be published in manner hereinbefore directed: and from and after such Publication the Amount therein stated shall be and be deemed to be the Limit of the Amount of Bank Notes which such united Bank may have in circulation: Provided always, that it shall not be lawful for any such united Bank to issue Bank Notes at any Time after the number of Partners therein shall exceed Six in the whole.

Penalty on Banks issuing in excess.

XVII. And be it enacted, That if the monthly average Circulation of Bank Notes of any Banker, taken in the Manner hereinafter directed, shall at any Time exceed the Amount which such Banker is authorised to issue and to have in circulation under the Provisions of this Act, such Banker shall in every Case forfeit a sum equal to the Amount by which the average monthly Circulation, taken as aforesaid, shall have exceeded the Amount which such Banker was authorised to issue and to have in circulation as aforesaid.

Issuing Banks to render Accounts.

XVIII. And be it enacted, That every Banker in *England* and *Wales* who, after the 10th day of *October*, 1844, shall issue Bank Notes, shall, on some One Day in every Week after the 19th day of *October*, 1844 (such Day to be fixed by the Com-

missioners of Stamps and Taxes), transmit to the said Commissioners an Account of the Amount of the Bank Notes of such Banker in circulation on every Day during the Week ending on the next preceding *Saturday*, and also an Account of the average Amount of the Bank Notes of such Banker in circulation during the same Week; and on completing the First Period of Four Weeks, and so on completing each successive Period of Four Weeks, every such Banker shall annex to such Account the average Amount of Bank Notes of such Banker in circulation during the said Four Weeks, and also the Amount of Bank Notes which such Banker is authorised to issue under the Provisions of this Act; and every such Account shall be verified by the Signature of such Banker or his chief Cashier, or, in the case of a Company or Partnership, by the signature of a Managing Director or Partner or chief Cashier of such Company or Partnership, and shall be made in the Form to this Act annexed marked (B); and so much of the said Return as states the weekly average Amount of the Notes of such Bank shall be published by the said Commissioners in the next succeeding *London Gazette* in which the same may be conveniently inserted, and if any such Banker shall neglect or refuse to render any such Account in the Form and at the Time required by this Act, or shall at any Time render a false Account, such Banker shall forfeit the Sum of One hundred Pounds for every such Offence.

XIX. And be it enacted, That for the Purpose of ascertaining the monthly average Amount of Bank Notes of each Banker in circulation, the aggregate of the Amount of Bank Notes of each such Banker in circulation every Day of business during the first complete Period of Four Weeks next after the 10th day of *October*, 1844, such period ending on a *Saturday*, shall be divided by the Number of Days of Business in such Four Weeks, and the Average so ascertained shall be deemed to be the Average of Bank Notes of each such Banker in circulation during such Period of Four Weeks, and so in each successive Period of Four Weeks, and such Average is not to exceed the Amount certified by the Commissioners of Stamps and Taxes as aforesaid.

Mode of ascertaining the average Amount of Bank Notes of each Banker in circulation during the first four Weeks after 10th *October*, 1844.

XX. And whereas, in order to ensure the rendering of true and faithful Accounts of the Amount of Bank Notes in circulation, as directed by this Act, it is necessary that the Commissioners of Stamps and Taxes should be empowered to cause the Books of Bankers issuing such Notes to be inspected, as herein-after mentioned: Be it therefore enacted, That all and every the Book and Books of any Banker who shall issue Bank Notes under the Provisions of this Act in which shall be kept, contained, or entered any Account, Minute, or Memorandum of or relating to the Bank Notes issued or to be issued by such Banker, or of or relating to the Amount of such Notes in circulation, from Time to Time, or any Account, Minute, or Memorandum, the Sight or Inspection whereof may tend to secure

Commissioners of Stamps and Taxes empowered to cause the Books of Bankers containing Accounts of their Bank Notes in circulation to be inspected.

the rendering of true Accounts of the average Amount of such Notes in circulation, as directed by this Act, or to test the Truth of any such Account, shall be open for the Inspection and Examination, at all reasonable Times, of any Officer of Stamp Duties authorised in that Behalf by Writing, signed by the Commissioners of Stamps and Taxes or any Two of them; and every such Officer shall be at liberty to take Copies of or Extracts from any such Book or Account as aforesaid; and if any Banker or other Person keeping any such Book, or having the Custody or Possession thereof, or Power to produce the same, shall, upon Demand made by any such Officer, showing (if required) his Authority in that Behalf, refuse to produce any such Book to such Officer for his Inspection and Examination, or to permit him to inspect and examine the same, or to take Copies thereof or Extracts therefrom, or of or from any such Account, Minute, or Memorandum as aforesaid kept, contained, or entered therein, every such Banker or other Person so offending shall for every such Offence forfeit the Sum of One hundred Pounds: Provided always, that the said Commissioners shall not exercise the Powers aforesaid without the Consent of the Commissioners of Her Majesty's Treasury.

All Bankers to return Names once a Year to the Stamp Office.

XXI. And be it enacted, That every Banker in *England* and *Wales* who is now carrying on or shall hereafter carry on Business as such, shall, on the 1st day of *January* in each year, or within Fifteen Days thereafter, make a Return to the Commissioners of Stamps and Taxes at their Head Office in *London* of his Name, Residence, and Occupation, or in the Case of a Company or Partnership, of the Name, Residence, and Occupation of every Person composing or being a Member of such Company or Partnership, and also the Name of the Firm under which such Banker, Company, or Partnership carry on the business of Banking, and of every Place where such business is carried on; and if any such Banker, Company, or Partnership shall omit or refuse to make such Return within Fifteen Days after the said 1st day of *January*, or shall wilfully make other than a true Return of the Persons as herein required, every Banker, Company, or Partnership so offending shall forfeit and pay the Sum of Fifty Pounds; and the said Commissioners of Stamps and Taxes shall, on or before the 1st day of *March* in every Year, publish in some Newspaper circulating within each Town or County respectively a Copy of the Return so made by every Banker, Company, or Partnership carrying on the Business of Bankers within such Town or County respectively as the Case may be.

Bankers to take out a separate Licence for every Place at which they issue Notes or Bills.

XXII. And be it enacted, That every Banker who shall be liable by Law to take out a Licence from the Commissioners of Stamps and Taxes to authorise the Issuing of Notes or Bills shall take out a separate and distinct Licence for every Town or Place at which he shall, by himself or his Agent, issue any Notes or Bills requiring such Licence to authorise the issuing thereof, anything in any former Act contained to the contrary

thereof notwithstanding: Provided always, that no Banker who on or before the 6th day of *May*, 1844, had taken out Four such Licences, which on the said last-mentioned day were respectively in force, for the issuing of any such Notes or Bills at more than Four separate Towns or Places, shall at any time hereafter be required to take out or to have in force at one and the same Time more than Four such Licences to authorise the issuing of such Notes or Bills at all or any of the same Towns or Places specified in such Licences in force on the said 6th day of *May*, 1844, and at which Towns or Places respectively such Bankers had on or before the said last-mentioned day issued such Notes or Bills in pursuance of such Licences or any of them respectively.

Proviso in favour of Bankers who had Four such Licences in force on the 6th of *May*, 1844.

XXIII. And whereas the several Bankers named in the Schedule hereto annexed marked (C) have ceased to issue their own Bank Notes under certain Agreements with the Governor and Company of the Bank of *England*; and it is expedient that such Agreements should cease and determine on the 31st day of *December* next, and that such Bankers should receive by way of Compensation such Composition as hereafter mentioned; and a List of such Bankers, and a Statement of the maximum Sums in respect of which each such Banker is to receive Compensation, hath been delivered to the Commissioners of Stamps and Taxes, signed by the Chief Cashier of the Bank of *England*: Be it therefore enacted, That the several Agreements subsisting between the said Governor and Company and the several Bankers mentioned in the Schedule hereto relating to the Issue of Bank of *England* notes, shall cease and determine on the 31st day of *December* next; and from and after that Day the said Governor and Company shall pay and allow to the several Bankers named in the Schedule hereto marked (C), so long as such Bankers shall be willing to receive the same, a Composition at and after the rate of One Pound *per Centum per Annum* on the average Amount of the Bank of *England* Notes issued by such Bankers respectively and actually remaining in circulation, to be ascertained as follows; (that is to say), on some day in the Month of *April*, 1845, to be determined by the said Governor and Company, an Account shall be taken of the Bank of *England* Notes delivered to such Bankers respectively by the said Governor and Company within Three Months next preceding, and of such of the said Bank of *England* Notes as shall have been returned to the Bank of *England*, and the Balance shall be deemed to be the Amount of the Bank of *England* Notes issued by such Bankers respectively and kept in circulation; and a similar account shall be taken at Intervals of Three Calendar Months; and the Average of the Balances ascertained on taking Four such Accounts shall be deemed to be the Average Amount of Bank of *England* Notes issued by such Bankers respectively and kept in circulation during the Year 1845, and on which Amount such Bankers are respectively to receive the aforesaid Composition of One *per Centum* for the Year 1845; and similar Accounts shall be taken in each succeeding Year; but in each Year such Accounts shall be taken in different Months from those in which the Accounts of the last preceding

Compensation to certain Bankers named in the Schedule.

Year were taken, and on different Days of the Month, such Months and Days to be determined by the said Governor and Company; and the Amount of the Composition payable as aforesaid shall be paid by the said Governor and Company out of their own Funds; and in case any Difference shall arise between any such Bankers and the Governor and Company of the Bank of *England* in respect of the Composition payable as aforesaid, the same shall be determined by the Chancellor of the Exchequer for the Time being, or by some Person to be named by him, and the Decision of the Chancellor of the Exchequer, or his Nominee, shall be final and conclusive: Provided always, that it shall be lawful for any Banker named in the Schedule hereto annexed marked (C) to discontinue the Receipt of such Composition as aforesaid, but no such Banker shall by such Discontinuance as aforesaid thereby acquire any Right or Title to issue Bank Notes.

Bank of England to be allowed to compound with Issuing Banks. XXIV. And be it enacted, That it shall be lawful for the said Governor and Company to agree with every Banker who, under the provisions of this Act, shall be entitled to issue Bank Notes, to allow to such Banker a Composition at the Rate of *One per Centum per Annum* on the Amount of Bank of *England* Notes which shall be issued and kept in circulation by such Banker, as a Consideration for his Relinquishment of the Privilege of issuing his own Bank Notes; and all the Provisions herein contained for ascertaining and determining the Amount of Composition payable to the several Bankers named in the Schedule hereto marked (C) shall apply to all such other Bankers with whom the said Governor and Company are hereby authorised to agree as aforesaid; provided that the Amount of Composition payable to such Bankers as last aforesaid shall in every Case in which an Increase of Securities in the Issue Department shall have been authorised by any Order in Council be deducted out of the Amount payable by the said Governor and Company to the Public under the Provisions herein contained: Provided always, that the total sum payable to any Banker, under the provisions herein contained, by way of Composition as aforesaid, in any One Year, shall not exceed, in case of the Bankers mentioned in the Schedule hereto, marked (C), *One per Centum* on the several Sums set against the Names of such Bankers respectively in the List and Statement delivered to the Commissioners of Stamps as aforesaid, and in the Case of other Bankers shall not exceed *One per Centum* on the Amount of Bank Notes which such Bankers respectively would otherwise be entitled to issue under the Provisions herein contained.

Compositions to cease on 1st August, 1856. XXV. And be it enacted, That all the Compositions payable to the several Bankers mentioned in the Schedule hereto, marked (C), and such other Bankers as shall agree with the said Governor and Company to discontinue the Issue of their own Bank Notes as aforesaid, shall, if not previously determined by the Act of such Banker as hereinbefore provided, cease and determine on the 1st day of *August*, 1856, or on any earlier Day on which Parliament may prohibit the Issue of Bank Notes.

XXVI. And be it enacted, That from and after the passing of this Act it shall be lawful for any Society or Company, or any Persons in Partnership, though exceeding Six in Number, carrying on the business of Banking in *London* or within Sixty-five Miles thereof, to draw, accept, or endorse Bills of Exchange, not being payable to Bearer on Demand, anything in the herebefore recited Act passed in the Fourth Year of the Reign of His said Majesty King *William* the Fourth, or in any other Act, to the contrary notwithstanding.

Banks within Sixty-five Miles of *London* may accept, &c., Bills.

XXVII. And be it enacted, That the said Governor and Company of the Bank of *England* shall have and enjoy such exclusive Privilege of Banking as is given by this Act, upon such Terms and Conditions, and subject to the Termination thereof at such Time and in such Manner as is by this Act provided and specified; and all and every the Powers and Authorities, Franchises, Privileges and Advantages, given or recognised by the said recited Act passed in the Fourth Year of the Reign of His Majesty King *William* the Fourth as belonging to or enjoyed by the said Governor and Company of the Bank of *England*, or by any subsequent Act or Acts of Parliament, shall be and the same are hereby declared to be in full Force and continued by this Act, except so far as the same are altered by this Act; subject nevertheless to Redemption upon the Terms and Conditions following; (that is to say) at any time upon Twelve Months' notice to be given after the first day of *August*, 1855, and upon Repayment by Parliament to the said Governor and Company or their Successors of the Sum of Eleven million fifteen thousand and one hundred Pounds, being the Debt now due from the Public to the said Governor and Company, without any Deduction, Discount, or Abatement whatsoever, and upon payment to the said Governor and Company and their Successors of all Arrears of the sum of One hundred thousand Pounds *per Annum*, in the last-mentioned Act mentioned, together with the Interest or Annuities payable upon the said Debt or in respect thereof, and also upon Repayment of all the Principal and Interest which shall be owing unto the said Governor and Company and their Successors upon all such Tallies, Exchequer Orders, Exchequer Bills, or Parliamentary Funds which the said Governor and Company or their Successors shall have remaining in their Hands or be entitled to at the Time of such Notice to be given as last aforesaid, then and in such Case, and not till then, the said exclusive Privileges of Banking granted by this Act shall cease and determine at the expiration of such Notice of Twelve Months; and any Vote or Resolution of the House of Commons, signified under the Hand of the Speaker of the said House in Writing, and delivered at the public Office of the said Governor and Company, shall be deemed and adjudged to be a sufficient Notice.

Bank to enjoy Privileges, subject to Redemption.

XXVIII. And be it enacted, That the term "Bank Notes" used in this Act shall extend and apply to all Bills or Notes for the payment of Money to the Bearer on Demand other than Bills or Notes of the Governor and Company of the Bank of *England*; and that the Term "Bank of *England* Notes" shall extend and apply to the

Interpretation Clause.

Promissory Notes of the Governor and Company of the Bank of *England* payable to Bearer on Demand; and that the Term "Banker" shall extend and apply to all Corporations, Societies, Partnerships, and Persons, and every individual Person carrying on the Business of Banking, whether by the Issue of Bank Notes or otherwise, except only the Governor and Company of the Bank of *England*; and that the word "Person" used in this Act shall include Corporations; and that the Singular Number in this Act shall include the Plural Number, and the Plural Number the Singular, except where there is anything in the Context repugnant to such Construction; and that the Masculine Gender in this Act shall include the Feminine, except where there is anything in the Context repugnant to such construction.

Act may be amended. XXIX. And be it amended, That this Act may be amended or repealed by any Act to be passed in the present Session of Parliament.

THE BANKERS' CLEARING HOUSE.

Originally it was the practice with London bankers, as it is now in the provinces, to present over the counter every bill and cheque upon other banks; but nearly ninety years ago the Clearing House system was established in London, whereby bills and cheques are exchanged between banks during business hours at a central establishment, and whereby also, at the close of the day, each bank now pays to, or receives from, the Clearing House the final balance by cheque on the Bank of England.

The objects effected by this change of method were economy of time and labour, and economy of notes and other currency. Before the Clearing House was established, bankers required more clerks to transact the same amount of business, and much more notes, gold, and silver. As it is, money is not moved, but there is merely a transfer from one account to another in the books of the Bank of England.

As at the time the Clearing House was instituted there were only what are now termed private banks, the Clearing House belonged to private bankers exclusively; and when joint-stock banks were first established, nearly fifty years ago, they were not admitted to the Clearing House, very much to the prejudice of their business. A stockbroker, for instance, whose money transactions are, perhaps, larger than those of any other trader, could not keep a banking account with a joint-stock bank before its admission to the Clearing House, for the reason that, if his cheques were presented for payment as soon as given, while his receipts were chiefly placed to his credit after the clearing, his banking account would have been generally overdrawn throughout the day's business hours.

Joint-stock banks were not admitted to the Clearing House

until June, 1854, and the reluctance of private bankers to concede to them this privilege was not without reason when the stride made by joint-stock banking since that date is considered, and when it is clear, almost beyond question, that much of the competition between joint-stock and private banks, and the progress of banking under the joint-stock system, has been due in a great degree to their admission to the Clearing House of the private bankers.

In 1858 a system of country clearing was established.

The vast and increasing volume of the business transacted by the London Bankers' Clearing House will be seen from the following official statistics :—

	Total for the Year.	On Fourths of the Month.	On Stock Exchange (Half-monthly) Account Days.	On Consols Settling Days.
	£	£	£	£
1867-1868 ...	3,257,411,000	147,113,000	444,443,000	132,293,000
1868-1869 ...	3,534,039,000	161,861,000	550,622,000	142,270,000
1869-1870 ...	3,720,623,000	168,523,000	594,763,000	148,822,000
1870-1871 ...	4,018,464,000	186,517,000	635,946,000	169,141,000
1871-1872 ...	5,359,722,000	229,629,000	942,446,000	233,843,000
1872-1873 ...	6,003,335,000	265,965,000	1,032,474,000	243,561,000
1873-1874 ...	5,993,586,000	272,841,000	970,945,000	260,072,000
1874-1875 ...	6,013,299,000	255,950,000	1,076,585,000	260,338,000
1875-1876 ...	5,407,243,000	240,807,000	962,595,000	242,245,000
1876-1877 ...	4,873,000,000	231,630,000	718,793,000	223,756,000
1877-1878 ...	5,066,533,000	224,190,000	745,665,000	233,385,000
1878-1879 ...	4,885,091,000	212,241,000	811,072,000	221,264,000
1879-1880 ...	5,265,976,000	218,477,000	965,533,000	233,143,000
1880-1881 ...	5,909,989,000	240,822,000	1,205,197,000	265,579,000
1881-1882 ...	6,382,654,000	256,654,000	1,379,194,000	299,788,000

The total amount of bills, cheques, &c., paid at the Clearing House during the year ended 30th April, 1882, shows an increase of £472,665,000, as contrasted with 1881. The payments on Stock Exchange account days form a sum of £1,379,194,000, being an increase of £173,997,000 as compared with 1881. The payments on Consols account days for the same period have amounted to £299,788,000, giving an increase of £34,209,000, as against 1881; but fully £30,000,000 of this increase is due to the Stock Exchange half-monthly account falling on the same day as the March Consols settlement. The amounts passing through on the 4ths of the month for 1881-2 have amounted to £256,654,000, showing an increase of £15,832,000 as compared with 1880-1.

The Returns of the Manchester Bankers' Clearing House are published, and average from £2,000,000 to £2,500,000 per week.

THE STOCK EXCHANGE.

After the first charter had been granted to the Bank of England, giving it the privilege "of dealing in Bills of Exchange, "the buying or selling of bullion, gold, or silver, or in selling "any goods, wares, or merchandises whatsoever, which shall "really and *bonâ fide* be left or deposited with the said Corporation, for money lent or advanced thereon, or in lending "or advancing any of the moneys of the said Corporation, "and taking pawns or other securities for the same," while at the same time, the capital stock and interest could be transferred, dealers soon sprang up to trade in these securities. It is, also, from this period that we may date the origin of the frauds and delusive schemes that ensued. The dealings in these securities attracted men of capital from all parts, and Jews flocked in great numbers to the metropolis. These transactions were at first carried on within the walls of the Bank itself, where dealing or "jobbing" was extensively practised; and the conditions of the Bank Charter in some degree stimulated speculation, as by it the resources of the Crown were pledged as a security for the payment of interest on the original stock. The wars in which the country was engaged during the reigns of William III. and Anne afforded fresh scope to speculators, particularly the campaigns of the Duke of Marlborough, who was often accompanied by the wealthy Jew, Medina. Medina made large sums of money, it was said, by the information thus obtained, and by rapid dispatches after great battles.

About the year 1700 the dealers in public securities were found to encumber the Bank by their increased numbers, and they changed their place of meeting to what is now known as "Change Alley," which was for a long time their principal place of resort. The early practices of these speculators were,

it seems, not very scrupulous; and, whether with justice or not, a strong public feeling was aroused against "stock-jobbing," which was denounced as a public nuisance.

But war, public extravagance, and the difficulties of the Government gave new life to the pursuits of stock-jobbers, although several Acts were passed to check their operations; and a Bill brought before Parliament by Sir John Barnard, in 1732, making time bargains illegal, was passed into law. But the attempt to put down speculation, when the Government itself encouraged the system of lotteries and other schemes for raising money, was necessarily abortive. An increase in business and in numbers induced the jobbers to remove to Sweeting's Alley in 1773, when several of the brokers came to a resolution to engage a room, to be called the "Stock Exchange," where any man might transact business by paying sixpence. Such was the history of the Stock Exchange up to that period.

The war which broke out at the close of the eighteenth century gave fresh importance to this body; and the increasing transactions in which they were engaged gave rise to the formation of a Committee for General Purposes, and Subscriptions were raised to erect a building for the special purpose of dealing in public stocks. The site chosen was Capel Court, where stood the residence of William Capel, Lord Mayor of London in 1504. The first stone was laid in May, 1801, and the building was opened in March, 1802, with a list of about 500 subscribers.

After the erection of the new building free admission ceased, and only members, who were elected by ballot, could be admitted as members by paying an annual subscription. About this time the Stock Exchange acquired, moreover, increased influence, as the enormous loans found necessary to carry on the war after the Peace of Amiens, to 1815, were principally effected through the instrumentality of its members.

It might have been supposed that the termination of the war would have diminished the influence of this body; but in peace, as in war, new fields of enterprise were found, and English capitalists entered into various speculations in foreign loans, which, for the time, held out tempting inducements to investors, but which, on balance, did not for many years prove remunerative.

Since the early furor for foreign loans, railway securities have attracted chief attention, and at the present moment it is certain that the capital applied to British, Colonial, and Foreign railways, dealt in on the London Stock Exchange, far

exceeds in amount the National Debt. Independently of these, there are gas and water companies, joint-stock banks, insurance companies, canal companies, land companies, and the numerous host designated in the official lists "miscellaneous," all of which owe their existence chiefly to the facilities for dealing in the shares afforded by the Stock Exchange. These facilities have in many instances been abused, but in the long run, whatever the motives of the speculators immediately concerned, there can be little doubt that they have contributed to the common cause of useful enterprise.

The Stock Exchange was subsequently built by Messrs. W. Cubitt and Co., after a design of Mr. Thomas Allason. In addition to the sum of about £10,000 for the cost of the edifice, the sum of £6,000 was laid out for obtaining additional space. It stands in the centre of a large block of buildings, bounded by Bartholomew Lane on the south, Threadneedle Street on the east, and Throgmorton Street on the west; in the immediate vicinity of the Bank of England and the Royal Exchange. The chief entrance is through Capel Court from Bartholomew Lane; but there are other entrances through Threadneedle Street and Throgmorton Street. The new building was opened for public business on the 17th of March, 1854. The great increase of business of late years has necessitated yet further accommodation, which has lately been carried out.

The money requisite for these purposes has been raised by means of a Company with a capital of £400,000, originally in £1,000 shares, but now divided into £100 shares, of which £60 per share is paid up, upon which very large dividends are payable. No one but a member of the House can be a shareholder. Recently an issue of 4 per cent. debentures has also been made by this undertaking.

Mr. Levien, the present secretary to the Committee for General Purposes, has given an account of the present constitution of the Exchange. He writes:—

The administration of the Stock Exchange is vested in two bodies, whose functions are distinct. First come the managers, who represent the proprietors, or shareholders, in the undertaking called the Stock Exchange, under the provisions of the deeds of 1802 and 1876, who are the executive of the landlords of the house and premises, have control of all moneys paid for admission, fix annually the charge for admission of members for the year ensuing, appoint all officials (except the secretary to the Committee for General Purposes and the official assignees), and superintend all matters connected with the building, supplies, &c., always on the understanding that the house is to be used only as a stock exchange. The managers are still nine in number. Three go out of office once in five years, and their election lies with holders of Stock Exchange shares, such shares being now 4,000 in number. The managers have no control over the business transacted in the Stock Exchange. The Committee for General Purposes have no power to

interfere in the matters recited above as under the administration of the managers, but are the executive of the subscribers—i.e., of the members of the Stock Exchange. The Committee have control over the business of the house; make and administer the "Rules and Regulations for the Conduct of the Business of the Stock Exchange;" adjudicate all questions between members, and complaints against members by non-members, if desired to do so by the latter. They investigate the question whether their published requirements have been complied with by Governments and companies asking for settlements or official quotations of loans or shares, and have vested in their hands the election by ballot of those who seek to become members of the Stock Exchange. They are 30 in number, including their chairman and deputy-chairman, whom they elect annually. In March of every year they proceed to elect or re-elect all members for the year ensuing, Stock Exchange membership being granted for one year only; they then go out of office, and the newly-constituted members elect a fresh committee, outgoing committeemen having the privilege of offering themselves for re-election.

This Committee of thirty members, by Rule the 15th, have power to expel or suspend any member "who may be guilty of improper conduct." The Stock Exchange recognises no transactions with any other parties than its own members, and every bargain must be in accordance with the usages of the "House."

The following is the last issue of Rules and Regulations of the Committee for General Purposes:—

COMMITTEE.

Election of the Committee for General Purposes. 1. On the 20th day of March in every year, or if that day should be a Sunday or Bank Holiday, then on the following business day, a ballot by the Members shall be held for the appointment of a Committee of thirty Members who shall be called the "Committee for General Purposes," and shall hold office for twelve months from the 25th of March next following the date of their election, but shall be re-eligible. Notice of such ballot shall be publicly exhibited in the Stock Exchange during fourteen days previous to the same being held, and a further notice containing the names of the persons on the existing Committee willing to serve again, and of all new candidates, their proposers and seconders, shall be publicly exhibited in like manner during three business days previously to such ballot being held. The Members on the said Committee retiring shall remain in office until the 25th of the same month of March in which their successors shall have been elected, and in case no election shall be made at any such ballot as aforesaid, the Members retiring shall remain in office until the 25th day of March in the following year, or until a valid election shall have taken place under Clause 92. Four business days' notice previous to any ballot of intention to propose any person not already on the Committee and eligible for re-election must be given to the Secretary of the Committee in writing signed by two Members, and the ballot shall be by printed lists containing

the names of the persons willing to serve again and of all persons so proposed, distinguishing the former from the latter. In case no valid election be made on the day hereinbefore appointed for that object, the Committee may forthwith, or at any time thereafter, prior to the next ordinary yearly ballot, cause a ballot to be held for such election, on a day to be fixed by the Committee for that purpose, and in all respects, as lastly hereinbefore provided; and the Committee to be appointed by such ballot shall remain in office until the 25th day of March then next following. Every ballot for the election of the Committee for General Purposes or for supplying vacancies in the Committee shall be held at the Stock Exchange, and except as specially provided by these presents shall be conducted in accordance with the existing practice and usage in reference to such elections. In case of dispute as to what such practice and usage has been in any particular, the Committee shall from time to time determine the same by resolution.—*Deed of Settlement*, sect. xii. cl. 90.

2. No person shall be elected to the said Committee for General Purposes who shall not for the space of five years immediately preceding the day of election have been a Member, and every person on ceasing to be a Member shall *ipso facto* vacate his seat on the Committee.—*Deed of Settlement*, sect. xii. cl. 91.

Qualification of Members of the Committee and of Voters.

Every Member is entitled to vote, although he may not have paid his subscription.

3. Any occasional vacancy in the said Committee for General Purposes shall be filled up by a ballot of Members to be held for the purpose on a day to be fixed by the Committee for General Purposes, and of which seven days' previous notice shall be given by the same being publicly exhibited in the Stock Exchange. Similar notice of nomination shall be given as provided by Clause 90. The surviving or continuing Members on the Committee, notwithstanding any vacancy in their number, may act until the same shall be filled up.

Occasional vacancy in Committee.

Any person elected to supply an occasional vacancy in the said Committee shall hold office for the residue of the year in which he shall be elected, and shall then retire with the other Members of the said Committee.—*Deed of Settlement*, sect. xii. cls. 92, 93.

4. The said Committee for General Purposes shall meet at such times as they may from time to time appoint, and shall determine their own quorum (the same to be not less than seven Members actually present) and mode of procedure.

Procedure of the Committee.

Until otherwise determined, the quorum of the said Committee shall be seven Members personally present.—*Deed of Settlement*, sect. xii. cls. 98, 99.

Quorum.

5. The said Committee for General Purposes shall regulate the transaction of business on the Stock Exchange, and may make rules and regulations not inconsistent with the provisions of these presents respecting the mode of conducting the ballot for the election of the Committee and respecting the admission, expulsion or suspension of Members and their clerks,

Committee to regulate business on the Stock Exchange, and make rules.

and the mode and conditions in and subject to which the business on the Stock Exchange shall be transacted, and the conduct of the persons transacting the same, and generally for the good order and government of the Members of the Stock Exchange, and may from time to time amend, alter, or repeal such rules and regulations, or any of them, and may make any new, amended, or additional rules and regulations for the purposes aforesaid.—*Deed of Settlement*, sect. xii. cl. 95.

Election of Chairman & Deputy-Chairman. 6. At their first Ordinary Meeting after the Annual Election, the Committee shall elect, from amongst themselves, a Chairman and Deputy-Chairman, who shall respectively hold office till the 25th of March next ensuing. In case either appointment shall become vacant, it shall be filled up as soon afterwards as possible. When the Chairman and Deputy-Chairman are absent, the Meeting shall appoint a Chairman. In all cases, when, on a division, the votes are equal, the Chairman shall have a second or casting vote.

Election of Secretary and Scrutineers. 7. At the first Meeting of the Committee, one of the Members of the Stock Exchange shall be chosen Secretary, who shall hold his office during their pleasure; and three other Members shall be appointed to act as Scrutineers at elections, who shall report the result of the ballot to the Committee and to the Stock Exchange.

Meetings. 8. The ordinary Meetings of the Committee shall be held every Monday at one o'clock, commencing on the first Monday after each annual election. But a special meeting of the Committee may at any time be called by the Chairman or Deputy-Chairman, or (in their absence, or in case of their refusal) by any three Members of the Committee. One hour's notice, at least, shall be posted in the Stock Exchange.

Absence of Quorum. 9. If a quorum be not assembled within a quarter of an hour after the time appointed for meeting, the Chairman, or Deputy-Chairman, may adjourn such meeting.

Business, Routine, & Special. 10. The business of the Committee shall be divided into two classes, viz.—

Routine.

Special.

Minutes. The first, to comprehend the reading of Minutes for the purpose of confirmation, or otherwise, the admission of Members and Clerks, fixing Settling Days, &c.;

The second, the investigation of claims and other matters relating to the interests of the Members or of the public.

Notices of Meeting. The printed notices of the Meetings of the Committee posted in the House shall contain the words on "Routine" or "Special" Business.

Confirmation of Resolution. 11. No Resolution of the Committee shall be valid, or put in force, until confirmed, unless it relates to the shutting of the House, the admission of Members, the re-admission of defaulters, the fixing of ordinary settling days, or the granting or refusing of special settlements and official quotations. In cases which do not admit of delay,

two-thirds of the Committee present must concur in favour of the immediate confirmation of the Resolution, and the urgency of the case must be stated on the Minutes. In all cases brought under the consideration of the Committee, their decision, when confirmed, is final, and shall be carried out forthwith by every Member concerned.

Decisions final.

12. Notice shall be given in writing of any alteration of, or addition to, the Rules, and a copy of such alteration of a Rule, or proposed new Rule, shall be sent to each Member of the Committee.

Notice of new rules.

After the reading of the Minutes, the consideration of any alteration of a Rule, or proposed new Rule, shall take precedence of all other business, except the re-admission of defaulters and cases of urgency.

Precedence of business.

13. All communications to the Committee shall be made in writing, and no anonymous letter shall be acted upon.

Communications.

14. Members and their Clerks shall attend the Committee when required, and shall give such information as may be in their possession relative to any matter under investigation.

Attendance of Members and Clerks when required.

15. The Committee may expel any of their own Members from the Committee who may be guilty of improper conduct. The Resolution for expulsion must be carried by a majority of two-thirds in a Committee specially summoned for the purpose, and consisting of not less than twelve members, and must be confirmed by a majority of the Committee at a subsequent Meeting specially summoned.

Expulsion of Members of Committee.

16. The Committee may expel or suspend any Member of the Stock Exchange who may violate any of the rules or regulations, or fail to comply with any of the Committee's decisions, or who may be guilty of dishonourable or disgraceful conduct. The Resolution for expulsion or suspension must be carried by a majority of three-fourths in a Committee specially summoned for the purpose, and consisting of not less than twelve Members, and must be confirmed by a majority of the Committee at a subsequent Meeting specially summoned.

Expulsion or suspension of Members.

Special Committee.

17. The Committee for General Purposes for the time being may, in their absolute discretion, and in such manner as they may think fit, notify, or cause to be notified, to the public that any Member has been expelled, or has become a defaulter, or has been suspended, or has ceased to be a Member, and the name of such Member. No action or other proceeding shall under any circumstances be maintainable by the person referred to in such notification against any person publishing or circulating the same, and this Rule shall operate as leave to any person to publish and circulate such notification, and be pleadable accordingly.

Publication of names, &c.

Suspension of Rules. 18. The Committee may dispense with the strict enforcement of any of the regulations; but such power shall only be exercised by a Committee specially convened for that purpose, and consisting of not less than twelve Members, three-fourths of whom must concur in the Resolution for such dispensation. The Resolution must be confirmed by a majority of the Committee, at a subsequent Meeting, specially summoned.

ADMISSIONS, RE-ELECTIONS, AND RE-ADMISSIONS.

Applications for re-election. 19. Every Member, desirous of being re-elected, shall, on or before the 4th of March in each year, address to the Secretary a letter, of the form inserted in the Appendix.

Each individual of a Partnership is required to sign a separate letter.

Admission and re-election. 20. The Committee shall, on the first Monday in March, proceed to admit and re-elect such persons as they shall deem eligible to be Members of the Stock Exchange, for one year, commencing on the 25th of March then instant, or last preceding the admission of such Subscriber, at the amount fixed by the Trustees and Managers for such admission.

Sureties for New Members. 21. Every applicant for admission, previously to being balloted for, must be recommended by three Members of not less than four years' standing, who have fulfilled all their engagements, and who are not indemnified. Each recommender must engage to pay five hundred pounds to the creditors of the applicant, in case the latter shall be declared a defaulter within four years from the date of his admission.

When two sureties required. If the applicant has been a Clerk in the Stock Exchange for four years previously to his application, two recommenders only shall be required, who must each enter into a similar engagement for three hundred pounds.

No Member shall be surety for more than three new Members at the same time.

Foreigners. 22. No Foreigner shall be admissible, unless he shall have been naturalised for a period of two years.

Notice of application. 23. A Notice of each application, with the names of the recommenders, stating whether they are, or expect to be, indemnified, shall be posted in the Stock Exchange, at least eight days before the applicant can be balloted for.

Personal knowledge of applicant by sureties. 24. Members are required to have such personal knowledge of applicants whom they recommend, and of their past and present circumstances, as shall satisfy the Committee as to their eligibility.

Subsequent indemnification of sureties. 25. Any recommender of a New Member, who at the time of such Member's admission shall have avowed that he was not, and that he did not expect to be, indemnified, and who shall subsequently receive any indemnity, shall, in the event of

the New Member falling within the time of his liability, be compelled to pay to the creditors any sum so received, in addition to the amount for which he originally became Surety.

26. An applicant may be recommended by a firm, but not by two members of the same firm; nor by two Members, one of whom is authorised Clerk to the other; nor by a Member whose authorised Clerk the applicant may be, nor by a Member whose Sureties are still liable. Ineligibility of sureties.

27. If a Member enter into partnership with, or become authorised Clerk to, any one of his Sureties, or if any one of his Sureties cease to be a Member during his liability, he shall find a new Surety for such portion of the time as shall remain unexpired; and until such substitute is provided, the Committee will prohibit his entrance to the Stock Exchange. New sureties when required.

28. No applicant is admissible, if he be engaged as principal or clerk in any business other than that of the Stock Exchange, or if his wife be engaged in business, or if he be a member of, or subscriber to, any other institution where dealings in stocks or shares are carried on; and if subsequently to his admission he shall render himself subject to either of those objections, he shall thereby cease to be a Member. Applicants engaged in other businesses.

29. *No applicant for admission who has been a bankrupt, or has passed through the Insolvent Court, or has compounded with his creditors, shall be eligible, unless he shall have paid 6s. 8d. in the pound; nor then, until two years after he shall have obtained his official discharge, or fulfilled the conditions of his deed of composition, unless he shall have paid his debts in full; and no applicant, having more than once been a bankrupt, or insolvent, or compounded with his creditors, shall be eligible for admission until he shall have paid in full. Bankrupts.

30. A Member intending to object to the admission of an applicant, or to the re-election of a Member, is required to communicate the grounds of his objection to the Committee by letter, previously to the ballot or re-election. Objections to be in writing.

31. If any applicant for admission or re-election be rejected, he shall not be balloted for again before the 25th of March then next ensuing. Defaulters who have been rejected upon Two ballots can only be re-admitted by a majority of three-fourths in a Committee specially summoned, and consisting of not less than twelve Members. Rejected applications.

32. Any former Member, who, not having been a defaulter, bankrupt, or insolvent, shall have discontinued his subscription for one year, must be recommended for re-election by two Members, but without security. If he shall have discontinued his subscription for two years, he will be considered a new applicant, and must apply for admission in the usual way. Special Committee on rejected defaulters.

Discontinuance of subscriptions.

* This Rule does not apply to the re-admission of Members of the Stock Exchange.

Re-admission of defaulters. 33. A notice of every defaulter, bankrupt, or insolvent, applying for re-admission, shall, at the discretion of the Committee, be posted (without recommenders) in the Stock Exchange, at least twenty-one days, and the Committee shall then take the application into consideration, upon the report of the Sub-Committee, appointed according to Rule 164. If, however, the Committee think fit, a defaulter may be re-admitted without the above notice, upon a report of the Sub-Committee, and a certificate signed by such a number of the creditors as may be satisfactory to the Committee, that all liabilities have been *bond fide* discharged in full. In all such cases, after the defaulter has been re-admitted by ballot, it shall be decided by show of hands whether his name shall be posted in the Stock Exchange as having paid 20s. in the pound; or, whether it shall be placed in one of the two classes mentioned in Rule 165.

Precedence of defaulters' re-admission. 34. The re-admission of defaulters shall take precedence of all other business.

Questions put to sureties. 35. The Chairman of the Committee, in addition to any other questions that may appear to be necessary, shall, to each of the recommenders of an applicant, put the following:—

Has the applicant ever been a bankrupt, or has he ever compounded with his creditors? and if so, within what time, and what amount of dividend has been paid?

Would you take his cheque for three thousand pounds in the ordinary way of business?

Do you consider he may be safely dealt with in securities for the account?

Questions put to new applicants. 36. The Chairman shall require every new applicant to acknowledge his signature to the form of application, and shall ask such questions as may be deemed necessary.

APPENDIX TO ADMISSIONS AND RE-ELECTIONS.

1. Form of letter to be signed by persons desirous of becoming Members of the Stock Exchange.

To the Secretary of the Committee for General Purposes.

SIR,

You will please to acquaint the Committee for General Purposes that I am desirous of being admitted a Member of the Stock Exchange, for the year commencing on the 25th of March, 18 , upon the terms of, and under and subject in all respects to, the Rules and Regulations of the Stock Exchange, which now are, or hereafter may be, for the time being in force. I have read the Rules and Regulations of the Stock Exchange.

I have read the Resolution at the back of the letter.

I am a British subject, and of age.

I am (state whether married or unmarried).

My Residence is

My Office is

My Bankers are

I am not engaged in any business, except such as is transacted at the Stock Exchange, nor am I Clerk in any public or private Establishment unconnected with the Stock Exchange, nor a Member of, or Subscriber to, any other Institution in which dealings in Stocks or Shares are carried on.

I am, Sir, Yours faithfully,

We recommend Mr _____ as a fit person to be admitted a Member of the Stock Exchange; and in case he shall be publicly declared a defaulter, within four years from the date of his admission, we each of us hereby engage to pay to his creditors, upon application, the sum of five hundred pounds,* to be applied in discharge of the said defaulter's debts, in the Stock Exchange.

The following Rule is to be printed on the back of the letters of application:—

26. If a Member enter into partnership with, or become authorised Clerk to, any one of his Sureties, or if any one of his Sureties cease to be a Member during his liability, he shall find a new Surety for such portion of the time as shall remain unexpired; and until such substitute is provided, the Committee will prohibit his entrance to the Stock Exchange.

The Secretary shall send to every Member, on his admission, a letter to the following effect:—

SIR,

I am directed to inform you, that you are elected a Member of the Stock Exchange, for the year commencing on the 25th of March, 18 , upon the terms of, and under and subject in all respects to, the Rules and Regulations of the Stock Exchange, which now are, or hereafter may be, for the time being in force. You will be admitted into the House on payment of the Entrance Fee and Subscription to Mr W. F. PEROWNE, the Secretary to the Managers.

I am, Sir, &c., &c.,

FRANCIS LEVIEN,

Sec. to the Committee for General Purposes.

2. Form of the letter to be signed by persons desirous of being re-elected Members of the Stock Exchange.

APPLICATION FOR RE-ELECTION.

To the Secretary of the Committee for General Purposes.

SIR,

Yow will please to acquaint the Committee for General Purposes, that I am desirous of being re-elected a Member of the Stock Exchange, for the year commencing on the 25th of March, 18 , upon the terms of, and under and subject in all respects to, the Rules and Regulations

* The Sureties must state opposite to their signatures whether they are, or are not, or expect to be, indemnified for the security they give, and must attend, together with the person recommended, at one o'clock of the day on which the ballot is to take place; and they are required to have such personal knowledge of the applicant and of his past and present circumstances as may enable them to give a satisfactory account of the same to the Committee.

of the Stock Exchange, which now are, or hereafter may be, for the time being in force.

My Residence is

My Bankers are

The under-named will continue to act as my Clerk.

I am engaged in Partnership with

I am not engaged in any business, except such as is transacted at the Stock Exchange, nor am I Clerk in any public or private Establishment unconnected with the Stock Exchange, nor a Member of, or Subscriber to, any other Institution in which dealings in Stocks or Shares are carried on.

I am, Sir, your obedient Servant,

Name of Clerk.	Here state whether authorised or not to transact business; and if the party be a Member, it is to be so stated.

The Subscription is to be paid to Mr. W. F. PEROWNE, the Secretary to the Managers, in the Committee Room, within twenty-one days from the 25th March.

3. The Secretary shall furnish each applicant with a book of the Rules and Regulations, which must be carefully read by him previous to his admission.

The Secretary shall send to every Member, on his re-election, a letter to the following effect:—

SIR,

I am directed to inform you that you are elected a Member of the Stock Exchange, for the year commencing on the 25th of March, 18 , upon the terms of, and under and subject in all respects to, the Rules and Regulations of the Stock Exchange, which now are, or hereafter may be, for the time being in force. You will please to pay your Subscription to Mr. W. F. PEROWNE, the Secretary to the Managers.

I am, Sir, &c., &c.,

FRANCIS LEVIEN,

Sec. to the Committee for General Purposes.

PARTNERSHIPS.

Notice of partnerships.

37. In every year, as soon as possible after the general election, a list of partnerships shall be made out by the Secretary. In case of a new, or alteration in an old, partnership, the same shall be communicated to the Committee; and no partnership shall be considered as altered or dissolved until such communication be made.

To be posted.

All notices relative to partnerships must be signed by the parties, countersigned by the Secretary, and posted in the Stock Exchange.

38. The failure of a firm dissolves the partnership, and should the members of such firm, when re-admitted, desire to renew the partnership, notice thereof must be given to the Committee in the usual way.

Partnerships dissolved by failure.

39. No Member of the Stock Exchange shall be allowed to enter into partnership with any person who is not a Member; nor shall any Member form a partnership during the liability of his recommenders, without their written consent; such consent to be communicated to the Committee.

Partnership with Non-Members prohibited. Consent of sureties.

40. Members dealing generally together in any particular stock or shares, and participating in the result, shall be held responsible for the liabilities of each other, not only in the shares or stock in which they are jointly interested, but also in any other description of securities in which either of them may transact business, unless they forward a written notice to the Secretary, specifying the particular shares or stock in which they deal on joint account.

Joint dealing.

This Rule to be applicable also to Members allowing others to deal with their shares, stock, or capital, and participating in the result.

Form of Notice to be countersigned by the Secretary, and posted in the Stock Exchange.

Limited partnership.

(NOTICE.)

We, the undersigned, beg to inform the Committee for General Purposes that, from this day until further notice, we hold ourselves jointly responsible to the Stock Exchange for all transactions entered into by either of us in

Form of Notice.

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We are, Sir, &c.

41. The Committee will not allow Members or their authorized Clerks to act in the double capacity of Brokers and Dealers; nor will they sanction partnerships between Brokers and Dealers.

Brokers & Dealers, & their Clerks
Partnership between Brokers & Dealers.

CLERKS.

42. No Clerk shall be admitted without the permission of the Committee; nor unless he be seventeen years of age.

Admission, Eligibility.

No person who is not eligible for admission as a Member can be admitted as a Clerk, with the exception of persons under age, who are ineligible as Members on that account only.

Authority to deal. No Clerk shall be authorised to transact business until he has been two years in the Stock Exchange, and is twenty years of age.

No authorised Clerk shall transact business as a dealer in any market other than that in which his employer is engaged.

Application for admission. 43. A Member, desirous of obtaining the admission of a Clerk, or of employing another Member as his Clerk, shall make application in writing to the Committee, and state whether such Clerk is authorised or not authorised to transact business.

Previous occupation of applicants. When application is made for the admission of a Clerk, who has previously been engaged in business out of the Stock Exchange, the name and address of such person, together with the name of the Member applying for his admission, shall be posted in the Stock Exchange eight days prior to the application being considered by the Committee.

Notice of admission. No Clerk shall enter the Stock Exchange until his employer has received from the Secretary notice of his admission.

Consent of sureties of a New Member to his employment of an authorised Clerk. 44. A Member, applying for the admission of an authorised Clerk, must first obtain the consent of his Sureties in writing, if the term of their liability be not expired.

Dismissal of a Clerk, or withdrawal of authority to deal, &c. 45. A Member who may part with a Clerk, or be desirous of withdrawing from an authorised Clerk the permission to transact business on his account, shall give notice in writing to the Secretary, who shall forthwith communicate the same to the Stock Exchange, in the usual manner.

List of authorised Clerks. 46. A list of authorised Clerks (distinguishing those who are also Members) and the names of their employers shall be posted in the Stock Exchange, and the authority shall be considered to continue until revoked by letter to the Committee.

Responsibility of Members employing authorised Clerks. 47. A Member authorising a Clerk to transact business shall not be held answerable for money borrowed by the Clerk, without security, unless he shall have given special authority for that purpose.

Members as authorised Clerks. 48. A Member employed as Clerk, whether authorised or unauthorised, shall not make any bargain in his own name.

Application for allotments by Clerks. 49. No Clerk shall be allowed to apply for an allotment in loans or shares without the sanction of his employer, who shall be responsible for the payment of the deposit on the shares or stock so applied for.

the same was duly made or passed, and that the reference was conducted in accordance with the practice of the Committee. And I hereby consent that such Award or Resolution shall be deemed to be an Award under the Common Law Procedure Act, 1854, and be enforceable accordingly, and that the same may be made a Rule of the Court of Queen's Bench or of either of the other Superior Courts of Common Law.

I remain,

GENTLEMEN,

Private dealing with individuals of a firm prohibited.

54. If a Member shall do a private bargain, either for money or time, with an individual member of a firm in the Stock Exchange, such bargain being concealed from the firm, both Members shall be expelled.

Bargains with or for Clerks.

55. If any Member or authorised Clerk shall do a bargain, either for money or time, with an authorised or unauthorised Clerk, for account of such Clerk, they shall be liable to expulsion.

Speculative business for Clerks prohibited.

56. The Committee particularly caution Members against transacting speculative business for Clerks in public or private establishments, without the knowledge of their employers.

Penalty.

Members disregarding this caution are liable to be dealt with in such manner as the Committee may deem advisable.

Inviolability of bargains.

57. No application which has for its object to annul any bargain in the Stock Exchange shall be entertained by the Committee, unless upon a specific allegation of fraud or wilful misrepresentation.

Dealings in letters of allotment.

58. The Committee will not recognise any dealing in letters of allotment, either of loans or shares in new companies.

Payment of deposits by allottees

59. A Member applying for shares or stock of loans or public companies, and neglecting to pay the deposit on the same, shall be considered to have violated a contract, and shall be compelled to fulfil his engagement.

New bonds of Foreign Governments violating conditions of previous public loans.

60. The Committee will not recognise New Bonds, Stock, or other Securities issued by any Foreign Government that has violated the conditions of any previous public loan raised in this country, unless it shall appear to the Committee that a settlement of existing claims has been assented to by the general body of Bondholders.

Companies issuing such securities will be liable to be excluded from the Official List.

61. The Committee will not, after the restoration of peace, recognise, or allow the quotation of, any loan raised by a Power whilst at war with Great Britain. Loans raised by Powers while at war with Great Britain.
62. No Member shall enter into bargains in prospective dividends on shares or stock of railway or other companies. Bargains in dividends forbidden.
63. All disputes between Members, not affecting the general interests of the Stock Exchange, shall be referred to arbitration; and the Committee will not take into consideration such disputes, unless arbitrators cannot be found, or are unable to come to a decision. Arbitration.
64. No Member shall be obliged to take a reference for payment to a non-Member; nor shall he be obliged to pay a non-Member for securities bought in the Stock Exchange. Reference for payment to non-Members not sanctioned.
65. Cheques must be passed through the Clearing House, unless the drawer consent to their being otherwise presented. But if a Member require Bank Notes in payment for securities sold, without having made such stipulation at the time of making the bargain, he must give notice to that effect before Half-past Eleven o'clock on the day of delivery, and payment shall be made upon delivery of the securities, or the Bank receipt. Cheques for clearing. Demand for Bank Notes.
66. A seller, having transferred or delivered stock or other securities, has a right to demand payment from the Member who passed him the ticket; and in case the seller apply to the issuer of the ticket and fail to obtain payment, or receive a cheque which is dishonoured, the Member from whom he received the ticket shall make immediate payment. Seller may require payment of purchase money by his buyer.
67. A seller may require payment of the difference between the price marked on the ticket, and the making-up price of the day on which the ticket is tendered, but if such making-up price be above the price of sale, he shall only be entitled to claim the difference up to the price of sale. Difference between price marked on ticket tendered and that at which sold may be demanded.
68. In cases of loans, the lender is not entitled to place beyond his control shares or stock received as security for money advanced; and he may, after reasonable notice, and upon payment of the principal together with interest up to the time for which the loan was originally made, be required to return the identical bonds, or to re-transfer the shares or stock given as security for such loan. But this liability does not apply to a Member who has taken in shares or stock upon continuation. Loans dealing with the security. Security to be return'd when required.

Continuation.

All continuations shall be effected at the making-up price, or at the then existing market price.

Employment of officials in buying-in or selling-out, &c.

69. Buying-in or selling-out must be effected publicly by the Secretary to the Committee for General Purposes, or by the Clerks of the House in their respective markets, who shall trace the transaction to the responsible party, and claim the difference thereon.

When securities may not be bought in.

70. Bonds, shares, or other securities shall not be bought in while they are known to be out of the control of the seller for the payment of calls, or the receipt of interest, dividends, or bonus; and the Committee, on being applied to, will fix a day on which they may be bought in.

How dividends are to be accounted for.

71. In the settlement of all bargains, dividends are to be accounted for at the net amount receivable after deduction of Income Tax.

Fixing price of foreign coupons.

In the case of dividends payable only abroad, the Secretary to the Share and Loan Department shall fix a price for the coupons in sterling money, which shall be posted in the Stock Exchange, and at which the dividends shall be accounted for.

Current coupon.

Securities to bearer are not deliverable on the Settling-day without the current coupon.

When deliverable ex coupon.

Securities to bearer with coupon payable on the Settling-day shall be delivered ex coupon.

When dividend payable after Settling-day.

When the dividend is payable after the Settling-day, outstanding bargains in securities to bearer shall be settled with the current coupon, otherwise the buyer shall have the right to demand the market value of the coupon, which, in case of dispute, shall be fixed by the Secretary to the Share and Loan Department.

Options.

72. All optional bargains for the Settlement shall be declared at a Quarter before Three o'clock two days before the Settling-day.

Hours of business.

73. The hours of business in the Stock Exchange are from Eleven until Three o'clock. On Saturdays business will close at One o'clock.

Ticket-day on Saturdays.

When the Ticket-day is fixed for a Saturday, the House will be kept open until THREE o'clock, for the purpose of the Settlement only, the regulations for which shall be the same as on ordinary Ticket-days.

Holidays.

The Stock Exchange will be closed on the following days, viz. :—

1st January,
Easter Monday,
1st May,
Whit-Monday,

The First Monday in August,
1st November,
26th December,

unless specially ordered otherwise by the Committee.

When either the 1st January, 1st May, 1st November, or 26th December falls on a Sunday, the House will be closed on the day following.

N.B.—The Committee strongly recommend that all bargains be checked on the following day.

Bargains to be checked.

RULES APPLICABLE TO ENGLISH AND INDIA STOCKS, &c.

74. All bargains when no time is specified shall be considered as made for the existing Account.

Bargains when no time specified.

75. The Committee will not recognise any bargain for a future Account if it shall have been effected more than eight days previously to the close of the pending Account.

Dealing for future Accounts.

76. An offer to buy or sell a sum of stock, at a price named, is binding as to any part thereof; and an offer to buy or sell stock, when no amount is named, is binding to the amount of £1,000 stock.

Offers to buy or sell.

77. If the seller of stock shall not receive from the purchaser a transfer-ticket by Ten minutes before One o'clock, he may demand two shillings and sixpence for each transfer-fee which may be paid for the actual transfer of such stock. On a Settling-day, if the transfer-ticket is not delivered by a Quarter before One o'clock, the seller may claim of the purchaser two shillings and sixpence for every £1,000 stock; and if he shall not receive a transfer-ticket before Half-past One o'clock on the day it was contracted to deliver the said stock, he may sell out the same, and claim of the person who held the ticket at Half-past One o'clock any loss or charge incurred. On Saturday stock may be sold out at a Quarter to One o'clock.

Transfer-fees.

Selling-out.

78. Stock bought for a specified day and not then delivered may be bought in on the following day at Eleven o'clock, and the Member causing the default shall pay any loss incurred, and also one-eighth per cent. for the non-delivery of the stock. This fine shall attach to all stock not delivered on the day for which it was bought, whether it shall have been bought in or not.

Buying-in.

Fine.

79. Transfer receipts for stock bought for a specified day must be delivered by a Quarter before Four o'clock, or by Half-past One o'clock on Saturdays.

Time for delivery of transfer receipts.

Omnium or scrip, not paid in full, must be delivered before Two o'clock, or by One o'clock on Saturdays.

Omnium.

80. When stock is borrowed without any stipulation as to its return, the borrower or lender may be called upon to deliver or take it on the following day, whether a regular transfer-day or not.

Borrowed stock.

- Loans on stock.** 81. In cases of loans on the deposit of stock, when the striking of the balances for dividend takes place before repayment of the loan, the lender shall allow the dividend, deducting interest thereon till the day of payment of, and at the same rate as, the loan.
- Dividend allowed.**
- Limit as to the number of transfers.** 82. Purchasers of Bank or East India Company's Stock may require, at the seller's expense, as many transfers as there are even thousand pounds stock in the sum bargained for.
- Fixing making-up prices.** 83. The Clerk of the House shall fix the making-up prices, by taking the average price between Eleven and One o'clock on each of the two days preceding the Account, and between Eleven and a Quarter before One o'clock on the Settling-day; and no making-up shall be binding unless at such fixed prices.

RULES APPLICABLE TO SECURITIES OF COMPANIES DELIVERABLE BY DEED OF TRANSFER.

- Bargains when no time is specified.** 84. Bargains in shares or stock, when no time is specified, and bargains made before Twelve o'clock on Ticket-days, shall be considered to be made for the existing Account.
- Dealing for future Accounts.** 85. The Committee will not recognise any bargain in shares or stock effected for a period beyond the ensuing two Accounts.
- Offers to buy or sell.** 86. An offer to buy or sell an amount of shares or stock at a price named is binding as to any part thereof that may be a marketable quantity; and an offer to buy or sell shares or stock, when no amount is named, is binding to the amount of Ten shares, if in value under £500, or a number not exceeding in value that sum, or to the amount of £1,000 stock.
- Responsibility of seller for regularity of documents and for dividends.** 87. The seller of shares or stock is responsible for the genuineness and regularity of all documents delivered, and for such dividends as may be received, until reasonable time has been allowed to the transferee to execute and duly lodge such documents for verification and registration. When an official certificate of registration of such shares or stock has been issued, the Committee will not (unless bad faith is alleged against the seller) take cognisance of any subsequent dispute as to title, until the legal issue has been decided, the reasonable expenses of which legal proceedings shall be borne by the seller.
- Disputed title after registration.**
- Transfers in blank.** 88. The Committee will not (except under special circumstances) interfere in any question arising from the delivery of shares, stock, bonds, or debentures by transfer in blank.
- Mode of procedure on Ticket-days.** 89. The buyer who takes up securities deliverable by Deed of Transfer shall, before Twelve o'clock on the Ticket-day, issue a ticket with his own name as payer of the purchase-money, which ticket shall contain the amount and denomina-

tion of the stock or security to be transferred; the name, address, and description of the transferee in full; the price, the date, and the name of the Member to whom the ticket is issued. Each intermediate seller, in succession, to whom such ticket shall be passed, shall endorse therein the name of his seller.

Tickets to contain full particulars.

Endorsement.

All tickets representing stock or shares which, at the time, are subject to arrangement by the Settlement Department shall be passed through the Accounts at the making-up price of the day before the Ticket-day, and the stock or shares paid for at that price; but the consideration money in the Deed must be at the price on the ticket.

Making-up price on tickets passing through Settlement Department.

A Member receiving a ticket from the issuer after Twelve o'clock on the Ticket-day shall note the same on the back of the ticket; it is also required that the Member who first receives a ticket

Notification of time of passing.

After One o'clock,
After Half-past One o'clock,
After Two o'clock, or
After Half-past Two o'clock,

shall draw a line noting such times; and Members receiving tickets after Three o'clock, or at any time on any subsequent day, shall mark the exact time at which they are received.

Members omitting to note the times thus fixed may become liable for losses occasioned by selling-out in case undue delay is proved under the provisions of *Rule 98*.

A Member splitting a ticket shall pay any increased expense caused by such splitting, and shall retain the original ticket. Split tickets must bear the name of the issuer of the original ticket.

Splitting tickets.

A Member failing to keep the original ticket will be required to trace it in case of selling-out.

Selling-out.

On Ticket-days the passing of tickets shall commence at Ten o'clock. Tickets may be left at the office of the seller up to half-past One o'clock on Ticket-days.

Time for leaving tickets at offices.

Tickets may be issued and passed on the day before the Ticket-day, but the buying-in upon tickets so issued shall not be allowed until the Eleventh day after the Ticket-day.

90. When shares have been converted into consolidated stock and are so quoted in the Official List, buyers are required to pass tickets for stock, and not for shares.

Shares consolidated into stock.

91. A Member not refusing an antedated ticket, when tendered as such, takes it with all its liabilities; but if it be passed as an ordinary ticket, the liabilities remain with the Member putting such ticket again into circulation; and any Member holding an undated ticket shall not be liable for any loss arising from the shares or

Antedated or undated tickets.

stock having been bought in, unless such ticket has been Seven days in his possession.

Alteration or detention of tickets. 92. A Member who makes an alteration in, or improperly detains, a ticket shall make good any loss that may occur thereby.

Prices marked on ticket. 93. The deliverer shall cause the shares or stock to be transferred at the price marked upon the ticket; but no Member shall be compelled to take a ticket at a price not quoted in the Official List during the Account, unless the bargain represented by such ticket shall have been made within the two preceding Accounts.

Pending calls. 94. The deliverer may, previously to delivery, pay any call made on registered shares, although not due, and claim the amount of the issuer of the ticket.

Payment of stamps. 95. The buyer of shares or stock shall pay the *ad valorem* duty and registration fee, and shall state on the ticket the amounts in which he may desire to have the shares or stock transferred (provided no such amounts require a higher stamp than £50).

Stamps on loans. In cases of loans the borrower shall pay the nominal consideration stamps of Ten shillings, the registration fees, and the mortgage stamp.

Portions to be paid for. 96. The buyer shall, in the event of his ticket being split, pay for any portion of shares or stock which may be presented, provided the number be not less than Ten shares, or the value less than £200.

Coupons or certificates with transfer deed. 97. The buyer of shares or stock may refuse to pay for a transfer deed unaccompanied by coupons or certificates, unless it be officially certified thereon that the coupons or certificates are at the office of the Company. But if the transfer deed be perfect in all other respects, the shares or stock must not be bought in until reasonable time has been allowed to the seller to obtain the verification required. If the seller have a larger coupon than the amount of stock conveyed, or only one coupon representing stock conveyed by two or more transfer deeds, the coupon may be deposited with the Secretary of the Share and Loan Department of the Stock Exchange, who shall forward it to the office of the Company, and certify to that effect on the transfer deeds, which shall then be a valid delivery. No person is to look to the Managers or Committee of the Stock Exchange as being liable for the due or accurate performance of those duties, the Managers and Committee holding themselves, and being held, entirely irresponsible in respect of the execution, or of any mis-execution, or non-execution of the duties in question.

Division of coupons. 98. The deliverer of shares or stock who shall not receive a ticket by half-past Two o'clock on the Ticket-day may sell out such securities up to Three o'clock. If a ticket shall not have been regularly issued before Twelve o'clock, the issuer thereof shall be responsible for any loss occasioned by such selling-out. Should, however, a ticket have been regularly put into

To be certified by Secretary of Share and Loan Department.

circulation, the holder thereof at Two o'clock shall be responsible for any selling out on the Ticket-day. If the selling-out take place on the next day, the holder of the ticket at Three o'clock on the Ticket-day shall be liable—*unless such ticket was in the Settlement Department at Three o'clock, in which case the holder of such ticket at Four o'clock shall be liable.* In case of selling out on any subsequent day, the holder of the ticket at Three o'clock on the previous day, or at One o'clock on Saturdays, shall be liable, unless he can prove undue delay in passing the ticket.

Settlement
Department.

Should the deliverer allow Two clear days to elapse without availing himself of his right to sell out, his buyer shall be released from all loss in cases where the ticket has not been passed in consequence of the public declaration of any Member as a Defaulter. If a seller does not deliver shares or stock within Thirteen clear days, the intermediate buyer from whom he received the ticket shall be released, and the issuer thereof shall alone remain responsible for the payment of the purchase-money.

Release of
inter-
mediates.

99. When shares or stock are sold out, if a ticket be not given within half-an-hour after the time of sale, the transfer may be made into the name of the buyer.

Tickets for
sold-out
shares.

100. If shares or stock are not delivered within Ten days, the issuer of the ticket may buy in the same against the seller at, or after, Twelve o'clock on the Eleventh day after the date of the ticket, or on any subsequent day.

Buying-in.

One hour's public notice of such buying-in must be posted in the Stock Exchange, and the purchase must be made or attempted within half-an-hour after the expiration of the time fixed. The name into which the shares or stock are to be transferred must be stated in the order to buy in. The loss occasioned by such buying-in shall be borne by the ultimate seller, unless he can prove that there has been undue delay in the passing of the ticket on the part of any Member, who shall in that case be liable.

Shares or stock thus bought in and not delivered by One o'clock on the following day, or by Twelve o'clock on Saturdays, may be re-purchased for immediate delivery without further notice, and any loss shall be paid by the Member causing such re-purchase.

Non-delivery of
bought-in
stock, &c.

101. The issuer of a ticket who shall allow Thirteen clear days from the date of his ticket to elapse without buying-in or attempting to buy in shares or stock, shall release his seller from all liability in respect of the non-delivery of the securities, unless he shall have waived his right to buy in at the request or with the consent of his seller; and the holder of the ticket shall alone remain responsible to such issuer for the delivery of the securities.

Time for
buying-in.Right to
buy in.

102. The buyer is entitled to new shares or stock issued in right of old, provided that, within reasonable time, he specially claim the same, in writing, from the seller. Claims should be entered as bargains, and as such be checked in the usual manner.

Right to
new shares.
Claims.

Letters of renunciation. When practicable, claims are required to be settled by Letters of Renunciation, but if not practicable, and there be sufficient time for registration, the seller may, after due notice, require the buyer to complete the bargain in old shares or stock.

Fixing prices for new shares. If the new shares or stock cannot be obtained by Letters of Renunciation, or by the transfer of the old, the Committee will fix a price at which the same shall be temporarily settled, and which amount may be deducted by the buyer from the purchase-money of the old shares or stock, until the Special Settlement.

Unchecked claims. The Committee will not entertain any dispute relating to unchecked claims, unless brought before them within Ten days after the Special Settling-day.

Making-up prices. 103. On the day before the Ticket-day, and on the Ticket-day, the Clerk of the House shall, at Twelve o'clock, fix the making-up prices, by taking the then actual market prices, and no making-up shall be binding unless at such fixed prices. In case of dispute as to the making-up price, or of any omission in fixing the same, the Clerk of the House shall act upon the decision of two Members of the Committee.

Making-up prices for unsettled accounts. 104. On Ticket-days all unsettled bargains shall be brought down and temporarily adjusted at the making-up price of the day, the difference thereon being paid on each subsequent Settling-day until the closing of the transaction.

Time for requiring payment. 105. No Member shall be required to pay for shares or stock presented after Half-past Two o'clock; or after One o'clock on Saturdays.

RULES APPLICABLE TO SECURITIES TO BEARER.

Bargains when no time specified. 106. Bargains, when no time is specified, shall be considered as made for the existing Account, but those made on a Settling-day shall, unless otherwise expressed, be for the ensuing Account.

Dealing for future accounts. 107. The Committee will not recognise any bargain effected for a period beyond the end of the ensuing two Accounts.

Offers to buy or sell. 108. An offer to buy or sell a sum of stock, at a price named, is binding as to any part thereof, not less than the under-mentioned sums, and divisible by the same, viz. :—

£1,000 stock or scrip.

Fs. 750 French Rentes.

10 shares.

American bonds and shares, amount deliverable. 109. No Member shall be required to accept the delivery of a certificate of American shares of a larger amount than 10 shares of \$100 each nominal capital, or 20 shares of \$50 each, nor an American bond of a larger amount than \$1,000, except upon special contract.

110. The seller of securities for a particular day, which the buyer is not prepared to pay for by Half-past Two o'clock on that day (or Half-past Twelve o'clock on Saturdays), may sell out the same, and claim of the buyer any loss incurred. Selling out.

111. On the Ticket-day between Ten and Three o'clock, Tickets shall be passed without any price thereon, and the accounts made up therewith are to be settled at the making-up price of the day. Tickets shall be passed.

Tickets must bear distinctive numbers and be for the following amounts, viz. :— Tickets must bear numbers.

£1,000 stock, or multiples of £1,000, up to £5,000.

£1,000 Italian stock, or multiples thereof, up to £5,000. Also £800, or multiples thereof, up to £4,800. Amounts deliverable.

\$5,000 American stocks, or multiples thereof, up to \$25,000.

Fcs. 1,500 French Three per Cent. Rentes, or multiples thereof, up to fcs. 6,000.

10 shares, or multiples thereof, up to 100.

Tickets for £500 stock may be passed for bargains, or balances of that amount.

Smaller amounts must be settled without tickets.

Tickets shall not be issued later than Two o'clock on the Ticket-day.

Tickets shall not be split, except in the Settlement Department in cases where the Sub-Committee appointed to control that department may consider it necessary.

Every Member is required to endorse on the ticket the name of the Member to whom it is passed.

Tickets may be left at the office of the seller up to half-past Two o'clock on Ticket-days.

On the Settling-day, and on the day after the Settling-day, the delivery of securities shall commence at Ten o'clock.

Sellers shall accept tickets, and if they elect to settle with their immediate buyers under the provisions of Rule 66, they shall deliver their securities before Half-past Twelve o'clock.

The holder of tickets may deliver securities up to Half-past One o'clock on Settling-days.

A Member electing to take securities from his immediate seller must give notice thereof before Twelve o'clock on the Ticket-day, in which case he shall be required to pay up to Two o'clock on the Settling-day. Members neglecting to give such notice shall be required to pay up to Half-past Two o'clock.

Buyers shall pay for such portion of securities as may be delivered within the prescribed times. Portions to be paid for.

112. A Member shall be required to pay for securities presented until Half-past Two o'clock on any day other than Settling-days. On Saturdays, he shall not be required to pay for securities after One o'clock. Time for requiring payment.

Buying-in. 118. Securities bought for any period, excepting the Settling-day, which shall not be delivered by Half-past Two o'clock or Half-past Twelve o'clock on Saturdays, may be bought in on the same or any subsequent day, and any loss occasioned by such re-purchase shall be borne by the seller.

But securities bought for the Settling-day, and not delivered by Half-past Two o'clock, may be bought in on the following or any subsequent day,

Notice. after one hour's notice, to be posted in the Foreign market, announcing the intended purchase. The buying-in not to take place before Two o'clock, nor before Half-past Twelve o'clock on Saturdays, in which case the loss shall be borne by the Member who shall not have delivered the shares or stock by Half-past Two o'clock on the previous day, or by One o'clock on Saturdays.

Non-delivery of stock bought in. Stock thus bought in, and not delivered by One o'clock on the following day, or by Twelve o'clock on Saturdays, may be re-purchased for immediate delivery without further notice, and any loss shall be paid by the Members causing such re-purchase.

Neglecting to take numbers. A Member neglecting to take the numbers of securities delivered after time shall be required to trace out the Member responsible for the loss.

Limit of time for buying-in. 114. A Member who shall allow Two clear days to elapse without availing himself of his right to buy in, or without attempting to buy in securities, releases the seller from any loss

Release of intermediates. in consequence of the public declaration of any Member as a Defaulter, unless he shall have waived such right at the request, or with the consent, of the seller. The holder of a ticket who shall allow two clear days to elapse without delivering the stock releases his buyer from any loss in consequence of the declaration of any Member as a Defaulter.

Making-up prices. 115. The Clerk of the House shall, at Twelve o'clock on each of the two days preceding each settling, fix the making-up prices of all securities by taking the then actual market prices; and no making-up shall be binding unless at such fixed prices.

Making-up prices on Settling-day. 116. On Settling-days, all unsettled bargains shall be brought down and temporarily adjusted, at prices to be fixed by the Clerk of the House at Half-past Two o'clock, and the differences shall be paid in the usual manner.

Exchequer bills. 117. Bargains in Exchequer bills are for bills not filled up to order.

French Rentes. 118. Bargains in French Rentes, unless otherwise specified, shall be settled in certificates to bearer, and at a fixed exchange of 25 fcs. per pound sterling.

Foreign coupons, when returnable. 119. Foreign coupons sold at the exchange of the day, and not paid, are returnable with all reasonable expenses.

120. The buyer of bonds or other securities subject to periodical drawing shall not be entitled to claim delivery thereof previous to the day for which they were bought. Drawn bonds.

Bargains must be settled in securities which have not been officially notified as drawn. In case of the erroneous delivery of any drawn securities, the buyer (on receipt of undrawn securities, and on allowance being made for any drawing or dividend of which he may have lost the benefit) shall deliver such securities back to the person who held them at the time of the official notification of the drawing, or shall pay to him any proceeds received from such drawing, provided the said securities, or the proceeds thereof, be traced to, and remain in the possession and under the control of, such buyer, all intermediate Members being released from liability.

No claim in respect of the erroneous delivery of drawn securities will be entertained by the Committee unless made within nine calendar months.

121. The buyer is entitled to new securities issued in right of old, provided that within reasonable time he specially claim the same in writing from the seller, who may after due notice require the buyer to complete the bargain in old securities. Claims should be entered as bargains, and as such be checked in the usual manner. Buyer entitled to new securities.

The Committee will fix a price for the new securities, which may be deducted by the buyer from the purchase-money of the old securities, until the Special Settlement.

The Committee will not entertain any dispute relating to unchecked claims unless brought before them within Ten days after the Special Settling-day.

122. The deliverer is responsible for the genuineness of securities delivered, and in case of his death, failure, or retirement from the Stock Exchange, such responsibility shall attach to each Member in succession through whose hands the ticket for such securities shall have passed. Genuine-ness of securities.

123. Every bond or scrip share is to be considered perfect, unless it be much torn or damaged, or a material part of the wording be obliterated. The Committee will not take cognizance of any complaint in respect of bonds or shares alleged to have been delivered in a damaged condition, or deficient in, or with irregular, coupons, should such bonds or shares be detained by the buyer more than eight days after the delivery, unless it can be proved that the Member passing them was aware of their being imperfect. Torn or damaged bonds. Irregular coupons.

124. Bonds and debentures of railways in Great Britain, Ireland, and the East Indies, shall be dealt in so that the accrued interest, up to the day for which the bargain was done, be paid by the buyer: but bargains in bonds and debentures of Colonial and Foreign railways shall include the accrued interest in the price. Railway debentures. Colonial & Foreign railway debentures.

**SPECIAL SETTLING-DAYS AND OFFICIAL QUOTATION OF NEW
LOANS, SHARES, AND STOCKS.**

Bargains in new loans and shares, &c. 125. Bargains in the scrip of a new loan, or the shares of a new company, are contingent on the appointment of a Special Settling-day.

Appointment of Special Settling-day. 126. The Committee will appoint a Special Settling-day for transactions in the scrip of a new loan, provided the requisite documents are in due order, that the issue is not in contravention of Rules 60 and 61, and that no allegation of fraud is substantiated.

Application for settlements in loans. The application for a Special Settling-day for bargains in Foreign, Colonial, or other loans, must be laid before the Secretary of the Share and Loan Department, who shall give Three clear days' public notice previously to its being considered by the Committee.

Documents required. The application must be accompanied by the prospectus, by notarial copies, or translations, or other satisfactory evidence of the powers under which the loan is contracted, and by a certificate verified by the Statutory Declaration of the contractors or agents of the amount allotted to the public, that the scrip or bonds are ready for delivery, and are in reasonable amounts.

Quotations of new loans. The Committee will order the quotation of the scrip and bonds of a Foreign, Colonial, or other loan, the dividends of which are payable in this country, provided such loan has been publicly negotiated by tender, contract, or otherwise, and provided the bonds specify the amount and conditions of the loan, the powers under which it has been contracted, and the numbers and denominations of the bonds issued, and bear the autographic signature of the contractor or properly authorised agent.

Bonds will not be admitted to quotation until they have been approved by the Committee.

Quotation of bonds, with dividend pay-abroad. Bonds the dividends of which are payable abroad may be quoted upon satisfactory proof of the amount created, and of the official quotation in the country where issued.

Settling-day in Foreign or Colonial loans. 127. Bargains in Foreign loans, which are officially quoted in the country to which they belong, shall be for the ordinary settlements.

Special Settling-days. 128. The Committee will appoint a Special Settling-day for transactions in the shares of a new company, provided that no allegation of fraud be substantiated; that there has been no misrepresentation or suppression of material facts; that sufficient scrip or shares are ready for delivery, and that no impediment exists to the settlement of the Account.

129. The Secretary to the Share and Loan Department shall give one week's notice to the Stock Exchange of any application for a Special Settling-day for transactions in the shares of a new company, previously to such application being submitted to the Committee, and shall require the production of the following documents, viz. :—

The Prospectus, the Act of Parliament, the Articles of Association, or a certificate that the company is constituted upon the Cost-book system, under the Stannary Laws.

The original applications for shares, the allotment book, signed by the Chairman and Secretary to the Company, and a certificate verified by the Statutory Declaration of the Chairman and the Secretary, stating the number of shares applied for and unconditionally allotted to the public the amount of deposits paid thereon, and that such deposits are absolutely free from any lien.

The Banker's pass-book, and a certificate from the Bankers stating the amount of deposits received.

130. The Committee will order the quotation of a new company in the Official List, provided that the company is of *bona fide* character, and of sufficient magnitude and importance; that the requirements of Rule 129 have been complied with, and that the Prospectus has been publicly advertised, and agrees substantially with the Act of Parliament, or the Articles of Association, and in the case of Limited Companies contains the Memorandum of Association; that it provides for the issue of not less than one-half of the nominal capital, and for the payment of ten per cent. upon the amount subscribed, and sets forth the arrangements for raising the capital, whether by shares fully or partly paid up, with the amounts of each respectively, and also states the amount paid, or to be paid, in money or otherwise to concessionaires, owners of property, or others on the formation of the company, or to contractors for works to be executed, and the number of shares, if any, proposed to be conditionally allotted;

Quotations of shares of a new company.

That two-thirds of the whole nominal capital proposed to be issued have been applied for and unconditionally allotted to the public (shares reserved or granted in lieu of money payments to concessionaires, owners of property or others, not being considered to form part of such public allotment), that the Articles of Association restrain the Directors from employing the funds of the company in the purchase of its own shares, and that a Member of the Stock Exchange is authorised by the company to give full information as to the formation of the undertaking, and be able to furnish the Committee with all particulars they may require.

In cases where fully-paid shares have been granted in lieu of money payments, an official certificate will be required that the contract providing for the issue of such shares has been filed with the Registrar of Joint Stock Companies, as prescribed by the 25th Section of the Companies Amendment Act, 1867.

Foreign companies partly subscribed for and allotted in this country shall not, unless under special circumstances, be allowed a quotation in the Official List, until they have been officially quoted in the country to which they belong.

Of Foreign shares.

Issue of new shares within 12 months of Special Settling. 131. A company issuing, or promising to issue, new shares within Twelve months after the first Settling-day appointed by the Committee, unless under special circumstances, shall be liable to exclusion from the Official List.

Caution to brokers of new companies. 132. The Committee particularly caution Brokers against giving the sanction of their names to the bringing out of any company without due inquiry as to the *bona fides* of its objects, the character of its promoters, directors, and concessionaires, and of the other persons connected therewith. Members disregarding this caution are liable to be dealt with in such manner as the case may require.

ORDINARY SETTLEMENT-DAYS AND OFFICIAL QUOTATION OF PRICES.

Settling-days and Ticket-days. 133. The Committee shall fix the Settling-day for English stock at least eight days previous to the settlement of the pending Account, and at their first meeting in each month they shall fix the Ticket-days and Settling-days for Foreign stock, shares, &c., for the succeeding month.

The Secretary shall give notice of the days thus appointed.

Settling-day in omnium, &c. 134. The Settling-day in English omnium and scrip shall be two days prior to the respective days of payment of each of the several instalments, unless the payment falls on a Tuesday, in which case the Settling-day shall be on the previous Monday.

Instalments on scrip. In case the payment of an instalment on Foreign or other scrip falls on a Settling-day, the settlement of such scrip shall take place the day previous to the payment.

Price list under the control of Committee 135. A list of prices of English and Foreign stocks, shares, and other securities, permitted to be quoted, shall be published under the authority of the Committee; and no list shall be published and sold by a Member without the sanction of the Committee.

Quotation of prices. 136. The prices of all bargains may be quoted in the Official List, but no price shall be inserted unless the bargain shall have been made in the Stock Exchange between Members at the market price; nor on the authority of one of them, if he refuse, when required by a Member of the Committee, to give up the name of the Member with whom he has dealt.

Exceptional amounts. 137. Bargains at special prices by reason of their exceptional amounts may only be quoted with distinguishing marks.

Quotation of money prices, &c. 138. Bargains in English stock for the next Transfer-day, or in Foreign or other stocks for the following day, may be marked in the Official List of money prices.

Of stock during shutting. Bargains in all stocks made during the shutting, for the opening, may be quoted in the Official List.

- Bargains in Foreign bonds may be quoted in the Official List, with or without overdue coupons. Of bonds with overdue coupons.
- Omnium may be quoted for the issue of the receipts, for money, and for the next succeeding payment. Omnium.
139. All dealings in English stock (except Bank stock), and in India Four and Five per Cents., for any day subsequent to the striking of the balances of such stocks for dividend, shall be ex dividend, and quoted accordingly. Quotations of stock ex dividend.
140. Bargains in transferable shares or stock shall be quoted ex interest from the beginning of the Account in which the interest may become payable; and ex dividend from the beginning of the Account following that in which the dividend may have been declared, provided the dividend be made payable to the holders then registered; but in case of a subsequent shutting of a Company's books for payment of the dividend, then from the beginning of the Account following that in which such shutting occurs. Quotations of shares ex dividend or ex interest.
- Bargains in securities to bearer shall be quoted ex dividend on the day when the dividend is payable. Dividends on securities to bearer.
- Shares in Foreign railways shall, when practicable, be quoted ex dividend or ex interest, at a period in accordance with the practice of Foreign Bourses. quoted ex dividend or ex interest, at a period in accordance with the practice of Foreign Bourses.
141. Bargains should be quoted in the order in which they are made; but the Clerks of the House may, with the concurrence of a Member of the Committee, quote omitted bargains, if notified before One o'clock, in the order in which they occurred, upon a written application from the buyer and the seller stating the amount, the time when, and the price at which, such bargains were made; and such application shall be filed, and laid before the Committee at their next meeting. The above regulation applies likewise to all bargains done between One and Three o'clock. Bargains omitted to be marked.
142. A price inserted in the Official List shall not be expunged without the authority of the Chairman, Deputy-Chairman, or two Members of the Committee. Prices not to be expunged without authority.
- FAILURES.**
143. A Member unable to fulfil his engagements shall be publicly declared a Defaulter by direction of the Chairman, Deputy-Chairman, or any two Members of the Committee. Public declaration of defaulters.
144. A Member declared a Defaulter in the Stock Exchange, or a Member who may become bankrupt or insolvent, although he may not be at the same time a Defaulter in the Stock Exchange, ceases to be a Member. Defaulters, bankrupts, &c., cease to be Members.

Private failures.

145. When a Member shall give private intimation to his creditors of his inability to fulfil his engagements, the creditors shall not make any compromise with such Defaulter, but shall immediately communicate with the Chairman, Deputy-Chairman, or two Members of the Committee, in order that the Member in default may be immediately declared; and in case the Committee shall obtain knowledge of any private failure, the name of the Defaulter shall be publicly declared.

Liability of persons who connive at a private failure.

146. A Member conniving at a private failure, by accepting less than the full amount of his debt, shall be liable to refund any money or securities received from such Defaulter, provided he shall be publicly declared within two years from the time of such compromise, the property so refunded being applied to liquidate the claims of the subsequent public creditors. Any arrangement for settlement of claims, in lieu of *bond fide* money payment, on the day when such claims become due, shall be considered as a compromise, subject to the provisions of this rule.

Receiving prospectively claims upon a defaulter.

147. A Member who shall have received a difference on an account prior to the regular day for settling the same, or who shall have received a consideration for any prospective advantage, whether by a direct payment of money, or by the purchase or sale of stock at a price either above or below the market price at the time the bargain was contracted, or by any other means, prior to the day for settling the transaction for which the consideration was received, shall (in case of the failure of the Member from whom he received such difference or consideration) refund the same for the general benefit of the creditors; and any Member who shall have, under the circumstances above stated, paid or given such difference or consideration shall again pay the same to the creditors; so that, in each case, all persons may stand in the same situation with respect to the creditors, as if no such prior settlement or other arrangement had taken place.

Equality of right between difference creditors.

148. A creditor receiving, under any circumstances, a larger proportion of differences on a Defaulter's estate than that to which each of the creditors is entitled, shall refund such portion as shall reduce his dividend to an equality with the others.

Priority of claim by difference creditors.

149. Creditors for differences shall have a prior claim on all differences received by, or due to, a Defaulter's estate.

Claims for securities delivered and not paid for.

150. Members not receiving due payment for securities delivered on the day of default are entitled so far as regards the value thereof, at the average price on the day of delivery, to be paid *pro rata*, and preferentially, out of assets resulting in any manner from such securities, or derived from the Defaulter's own resources; and should these prove insufficient, they shall, as to the balance of such claims, participate with other creditors in any surety-money of the Defaulter.

151. In the case of loans of money made upon securities valued at less than the market price, the lender shall realise his securities within Three clear days (unless the creditors consent to a longer delay), or take them at a price to be fixed by the Official Assignees, with appeal to any two Members of the Committee. Should the security be insufficient, the difference may be proved against the Defaulter's estate.

Loans on securities valued below the market price.

152. No loan without security shall be admitted as a claim on the differences of a Defaulter's estate, nor shall any such loan, when of longer duration than two business days, be admitted as a claim on any other of his assets; and should any unsecured creditor receive payment of his loan from a Member on the day of his default, such payment being made out of assets not belonging to the Defaulter previously to that day, he shall refund the amount so received for the benefit of the Defaulter's estate.

Loans without security.

153. Differences allowed to remain unpaid for more than two business days beyond the day on which they become due cannot be proved against a Defaulter's estate, or set off against any difference due to a Defaulter at the time of his failure. Differences overdue and paid previous to the day of default are not to be refunded.

Differences on old transactions.

154. The Committee will not admit or recognise any payment or claim on a Defaulter's account that does not arise from a Stock Exchange transaction.

Claims not on Stock Exchange transactions.

155. No Defaulter shall be re-admitted who shall not, if required, give up the name of any principal indebted to him, or who, within fourteen days from the date of his failure, shall not have delivered to the Official Assignees, or to his creditors, his original books and accounts, and a statement of the sums owing to and by him in the Stock Exchange at the time of his failure.

Surrender of books & names of principals.

156. A Member having compounded with his creditors, and being subsequently declared a Defaulter, shall not be eligible for re-admission for six months, and should he be declared in consequence of his having so compounded, his sureties shall not be called upon to pay their security-money.

Composition previous to failure. Release of sureties.

157. A Defaulter shall not be eligible for re-admission who shall not have paid from his own resources, independently of his security-money, at least one-third of the balance of any loss that may occur on his transactions, whether on his own account or that of principals; or who, in the event of his debts being less than the amount which his sureties may be called upon to pay, shall not have refunded to the sureties one-third of the amount paid by them.

Payment of creditors before re-admission.!

158. A Member who passes or retains a ticket for shares or stock, whereby loss is incurred or increased, and who shall be declared a Defaulter in that Account, shall not be eligible for re-admission for at least one year from the date of such

Defaulter passing or retaining tickets.

default, provided it be proved to the satisfaction of the Committee that he knew himself to be insolvent at the time of passing or retaining the ticket.

Business for a defaulter. Business with a defaulter. 159. No Member shall carry on business for a Defaulter for his benefit without the consent of the creditors and the sanction of the Committee. No Member shall deal with a Defaulter on his own account before his re-admission to the Stock Exchange.

Business for principals who are defaulters to other Members. 160. No Member shall transact business for a principal who, to his knowledge, is in default to another Member, unless such person shall have made a satisfactory arrangement with his creditors.

Claims of non-Members admitted against defaulters. 161. Non-Members shall be allowed an equal participation of assets, subject to the same conditions as Members, provided their claims be admitted by the creditors, or in case of dispute by the Committee; and a person whose claim is so admitted may be represented at the meeting of creditors by any Member whom he may select.

Claims not to be sold to non-Members. 162. No Member, being a creditor upon a Defaulter's estate, shall sell, assign, or pledge his claim on such estate, to a non-Member without the concurrence of the Committee; and such assignment shall be immediately communicated to the Official Assignees.

Dividends due to deceased creditors. 163. If a creditor of a Defaulter be dead, the dividend due to him shall be paid to his legal representative; but if the creditor himself be a Defaulter, the dividend due to him shall be paid to his creditors.

Duties of Sub-Committee. 164. Upon any application for the re-admission of a Defaulter, a Sub-Committee, of not more than three Members, to be chosen in alphabetical rotation, shall investigate his conduct and accounts; and no further proceedings shall be taken by the Committee with regard to his re-admission until the report of such Sub-Committee shall have been submitted, together with a balance-sheet of the Defaulter's estate, signed by himself.

The attention of the Sub-Committee shall be directed,

1st—To ascertain the amount of the greatest balance of shares or stock open at any time during the Account, the current balance at his Bankers, as well as the balance of shares or stock open at the time of failure; and whether the transactions were on his own account or on account of principals, specifying the amount of each respectively.

2nd—To ascertain the total amount of money paid by him, specifying the sums collected in the Stock Exchange, and those received from principals, and the money or other property brought forward by himself.

3rd—To ascertain the conduct of the Defaulter preceding and subsequent to his failure; and to inquire of the Official Assignees whether any matter prejudicial or otherwise to the Defaulter's application has transpired at any meeting of creditors, or has officially come to their knowledge elsewhere.

4th—To ascertain whether the Defaulter has violated Rule 158.

165. The re-admission of Defaulters shall be in two distinct Classes—

The *First* Class to be for cases of failure arising from the default of principals, or from other circumstances, where no bad faith, nor breach of the Regulations of the House has been practised; where the operations have been in reasonable proportion to the Defaulter's means or resources; and where his general conduct has been irreproachable.

Classes under which defaulters are re-admitted.

The *Second* Class, for cases marked by indiscretion, and by the absence of reasonable caution.

The decision of the Committee on the re-admission of a Defaulter shall remain posted in the Stock Exchange for thirty days.

166. Every Defaulter, bankrupt or insolvent (applying for re-admission), shall furnish the Sub-Committee with every information they may require.

Defaulters to furnish information.

OFFICIAL ASSIGNEES.

167. Two or more Members shall be appointed annually by the Committee, to act as Official Assignees, whose duty it shall be to obtain from a Defaulter his original books of account, and a statement of the sums owing to and by him; to attend meetings of creditors; to summon the Defaulter before such meetings; to enter into a strict examination of every account; to investigate any bargains suspected to have been effected at unfair prices; and to manage the estate in conformity with the Rules, Regulations, and usages of the Stock Exchange.

Appointment of official assignees.

168. Each Official Assignee shall find security amounting to £1,000 from two or more Members of the Stock Exchange. In the event of any default or misappropriation by either Assignee of funds or property entrusted to his care, or of any dishonesty on his part, each of his sureties shall pay, under the Committee, such sum as he shall have guaranteed.

Official assignees.

169. The Assignees shall collect and pay the assets to the credit of their joint account at a Banker's, and shall distribute the same as soon as possible.

Division of assets amongst creditors.

170. In every case of failure, the Official Assignee shall publicly fix the prices current in the market immediately before the declaration, at which prices all persons having accounts open with the Defaulter shall close their transactions by buying or selling to him such stocks, shares, or other securities as he may have contracted to take or deliver, the differences arising from the Defaulter's

Assignees to fix prices.

transactions being paid to or claimed from the Official Assignees. In the event of a dispute as to the prices named, they shall be fixed by two Members of the Committee.

Differences not to be claimed until due. 171. The Official Assignees shall not claim differences on a Defaulter's estate until they become due.

Claims not admitted. 172. The Official Assignees shall not admit any payment to, or claim upon, a Defaulter's estate for differences arising out of transactions which are specially stated in the laws of the Committee as not sanctioned or not recognised.

Statements to be furnished to the Committee by assignees. 173. Once in every month the Official Assignees shall lay before the Committee an account of the balances in their hands belonging to Defaulter's estates, and the Committee shall order such balances as they think fit to be paid over to the account of the Trustees of the Stock Exchange Benevolent Fund.

A statement of all sums so paid over, and of the amount remaining in the hands of the Trustees of the Stock Exchange Benevolent Fund on the 31st of December in every year, shall be furnished by the Official Assignees, and deposited in the Committee Room, for the inspection of the Members of the Stock Exchange.

On the first of March in each year, the Official Assignees shall lay before the Committee a statement of all dividends paid during the last year on each Defaulter's estate.

A register of defaulters' accounts to be kept. Every Defaulter's estate shall be registered in a book, to be kept by the Official Assignees.

Scale of remuneration to assignees. 174. The scale of remuneration to the Official Assignees shall be as follows:—

From £1 to £1,000 collected	5 per cent.
From £1,000 to £5,000.....	2 per cent.
From £5,000	1 per cent.

“Sums received from another Defaulter's estate and redistributed shall be charged with half the above percentages, and where exceptional duties have been performed by the Official Assignees, or where amounts have been collected arising from stock delivered to a Defaulter and not duly paid for by him, special allowances shall be made by the Trustees of such Defaulter's estate.”

THE SETTling-DAYS in the Stock Exchange, in English and Foreign stocks and shares, are twice in every month, the middle and the end.

THE SETTling-DAYS IN CONSOLS are once in every month, generally near the commencement, about the 1st to the 6th.

TECHNICAL TERMS.

The technical terms made use of in the Stock Exchange are almost peculiar to its Members; that peculiarity often shows itself in the abbreviation of words. Amongst the terms frequently made use of are the following:—

“CONSOLS” is an abbreviation of the term Consolidated Annuities, the prices of which are telegraphed to all the markets of the world as the representative English security.

“SCRIP” is an abbreviation of the term Subscription, and is applied to the document certifying payments of deposit and calls prior to the issue of the final certificates, and is dealt with in that form.

The Members of the Stock Exchange are called “JOBBER” and “BROKERS.” The jobber is the dealer, who buys and sells at the market prices. The broker deals with the jobber for his principal, and is remunerated by commission for transacting the business.

A “BULL” buys for settlement at a future date, with the view to gain by a rise in price in the interval.

A “BEAR” sells for delivery at a future date, with a view to buy back at a lower price. Hence the phrases “Bull” and “Bear” transactions; or, in other words, speculations for the “rise” and “fall.”

A “STAG” is not a Member of the Stock Exchange, but deals outside, and is sometimes called an “Outsider.”

“CONTANGO” is the sum paid per share or per cent. on the Settling-day for continuing a Bull account to the next settlement.

“BACKWARDATION” is paid by the speculator for the fall, or the Bear, in order to postpone delivery until the following account; the price of the shares or stock in either case being fixed by the Stock Exchange at the market value at that time. This fixed price is called the “Making-up” price, and is made known on “Continuation-day.”—See pages 109 and 111.

“OPTIONS” are dealt in with almost every description of stock and shares, and may be either a “put and call,” or a “put” or a “call.”

“A PUT AND CALL” is an option to take or deliver stock at a fixed price at some future day, for which money is paid on the day the bargain is made.

“A PUT” is an option of delivering stock at a certain time, the price and date being fixed at the time the option-money is given.

“A CALL” is an option of claiming stock at a certain time, the price and date being fixed at the time the option-money is given.

The price of options fluctuates according to the markets, or the amount of business doing; and they can be done from day to day, or for the whole account.

Option-money is paid by the principal to his broker at the time the transaction is effected. If the price be the same at the expiration of the option time as the price fixed, the person giving the money is allowed to declare whether he buys, sells, or does nothing. The time that options expire each day is a quarter before three o'clock, and on Saturdays a quarter before one o'clock.

The Option Account-day is the day before the Account-day, or Name-day.—See page 108.

The fractional parts of a pound are generally used in the quotation of prices of public securities; and, though familiar to persons conversant with such matters, may not be so to the public generally. They are as follows:—

£	s.	d.	£	s.	d.	£	s.	d.
$\frac{1}{16}$	= 1	3	$\frac{3}{8}$	= 7	6	$\frac{11}{16}$	= 13	9
$\frac{2}{16}$	= 2	6	$\frac{4}{16}$	= 8	9	$\frac{3}{4}$	= 15	0
$\frac{3}{16}$	= 3	9	$\frac{5}{16}$	= 10	0	$\frac{13}{16}$	= 16	3
$\frac{4}{16}$	= 5	0	$\frac{6}{16}$	= 11	3	$\frac{7}{8}$	= 17	6
$\frac{5}{16}$	= 6	3	$\frac{7}{8}$	= 12	6	$\frac{15}{16}$	= 18	9

FOREIGN EXCHANGES.

“THE EXCHANGES,” as they are commonly termed, are the prices current of international receipts and payments.

These payments from one country to another are effected generally by means of bills of exchange, or written orders given in one country and accepted in another. Money is seldom remitted unless it is so much dearer in one country than another that the dealers in exchange can employ it at a greater advantage by transmitting it.

The *par* of exchange between two countries is the equivalent value in the metallic money of each. Thus, the equivalent for one pound sterling in gold is 25·22 French francs, and the *par* of exchange between London and Paris is precisely twenty-five francs and those decimal parts of a franc. Between London and Hamburg the *par* of exchange is 20 marks 43 pfennige per pound sterling; and between London and New York 4 dols. 86 cents.

Variations in the “course of exchange” are said primarily to depend upon the preponderance of receipts and payments between nations, but these receipts and payments may be affected either by the balance of trade, so-called, or by the value of money in different centres, or by financial operations between different stock markets, or by the credit in which the currency of a nation is held. Thus, a balance of payments due from London to Paris causes a demand in London for bills payable in Paris, and the rate of exchange falls—that is, merchants in London having to remit money to Paris have to take less than 25·22 francs, or *par*, for their pound sterling, in order to make their payments in paper, and to avoid the cost of remittance in gold and silver. If the balance of payments is due from Paris to London, the rate of exchange rises, and more francs are paid for the pound sterling than 25·22, or *par*.

The Metallic Equivalents between Nations, or par Values, are as follows:—

MONEY AT—

Alexandria, 100 piastres = 1 Egyptian pound
Amsterdam, 5 cents = 1 stiver, 20 stivers = 1 guilder
Athens, 100 lep. = 1 drachma
Berlin, Hamburg, Frankfurt, 100 pfennige = 1 mark, 3 marks = 1 thaler
Buenos Ayres, 25 M.c. = 1 pesos fuerte (hard dollar)
Calcutta, 12 pie = 1 anna, 16 annas = 1 rupee
Christiania, 100 ore = 1 riks-daler, or krona
Constantinople, 40 paras = 1 piastre, 100 piastres = 1 medjidie
Copenhagen, 100 ore = 1 krona, 20 kronor =
Genoa, Rome, Naples, Palermo, 100 centesimi = 1 lira
Lisbon, 1,000 reis = 1 milreis
Madrid, 34 maravedis = 1 real, 20 reales (or 5 pesetas) = 1 duro (or hard dollar)
Montevideo
New York, 100 cents = 1 dollar, 5 dollars = 1 eagle
Paris, 100 centimes = 1 franc
Pekin, 1 tael = 10 mace = 100 candareens = 1,000 cash
*Rio de Janeiro, 1,000 reis = 1 milreis
*St. Petersburg, 100 copek = 1 rouble
Stockholm, 100 ore = 1 krona, or riks-dalar, 20 kronor =
*Vienna, 100 kreuzer = 1 gulden or florin
*Yokohama, 100 sens = 1 yen

The variable rates are generally only given in the published quotations; for instance, Madrid, 3 months, 46½ to 4; Genoa, 3 months, 26.10 to 20; Oporto, ninety days, 51½ to 4; and so on.

* Quotations now depreciated, these countries possessing an inconvertible paper currency.

LONDON RECEIVES FROM, OR GIVES TO,

Fixed Rate.

Alexandria, £E 97½	For one pound sterling.
Amsterdam, 12 florins 2 stivers	For one pound sterling.
Athens, 28½ dr. (old)	For one pound sterling.
Berlin, 20 marks 43 pfennige	For one pound sterling.
Buenos Ayres, 49½ pence English	For one hard dollar.
Calcutta (in 1882), 20 pence English	For one rupee.
Christiania, 18 riks-daler 18 ore	For one pound sterling.
Constantinople, 125 piastres	For one pound sterling.
Copenhagen, 18 kronor 18 ore	For one pound sterling.
Genoa, 25 lire 25 centesimi	For one pound sterling.
Lisbon, 53½ pence English	For one milreis.
Madrid, 48 pence English	For one hard dollar.
Montevideo, 49½ pence English	For one hard dollar.
New York, 49½ pence English	For one dollar.
Paris, 25 francs 21 centimes	For one pound sterling.
Pekin (in 1882), 63 pence English	For one tael.
Rio de Janeiro, 28 pence English	For one milreis.
St. Petersburg, 38½ pence English	For one silver rouble.
Stockholm, 18 riks-daler 18 ore	For one pound sterling.
Vienna, 10 florins 35 kreuzer	For one pound sterling.
Yokohama, 49½ pence English	For one yen.

The actual value, weight, and fineness of these coins will be found on page 146.

Between England and France the rate is fixed in London, and variable in Paris—that is, the number of francs varies relatively to the pound sterling, but the pound sterling never changes. Between London and St. Petersburg the practice is directly reversed, as the silver rouble is fixed and the pence vary. Thus, the higher the exchange with Paris, or the greater number of francs to the pound, the more favourable the rate of exchange to England; but the higher the exchange with St. Petersburg, or the more the pence paid for the rouble, the more adverse to England. It is customary to express an improving rate of exchange as higher, and an adverse rate as lower; but this is a mistake in the instances of Russian, Spanish, Portuguese, Indian, China, and the South American exchanges, arising probably from insufficient knowledge of the subject.

The silver “pars” of the Indian and Chinese exchanges and of Mexican dollars are furnished below, any variation from which sufficient to cover shipping charges causes movements of silver.

PAR VALUES OF SILVER MONIES.

Quoted in Sterling.

Silver—per oz.	Rupee.		Tael.		Mexican Dollar.			
	s.	d.	s.	d.	s.	d.		
60	= 1	11	.....	= 5	11-075	.....	= 4	3 $\frac{2}{5}$
59	= 1	10 $\frac{1}{2}$	.....	= 5	9-891	.....	= 4	2 $\frac{2}{5}$
58	= 1	10 $\frac{1}{4}$	.....	= 5	8-706	.....	= 4	1 $\frac{7}{5}$
57	= 1	9 $\frac{1}{2}$	.....	= 5	7-520	.....	= 4	0 $\frac{2}{5}$
56	= 1	9 $\frac{1}{4}$	.....	= 5	6-335	.....	= 3	11 $\frac{1}{5}$
55	= 1	9 $\frac{1}{8}$	.....	= 5	5-151	.....	= 3	10 $\frac{1}{5}$
54	= 1	8 $\frac{1}{2}$	.....	= 5	3-967	.....	= 3	10 $\frac{1}{5}$
53	= 1	8 $\frac{1}{8}$	.....	= 5	2-782	.....	= 3	9 $\frac{1}{2}$
52	= 1	7 $\frac{11}{16}$	.....	= 5	1-598	.....	= 3	8 $\frac{1}{2}$
51	= 1	7 $\frac{3}{8}$	.....	= 5	0-413	.....	= 3	7 $\frac{1}{2}$
50	= 1	7 $\frac{1}{8}$	.....	= 4	11-229	.....	= 3	6 $\frac{1}{2}$
49	= 1	6 $\frac{11}{16}$	.....	= 4	10-044	.....	= 3	5 $\frac{1}{2}$
48	= 1	6 $\frac{7}{16}$	.....	= 4	8-859	.....	= 3	4 $\frac{11}{16}$

Amount of Bills Drawn on India by the Secretary of State, the Sums Received in England in respect of them, the Average Rate Obtained, and the Loss by Exchange, compared with the 2s. rate per Rupee, during each of the 21 under-mentioned Official Years.

Official Years Ended	Amount of Bills Drawn.	Sums Received in Respect of Bills Drawn.	Average Rate Obtained per Rupee.	Loss by Exchange on Bills compared with the 2s. Rate per Rupee.
April 30—	Rupees.	£	s. d.	£
1862	1,20,03,592	1,193,729	1 11·867	6,630
1863	6,66,37,287	6,641,576	1 11·920	22,153
1864	9,01,41,740	8,979,521	1 11·907	34,653
1865	6,82,45,100	6,789,473	1 11·876	35,037
1866	7,04,71,747	6,998,899	1 11·835	48,276
Five years	30,74,99,466	30,603,198	1 11·89	146,749
March 30—				
1867 (11 months)	5,84,14,133	5,613,746	1 11·064	227,667
1868	4,28,18,177	4,137,285	1 11·190	144,533
1869	3,83,40,000	3,705,741	1 11·197	128,259
1870	7,20,00,000	6,980,122	1 11·267	219,878
1871	9,00,85,000	8,443,509	1 10·495	564,991
Five years	30,16,57,310	28,880,403	1 10·95	1,285,328
1872	10,70,00,000	10,310,339	1 11·126	389,661
1873	14,70,25,000	13,939,095	1 10·754	763,405
1874	14,26,57,000	13,285,678	1 10·351	980,022
1875	11,74,37,000	10,841,615	1 10·156	902,085
1876	13,75,00,000	12,389,613	1 9·625	1,360,387
Five years	65,16,19,000	60,766,340	1 10·36	4,395,560
1877	14,85,75,122	12,695,799	1 8·508	2,161,713
1878	11,69,85,000	10,134,455	1 8·791	1,564,045
1879	16,91,23,612	13,948,565	1 7·794	2,963,796
1880	18,35,00,000	15,261,810	1 7·961	3,088,190
1881	18,32,77,000	15,239,677	1 7·956	3,088,023
Five years	80,14,60,734	67,280,306	1 8·15	12,865,767
Total for the 20 years	2,06,22,36,510	187,530,247	1 9·8245	18,693,404
1882	22,05,03,350	18,279,695	1 7·89	3,770,640

Finally, it may be pointed out that rates of exchange never diverge very materially from *par*, or the equivalent values of metallic money (unless there be a suspension of specie payments), for the reason that, if international payments cannot be effected by bills of exchange, or other promises to pay, coin or bullion are used for the purpose. Thus, a sufficiently adverse exchange here withdraws gold from the Bank of England ; and as the value of money in this country depends largely upon the store of gold and silver at the Bank of England, adverse rates of foreign exchanges not only produce a drain of the precious metals, but quickly cause dearer money.

BULLION AND COINAGE.

In the year 1849 the newly-discovered mines of California began to add perceptibly to the arrivals of gold in this country; and in 1851 our supplies were increased by the still more fertile discoveries in Australia. There is reason to believe that this increase caused a measurable decline in the value of gold.* Later on, the silver discoveries in Nevada, and the demonetisation of silver by Germany, have greatly depreciated silver, and the demand for gold for Germany, the Scandinavian Kingdoms, and elsewhere, and for the resumption of specie payments in America and Italy, coupled with diminished production in America, have, it is held, caused a rise in this measure of value. The effect of these variations in the supply and demand, and thus in the purchasing power of gold and silver, may in some degree be traced in the following variations in the price of silver measured in gold:—

Year.	Average Price of Silver. Per oz.	Average Prices in Gold of 23 Principal Commodities.†	
	d.	%	
1845 to 1850...	59½	100	..... Before gold discoveries.
1853	61½	107	..... { Gold coming from America and Australia.
1857	61½	127	..... £16,700,000 silver sent to the East.
1859	62½	115	..... £14,800,000 silver sent to the East.
1867	60½	137	..... After the American Civil War.
1871	60½	119	..... Gold commences to go to Germany.
1873	59½	132	..... { Germany adopts a gold standard. Prices generally inflated. Large silver production in America.
1876	52½	124	..... Panic in silver.
1879	51½	102	..... { Germany stops selling silver, prices of commodities greatly depressed. American resumption.
1881	51½	109	..... { Diminished production of silver, increasing demand for gold.

† *Economist* "Commercial History and Review."

From this it is seen that the gold discoveries were followed

* "A depreciation of 10 or 15 per cent. in the measure of value spread over a quarter of a century is hardly of a kind to produce any social disruption."—*Economist*, Jan. 25, 1873.

by a distinct rise in silver—a rise which set in before the Indian demand came upon us. It is a consequence that the power of gold to purchase silver decreased. At the same time, the power of gold to purchase commodities also decreased, as shown by the rise of 7 per cent. in their average prices established in 1853. The years 1857-9 were undoubtedly years of commercial depression, yet the prices of commodities remained well above the level prior to the gold discoveries. Ten years later, the power of gold to buy silver had increased, for the production of gold had much diminished, while the demand for silver for the East had subsided. Still, in 1867, silver was 1d. an ounce above the level of 1845-50, and commodities were high in price, owing to the cotton famine and a deficient harvest. The price of silver was maintained up to the close of 1872, though gold had been going for some time to Germany; but the production both of gold and silver had largely increased in America, and there was again an active demand for silver for the East. In 1873, when Germany adopted a gold standard, and we shipped off £10,000,000 to Berlin, the power of gold to purchase silver rapidly increased; and though this increase was mainly due to an undoubted depreciation in silver, it seems also probable that it was partly due to the appreciation of gold. Since then the demand for gold for all quarters has been active, and in 1879, though Germany had stopped selling silver, and the Bland Silver Bill had provided for the coinage of silver in America, the power of gold to purchase silver increased, while the power of gold to purchase commodities increased to a point about equal to the level of 1845-50. Since then trade has improved, and bad harvests have raised the price of grain; yet the power of gold to purchase commodities is still much above what it was ten, twenty, or thirty years ago. Thus, in recent years, since the great demand for gold set in, not only silver, but prices generally have apparently been exceptionally cheap—much cheaper than in years of commercial depression like 1867 and 1857. This certainly appears to be owing to the increased value of gold; the values of the precious metals being regulated, like all other values, by the supply and the demand. It has been estimated that gold fell fully 10 per cent. after the gold discoveries; and in the past ten years it appears probable that that fall has been nearly, if not quite, recovered.

Various estimates of the gold and silver production of the world have appeared from time to time, all more or less unreliable. The Report of the Select Committee on the

Depreciation of Silver contained four such estimates, which averaged yielded the following results:—

World's Annual Production of Gold at Different Periods.

	Tooke and Newmarch, and Economist.	Sir Hector Hay.	Journal des Economistes.	United States Bureau. (E. B. Elliott.)	Mean of Four Estimates.
	£	£	£	£	£
Average, 3 years, 1858-4-5	28,900,000	27,900,000	27,900,000	28,700,000	28,300,000
— — 1863-4-5	20,000,000	22,600,000	22,600,000	20,400,000	21,400,000
— — 1873-4-5	20,700,000	19,000,000	18,300,000	18,400,000	19,350,000

Recent information would point to the last of these "means" being somewhat below reality. Upon the supposition that the average production of the world in the past ten years has been £20,000,000, it is customary to deduct £2,000,000 per annum for wear and tear and sundries, and a further £2,000,000 for jewellery and fine arts, leaving £16,000,000 for increasing the world's coinage; but, of course, these estimates are of the roughest description, no reliable statistics being possibly available. In the ten years 1870 to 1880, if £160,000,000 of gold has been made available for coinage purposes, it is not difficult to trace the bulk of it. Germany, after making deductions for gold recoined and exported, has added about £50,000,000 to her total; the net exports of the United States were over £30,000,000 less than the production of gold in that country; Great Britain imported £32,000,000 more gold than she exported; and under these three heads alone, we can account for nearly three-fourths of the total. In the year 1880, the absorption by the United States was more than the entire available production of the world.

An elaborate table, setting forth the production of gold and silver since the discovery of America up to 1879, according to Dr. Soetbeer, of Göttingen, was presented by Dr. Brock to the Paris Monetary Conference, 1881. As this has been a good deal quoted, the summary of results is furnished below.

Periods.	Number of Years.	By Weight in Kilograms.		By Value in Francs.		Average Proportion of the Value of Gold and Silver in Europe.
		Fine Gold.	Fine Silver.	Gold.	Silver.	
		Kilog.	Kilog.	Francs.	Francs.	
1493-1600	108	754,800	22,835,000	2,640,000,000	5,074,000,000	11.5
1601-1700	100	912,300	37,234,000	3,143,000,000	8,275,000,000	14.0
1701-1800	100	1,900,100	57,035,000	6,544,000,000	12,672,000,000	15.0
1801-1850	50	1,184,900	32,724,000	4,081,000,000	7,271,000,000	15.7
1851-1879	29	5,451,200	40,957,000	18,778,000,000	9,101,000,000	15.85
1493-1879	387	10,203,300	190,785,000	35,146,000,000 = Sterling	42,393,000,000 = Sterling	
				£1,405,840,000	£1,695,720,000	

This would make the gold production in the last twenty-eight years £751,120,000, or an average of £26,826,000 a year, and the silver production £364,040,000, or an average of £13,001,000 a year. According to this, the production of gold prior to 1850 was valued at about one-half that of silver, but since 1850 it has been double. The production of both, however, has greatly increased, and the power to absorb gold has kept pace with the increased production.

In the year 1879, the production of various countries was estimated as follows :—

	Gold. £		Silver. £
United States	6,308,000	.....	8,000,000
Australasia	5,881,852	.....	...
Russia	5,930,000	.....	...
All other countries.....	(say) 5,000,000	(say)	7,500,000
	23,120,000	.....	15,500,000

Since 1879 the production of gold has undoubtedly increased.

With regard to the movements of the precious metals to and from this country, the following official statistics are available. Prior to 1858, official statistics were not available, but according to estimates formed at the Bank of England, the imports of gold and silver from producing countries were £12,730,000 in 1851; £26,790,000 in 1853; £23,592,000 in 1855, and £25,416,000 in 1857. The combined exports were £18,828,000 in 1855, and £33,567,000 in 1857, the latter including £16,732,000 silver for the East.

Year.	GOLD.			
	Imports.	Exports.	Balance Imported.	Balance Exported.
	£	£	£	£
1858	22,793,126	12,567,040	10,226,086	...
1859	22,297,698	18,081,139	4,216,559	...
1860	12,584,684	15,641,578	...	3,056,894
<i>Ten Years...</i>	<i>say 160,000,000</i>	<i>122,840,580</i>	<i>38,000,000</i>	...
1861	12,163,937	11,238,372	925,565	...
1862	19,903,704	16,011,963	3,891,741	...
1863	19,142,665	15,303,279	3,839,386	...
1864	16,900,951	13,279,739	3,621,212	...
1865	14,485,570	8,493,332	5,992,238	...
1866	23,509,641	12,742,059	10,767,582	...
1867	15,800,159	7,889,030	7,911,129	...
1868	17,136,177	12,708,308	4,427,869	...
1869	13,770,812	8,473,699	5,297,113	...
1870	18,806,728	10,013,521	8,793,207	...
<i>Ten Years...</i>	<i>171,620,344</i>	<i>116,153,302</i>	<i>55,467,042</i>	...

Year.	Gold.—(Continued).			
	Imports.	Exports.	Balance Imported.	Balance Exported.
	£	£	£	£
1871	21,613,005	20,698,275	914,730	...
1872	18,469,442	19,748,916	...	1,279,474
1873	20,611,165	19,071,220	1,539,945	...
1874	18,081,019	10,641,636	7,439,383	...
1875	23,140,834	18,648,296	4,492,538	...
1876	23,475,975	16,515,748	6,960,227	...
1877	15,441,985	20,361,386	...	4,919,401
1878	20,371,410	14,968,507	5,902,903	...
1879	13,368,675	17,578,818	...	4,210,143
1880	9,454,861	11,828,822	...	2,373,961
<i>Ten Years...</i>	<i>184,528,371</i>	<i>170,061,624</i>	<i>14,466,747</i>	...
1881	9,962,956	15,498,837	...	5,535,881
Year.	Silver.			
	Imports.	Exports.	Balance Imported.	Balance Exported.
	£	£	£	£
1858	6,700,064	7,061,836	...	361,772
1859	14,772,458	17,607,664	...	2,835,206
1860	10,393,512	9,893,190	500,322	...
<i>Ten Years...</i>	...	<i>96,115,146</i>	...	...
1861	6,583,108	9,573,276	...	2,990,168
1862	11,752,772	13,314,228	...	1,561,456
1863	10,808,129	11,240,671	...	352,542
1864	10,827,323	9,852,561	974,764	...
1865	6,976,641	6,599,192	377,449	...
1866	10,777,498	8,896,552	1,880,946	...
1867	8,020,888	6,435,487	1,585,401	...
1868	7,716,418	7,511,706	204,712	...
1869	6,730,179	7,903,829	...	1,173,650
1870	10,648,940	8,906,169	1,742,771	...
<i>Ten Years...</i>	<i>90,921,898</i>	<i>90,233,671</i>	<i>688,227</i>	...
1871	16,521,903	13,062,396	3,459,507	...
1872	11,138,570	10,586,945	551,625	...
1873	12,988,066	9,828,065	3,160,001	...
1874	12,298,169	12,211,957	86,212	...
1875	10,123,955	8,979,746	1,144,209	...
1876	13,578,269	12,948,334	629,935	...
1877	21,710,814	19,436,733	2,274,081	...
1878	11,551,545	11,718,039	...	166,494
1879	10,786,863	11,006,094	...	219,231
1880	6,799,022	7,060,681	...	261,659
<i>Ten Years...</i>	<i>127,497,176</i>	<i>116,838,990</i>	<i>10,658,186</i>	...
1881	6,901,962	7,003,982	...	102,020

The following table shows the highest and lowest published returns of coin and bullion in the BANK OF ENGLAND since 1789, together with the note circulation :—

	Coin and Bullion.				Average Coin and Bullion.	Notes in Circulation.	Proportions.	
	Highest Amount.		Lowest Amount.				Reserve to Lia- bilities.	C. & B. to Notes.
		£		£				
1789	Aug. 31	8,645,860	—Then highest on record.]			11,121,800	...	78
1797			Feb. 28	1,086,170	From the half-yearly accounts in these years, (Specie payments suspended from 1797 to 1812.)	9,674,780	...	11
1808	Feb. 29	7,855,470				18,188,680	...	43
1815			Aug. 31	2,036,910		27,261,650	...	7
1817	Aug. 30	11,668,260				29,543,780	...	39
1819			Aug. 31	3,595,360		25,252,690	...	14
1824	Feb. 28	13,810,060				19,736,990	...	69
1826			Feb. 28	2,459,510		25,467,910	...	9½
1830	Aug. 30	11,150,480				21,464,700	...	52
1837			Feb. 28	4,089,600		18,232,630	...	22
1838	Feb. 28	10,524,520				18,785,990	...	56
1839			Aug. 31	2,404,540	17,827,930	...	13½	
						Average for year.		
1844	Feb. 29	16,213,950	Nov. 2	14,038,751	14,660,000	20,250,000	58	72
1845	June 21	16,639,315	Dec. 6	13,067,350	15,240,000	20,670,000	52	74
1846	Aug. 29	16,366,068	Jan. 17	13,139,376	14,780,000	20,400,000	42	73
1847	Jan. 2	14,951,372	Oct. 23	8,312,691	10,430,000	19,130,000	33	54
1848	Mar. 25	15,316,794	Jan. 1	12,404,250	13,870,000	18,090,000	60	77
1849	Dec. 22	17,080,642	May 5	14,277,746	15,160,000	18,440,000	62	82
1850	Mar. 23	17,279,943	Dec. 28	14,963,681	16,640,000	19,450,000	60	86
1851	Dec. 20	17,413,564	May 3	13,253,557	14,560,000	19,470,000	51	75
1852	July 10	22,232,138	Jan. 10	17,515,501	20,590,000	21,910,000	63	94
1853	Jan. 1	20,527,662	Oct. 22	14,960,206	17,520,000	22,600,000	45	78
1854	Feb. 25	16,286,165	May 20	12,513,969	14,000,000	20,700,000	45	68
1855	June 23	18,169,026	Dec. 29	10,820,143	14,180,000	19,830,000	47	71
1856	June 28	13,073,758	Nov. 8	9,530,152	10,930,000	19,670,000	34	56
1857	July 18	11,840,652	Nov. 18	6,484,096	10,120,000	19,470,000	30	52
1858	Oct. 6	19,526,475	Jan. 6	12,643,193	17,850,000	20,250,000	58	88
1859	Feb. 23	19,932,548	Aug. 31	16,540,454	17,930,000	21,330,000	49	84
1860	June 27	16,552,030	Dec. 26	12,798,119	15,240,000	21,250,000	40	72
1861	Dec. 24	15,755,933	Jan. 23	11,521,580	13,010,000	20,000,000	41	65
1862	July 30	18,448,463	Dec. 10	14,828,063	16,380,000	20,830,000	46	78
1863	Sept. 2	15,494,219	Dec. 9	13,008,617	14,570,000	20,660,000	41	70
1864	Mar. 23	14,449,201	May 4	12,454,244	13,480,000	20,600,000	36	65
1865	June 28	16,407,666	Oct. 11	12,736,346	14,550,000	21,120,000	38	69
1866	Dec. 26	19,247,859	May 23	11,857,786	14,900,000	23,160,000	30	64
1867	Sept. 18	24,498,447	Jan. 30	18,890,422	21,350,000	23,440,000	49	91
1868	June 24	22,962,981	Dec. 9	17,841,669	20,840,000	23,930,000	46	87
1869	Aug. 25	21,032,677	May 12	16,563,389	18,820,000	23,480,000	43	80
1870	Dec. 14	22,892,718	Aug. 3	18,761,616	20,770,000	23,330,000	49	89
1871	July 26	27,441,441	Oct. 11	19,172,898	23,590,000	24,410,000	49	96
1872	Jan. 3	25,291,761	Oct. 23	19,609,051	22,590,000	25,520,000	42	88
1873	Feb. 5	25,361,058	Nov. 12	19,338,651	22,630,000	25,660,000	41	88
1874	June 24	23,969,450	Dec. 2	19,951,345	22,490,000	26,280,000	43	85
1875	Aug. 18	29,393,892	Feb. 10	20,752,957	23,920,000	27,350,000	43	88
1876	Sept. 20	35,017,529	Jan. 5	21,215,761	28,690,000	27,730,000	52	103½
1877	Jan. 3	28,214,165	Nov. 7	22,278,557	25,370,000	27,890,000	44	91
1878	Dec. 24	27,453,075	Aug. 14	21,683,219	23,950,000	28,060,000	37	85
1879	July 30	35,694,093	Dec. 24	27,424,692	32,450,000	29,210,000	49	114½
1880	June 23	29,381,943	Dec. 29	24,238,616	27,640,000	26,910,000	48	102½
1881	Mar. 23	28,119,660	Dec. 28	20,316,994	24,160,000	26,380,000	42½	91½

This statement, which is in part condensed from "Bank Rate in England, France, and Germany," by Mr. Inglis Palgrave, shows that, contrasting 1871 with 1844, the average coin and bullion has increased £9,500,000, or 65 per cent., that the note circulation has increased £6,130,000, or 30 per cent., and that the proportion of coin and bullion to notes has risen from 72 to 91½ per cent. Yet the proportion of reserve to liabilities has fallen from 58 to 42¼ per cent.

The following statistics relate to the coin and bullion in the BANK OF FRANCE:—

Composition of the Stock of the Precious Metals Held by the Bank of France on the 31st December of Each Year (1850-1881).

Year.	Totals.		Combined Total.	Notes in Circulation.	Proportion of Coin and Bullion to Circulation.
	Gold.	Silver.			
	£	£	£	£	%
1850	1,560,000	17,236,000	18,796,000	...	...
1851	3,496,000	19,212,000	22,708,000	...	...
1852	2,968,000	16,940,000	19,908,000	...	...
1853	4,452,000	7,932,000	12,384,000	...	...
1854	7,220,000	7,448,000	14,668,000	...	...
1855	2,060,000	6,156,000	8,216,000	...	...
1856	2,984,000	4,200,000	7,184,000	21,764,000	33
1857	4,024,000	5,008,000	9,032,000	21,384,000	40
1858	11,124,000	10,408,000	21,532,000	30,188,000	71
1859	9,124,000	13,064,000	22,188,000	29,932,000	74
1860	5,460,000	10,508,000	15,968,000	31,156,000	51
1861	9,160,000	3,708,000	12,868,000	30,484,000	42
1862	7,712,000	4,364,000	12,076,000	33,016,000	36½
1863	5,108,000	2,948,000	8,056,000	32,536,000	24½
1864	10,344,000	3,680,000	14,024,000	31,620,000	44
1865	12,648,000	4,856,000	17,504,000	37,924,000	46
1866	22,384,000	5,484,000	27,868,000	40,660,000	68½
1867	27,256,000	12,528,000	39,784,000	47,464,000	83½
1868	25,312,000	18,992,000	44,304,000	54,868,000	80½
1869	26,952,000	22,404,000	49,356,000	53,932,000	91½
1870	17,148,000	2,740,000	19,888,000	...	...
1871	22,136,000	3,248,000	25,384,000	96,836,000	26
1872	26,348,000	5,304,000	31,652,000	111,184,000	28½
1873	24,452,000	6,252,000	30,704,000	112,304,000	27
1874	40,484,000	12,528,000	53,012,000	105,792,000	51
1875	46,972,000	20,200,000	67,172,000	97,520,000	68½
1876	61,216,000	25,544,000	86,760,000	106,436,000	81½
1877	47,084,000	34,616,000	81,700,000	101,828,000	80½
1878	39,344,000	42,324,000	81,668,000	91,948,000	88½
1879	29,500,000	49,200,000	78,768,000	93,720,000	84½
1880	22,568,000	49,904,000	72,572,000	99,068,000	73½
1881	26,230,000	46,450,000	72,680,000	111,136,000	65½

AUSTRO-HUNGARIAN BANK.—In view of the coming change in the currency of Germany, the Anglo-Austrian Bank, in 1871 and 1872, rapidly accumulated a stock of gold, as the following figures show :—

At the End of	Gold.	Gold Bills.	Silver.	Total of Coin and Bullion.
	Florins.	Florins.	Florins.	Florins.
1870	1,424,000	33,058,000	112,902,000	114,327,000
1871	44,403,000	7,783,000	99,093,000	143,496,000
1872	69,403,000	4,747,000	73,529,000	142,933,000
1873	70,527,000	4,360,000	73,308,000	143,836,000
1874	72,741,000	4,538,000	66,627,000	139,368,000
1875	67,854,000	11,344,000	66,562,000	134,416,000
1876	69,222,000	11,139,000	66,385,000	136,607,000
1877	68,541,000	11,314,000	68,912,000	137,453,000
1878	67,374,000	11,549,000	86,485,000	153,860,000
1879	58,631,000	20,603,000	105,613,000	164,245,000
1880	65,010,000	14,222,000	108,291,000	173,301,000
1881	73,577,000	5,890,000	122,993,000	196,571,000

The two principal gold-producing countries being Australia and the United States, it will be useful to give an outline of the amounts of the precious metals which those countries have given to the rest of the world :—

Approximate Export of Gold from Australia and New Zealand.

Year.	£	Year.	£
1854	10,439,170	1868	9,351,191
1855	11,552,901	1869	10,382,955
1856	12,545,377	1870	8,237,367
1857	11,329,537	1871	7,605,898
1858	11,419,552	1872	7,597,021
1859	11,640,788	1873	9,369,130
1860	10,186,183	1874	7,662,925
1861	10,916,015	1875	6,949,516
1862	10,455,126	1876	5,793,374
1863	11,468,863	1877	7,295,868
1864	9,025,032	1878	5,567,034
1865	9,533,640	1879	2,403,302
1866	9,618,442	1880	4,171,749
1867	8,783,489	1881 .....	...

According to the "Victorian Year-Book," the gold raised in Australasia from 1851 up to the beginning of 1880 was 70,365,177 ozs., valued at £276,999,176, of which Victoria yielded £195,270,384; New Zealand, £36,139,914; New South Wales, £33,042,362, and Queensland, £11,752,246.

Estimated Yield of Gold and Silver in the United States since 1848.

Years.	Gold. Ozs.	Silver. Ozs.	Years.	Gold. Ozs.	Silver. Ozs.
1849-50..	4,500,000	...	1867.....	2,575,000	10,400,000
1851.....	2,750,000	...	1868.....	2,400,000	9,600,000
1852.....	3,000,000	160,000	1869.....	2,475,000	9,600,000
1853.....	3,250,000	160,000	1870.....	2,500,000	12,800,000
1854.....	3,000,000	160,000	1871.....	1,795,000	18,288,000
1855.....	2,750,000	160,000	1872.....	1,973,000	16,422,000
1856.....	2,750,000	160,000	1873.....	2,023,000	22,682,000
1857.....	2,750,000	160,000	1874.....	2,005,000	24,398,000
1858.....	2,500,000	160,000	1875.....	2,087,000	27,235,000
1859.....	2,500,000	160,000	1876.....	2,216,000	33,205,000
1860.....	2,300,000	800,000	1877.....	2,225,000	30,400,000
1861.....	2,150,000	1,200,000	1878.....	1,875,000	28,000,000
1862.....	1,950,000	2,400,000	1879.....	1,577,000	30,000,000
1863.....	2,000,000	5,600,000	1880.....	1,626,000	31,200,000
1864.....	2,300,000	8,000,000	1881.....	1,800,000	34,000,000
1865.....	2,650,000	8,800,000			
1866.....	2,675,000	8,000,000			
			Total..	76,927,000	374,310,000

COINAGE.*Amount of Gold, Silver, and Copper Monies Coined at the Royal Mint.*

Years.	Gold.	Silver.	Copper.	Total.
1851.....	£4,400,411	£87,868	£3,584	£4,491,863
1852.....	8,742,270	189,596	4,312	8,936,178
1853.....	11,952,391	701,544	10,190	12,664,125
1854.....	4,152,183	140,480	61,538	4,354,201
1855.....	9,008,663	195,510	41,091	9,245,264
1856.....	6,002,114	462,528	11,418	6,476,060
1857.....	4,859,860	373,230	6,720	5,239,810
1858.....	1,231,023	445,896	13,440	1,690,359
1859.....	2,649,509	647,064	8,512	3,305,085
1860.....	3,121,709	218,403	37,990	3,378,102
1861.....	8,190,170	209,484	273,578	8,673,232
1862.....	7,836,413	148,518	352,800	8,337,731
1863.....	6,997,212	161,172	151,648	7,310,032
1864.....	9,535,597	535,194	18,069	10,088,861
1865.....	2,367,614	501,732	57,493	2,926,839
1866.....	5,076,676	493,416	50,624	5,620,716
1867.....	496,397	193,842	33,301	723,540
1868.....	1,653,384	301,356	16,328	1,971,068
1869.....	7,372,204	76,428	20,832	7,469,644
1870.....	2,313,384	336,798	32,704	2,682,886
1871.....	9,919,656	701,514	7,616	10,628,786
1872.....	15,261,442	1,243,836	47,413	16,552,691
1873.....	3,384,568	1,081,674	46,218	4,512,460
1874.....	1,461,565	890,604	65,632	2,417,801
1875.....	243,264	594,000	69,813	907,077
1876.....	4,696,648	222,354	61,450	4,980,450
1877.....	981,468	420,948	51,146	1,453,562
1878.....	2,265,069	613,998	17,024	2,896,091
1879.....	35,050	549,054	44,651	628,755
1880.....	4,150,052	761,508	19,264	4,930,824
1881.....	nil	997,128	39,349	1,036,477

The following are estimates of the amounts of gold and silver coin in circulation in the United Kingdom at different dates :—

	Gold.		Silver.	
	Year.	£	Year.	£
Mr. Newmarch's estimate	1844	46,000,000	...	...
Mr. Miller's estimate	1858	90,000,000	1860	14,799,000
Mr. May's estimate	1872	107,637,000	...	...
Mr. Kirkman Hodgson's estimate	1875	118,112,000	1875	19,536,000
Statist estimate	1880	123,559,000	1880	19,290,000

The weight per pound sterling of standard gold of Great Britain has varied from time to time. At the first coinage of gold, in 1334, by Edward III., 1 lb. of standard gold was valued at £15, the amount of alloy being only $\frac{1}{8}$ th of a carat to 23 $\frac{1}{8}$ carats of pure gold.

The number of pounds sterling per pound weight gradually rose to £25 2s. 6d. in the time of Henry VIII., who established the present standard of 22 carats of pure gold to 2 carats of alloy. The two standards were in existence together for above a century—the old standard as angel, or fine gold, and the new as crown gold. The former was, however, done away with in 1670, and the latter established as the sole standard, and such it has remained to the present day. The current value of the pound sterling has from time to time been depreciated relatively to the weight. It reached its present rate of £46 14s. 6d. per lb. weight in 1718, 1 lb. (of 12 ozs.) of standard gold having been coined into 46 $\frac{1}{2}$ sovereigns ever since.

The legal number of shillings per lb. of old standard silver, which was fixed at 11 oz. 2 dwts. of fine silver and 18 dwts. of alloy, gradually increased from 20s. in 1279, to 45s. in 1526. But this standard was afterwards greatly debased, and in the reign of Edward VI. a coinage of sixpences and small monies was put into circulation, which contained as much as 75 per cent. of alloy. In the reign of Mary, the standard for silver was improved to eleven parts of fine silver to one part of alloy, and the standard was restored to its original proportion of 11 ozs. 2 dwts. of silver and 18 dwts. of alloy by Elizabeth, and has since remained unaltered. 1 lb. standard silver was coined into 62 shillings in her reign; this number was increased to 66 in 1817, when the present standard was legalised by Act of Parliament. Prior to that year it was a prerogative of the Sovereign to determine the current value of the coinage.

The Coinage of Leading Foreign Countries.

	FRANCE.		BELGIUM.		UNITED STATES.		RUSSIA.	
	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.	Gold.	Silver.
	France.	France.	France.	France.	Dollars.	Dollars.	Roubles.	Roubles.
1865	161,986,335	9,222,394	20,522,030	4,536,800	25,107,000	686,000	...	...
1866	365,062,925	44,621,406	10,639,260	10,322,000	23,314,000	690,000		
1867	193,579,510	113,758,539	26,826,140	33,202,730	33,217,000	987,000		
1868	340,076,685	129,415,263	27,634,980	33,394,212	18,114,000	1,137,000	100,638,750	24,339,696
1869	234,186,280	68,175,997	24,639,430	64,661,318	21,629,000	841,000		
1870	55,394,300	69,051,256	63,224,060	52,340,375	22,257,000	1,767,000		
1871	50,169,880	25,878,499	45,179,440	23,917,170	21,302,000	1,966,000	4,600,024	6,120,503
1872	nil	26,838,369	...	10,225,000	20,376,000	3,030,000	12,300,024	4,500,007
1873	nil	156,270,160	...	111,704,795	35,349,000	2,946,000	15,331,024	5,201,009
1874	24,319,700	60,609,988	60,927,000	12,000,000	50,443,000	5,964,000	24,810,024	4,978,007
1875	234,912,000	75,000,000	32,685,000	14,904,705	33,554,000	10,070,000	20,300,024	5,100,007
1876	176,493,160	52,661,315	41,398,640	10,799,425	33,179,000	19,127,000	30,189,040	6,017,011
1877	255,181,140	16,464,286	118,121,400	nil.	44,078,000	28,650,000	33,150,024	10,147,007
1878	185,818,100	1,821,420	51,108,000	nil.	52,799,000	23,291,000	34,582,048	16,361,264
1879	24,610,540	nil.	...	nil.	40,967,000	27,228,000	36,125,040	3,354,966
1880 .....	...	...	...	780,516	56,153,000	27,942,000	...	...

The decimal system was introduced into France in 1795; and the total gold coined up to the end of 1879 was £348,600,000, less demonetised by the State £3,500,000; balance £345,100,000. Of this, much must have been exported or melted; but on the other hand, a good deal of Belgian gold circulates in France. The silver coined since 1795 reached £220,000,000; on deducting silver withdrawn, £210,000,000. But large exports have taken place, especially for the East, during the American War.

The Director of the United States Mint estimated the total gold coin in that country on July 1, 1881, at £90,150,000, and the total silver coin at £35,170,000.

Germany, since the adoption of a gold standard in 1873, coined to the end of 1879 946,402 lbs. of gold for State account, and 290,643 lbs. for private account, producing in all—

1,268,111,720 marks in double crowns.

422,165,110 marks in crowns.

27,969,925 marks in half crowns.

1,718,246,755 marks in gold.

Besides this the silver coinage was—

71,651,020 marks in 5 mark pieces.

98,804,578 marks in 2 mark pieces.

149,898,404 marks in 1 mark pieces.

71,485,889 marks in 50 pfenning pieces.

30,717,510 marks in 20 pfenning pieces.

422,557,401 marks in silver.

During 1880 there was coined a further 27,397,525 marks in gold, and 4,529,994 marks in silver, raising the total gold coined to 1,746,644,380 marks, or £87,300,000, and silver to 427,087,396 marks, or £21,350,000. In addition, a considerable quantity of 1 thaler, or 3 mark pieces remain in circulation.

The following statement respecting the silver thaler coinage of Germany has been published in the *Economist*. It shows the estimated amount to be withdrawn :—

	£
There have been coined in thalers since 1750	59,330,629
Withdrawn of these up to date.....	29,213,531
Maximum amount possible in circulation	30,017,098
Deduct estimated diminution, 21 per cent.....	12,459,432
Amount estimated yet to be withdrawn	17,557,666
(The thaler = 3 marks. The mark converted as 20 = £1.)	

Italy in 1863 coined 66,025,300 lira or francs gold, and 32,082,873f. silver, and in 1865, 68,705,190f. gold, and 45,947,941f. silver. Since then the gold coinage has not exceeded 5,000,000f. per annum on the average, while the silver coinage has averaged from 30 to 40 million francs per annum. The new loan has been issued mainly to redeem part of the paper currency (for amount see "Italy"), and to buy gold to take its place.

Coinage of India, at 2s. per rupee.

	Gold. £	Silver. £	Copper. £	Total. £
1870	78,510	7,473,560	...	7,552,070
1871	4,143	1,718,197	6,121	1,728,461
1872	15,412	1,690,394	25,049	1,730,855
1873	31,795	3,980,914	11,012	4,023,721
1874	15,498	2,370,006	14,461	2,399,965
1875	14,034	4,896,884	111,024	5,021,942
1876	17,150	2,550,218	105,660	2,673,028
1877 .....	...	6,271,122	123,429	6,394,551
1878	15,636	16,180,326	148,591	16,344,553
1879	85	7,210,770	66,648	7,277,503
Total, Ten Years.....	192,263	54,342,391	611,995	55,146,649

Gold Coinage of Australia.

	Sydney Mint (established in 1855). £	Melbourne Mint (established in 1872). £	Total. £
1855 to 1869	26,327,000	.....	26,327,000
1870	1,220,000	.....	1,220,000
1871	2,814,000	.....	2,814,000
1872	1,993,000	764,917	2,757,917
1873	1,478,000	887,127	2,365,127
1874	2,025,000	1,349,102	3,374,102
1875	2,122,000	1,947,713	4,069,713
1876	1,643,000	2,149,481	3,792,481
1877	1,590,000	1,491,819	3,081,819
1878	1,322,000	2,267,431	3,589,431
1879	1,413,000	2,637,738	4,050,738
1880	1,499,000	3,061,820	4,560,820
	45,446,000	16,557,148	62,003,148

Current Gold Coins of the World.

COUNTRIES.	Measure of Value.	Actual Value.	Ratio for Conversion into Sterling, employed in "Fenn on the Funds."†	Gold Coin Most in Use.	Gross Weight of the Gold Piece. — Grammes.	Purity in 1,000ths.	Fine Gold in Piece. — Grammes.
Great Britain, Australia, and Cape of Good Hope	Pound Sterling	9½d.	25 = £1	1 pound.	7.9880	.916‡	7.3223
France, Belgium, Switzerland, and Finland	Franc	"	"	20 francs.	6.4516	.900	5.8065
Italy	Lira	"	"	20 lira.	"	"	"
Roumania	Lei	"	"	20 lei.	"	"	"
Serbia	Franc	"	"	20 francs.	"	"	"
Spain	Peseta	"	"	20 pesetas.	"	"	"
Greece	Drachma (old) *	8½d.	29‡	"	"	"	"
Bolivia, Central American States, Colombia, Peru, Venezuela, &c.	Pesos	3/11‡	5‡	5 pesos.	8.0645	"	7.2580
Brazil	Milreis	2/3	10§	10 milreis.	8.9634	.916‡	8.2164
British East India.	Rupee	Varies.	12‡	"	"	"	"
United States and Canada	Dollar	4/1‡	4‡	5 dollars.	8.3590	.900	7.5231
Chili	Pesos	3/7‡	5‡	5 pesos.	7.6265	"	6.8638
Denmark, Norway, and Sweden	Crown (krona)	1/1‡	18	20 crowns.	8.9606	"	8.0645
German Empire	Mark	11‡d.	20	20 marks.	7.9649	"	7.1685
Japan	Yen	4/1	5‡	5 yens.	8.3333	"	7.5000
Mexico	Pesos ..[4/3] gold; 3/9 silver.	3/9	5‡	5 pesos.	8.4600	.875	7.4025
Netherlands	Guilder	1/7‡	12	10 guilden.	6.7200	.900	6.0480
Austro-Hungary	Florin (guilder)	"	12§	"	"	"	"
Persia	Thoman	9/6	2	1 thoman.	8.7600	.916	8.4442
Portugal	Milreis	4/5‡	4‡	5 milreis.	8.8675	.916‡	8.1285
Russia	Rouble	3/2	10§	5 roubles.	6.5440	"	5.9987
Tunis	Piastre	"	110	50 piastres	9.746	.900	8.7714
Turkey	Piastre	2‡d.	97‡	100 piastres	7.216	.916	6.6099
Egypt	Piastre	2‡d.	97‡	100 piastres	8.500	.875	7.4375

* New drachma same as franc. † For more exact ratios see "The Foreign Exchanges, page 130.

‡ Except where otherwise stated.

§ Paper currency.

**METROPOLITAN BOARD OF WORKS AND
CORPORATION OF LONDON.**

METROPOLITAN BOARD OF WORKS.

For the purpose of effecting much-needed improvements in London, powers were granted to the Metropolitan Board of Works, created under the "Metropolis Local Management Act of 1855," to levy rates upon the whole of the rateable property within the metropolitan area, as defined by the Act. Statistics show that an aggregate rental of £11,283,663 yielded annually by this property in 1856 had increased to £18,719,237 in 1870, to £24,501,410 in 1880, and to an estimated £27,800,000 in 1883; and that, therefore, a rate of a penny in the pound now produces upwards of £115,000 per annum. This power to levy rates, and the revenue derived from the great works completed under the control of the Board, form the guarantee for the loans from time to time contracted by that body, and which are now dealt in in the Stock Exchange by the name of "Metropolitan Consols." The total of the Metropolitan 3½ per Cent. Consolidated Stock in 1881 amounted to £16,984,326, and of the Metropolitan Three per Cents., £4,100,000, with interest payable quarterly at the Bank of England; and it is a special feature that trustees and executors are empowered to invest in these stocks with the same facility as in the public Funds. The security offered is therefore regarded much in the light of a Government guarantee.

In December, 1881, the debt stood as follows :—

Old debts	£	1,417,000
3½ per Cents.....	}	18,820,342
3 per Cents.		
Total debt		20,237,342
Less—Loans advanced to other metropolitan bodies		£3,990,686
Estimate of surplus lands		2,808,716
		<u>6,799,402</u>
Net debt.....		13,437,940

In November, 1869, tenders were invited for 3½ per cent. stock, to the extent of £2,500,000, with interest payable quarterly, on the 5th January, April, July, and October, and the principal at par in October, 1929, or previously, by market purchases. The loan was speedily subscribed at the minimum of 94¼.

In August, 1871, a fresh issue of these Consols was made sufficient to produce £900,000 sterling, to rank in every particular with the “2,593,673 stock already on the market.”

In March, 1873, a further 3½ per cent. loan of £1,800,000 was contracted upon the same security, the minimum issue price being 95½, with instalments payable over a period of thirteen months, and interest in full accruing from July, 1873. This ranked with the stock “now outstanding,” which amounted to £3,527,978.

In February, 1874, a further issue of these 3½ per Cents. to the extent of £2,600,000 was effected at the minimum of 94¼. This loan was “consolidated with that now outstanding, which amounts to £5,411,012.”

In May, 1876, an allotment of an additional £1,350,000 3½ per Cent. Consols was effected at about 100½, ranking with the £8,011,011 already in existence.

In April, 1877, Metropolitan 3½ per Cent. Consolidated Stock was issued to the extent of £1,250,000, the same in every respect as the £9,361,011 already on the market. The issue price was par.

In April, 1878, a further £2,500,000 of this stock was issued at about 100¾ per cent. As the terms of all the foregoing issues were identical, the following extracts from the prospectus covers the whole ground :—

Special attention is invited to the following clause of the Metropolitan Board of Works Loans Act of 1871: “A trustee, executor, or other person empowered to invest money in public stocks or funds or other Government securities may, unless forbidden by the will or other instrument under which he acts, whether prior in date to this Act or not, invest the same in Consolidated Stock.”

The Metropolitan Board of Works give notice, that they will be prepared to receive, on Tuesday, the 16th inst., at the Bank of England, sealed tenders for £2,500,000 of Metropolitan Consolidated Stock, required for street improvements, artisans' dwellings, purchase of bridge tolls, Fire Brigade stations and plant, and other new works, and for loans to such other metropolitan bodies as are empowered by statute to borrow from the Metropolitan Board.

This stock will be consolidated with that now outstanding, which amounts to £10,611,012, and bears interest at the rate of £3 10s. per cent. per annum, payable quarterly at the Bank of England (dividend warrants being transmitted by post, if desired), in January, April, July, and October, on the same days on which the Government dividends are payable; and it will be redeemed at par on 6th October, 1929, should the same not have been previously cancelled by purchase in the open market under the operation of the Redemption Fund constituted by the principal Act.

The books of Metropolitan Consolidated Stock are kept at the Bank of England, where all assignments and transfers are made, and holders of the stock are able to take out stock certificates, transferable to bearer, with coupons attached, if they so desire.

All transfers and stock certificates are free of stamp duty.

The primary security for this stock is the power of the Board to rate the whole rateable property within the metropolitan area, as defined by the Metropolitan Local Management Act of 1855. The annual rateable value of this area now amounts to £23,469,000, and a rate of one penny in the pound produces upwards of £97,000.

Under the above statutes a special fund has been constituted for paying the dividends on and redeeming the principal of this stock; and the Lords Commissioners of Her Majesty's Treasury control the sum to be raised annually by the Consolidated Rate to meet the charges on this fund.

Tenders may be for the whole or any part of the said stock, and must state what amount of money will be given for every £100 of the said stock. Tenders for other than even hundreds of stock, or at a price including fractions of a shilling other than sixpence, will not be accepted.

The minimum price, below which no tender will be accepted, has been fixed, with the approval of Her Majesty's Treasury, at £100 per £100 of stock.

Interest on the total amount of the stock (calculated from April 6, 1878) will be payable on July 6 following. Scrip certificates to bearer, with coupons attached, for the dividend payable on July 6 and October 6, 1878, and January 6, 1879, will be issued in exchange for the provisional receipts.

The stock will be inscribed in the Bank books on or after January 9, 1879, or on and after the 25th inst. if paid-up in full.

In the event of the receipt of tenders for a larger amount of stock than that proposed to be issued at or above the minimum price, the tenders at the lowest price accepted will be subject to a *pro ratâ* diminution.

In May, 1879, a further £2,150,000 of this 3½ per cent. stock was allotted at about 101½, the minimum, as before, being fixed at par. Tenders reached nearly three times the amount offered for allotment.

In April, 1880, a final £1,750,000 in Metropolitan 3½ per Cent. Consolidated Stock was offered at par. Applications

reached £11,100,000, and the whole was placed at 102½. This was consolidated with the £15,234,326 stock already in existence, raising the total to £16,984,326.

In March, 1881, when a new £2,450,000 loan was brought out a change was made in the rate of interest, which was fixed at 3 per cent., the dates of payment were altered to the 1st February, May, August, and November, and the date of redemption at par to 1st February, 1941. The minimum was placed at 90, but the demand was so great that applications reached £10,250,000, and the entire amount required was placed at an average of 95. It marks the desire of the market for stocks at a lower rate of interest, that these Three per Cents. should have been placed at 95, yielding £3 3s. 2d. per cent. interest, while the 3½ per Cents. were quoted at only 105, yielding £3 6s. 8d. per cent. interest. The profit or loss on redemption at par in 1929 and 1941 need not be taken into consideration, the present value of those future redemptions being very trifling. The more important provisions of this prospectus were the following:—

The Metropolitan Board of Works give notice that they will be prepared to receive, on the 11th inst., at the Bank of England, sealed tenders for £2,450,000 of Three per Cent. Metropolitan Consolidated Stock. The money is required for street improvements, artisans' dwellings, main drainage extension, Fire Brigade stations and plant, and other new works; also for loans to the School Board for London, the managers of the Metropolitan Asylum District, vestries, district boards, guardians, and such other metropolitan bodies as are empowered by statute to borrow from the Metropolitan Board.

This stock will bear interest at the rate of £3 per cent. per annum payable quarterly at the Bank of England (dividend warrants being transmitted by post, if desired), on 1st February, 1st May, 1st August, and 1st November; and it will be redeemed at par on the 1st February, 1941, should the same not have been previously cancelled by purchase in the open market under the operation of the Redemption Fund constituted by the principal Act.

The books of the Three per Cent. Metropolitan Consolidated Stock will be kept at the Bank of England, where all assignments and transfers will be made, and holders of the stock will be able to take out stock certificates, transferable to bearer, with coupons attached, at the same rate of charge as in Government stock, if they so desire.

All transfers and stock certificates will be free of stamp duty.

The security for this stock is the same as for the 3½ per Cent. Stock already created, and rests, primarily, on the power of the Board to rate the whole rateable property within the metropolitan area, as defined by the Metropolitan Local Management Act of 1855.

Under the above statutes a special fund has been constituted for paying the dividends on, and redeeming the principal of, all Metropolitan Consolidated Stock; and the Lords Commissioners of Her Majesty's Treasury control the sum to be raised annually by the Consolidated Rate to meet the charges on this fund.

Three months' interest on the total amount of the stock will be payable on the 1st August, 1881. Scrip certificates to bearer, with coupons attached, for the dividends payable 1st August and 1st November, 1881, will be issued in exchange for the provisional receipts.

The stock will be inscribed in the Bank books on or after the 12th of January, 1882, but scrip paid up in full may be forthwith inscribed as stock.

In July, 1882, a fresh issue of these Three per Cents. to the amount of £1,650,000 was effected at and above £97 2s. per cent.

The purposes for which these loans have been raised are thus set forth:—

<i>Expended 1856 to December 31, 1881.</i>		£
To discharge loans of former Commissioners of Sewers		275,000
„ Main drainage.....		5,684,470
„ Victoria, Albert, and Chelsea Embankments, and Queen Victoria Street		4,393,134
„ Northumberland Avenue		709,190
„ Other street improvements		5,822,666
„ Local and minor improvements		626,077
„ Bridges		1,479,697
„ Artisans' dwellings.....		1,360,500
„ Finsbury Park, Southwark Park, Hampstead Heath, Victoria Park, Blackheath, Shepherd's Bush, &c.		436,760
„ Fire Brigade stations and plant		294,385
„ Thames floods prevention.....		18,183
„ Loans to School Board, metropolitan asylums, and other local authorities		4,387,142
„ Costs in raising loans		107,007
„ Conversion of debt.....		2,534,268
Amount not yet applied		561,269
		<hr/>
		28,689,748
Amount applied to repay debt		8,452,406
		<hr/>
Debt outstanding on 31st December, 1881.....		20,237,342

The income and expenditure of the Metropolitan Board of Works for the year 1882 stand on the Estimates as follows:—

<i>Income.</i>		£
Coal and Wine Duties.—Received by the Treasury, and applied partly in payment of interest on the Thames Embankment loans guaranteed by Government; residue handed to this Board and carried to the credit of the Consolidated Loans Fund		285,500
Government contribution to the expenses of the Fire Brigade. This is the amount as settled by Act of Parliament		10,000
Insurance Office contributions to the expenses of the Fire Brigade at the rate of £35 per million of the gross amount of insurances in the metropolis		23,005
		<hr/>
Carried forward		318,505

Income—(Continued).

	£
Brought forward	318,505
Interest receivable—	
From cash balances	£7,000
From Metropolitan Asylums District, the School Board for London, Vestries and District Boards, and others	148,000
From Kew and other Bridges Joint Committee...	1,850
On other claims.....	500
From Hornsey, South Hornsey, and Beckenham Main Drainage debt	2,733
	160,083
Rents receivable.....	81,000
Fees on issue of Metropolitan Consolidated Stock certificates to bearer	900
Fees and returns receivable—	
On gas testing	160
On gas-meter testing.....	2,860
On petroleum licences	545
On dangerous structures	6,100
On inspection of subways.....	45
On sale of plans, &c., and costs recoverable.....	500
Amounts receivable for services of the Fire Brigade in watching premises; also in attending fires outside the boundary of the metropolis and chimney fire penalties	2,935
Sale of produce of parks	25
Amount to be raised from parishes by the Metropolitan Consolidated Rate in 1882	715,822
	1,288,880
Total estimated income of 1882	1,288,880
Surplus on the general working account for the year 1880 ...	697
Amount not raised for working expenses of the Fire Brigade	1,418
Balance of Consolidated Loans Fund	20,608
	1,311,604

Expenditure.

	£
Interest on money borrowed—	
1. Dividends on Metropolitan Consolidated Stock	£679,202
2. Interest on Old Main Drainage securities ...	19,987
3. Interest on miscellaneous loans raised prior to the Loans Act of 1869.....	17,063
4. Interest payable out of coal and wine duties by H.M. Treasury on Thames Embankment loans guaranteed by Government ...	13,425
	729,677
Bank management of Metropolitan Consolidated Stock	7,500
Discount on prompt payment of instalments of loan	2,150
Drawbacks and expenses of collection of rents	5,500
Bridge expenses £90,502 (£82,905 included in charges for debt)	7,600
	752,427
Carried forward	752,427

Expenditure—(Continued.)

	£
Brought forward	752,427
Maintenance, &c., of sewerage and drainage works, embankments, new roads, and parks and open spaces.....	99,695
Fire Brigade working expenses	102,350
Expenses under special Acts of Parliament—	
Gas testing	1,150
Gas-meter testing	2,470
Petroleum	585
Dangerous structures	6,950
Inspection of subways	80
Contagious diseases (Animals)	4,600
Slaughter-houses and explosive substances	1,300
Infant life protection	170
Establishment, Law and Parliamentary charges, printing, &c. (exclusive of amount charged to capital account)	36,425
Compensation and retiring allowances	1,107
Deficiency on Fire Brigade working account for the year 1881	4,185
Amount applicable to the redemption of capital (being the following proportions of the net debt of the Board—viz., one forty-eighth part of debt terminable in 1929, and one-fifty-ninth part of debt terminable in 1941, a special sum being included for Fire Brigade loans redeemable in periods varying from seven to 30 years)	295,110
Total estimated expenditure of 1882.....	1,311,604

After deducting from the total net charge the amount receivable from parishes in respect of Government contribution on property not included in the valuation list, the balance will be equivalent to a rate of 6·24d in the £ on the present rateable value, which is a sum in excess of the charge for 1881, when the rate was equivalent to 5·89d in the £ on the rateable value of the metropolis for that year.

CORPORATION OF LONDON.

Within the precincts of the City—that is, in the core of the area controlled by the Metropolitan Board of Works—the Corporation of the City of London still hold supreme authority, though the proposed metropolitan reforms would tend to unify this divided management. Our province, however, is to deal solely with questions of finance. The accounts annually furnished by the City Chamberlain contain statements of the Corporation

debts, and the purposes for which they were incurred. These in 1872 and in 1880 were as follows:—

	1872.	1881.
	£	£
Cattle Market	400,000	478,600
Holborn Valley and other improvements	2,701,000	1,606,400
London Central Markets	1,075,000	1,654,000
Foreign Cattle Market	230,000	233,500
Billingsgate	80,000	272,000
Leadenhall Market .....	...	99,000
Royal Exchange	95,500	88,300
Blackfriars and Southwark Bridges	654,100	505,000
Open spaces .....	...	199,000
City of London School .....	...	41,500
Artisans' Dwellings.....	...	292,850
	<hr/>	<hr/>
	5,235,600	5,470,150

All these loans are primarily secured upon the revenues derived from the markets and other property they were raised under Parliamentary sanction to construct, and contingently, in case those revenues are insufficient, upon the revenues of the Corporation. Last year the markets yielded £150,439, and rents and lease renewals, £118,619. Though many fresh debts have been incurred, the repayment of other loans has prevented much increase in the total.

On the London Stock Exchange there are now quoted four loans. Whereas less than 20 years ago the Corporation borrowed at 5 per cent., and later at 4½, 4¼, and 4 per cent., they can now place their 3½ per Cents. at par, though not accorded the same privileges by the State as Metropolitan Consols.

	£
4½ per Cent. Bonds, redeemable 1882 to 1883	606,000
4 " " 1882 to 1883	660,600
3½ " " 1881 to 1886	1,608,500
3¼ " " 1887 to 1891	2,232,200
	<hr/>
	5,107,300

The abstract account of the Chamberlain, Mr. Benjamin Scott, in regard to the City's Estate, shows that the total receipts in 1881 amounted to £1,429,687. They commence with a balance in hand from the previous account of £9,365. Rents and quit-rents brought in £117,781; fines on renewal of leases, £838; bequests, £135; rents at West Ham Park, £361; and sales of securities, £1,150, and on purchase-money of property sold, £5,282. The markets produced £150,439—viz., the Islington Cattle Market, £37,033; the Central Meat, Poultry, and Provision Market, £82,299; Leadenhall, £3,376; Farringdon, £2,359; the Hay Market

(Smithfield), £264; and Billingsgate, £25,107. The voluntary grain metage brought in £1,164; fruit metage, £1,851; stamping weights and measures, £194; brokers' rents, £9,415; justiciary fees, £1,491; reimbursements on account of criminal prosecutions, £1,223; Mayor's Court fees, £7,748; officers' surplus fees and profits, £2,182; balances of accounts, £4,920; and sundry and casual receipts, £2,804. Cash to the amount of £12,000 was taken from the reserve fund to meet the sum overdrawn, and to provide various demands of the City's cash; and loans to the amount of £1,096,818 were raised—viz., for the Fruit, Vegetable, and Flower Market (now Fish Market) construction, £70,000; Leadenhall, £88,650; Cattle Market, £130,207; London Central Market, £717,229; Billingsgate, £49,231; and City of London School, £41,500.

The expenditure for 1881 was £1,396,917, leaving a balance to go forward of £32,770. The principal item of expenses are charges on the Corporation estates and cost of collection and management, £5,998; on grain and fruit metage, £2,179; on brokers' rents, £860; expenses of magistracy and police, £34,618; repairs of pauper lunatic asylum, £1,458; expenses of the administration of criminal justice, £7,351; and of the office of coroner, £1,310. The charges on markets were £131,903—viz., on the Islington Cattle Market, £39,711; the Meat, Poultry, and Provision Markets, £69,492; Leadenhall, £976; Farringdon, £1,170; the Hay Market, £72; and Billingsgate, £20,479. The expenses of civil government, including the Lord Mayor, Sheriffs, Judges and Officers of the Mayor's Court, expenses of the Mansion House, Guildhall, Law Courts, &c., amounted to £51,855. The pensions, including almshouses, amounted to £9,739; charitable donations to £5,178; educational expenses in connection with the City of London School, Freemen's Orphan School, and the Schools of Music, £13,346; sanitary expenses Port of London, £2,596; expenses of West Ham Park, £1,264; gas and water supply, £3,617; the day census, £1,200; sundry, miscellaneous, and incidental expenditure, £6,746; Guildhall Library and Museum, £5,397; reception of the King of the Hellenes, £501; address to Mr. Gladstone, £1,700; Medical Conversazione, £2,099; and the Temple Bar Memorial, £4,099. The enlargement of Leadenhall Market cost £63,763; the erection of the New Fruit (now Fish) Market, £70,812; the City of London School, £31,329. Investments in property and stock were made to the amount of £10,149, and market loans of £908,900 were paid off.

PROVINCIAL CITY AND CORPORATION LOANS.

The total local indebtedness, including metropolitan, has already been referred to on page 39. These borrowings are very numerous, and cannot all be recounted here. Of the £137,096,607 representing the local loans for England and Wales for the year 1879-80, the Metropolitan Board of Works loans represent the largest borrowing by any separate corporation. The Mersey Dock and Harbour Board, however, run the Metropolitan Board of Works close with the list of its borrowings, reaching as they do £15,794,087. Many of the local debts, however, are for very trifling amounts, and to some extent they have been obtained from the Government, for which purpose the National unfunded debt has been increased £13,181,000, and by that amount, if we add the National and Local debts together, it may be said the total would be duplicated.

It will be quite out of the range of this work to give a complete list of local borrowings, but all the items in excess of £100,000 are furnished in the following table:—

Local Loans to 31st March, 1880—England and Wales.

SECURED ON POOR RATES.			SECURED ON COUNTY RATES.		
	Loans Out- standing. £	Assess- ment Value. £		Loans Out- standing. £	Assess- ment Value. £
<i>Metropolitan:—</i>			Surrey*	240,762 ...	6,960,926
St. George's	126,018 ...	2,087,104	Kent	203,198 ...	4,166,078
Marylebone	117,172 ...	1,324,250	Middlesex*	589,589 ...	17,240,985
Holborn	162,276 ...	841,134	Northamptonshire	137,550 ...	1,302,972
Lambeth	152,469 ...	1,139,308	Lancashire	247,075 ...	15,617,726
<i>Provincial:—</i>			Cheshire	107,903 ...	2,690,701
Sheffield	145,521 ...	627,375	West Riding	155,609 ...	9,441,961
Total for all England and Wales	3,753,603	...	Total for all England and Wales	2,924,915 ...	117,322,990

* Excluding Metropolitan Area.

Local Loans, &c.—England and Wales—(Continued).

SECURED ON CHURCH RATES.			SECURED ON BRIDGE AND FERRY TOLLS.		
	Loans Out- standing. £	Assess- ment Value. £		Loans Out- standing. £	Assess- ment Value. £
Total England and Wales.....	48,467 ...	...	Woodside Ferry (Bir- kenhead)	121,073 ...	...
SECURED ON MARKET TOLLS.			SECURED ON TURNPIKE TOLLS.		
	£	£		£	£
Total (except Metro- polis).....	86,798 ...	...	Total England and Wales.....	213,072 ...	...
SECURED ON HARBOUR TOLLS.			SECURED ON SCHOOL BOARD RATES.		
	£	£		£	£
Bristol	858,481 ...	...	Total loans raised in England and Wales to 29th September, 1879	9,967,152 ...	...
Liverpool (Mersey Dock and Harbour Board)	15,794,087 ...	...	Grand Total England and Wales	137,096,607 ...	...
London (Thames Con- servancy)	108,500 ...	...		
Maryport	130,136 ...	...		
Sunderland (Docks) ...	1,366,299 ...	...		
Swansea (Harbour) ...	750,323 ...	...		
Tees Conservancy	562,591 ...	...		
Tyne River	3,400,030 ...	...		
Warkworth (Harbour)	188,279 ...	...		
Total for all England and Wales.....	23,950,205 ...	...		

Scotch Local Loans in 1881.

SECURED ON BURGH RATES.			SECURED ON HARBOUR DUES.		
	Loans Out- standing. £	Rental Value. £		Loans Out- standing. £	Rental Value. £
Aberdeen.....	259,521 ...	429,267	Aberdeen.....	436,696 ...	...
Dundee.....	1,091,128 ...	656,989	Ayr.....	235,706 ...	...
Edinburgh.....	174,075 ...	1,727,741	Clyde Navigation	3,836,396 ...	...
Glasgow.....	3,131,957 ...	3,432,112	Dundee.....	378,741 ...	...
Do. Waterworks ...	1,287,758 ...	...	Greenock.....	878,846 ...	...
Greenock.....	314,574 ...	369,081	Leith.....	352,319 ...	...
Faisley.....	228,173 ...	206,334	Peterhead	102,410 ...	...
Total, all Burghs	8,443,714 ...	10,566,168		7,002,567 ...	...

The City and Corporation debts which are known to investors through the London and Provincial Stock Exchanges are the following:—

Aberdeen.—Gas annuities, represented by 26,000 shares, of £2 10s. each, upon which 10 per cent. per annum interest is payable in February and August.

Ashton-under-Lyme.—Corporation stock, £100,000, upon which 4 per cent. per annum interest is payable on 21st June and 21st December.

Birmingham.—Corporation stock, £2,000,000 stock, issued at 98 per cent., through the Bank of England, in January, 1881, bearing interest at 3½ per cent. per annum, payable 1st January and 1st July, and redeemable on or after 17th May, 1946, upon the Corporation giving one year's notice. Also gas and

water annuities, representing £108,666 per annum, of which £54,965 is secured on the gas undertaking and the Borough Rate, and £53,901 on the water undertaking and the Borough Rate. The annuities are dealt in in titles to £1 per annum, payable 1st January and 1st July. In May, 1882, a further £1,000,000 of Birmingham Corporation 3½ per cent. stock was placed by the Bank of England, at the average of £100 4s. 3d. per cent.

Blackburn.—Corporation stock, £613,700 stock, upon which 4 per cent. per annum interest is payable 1st January and 1st July.

Blackpool.—Corporation stock, £ , issued in August, 1881, upon which 4 per cent. per annum interest is payable 1st January and 1st July. Brought out to replace previously existing mortgage loans in respect of powers for gas, market, and parade purposes, and secured upon the General District Rate, and gas and market revenues, Parade and District Funds.

Bradford.—Corporation stock, £373,975 stock, upon which 4 per cent. per annum interest is payable 1st April and 1st October.

Bristol.—Corporation stock, £804,781, of which £250,000 was issued in March, 1882, upon which 3½ per cent. per annum interest is paid 1st May and 1st November, secured on the Borough Fund and rates. The loan was raised for the purpose of purchasing the rent-charge on the Bristol Docks, and for paying off loans on mortgage about to mature.

Cork.—Corporation stock, £25,000, issued in March, 1882, upon which 4 per cent. per annum interest is paid 1st May and 1st November, secured on the Borough Fund and Rates, and the rates and revenues arising from the water supply, and the Improvement Rate. The loan was raised for outlay on the Corporation waterworks, the erection of bridges, street improvements, drainage works, the diversion of the Cork, Blackrock, and Passage Railway, and the Artisans' Dwellings Improvement scheme.

Clyde Navigation Trust.—This Trust has issued £3,506,000 in terminable debenture bonds, upon which 3½ to 4 per cent. per annum is payable, and £311,000 in perpetual funded bonds, upon which 4 per cent. per annum is payable 15th May and 11th November. Dealings in the debenture bonds are from £100, and in the funded debt from £10.

Dundee.—Perpetual water annuities to the amount of £14,315 per annum, dealt in in titles to £10 per annum, payable in May and November. Also gas annuities to the amount of £8,662 per annum, dealt in in titles to £10 per annum, payable in May and November.

Edinburgh.—Corporation perpetual stock, £314,935, upon which 3 per cent. per annum is payable on 3rd February and 3rd August. Also water annuities represented by £414,000 stock, upon which 6 per cent. per annum is payable in May and November.

Exeter.—Corporation debentures, £140,000, issued in November, 1878, upon which 4 per cent. per annum is payable 1st January and 1st July in London or Exeter. Drawings at par are to take place at the end of every five years, and the whole loan is to be discharged within 65 years. The objects of the issue were the purchase of the water-works, and the effecting of certain improvements, and the loan is secured as to £120,000 on the property of the water company, while the whole amount is further secured on the City Rates.

Glasgow.—Corporation Gas Annuities debt represented by £300,000 stock, upon which 9 per cent. per annum is payable, and £115,000 stock, upon which 6½ per cent. per annum is payable, both in May and November. Also water annuities to the amount of £26,967 per annum, which were issued to the shareholders of the old water companies, and are dealt in as stock bearing 4 per cent. per annum interest, payable in May and November. The Glasgow 4 and 3½ per Cent. Funded Debt, to the amount of £250,000, has recently been admitted to the Glasgow Stock Exchange.

Isle of Man.—In April, 1882, Messrs. Coutts and Co., as agents for the Government of the Island, issued a loan for £230,000, in 3½ per cent. debentures. The issue price was 98½ per cent., and the debentures, issued to bearer in sums of £500 or £100 each, bear interest payable on the 1st February and 1st August, while the principal is repayable by a 1 per cent. accumulative sinking fund applied to purchases, when the market price is under par, or otherwise to drawings in July for redemption on the 1st August. The prospectus stated—

The loan is specially secured by a first charge on one-third part of the gross Customs' revenue of the Isle of Man, also on such surplus of the same revenues as is applicable for public purposes, and is also a charge on the general surplus revenue of the Island.

The annual sum required for the interest and sinking fund of this loan is £10,350, while the annual average of the one-third of the gross Customs' revenue during the four years ended 31st March, 1881, has been £16,081. The revenue has averaged during that period £51,204 per annum.

The Customs' duties of the Isle of Man are regulated by Acts of the Imperial Parliament, and are received by officers of the British Customs, who pay them over to H.M. Board of Customs in London. The Legislature of the Island has no power to reduce or alter the duties of Customs, excepting with the consent of the Lords Commis-

sioners of Her Majesty's Treasury and by Act of Parliament, but they have power to increase, if necessary, the revenue by local taxation.

This loan was raised to pay off the Public Works Loan Commissioners, and for harbour purposes.

Kingston-upon-Hull.—Corporation debentures, £55,000, issued in 1877, upon which 4 per cent. per annum is payable 1st January and 1st July. Redemption of £9,200 is to take place on the 1st January, 1908, and of the remainder on or before the 1st January, 1938. The security is the Borough Rates.

Lee Conservancy.—Loan of £184,000, of which £146,000 is represented by stock, and £38,000 by bonds, upon which 4 per cent. per annum is payable 1st January and 1st July. The debt is secured upon the Board's property, tolls, and water rents from the New River and East London Water Companies.

Leeds.—Corporation debenture stock, £2,385,030, upon which 4 per cent. per annum is payable 1st January and 1st July, in London, by Messrs. Glyns, and in Leeds. The authorised debt of the borough is £4,314,500, and it is secured upon the Borough Fund and Rate, the water and gas works, the markets, and upon all property belonging to the Corporation.

Leicester.—Corporation debenture stock, £50,000, issued in 1878-9, upon which 4 per cent. per annum is payable 1st January and 1st July, in London and Leicester. Also gas and water stock to the amount of £917,963, upon which 4 per cent. per annum is payable 1st January and 1st July.

Limerick.—Corporation debenture bonds, £54,000, upon which 5 per cent. per annum is payable 1st January and 1st July, at the National Bank in London, Dublin, and Limerick, secured upon the gas revenues, the Improvement Fund, and the rates. The loan was raised in 1879 for the purchase of the gas company.

Liverpool.—Corporation stock to the amount of £2,000,000 was issued in October, 1880, at 100 to 105 per cent., the minimum having been fixed at 98. Upon this loan 3½ per cent. per annum is payable quarterly, on 1st January, 1st April, 1st July, and 1st October, at the Bank of England. In April, 1882, a further £2,000,000 was brought forward, of which £500,000 was taken by the Corporation on account of sinking funds, and £1,500,000 was offered at the minimum of 99. The average price realised was £100 8s. 3d.

The books of the Liverpool Corporation stock are kept at the Bank of England, where all assignments and transfers are made; and holders of the stock have the option of taking out stock certificates to bearer, transferable by delivery, with coupons attached, at the same rate of

charge as in the case of Government stock. Transfers and stock certificates to bearer are free from stamp duty. The securities for the stock thus issued are the rates leviable by the Corporation over the whole rateable property in the City of Liverpool, and (as regards the water supply) over an area of more than 60 square miles, including the city. The annual rateable value of property within the City of Liverpool now amounts to £3,405,503, and a rate of one penny in the pound on this amount yields £14,190. The City Rate is unlimited in amount. The real and personal estate of the Corporation, the former of which comprises a large area in the central part of the city, forms also a primary security for the Corporation stock. The income from this source, apart from receipts derived from waterworks, tramways, and rates, has amounted to an average of £126,925 per annum during the past five years; and the Corporation also own the waterworks and tramways, which have cost over £2,680,000. The former yields a revenue of £198,000 per annum, and the latter £10,800 per annum.

Manchester.—Corporation consolidated debt is represented by £3,139,870 stock, upon which 4 per cent. per annum is payable on 24th June and 24th December. The Stock is a charge upon the City rate and upon Corporation properties, estimated at from £7 to £8 millions. The Manchester and Liverpool District Bank and Smith, Paynes are the bankers.

Mersey Docks and Harbour Board.—Debt represented by £16,126,932 in bonds, and £157,948 in annuities, upon which 3 to 4½ per cent. per annum is payable. In the year 1879-80 the harbour tolls amounted to £1,053,866, rents, &c., to £91,891, and other sources of income to £70,057.

Middlesbrough.—£317,605 Corporation 4½ per cent. mortgage debentures, and £113,000 in 4½ per cent. mortgage debentures, the interest upon which is payable 1st January and 1st July. The security consists of one moiety of the net revenue of the waterworks and the Borough Fund and Rates. The bulk of the 4½ per Cents. will mature 1st January, 1884, and £100,000 of the 4½ per Cents., issued in November, 1880, in 1908. Interest is payable by the Anglo-Foreign Banking Company.

Nottingham.—Corporation stock, £1,000,000, part of a proposed issue of £2,000,000, placed by the Bank of England in April, 1881, upon which 3 per cent. per annum is payable 1st May and 1st November. The loan is secured upon the Borough and District Fund and the Borough and General District Rate, and also upon the gas and water undertakings, and the revenue of their real estates. The issue price was £85 6s. per cent. and upwards.

Oldham.—Corporation debenture stock, £158,000, issued in 1881, on which 4 per cent. per annum is payable 1st January and 1st July. The loan is secured on the Borough Fund and the rates and revenues of the Corporation. There are also gas and water annuities dealt in in titles to £1 per annum.

Paisley.—Waterworks annuities, represented by 5,315 shares, of £10 each, on which £6 13s. 4d. per cent. per annum is payable in January and July; and gas annuities, represented by £22,117 in stock, on which £6 8s. per cent. per annum is payable in January and July.

Reading.—The London and Westminster Bank in May, 1882, received applications for £500,000 3½ per cent. stock at the minimum price of 92 per cent. The stock is transferable in sums of £10, £20, £50, £100, £200, £500, or £1,000, with coupons attached, payable on the 1st April and 1st October by the above Bank. The stock will be irredeemable (unless by consent of the holder), but the Corporation are required to provide a sinking fund, which shall be sufficient to redeem such stock at par at the end of 70 years from the issue thereof. The Corporation are empowered to invest such sinking fund in the purchase, by agreement, of the stock now proposed to be issued, and they are required to make returns to the Local Government Board annually with respect to such fund and the investment thereof. All transfers of stock and all stock certificates to bearer are free from stamp duty.

River Tyne Improvement Stock.—£300,000 debenture stock, on which 4½ per cent. per annum is payable 1st May and 1st November, in London or Newcastle, redemption to take place in 60 years from 1872.

Stockton.—Corporation mortgage bonds, £400,000, issued in July, 1878, at 102½ per cent., upon which 4½ per cent. per annum is payable 1st January and 1st July, to be redeemed at the expiration of 30 years, viz., on the 1st July, 1908. The loan is secured on one moiety of the net revenue of the waterworks undertaking, and the Borough Fund and Rates.

Swansea.—In September, 1882, £600,000 in 3½ per Cent. Stock issued through the Bank of England; interest payable 1st January and 1st July.

Swansea Harbour Trust.—Debt represented by £146,242 in original bonds, upon which 5 per cent. per annum is payable, £900 in debentures, upon which 5 per cent. per annum is payable, and £861,395 in debentures, repayable in 5, 7, 10, or 20 years from date of issue, upon which 4½ per cent. per annum is payable in June and December in London and Swansea. The security consists of the rates, tolls, rents, and other profits derived from the Swansea Harbour.

Wigan.—Corporation stock, £164,833, upon which 4½ per cent. per annum is payable 1st January and 1st July, and £39,673 stock, upon which 4 per cent. per annum is payable 1st January and 1st July.

RAILWAYS OF THE BRITISH EMPIRE.

UNITED KINGDOM.

One of the strongest proofs of the great commercial vitality of this country is furnished by the railway statistics of the Board of Trade. Our capitalists have, at a cost which at the present time may be set down at nearly £700,000,000 sterling actual outlay, provided the country with a system of some 18,000 miles of railways, more substantially built than in any other country in the world; and this has been done entirely by private enterprise, without the slightest aid from the National exchequer, either in the shape of subsidy or guarantee, or grants of land. In this country there do not exist any "State lines," which are so common on the Continent, in our Colonies, and elsewhere. On the other hand, our railways have been made to contribute large sums both towards the Imperial and local taxation of the country* (Irish lines, however, being leniently treated in this respect), and in the face of other drawbacks, such as mismanagement and faulty legislation—drawbacks which upon the establishment of a novel class of enterprise could scarcely, perhaps, have been provided against—the companies have so far prospered, that they have found themselves financially strong enough to cover the ever-increasing demands of the community for railway facilities.

The limits of this work will not permit of our enlarging upon the policy of the State with respect to railways, nor the position and prospects of these great undertakings. The following figures are, therefore, left to speak for themselves.

*In 1880, the railways in the United Kingdom paid £1,574,477 in local rates, and £740,719 in Government duty levied on passenger traffic. In 1881, they paid £1,664,767 and £781,569 respectively.

Railway Statistics of the Board of Trade.—Capital.

Year.	Length of Line in Operation.	Capital Authorised.		In England and Wales.		In Scotland.		In Ireland.		Total.	Ordinary Stock.	Guaranteed.		Preferential.	Debentures.		Debenture Stock.	
		£	...	£	...	£	...	£	...			£	...		£	...		£
1845	2,441	...	...	...	...	...	...	...	...	88,481,376	...	...	...	...	...	...	...	...
1850	6,621	362,796,676	...	...	...	...	...	...	...	240,270,746	150,022,877	34,740,800	...	...	...	55,507,068	...	...
1855	8,935	374,971,966	249,805,306	...	...	32,571,108	...	15,208,295	297,584,709	169,605,442	...	52,818,026	...	...	...	75,161,241	...	...
1860	10,433	399,414,827	288,691,611	...	...	38,888,741	...	20,599,775	348,130,127	190,791,067	...	67,873,840	...	...	...	81,888,546	...	7,576,874
1865	13,289	576,291,663	379,604,827	...	...	50,206,032	...	25,667,284	455,478,143	219,598,196	...	124,263,475	...	...	...	97,821,097	...	13,795,375
1867	14,247	642,853,408	418,277,679	...	...	56,575,607	...	27,409,601	502,262,887	233,023,854	...	143,209,357	...	...	...	110,392,559	...	15,637,117
1870	15,537	596,178,382	440,169,455	...	...	62,512,297	...	27,226,921	529,908,678	229,282,150	...	36,188,320	122,503,764	...	...	90,713,779	...	51,220,660
1871	15,376	615,726,890	461,368,616	...	...	64,282,911	...	27,028,580	552,680,107	230,250,152	...	64,555,255	108,496,620	...	...	82,095,545	...	67,282,535
1872	15,814	644,589,353	473,639,591	...	...	66,711,762	...	28,695,993	569,047,346	239,039,989	...	63,004,313	114,760,361	...	...	66,224,217	...	86,019,366
1873	16,082	676,686,586	490,018,994	...	...	69,126,420	...	29,174,894	588,320,308	244,449,805	...	66,187,541	121,399,528	...	...	55,888,314	...	99,865,120
1874	16,449	704,338,299	508,726,428	...	...	71,327,140	...	29,842,363	609,895,931	248,525,241	...	71,207,480	129,723,149	...	...	49,296,070	...	111,170,991
1875	16,658	717,775,698	527,090,667	...	...	72,886,652	...	30,246,175	630,223,494	254,600,732	...	77,912,315	134,281,009	...	...	40,430,754	...	123,008,684
1876	16,872	741,802,527	544,831,959	...	...	82,717,408	...	30,665,499	658,214,776	292,008,883	...	80,779,671	148,128,321	...	...	32,552,445	...	134,745,486
1877	17,092	757,866,828	557,615,000	...	...	84,924,000	...	31,220,000	674,059,048	265,041,233	...	73,365,705	163,682,448	...	...	28,874,496	...	149,095,166
1878	17,333	778,872,572	579,387,630	...	...	87,189,068	...	31,968,456	698,545,154	265,675,340	...	86,121,162	172,495,984	...	...	24,386,996	...	149,865,672
1879	17,696	789,591,575	593,155,665	...	...	90,694,574	...	33,153,230	717,903,469	266,914,656	...	88,235,286	182,483,758	...	...	22,251,416	...	156,918,368
1880	17,933	802,014,004	602,242,578	...	...	92,333,212	...	33,741,081	728,316,848	270,496,508	...	91,004,931	186,056,783	...	...	18,728,424	...	169,030,207
1881	18,175	831,127,312	616,487,449	...	...	94,819,089	...	34,271,624	745,528,162	275,935,904	...	92,076,563	192,889,001	...	...	17,079,636	...	167,547,058

Railway Statistics of the Board of Trade—Continued.—Revenue.

Year.	ENGLAND AND WALES.				SCOTLAND.				IRELAND.				TOTAL—UNITED KINGDOM.						
	Gross Traffic.		Working Expenses.		Net Receipts.		Gross Traffic.		Working Expenses.		Net Receipts.		Gross Traffic.		Working Expenses.		Net Receipts.		
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
1850	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
1855	18,369,369	8,845,924	9,517,445	2,144,398	1,045,710	1,038,679	989,892	408,066	591,766	21,507,589	10,239,709	11,207,890	...	...	...	...	...	...	...
1860	23,472,946	11,258,104	12,214,842	2,925,229	1,306,128	1,619,101	1,368,447	623,136	745,311	27,796,622	13,187,368	14,579,254	927,147	35,890,113	17,149,073	18,741,047	...	...	...
1865	30,166,311	14,560,826	15,605,483	3,986,741	1,778,333	2,208,408	1,737,061	803,914	982,065	30,564,339	15,848,952	14,716,381	...	...	...	...	...	...	...
1867	33,398,222	16,764,520	16,638,702	4,209,158	2,102,307	2,106,791	1,872,619	982,065	890,564	33,479,989	17,848,952	15,631,047	...	...	...	...	...	...	...
1870	38,122,161	18,227,739	19,894,422	4,825,264	2,400,853	2,424,411	2,130,718	1,086,933	1,043,785	38,945,078	19,848,952	17,848,952	...	...	...	...	...	...	...
1871	41,883,065	19,387,483	21,995,582	5,237,329	2,583,786	2,653,543	2,272,386	1,181,591	1,090,795	44,892,780	23,152,800	25,739,920	...	...	...	...	...	...	...
1872	45,039,155	22,065,151	22,974,004	5,775,090	2,943,518	2,831,572	2,421,265	1,284,635	1,136,630	48,235,510	26,293,304	26,942,206	...	...	...	...	...	...	...
1873	48,857,278	25,813,377	23,043,901	6,307,788	3,518,084	2,789,704	2,576,984	1,421,387	1,155,547	51,742,000	30,752,848	26,989,152	...	...	...	...	...	...	...
1874	50,210,136	27,534,723	22,675,413	6,480,780	3,634,963	2,845,817	2,564,799	1,443,026	1,121,773	53,925,716	32,612,712	26,643,003	...	...	...	...	...	...	...
1875	51,728,416	28,220,495	23,505,921	6,839,430	3,542,685	3,296,745	2,671,154	1,457,548	1,213,606	55,121,576	33,290,728	28,016,272	...	...	...	...	...	...	...
1876	52,476,319	28,466,366	24,009,953	6,965,091	3,597,993	3,367,098	2,774,305	1,471,150	1,303,215	56,215,776	33,585,509	28,680,266	...	...	...	...	...	...	...
1877	53,056,000	28,615,000	24,441,000	7,110,000	3,720,000	3,390,000	2,806,000	1,502,000	1,304,000	57,978,328	33,887,978	29,136,350	...	...	...	...	...	...	...
1878	53,142,875	28,069,438	25,043,437	6,919,338	3,576,717	3,342,621	2,800,461	1,513,213	1,287,248	56,862,674	33,189,368	29,673,306	...	...	...	...	...	...	...
1879	52,479,379	27,112,853	25,366,526	6,688,886	3,460,188	3,228,698	2,618,498	1,472,232	1,196,206	55,177,608	32,045,273	29,731,430	...	...	...	...	...	...	...
1880	55,795,186	28,577,111	27,218,057	7,001,167	3,568,376	3,482,791	2,636,272	1,455,637	1,239,685	58,461,625	33,601,124	31,890,561	...	...	...	...	...	...	...
1881	60,342,974	29,388,512	27,694,002	7,278,631	3,731,002	3,547,689	2,711,458	1,458,102	1,158,176	63,657,442	34,602,616	31,954,526	...	...	...	...	...	...	...

In 1880, the length of line in operation in England and Wales was returned at 12,656 miles, so that the cost per mile was £27,656, and the traffic per mile was £4,403. In Scotland, there were 2,907 miles in operation, the average cost being £31,762 per mile, and the traffic £2,408 per mile. In Ireland, there were 2,370 miles in operation, the cost per mile being £12,288, and the traffic per mile £1,158. The cost per mile for the United Kingdom was £40,613, and the average traffic £3,652 per mile.

In England and Wales, the rate of gross traffic to capital paid up was 9½ per cent., in Scotland, 7¼ per cent., and in Ireland, 8½ per cent., the average being 9 per cent., against 8½ per cent. in 1879, against 9 per cent. in 1878, against 9½ per cent. in 1877, 9½ per cent. in 1876, 9½ per cent. in 1875, 9½ per cent. in 1874, 9½ per cent. in 1873, 4½ per cent. in 1872, and 4½ per cent. in 1871, 4½ per cent. in 1870, 4½ per cent. in 1869, 4½ per cent. in 1868, 4½ per cent. in 1867, 4½ per cent. in 1866, 4½ per cent. in 1865, 4½ per cent. in 1864, 4½ per cent. in 1863, 4½ per cent. in 1862, and 4½ per cent. in 1861. Consolidations of preference stocks have tended to diminish these percentages in the last few years by nominally increasing capital.

The foregoing comment does not give any clear idea of what the ordinary dividends average. The bulk of the preference and debenture capital carry 4 per cent. interest. The *Economist* thus summarises the accounts of the sixteen leading English railways and the three leading Scotch companies during 1881:—

English Companies.

	Capital Received to Dec. 31, 1881.		Proportion of		Miles in Operation, Dec. 31, 1881.	Canals. Miles.
	£	%	Priority Capital.	Ordinary Stock.		
London & N.-Western	94,137,668	63½	36½	1,889½	303	
Great Western	68,664,828	75½	24½	2,277	208½	
Midland	70,166,685	66½	33½	1,494½	46	
North-Eastern	55,877,573	60	40	1,481½	...	
Lancashire & Yorkshire	35,629,486	60	40	493	...	
Great Northern	32,646,695	69	31	785½	78	
Great Eastern	36,027,319	70½	29½	962½	(P)	
London & S.-Western	24,821,051	61	39	733½	...	
South-Eastern	20,834,772	57	43	157½	(P)	
London & Brighton ...	21,732,315	68½	31½	389½	...	
Manchester & Sheffield	24,589,807	76½	23½	466½	169½	
London, Chatham, and Dover	23,873,547	53½	46½	166	...	
North Staffordshire ...	7,874,620	59	41	194	118	
Metropolitan	9,352,178	49	51	20½	...	
North London	3,895,866	49½	50½	17	...	
Metropolitan District..	6,592,719	65½	34½	12½	...	
	536,717,129	65	35	11,540½	922½	

The revenue and dividend figures of the entire year 1881 are given below :—

	GROSS REVENUE.		NET REVENUE.		ORDINARY DIVIDENDS.		
	1st Half, 1881.	2nd Half, 1881.	1st Half, 1881.	2nd Half, 1881.	1st, 1881.	2nd, 1881.	Aver. %.
	£	£	£	£	%	%	%
London and North-Western	4,839,647	5,376,273	2,395,237	2,715,721	6½	8	7¼
Great Western	3,610,000	3,997,483	1,780,000	2,069,305	4½	7½	5½
Midland	3,323,202	3,660,787	1,617,177	1,766,354	5½	6½	5½
North-Eastern	3,086,421	3,411,529	1,565,060	1,699,144	7½	8½	8
Lancashire and Yorkshire	1,744,562	1,918,062	781,497	898,942	4½	5½	5
Great Northern	1,577,256	1,827,702	737,727	862,184	4	6½	5½
Great Eastern	1,427,520	1,722,689	634,552	824,669	nil.	3½	1½
London and South-Western	1,268,077	1,465,510	533,252	676,033	4½	7	5½
South-Eastern	961,924	1,178,645	469,680	647,581	3½	8	5½
London and Brighton	931,570	1,154,510	473,324	649,011	3½	8½	5½
Manchester and Sheffield	889,760	1,023,915	454,512	567,517	nil.	4	2
London, Chatham, and Dover	531,634	665,283	225,805	340,369	nil.	nil.	nil.
North Staffordshire	314,873	332,958	140,383	161,683	2	3	2½
Metropolitan	329,682	326,227	221,401	115,665	5	5	5
North London	232,902	246,438	119,213	124,553	7½	7½	7½
Metropolitan District	196,902	187,215	113,539	100,029	1½	nil.	½
	25,265,932	28,495,226	12,262,359	14,218,760	4½	6½	5½

Contrasted with previous years, the following average percentages of ordinary dividends are obtained :—

	1881. Per Cent. per Annum.	1880. Per Cent. per Annum.	1879. Per Cent. per Annum.	1878. Per Cent. per Annum.
First half-year	4½	5½	3½	4½
Second half-year	6½	6½	5½	5½
	5½	5½	4½	4½

The three principal Scotch companies in 1881 yielded the following results :—

Scotch Companies.

	Capital Received, January 31, 1882.	Proportion of		Railway Miles in Operation.	Canal Miles Owned
		Preference.	Ordinary.		
	£	%	%		
Caledonian	37,729,520	65½	34½*	897½	52½
North British	31,801,779	79½	20½*	995½	32
Glasgow and South-Western	11,249,322	52	48*	385½	11
	80,780,621	69½	30½	2,278½	95½

* Including the deferred stocks—7½ per cent. in the case of the North British; 7½ per cent. in that of the Caledonian; and 4 per cent. in that of the Glasgow and South-Western.

Scotch Companies—(Continued).

	GROSS REVENUE.		NET REVENUE.		DIVIDENDS.		
	First Half, 1881.	Second Half, 1881.	First Half, 1881.	Second Half, 1881.	1st, 1881.	2nd, 1881.	Average.
	£	£	£	£	%	%	%
Caledonian	1,376,309	1,439,638	654,591	746,975	3½	4½	4½
North British.....	1,193,055	1,275,177	612,235	665,572	2	4½	3½
Glasgow and South-Western ...	538,752	568,560	277,776	292,029	5	5½	5½
	3,108,116	3,278,425	1,544,502	1,704,576	3½	4½	4½

The Report of the Select Committee on the Railway Passengers' Duty was issued in June, 1876. The recommendations it contained were as follows:—

That the tax is an undesirable one to maintain longer than is necessary from a fiscal point of view, and they recommend its total repeal, whenever the state of the public revenue will permit.

That until the finances of the State warrant the abolition of the tax the following modifications should be substituted:—

1. That the present tax of 5 per cent. be restricted to fares over one penny a mile, and that the fares of all classes of passengers carried in any train paying one penny a mile, or under a penny a mile, be exempted, and that this exemption should apply to return, weekly, and season tickets.

2. That in levying the duty in respect of return tickets, of whatever class, and by whatever trains, the holders may be carried, one-half of the amounts be treated as the fare in one direction, and the other half as the fare for the return journey. That in levying the duty in respect of season tickets, of whatever class, or whether the holders have been carried by express or stopping trains, the fare for each journey shall be reckoned by dividing the cost of the ticket by double the number of week-days in the period during which the ticket is available.

3. That in urban and suburban districts all fares of all classes up to and including ninepence be exempted.

4. That in future legislation care should be taken to keep in view the object that was aimed at by the legislative obligations to maintain ample passenger communication between the several stations on each line.

It is in evidence before your Committee that cases exist in which lines calculated to give accommodation to localities at present thinly populated are now used for goods and mineral traffic only, having never been opened for passenger traffic, although this would be done immediately if the duty were repealed.

COLONIAL RAILWAYS.

Up to the end of 1880, the following railways had been opened in British Colonies:—

Miles.	Miles.	Miles.			
India	9,181	Victoria	1,199	Canada	6,891
Ceylon	136	South Australia...	667	Jamaica	25
Mauritius	66	Western Australia	72	Trinidad	16
Cape	905	Tasmania.....	172	British Guiana...	21
Natal	101	New Zealand	1,258		
New South Wales	849	Queensland	633		22,192

BANKS OF THE UNITED KINGDOM.

—

According to statistics furnished in the *Banking Almanac*, the paid-up capital employed in joint-stock banking enterprise in the United Kingdom was in 1881 as under:—

Banking Capital in Great Britain and Ireland, 1881.

	Capital.		Reserve Funds.
	£		£
Bank of England	14,553,000	... say	3,000,000
Other joint-stock banks, England and Wales	36,122,800	... ..	17,328,000
Joint-stock banks, Isle of Man	67,000	... ..	44,000
Joint-stock banks, Scotland	9,046,000	... ..	4,198,500
Joint-stock banks, Ireland	6,840,000	... ..	2,593,100
	66,628,800	... ..	27,163,600
	£93,792,400		

These figures are exclusive of the joint-stock banks doing business in the Colonies and abroad which have raised capital here. The growth of banking capital in England since the failure of the City of Glasgow Bank has been considerable, many of the unlimited banks, when they availed themselves of the provisions of Sir Stafford Northcote's Act of 1879 to register with limited or reserved liability, accompanied the change by a fresh issue of shares. On the other hand, the capital of the Scotch banks has been reduced by the failure of the City of Glasgow Bank. In 1876, the capital and reserves

of these institutions was stated by the same authority as follows:—

	1876.	
	Capital. £	Reserve. £
Bank of England	14,553,000	say 3,000,000
Other joint-stock banks, England and Wales	32,875,000	.. „ 13,919,000
Joint-stock banks, Scotland	10,045,000	.. „ 3,725,000
Joint-stock banks, Ireland	6,790,000	.. „ 2,504,000
Joint-stock banks, Isle of Man	60,000	.. „ 21,000
	64,323,000	.. „ 23,169,000
	£87,492,000	

While it is no part of this work to trace the history of banking in this country, it may be pointed out that the system possesses some very distinctive features. The enormous volume of the deposits held by banks, joint-stock and private, finds no parallel in any other country. According to Mr. Inglis Palgrave's estimate, those deposits now reach about £540,000,000, of which the following amounts can be directly accounted for in published balance-sheets:—

	Capital.	Deposits (Mostly December, 1881).
	£	£
Bank of England	14,553,000	30,549,219
Other English banks	32,617,643	241,603,912
Scotch	9,046,000	79,323,526
Irish	3,125,000	17,821,706
Isle of Man	30,000	461,890
	59,371,643	369,760,253

Thus, nearly 90 per cent. of the total joint-stock banks held £369,760,000 deposits, and at the same rate for the remaining 10 per cent. not publishing balance-sheets, the deposits held by the total joint-stock banks would stand at about £400,000,000. According to Mr. Palgrave's estimate, therefore, the deposits in private bankers' hands must equal £140,000,000. These figures are brought down to the end of 1881, and to some extent include duplicate deposits. Thus, the London bankers, as a rule, keep £8,000,000 or £10,000,000 in the hands of the Bank of England, and most country bankers have balances deposited with their London agents. It is a blot upon British banking that the publication of efficient balance-sheets is not made compulsory both in respect to joint-stock and private banks.

The following is a list of all the banks in the United Kingdom possessing paid-up capitals exceeding £100,000:—

Name of Bank.	Branches.	Amt. Paid up per Share	Liability per Share.				Dividend and Bonus for 1891.	Capital Subscribed.	Capital Paid up.
			Total.	Amtt. Reservd.	%				
<i>England and Wales.</i>									
Adelphi Bank, Limited	No. 1	£ 10	£ 10	nil.	% 8	260,220	130,110		
Alliance Bank, Limited	1	10	15	nil.	7	2,000,000	800,000		
Bank of Bolton, Limited	4	5 & 8½	17	nil.	...	1,000,000	162,685		
Bank of England	11	100 %	...	...	10	14,553,000	14,553,000
Bank of Liverpool	1	12½	unl.	...	13	5,000,000	625,000		
Birmingham Banking Company, Limited	16	5	45	25	20	2,800,000	286,000		
Birmingham and Midland Bank, Limited	3	12½	47½	35	16	1,440,000	300,000		
Birmingham, Dudley, and District Banking, Limited	36	4	16	nil.	18½	1,725,000	345,000		
Birmingham Joint-Stock Bank, Limited	2	10	90	75	20	3,000,000	300,000		
Bradford Banking Company, Limited	None.	30	70	50	15½	1,960,000	406,000		
Bradford Commercial Joint-Stock Bank, Limited	None.	25	75	50	16	1,116,000	279,000		
Bradford District Bank, Limited	1	35	65	nil.	8½	851,100	297,885		
Bradford Old Bank, Limited	12	20	30	nil.	12½	1,250,000	500,000		
Bristol and West of England Banking, Limited	11	7½	12½	nil.	5½	400,000	150,000		
Burton, Uttoxeter, and Ashbourne Union Bank, Limited	2	10	40	30	20	750,000	150,000		
Bury Banking Company, Limited	None.	6	19	15	22½	750,000	157,346		
Capital and Counties Bank, Limited	57	10	40	30	18	1,750,000	350,000		
Carlisle City and District Banking, Limited	6	5	20	10	15½	500,000	100,000		
Carlisle and Cumberland Banking, Limited	3	5	15	10	20	400,000	100,000		
Central Bank of London, Limited	5	5	5	nil.	9½	200,000	100,000		
City Bank, Limited	8	10	30	20	10	3,200,000	800,000		
Consolidated Bank, Limited	4	4	6	nil.	10	2,000,000	800,000		
County of Gloucester Bank, Limited	11	25	75	nil.	8	724,000	182,750		
Craven Bank, Limited	14	7	23	23	15	750,000	175,000		
Crompton and Evans Union Bank, Limited	8	4	16	nil.	17½	1,000,000	200,000		
Cumberland Union Banking Company, Limited	23	12½	17½	nil.	18	600,000	250,000		
Devon and Cornwall Banking Company	24	40	unl.	...	17½	400,000	160,000		
Exchange and Discount Bank, Limited	1	5	5	nil.	10	200,000	100,000		
Glamorganshire Banking Company	6	100	unl.	...	10	400,000	375,000		
Gloucestershire Banking Company, Limited	36	22½	77½	50	13½	2,000,000	450,000		
Halifax and Huddersfield Union Banking Company, Limited	1	10	30	...	13½	1,000,000	250,000		
Halifax Commercial Banking Company, Limited	2	10	10	nil.	10	300,000	150,000		
Halifax Joint-Stock Banking Company, Limited	3	10	15	10	15	500,000	200,000		
Huddersfield Banking Company	6	25	unl.	...	10	1,658,100	414,525		
Hull Banking Company, Limited	3	3½	16½	10	20	693,000	124,432		
Imperial Bank, Limited	4	15	35	nil.	7	2,250,000	675,000		
International Bank of London, Limited	None.	15	5	nil.	6	400,000	300,000		
Lancashire and Yorkshire Bank, Limited	23	10	10	nil.	8	600,000	297,940		
Lancaster Banking Company	21	25	unl.	...	24	275,000	275,000		
Leeds and County Bank, Limited	5	25	75	nil.	4	920,000	230,000		
Leicestershire Banking Company, Limited	14	10	15	10	10	1,000,000	374,277		
Lincoln and Lindsey Banking Company, Limited	12	70	130	100	17	250,000	87,500		
		17½	32½	25	17	76,950	26,933		
Liverpool Commercial Banking Company, Limited	None.	10	10	nil.	11½	700,000	350,000		
Liverpool Union Bank	1	20	unl.	...	12½	600,000	600,000		
Lloyd's Banking Company, Limited	46	8	42	37½	20	3,062,500	490,000		
London Banking Association, Limited	1	15	5	nil.	7	800,000	600,000		
London and County Banking Company, Limited	159	20	60	40	20	6,000,000	1,500,000		
Do. New Shares	...	10	75	40	30	2,000,000	374,265		
London and Hansatic Bank, Limited	None.	10	10	nil.	7	666,000	333,000		
London Joint-Stock Bank (to be limited)	5	15	unl.	...	17	4,000,000	1,200,000		
London and Provincial Bank, Limited	80	5	5	nil.	12½	500,000	250,000		
London and South-Western Bank, Limited	44	20	80	nil.	6	1,000,000	200,000		

JOINT STOCK BANKS OF THE UNITED KINGDOM. 173

Name of Bank.	Branches.	Amt. Paid upper Share	Liability per Share.			Dividend and Bonus for 1881.	Capital Subscribed.	Capital Paid up.
			Total.	Amt. Reservd.	%			
<i>England and Wales—Continued.</i>								
London and Westminster Bank, Limited...	8	20	80	nil.	18	10,000,000	2,000,000	
Do. New Shares, at 10 prem.....	...	20	85	nil.	5	4,000,000	798,880	
London and Yorkshire Bank, Limited.....	15	2½	7	5	4½	551,000	144,412	
Manchester and County Bank, Limited.....	34	15	85	75	15	4,400,000	680,000	
Manchester and Liverpool District Banking Company, Limited.....	57	10	50	40	20	5,430,000	905,000	
Manchester and Salford Bank, Limited...	17	8	48	30	11½	4,408,500	787,480	
Manchester Joint-Stock Bank, Limited.....	3	6	14	nil.	11½	341,000	102,300	
Merchant Banking Company of London, Limited.....	None.	25	75	nil.	8	1,500,000	375,000	
Moore and Robinson's Nottinghamshire Banking Company, Limited.....	1	4	6	nil.	12½	505,750	202,300	
National Provincial Bank of England, Limited.....	151	{ 10½	64½	50	20	3,000,000	420,000	
Do. New Shares, 1879.....	...	{ 12	48	40	20	6,337,500	1,267,500	
Do. New Shares, 1880.....	...	10	50	40	20	1,687,500	281,250	
Do. New Shares, 1890.....	...	4	58	40	20	1,012,500	67,500	
National Bank of Liverpool, Limited.....	4	10	10	nil.	7½	600,000	300,000	
Northamptonshire Banking Company, Lim.	4	5	20	5	10	500,000	100,000	
Northamptonshire Union Bank, Limited..	4	7	23	10	14½	800,000	210,000	
North-Eastern Banking Company, Limited	27	6	14	nil.	4½	806,500	255,950	
North and South Wales Bank, Limited.....	50	10	30	30	17½	2,000,000	500,000	
North-Western Bank, Limited.....	None.	7½	12½	nil.	8	1,000,000	405,000	
Nottingham and Nottinghamshire Banking Company.....	8	25	unl.	...	10	382,450	208,500	
Nottingham Joint-Stock Bank, Limited...	9	10	40	25	9	500,000	100,000	
Pars's Leicestershire Banking Company, Limited.....	5	12½	12½	12½	14	1,000,000	350,000	
Parr's Banking Company, Limited.....	22	20	90	60	17½	2,461,500	492,300	
Preston Banking Company.....	11	25	unl.	...	10	100,000	100,000	
Sheffield Banking Company, Limited.....	4	17½	32½	nil.	13½	952,500	333,375	
Sheffield and Rotherham Banking, Limited	5	8	42	...	15	1,200,000	192,000	
Sheffield and Hallamshire Bank.....	None.	25	unl.	...	12½	840,000	210,000	
Sheffield Union Banking Company.....	8	12	unl.	...	7½	300,000	180,000	
Staffordshire Joint-Stock Bank, Limited...	12	20	90	75	7½	875,000	175,000	
Stamford, Spalding, and Boston Banking, Limited.....	20	10	20	10	14	825,000	275,000	
Stuckey's Banking Company.....	40	50	unl.	...	26½	608,800	301,900	
Swansea Bank, Limited.....	3	7	13	nil.	6½	574,980	201,238	
Union Bank of Birmingham, Limited.....	None.	5	15	nil.	5	422,000	105,750	
Union Bank of London (to be limited).....	4	15½	unl.	...	15	4,500,000	1,385,000	
Union Bank of Manchester, Limited.....	34	11	14	nil.	12	1,000,000	440,000	
Wakefield and Barnsley Union Bank.....	2	13½	unl.	...	15	400,000	108,000	
West Riding Union Banking Company, Limited.....	3	15	35	25	10	1,580,300	474,080	
Wilts and Dorset Banking Company.....	65	10	unl.	...	22	525,000	350,000	
Worcester City and County Banking Company, Limited.....	22	12½	37½	nil.	10	1,000,000	250,000	
Wolverhampton and Staffordshire Bank...	None.	10	unl.	...	15	500,000	100,000	
York City and County Bank.....	28	25	unl.	...	20	698,000	174,600	
Yorkshire Banking Company, Limited.....	24	12½	37½	25	10	1,250,000	267,500	
York Union Banking Company.....	12	25	unl.	...	18	660,000	165,080	
Totals for all England and Wales ...	1,528	...	...	...	...	159,674,289	50,890,722
<i>Scotland.</i>								
Bank of Scotland.....	103	100%	50%	...	13	1,875,000	1,250,000	
British Linen Company Bank.....	100	100%	nil.	...	13	1,000,000	1,000,000	
Caledonian Banking Company, Limited...	21	2½	10	...	6½	750,000	150,000	
Clydesdale Banking Company, Limited.....	96	20	40	...	12	5,000,000	1,000,000	
Commercial Bank of Scotland, Limited.....	110	20	50	40	13	5,000,000	1,000,000	
National Bank of Scotland, Limited.....	95	100%	400%	...	15	5,000,000	1,000,000	
North of Scotland Banking Company, Lim.	60	4	16	...	12½	2,000,000	400,000	
Royal Bank of Scotland.....	121	100%	nil.	...	9½	2,000,000	2,000,000	
Town and County Banking Company, Lim.	52	7	25	15	12½	1,280,000	252,000	
Union Bank of Scotland, Limited.....	125	10	40	40	12	5,000,000	1,000,000	
Totals.....	883	...	...	...	...	28,885,000	9,052,000

Name of Bank.	Branches.	Amt. Paid up per Share	Liability per Share.			Dividend and Bonus for 1881.	Capital	Capital
			Total.	Amnt. Reservd.			Subscribed.	Paid up.
<i>Ireland.</i>								
Bank of Ireland (capital £23,000,000 Irish)...	59	£ 100%	£ ...	£ (?)	% 11½	£ 2,769,230	£ 2,769,230	
Belfast Banking Company	57 {	25	unl.	...	20	500,000	125,000	
Hibernian Joint-Stock Bank, Limited	48	25	unl.	...	8	500,000	125,000	
Munster Bank, Limited	47	3½	6½	5	10	2,000,000	500,000	
National Bank, Limited	116	10	40	...	11	1,500,000	1,500,000	
Northern Banking Company.....	69 {	30	unl.	...	12	461,666	150,000	
	30	unl.	...	6	6	500,000	150,000	
Provincial Bank of Ireland (to be limited)	47 {	25	unl.	...	13	2,000,000	500,000	
	10	unl.	...	13	13	40,000	40,000	
Royal Bank of Ireland, Limited	5	10	40	30	12	1,500,000	300,000	
Ulster Banking Company	52	2½	unl.	...	20	1,200,000	300,000	
Totals.....	500	...	...	...	...	15,470,996	6,981,230

The foregoing tables have been epitomised from the "Banking Supplement" of the *Economist*.

THE CROWN AGENTS FOR THE COLONIES.

In the year 1833, an inquiry having been instituted into the nature of the numerous Colonial agencies, held mainly by senior clerks in the Colonial Office—appointments which had come to be regarded as rewards for long service—Her Majesty's Government resolved on the consolidation of those appointments into one establishment, presided over by two Agents who had been Colonial Office officials. This Agency conducted all the business operations of the Colonies here, except in respect to the principal West India Islands. In 1843, the disbursements of this Agency reached £380,000. The Australasian group, however, as soon as they ceased to be Crown Colonies, appointed their own Agencies; and in 1858, the present Lord Derby, then Colonial Secretary, determined upon a second reformation of the establishment. He appointed Mr. Penrose G. Julyan and Mr. William C. Sargeant to be the "Agents-General for the Colonies," and under the new establishment the business grew very rapidly. In 1858-60, the disbursements averaged £817,000 a year; while in 1878, they reached as much as £11,800,000. In 1863, the present title of "Crown Agents for the Colonies" was adopted. The duties, which have recently been of such an extended character, were thus described by a leading official at the end of 1878:—

Colonial Government loans are here negotiated on a more extensive scale than by any other agency in London. Indeed, one of the largest borrowers among the seceding Colonies, New Zealand, has so far returned that it invariably resorts to the Crown Agency for the negotia-

tion of its loans. Altogether, since the re-organisation of the establishment, eighty-eight loans, representing an aggregate sum of £39,000,000*, have been issued by it. The interest on these loans is paid periodically, the sinking funds are managed, and the capital is finally refunded to the lenders, by the same Agency. Railway undertakings of considerable magnitude are also carried out by the Crown Agents. From time to time they are called upon to find responsible contractors for the construction of railways in distant Colonies; on other occasions they have to negotiate for the purchase of railways already in existence which the Colonial Governments may find it desirable to acquire. In both cases, all the requisites for keeping these lines of railway in good order are supplied by them. At the present moment, about a thousand miles of railway are being provided by the Crown Agents with engines, rolling-stock, permanent-way materials, workshop machinery, coal, and everything else necessary for their equipment and maintenance. In addition to these commodities, iron structures of all kinds, such as bridges and market houses, gasometers, waterworks, lighthouses, steam-tugs, dredgers, tools of every description, arms and ammunition, as well as paints, oils, glass, and stationery, are largely obtained by Colonial Governments through the Crown Agents, who also supply medicines for hospital use, together with clothing, bedsteads and bedding for local corps, police and convict establishments, and charitable institutions. In a separate branch of the Department, debenture bonds, banknotes, and revenue and postage stamps in great variety, are prepared under the strictest supervision, and the dies and plates used in producing these articles are here made and held in safe custody. The average cost for agency amounts to less than $\frac{1}{4}$ per cent. on the sum disbursed by the Crown Agents. Among the miscellaneous duties of the office may be specified the payment of half-pay and pensions to Colonial officers, and the provision of funds to discharge the debts due by the Colonies to the Home Government in respect of Post Office orders. But the Imperial Government declines to accept any responsibility in respect of the Department which it has created, and which is consequently left under the absolute control of the Agents as regards the selection, superintendence, and dismissal of their subordinates, and all the internal arrangements of the establishment. No part of the money required for the conduct of their business is obtained from the Imperial exchequer, and even for the office which they occupy in a Government building rent is paid out of Colonial funds. These funds are derived from a small percentage charge which they are authorised to make on certain descriptions of business transacted by them, and the money thus collected is disposed of under the direction of the Secretary of State. With few exceptions, the accounts of the Agency are rendered monthly to the Governments of the several Colonies concerned, and are audited by them. Bearing in mind that during the twenty years that have elapsed since the present system was introduced not a single surcharge has been established, it may fairly be urged that any change which should have the effect of restricting the action of the Crown Agents, or of diminishing their usefulness, would be a great misfortune, and seriously opposed to the true interests of a considerable portion of our Colonial Empire.

In 1878, Her Majesty's Government deemed it advisable

* In 1882, about 100 loans, representing £50,000,000.

that the financial business of the Colonies, having a representative form of Government, should be no longer transacted by the Crown Agents, and that it would be better for those Colonies to conduct their financial operations in the London markets, through agencies not connected with the Home Government. At the close of that year, Sir Penrose Julyan retired from the position of Senior Crown Agent, the establishment having two or three years previously been removed from Spring Gardens to Downing Street. The present Crown Agents are Sir William C. Sargeaunt, Mr. M. F. Ommanney, and Mr. E. E. Blake.

THE CORPORATION OF FOREIGN BONDHOLDERS.

It was on the 11th November, 1868, that the public meeting was held in London at which the Council of Foreign Bondholders was first constituted. Mr. Goschen, M.P., who occupied the chair on the occasion, said:—"I believe the duties of " this Council will be most important, and that they can be used " to great effect by exercising a moral power over foreign " Governments contracting loans, and also, perhaps, by exer- " cising a moral power over our own Government by inducing " them to move, if by their good offices they can do anything." At a meeting subsequently held, at which Mr. R. W. Crawford, M.P., presided, the resolutions passed on the 11th November were formally confirmed. There can be little doubt that this body have since that date exercised a very considerable "moral power" over many foreign Governments contracting loans; and though on certain points the actions of the Corporation—for, in recognition of their services, the Council were on the 1st August, 1873, incorporated by licence of the Board of Trade—have been subjected to criticism, there can be no doubt that they have rendered foreign bondholders a far less helpless mass than they were prior to the institution of the association. Most of the existing Foreign Loan Committees are domiciled in the Council House itself.

The names most associated with the establishment of the Council of Foreign Bondholders were those of the late Mr. Gerstenberg, who prior to the meeting above referred to published a pamphlet, in which he showed that such an association of bondholders had long since been proposed, and how its realisation could be made practicable, and Mr. Hyde Clarke, who from the first has filled the post of Secretary to the Council, as well as to the numerous subsidiary Committees. Mr. Gerstenberg was Chairman of the Council until his death, in 1875, after which the Right Hon. Edward Pleydell-Bouverie was chosen for the position.

One of the first important steps taken by the Council was

the issue of "Anglo-Austrian Bondholders' Certificates," when, in 1869, the Austrian Government arbitrarily converted all their external loans into internal debt, and abolished the sinking funds. The whole of the loans of Austria were then, by the Committee of the Stock Exchange, struck out of the "Official List." The bondholders' certificates had, in 1871, to be liquidated at £5 each before the Hungarian loan of that year could be introduced to this market. Since then the Corporation have played a prominent part in the Turkish, Spanish, Egyptian, Bolivian, Peruvian, Venezuelan, Roumanian, and other negotiations and settlements. Their annual reports contain useful summaries of all operations during the year; and at the Council House, 17, Moorgate Street, there is a good financial library, and the records of foreign countries contain many hundreds of volumes. All such information is gratuitously given to bondholders. The annual meetings are held in February or March, when accounts are presented, and certificates of the Endowment Fund are drawn for repayment out of surplus balances. The members consist chiefly of the representatives of those who originally contributed £100 each to the Endowment Fund. They are not allowed to make any division of profits, the institution having been formed for the general benefit of bondholders.

The present members of the Council and staff are the following:—

Chairman.

The Right Hon. Edward Pleydell-Bouverie.

Deputy-Chairmen.

Sir John Lubbock, Bart., M.P., F.R.S.

Richard Biddulph Martin, M.P.

General Sir George Balfour,
K.C.B., M.P.

Francis Bennoch.

Right Hon. G. A. F. Cavendish
Bentinck, M.P.

Lionel N. Bonar.

The Right Hon. R. Bourke, M.P.

John Henry Daniell.

Roger Eykyn.

W. B. Farquhar.

The Right Hon. Lord Kinnaird.

The Hon. H. D. Ryder.

Sir E. H. Scott, Bart.

Cornelius Surgey.

George Cavendish Taylor.

William Trotter.

Henry Tudor.

Sir Henry W. Tyler, M.P.

Lt.-General J. L. Vaughan, C.B.

T. M. Weguelin.

Secretary—Hyde Clarke.

Standing Counsel—T. W. Snagge.

Solicitors.

Travers Smith and Braithwaite; Norton, Rose, Norton, and Brewer.

Notary—William Grain.

Auditors—Cooper, Wintle, and Co.

Bankers—Robarts, Lubbock, and Co.

BRITISH COLONIAL DEBTS.

GENERAL STATISTICS RESPECTING THE COLONIAL AND OTHER POSSESSIONS OF GREAT BRITAIN.

The total area of our Colonial Empire may be computed to reach 7,813,600 square miles; the inhabitants thereon, according to the most recent enumerations, number 206,592,081 persons; the aggregate gross revenue of all the Possessions amounts to £103,577,145; the gross expenditure to £102,021,955, being within the gross income; the aggregate Public Debt, happily for the most part raised to provide reproductive works, is £310,594,456; the imports, mostly inclusive of bullion and specie, are as much as £178,802,836; and the gross exports have increased to £194,903,521, being worth £16,100,685 more than the imports even before quitting colonial ports. It is very noteworthy that amongst all these Possessions there have never occurred any instances of default or repudiation.

In addition, Great Britain possesses Suzerain rights over territories—such as the native States of India—probably exceeding 1,000,000 square miles, inhabited by upwards of 50,000,000 people.

ANTIGUA.

In 1844, the Imperial Government lent this Colony £100,000 but this debt has now been all redeemed.

From 1854 to 1864 the public debt of this Colony decreased annually, almost without exception, as appears from the following official statement. In 1865-6, it was augmented by the loan referred to below:—

	£		£		£
1854.....	71,260	1865.....	41,000	1873.....	51,639
1855.....	66,320	1866.....	47,655	1874.....	55,540
1857.....	55,375	1867.....	55,897	1875.....	58,520
1860.....	37,000	1868.....	58,526	1876.....	58,511
1861.....	32,000	1869.....	54,431	1877.....	58,511
1862.....	30,320	1870.....	52,205	1878.....	60,687
1863.....	25,320	1871.....	53,982	1879.....	60,687
1864.....	20,250	1872.....	52,349	1880.....	58,557

Against this gross debt of £58,557 there was in hand—Waterworks' Loan Sinking Fund, £22,928; cash on deposit, £6,500; and other small items, making in all £31,148; net liabilities, £27,409.

In May, 1865, the Crown Agents for the Colonies brought out the "Antigua Government Six per Cent. Debentures of 1865" for the sum of £30,000, authorised by the "Antigua Water Supply Act of 1864," for the construction of works for supplying the city of St. John and its vicinity with a supply of pure water. The prospectus further stated—

The debentures (with interest coupons attached) will be issued in sums of £500, £300, and £100 each, redeemable in twenty years from the date thereof.

The principal, when due, and the interest, half yearly, will be paid either at the Offices of the Crown Agents for the Colonies in London, or at the Treasury in the Island of Antigua, as the lenders may elect at the time of allotment.

For the final extinction of the debt, the Act provides that a fund shall be formed in this country, by the payment out of the general revenue of the Colony of £1,000 per annum, which sum, together with the interest arising therefrom, is to be invested in Government securities by trustees, to be appointed by the Secretary of State for the Colonies.

Both principal and interest are amply secured—first, on the water-works themselves, and on the rates and moneys to be derived from the water supply; and secondly, on the general revenue and assets of the Colony, preferably to any other claim thereon, except the small charge

of £15,000, for which the revenue is liable to the Home Government in respect of a loan of £100,000 granted to the Colony in 1844.

The instalments and interest on that loan have been paid with great regularity, and the remainder of the debt will be extinguished during the next three years, after which the £30,000 now required will form the sole charge on the revenue.

In 1871, a further £2,500 six per cent. debentures were issued through the Crown Agents, redeemable in 1891.

Gross Amounts of Public Revenue and Expenditure from 1860 to 1880.

	Revenue.		Expenditure.
	£		£
1860.....	40,862	.....	41,607
1865.....	40,464	.....	39,768
1870.....	40,040	.....	36,752
1871.....	43,746	.....	40,579
1873.....	33,313	.....	38,168
1875.....	37,818	.....	34,159
1876.....	32,354	.....	33,530
1877.....	34,103	.....	35,126
1878.....	37,662	.....	35,809
1879.....	41,084	.....	36,124
1880.....	43,274	.....	49,252*

* Including £9,723 repayment of loans.

The principal source of revenue is the import duties, yielding in 1880 £28,010.

The following table contains the value of the import and export trade of Antigua in the years mentioned :—

Year.	IMPORTS.		EXPORTS.	
	Total.	From United Kingdom.	Total.	To United Kingdom.
	£	£	£	£
1860	225,791	96,357	254,002	206,247
1865	160,571	64,999	192,632	176,739
1870	164,178	71,798	234,012	215,651
1871	175,741	77,579	247,630	207,893
1875	180,363	64,233	249,677	203,550
1876	140,036	47,190	143,237	99,032
1877	176,094	63,633	210,366	143,364
1878	183,795	63,770	201,177	120,945
1879	161,543	83,580	267,153	164,372
1880	160,767	82,855	263,550	119,226

The sugar shipments in 1880 were 14,824 hogsheads, and latterly these have been going more to the United States than they used to do.

The area of Antigua is 170 square miles. The population in 1850 was 36,178; in 1861, it was 37,125; in 1871, it was 35,157; and in 1881 it was 34,964.

BAHAMAS.

The Bahamas have a debt in debentures amounting, on 1st June, 1880, to £58,873, bearing 6, 5 $\frac{1}{2}$, and 5 per cent. In 1860, the debt was £22,635, and in 1870, £54,162. The highest return was £68,099, in 1868.

Since June, 1880, the debenture debt has been consolidated and re-issued, the totals in 1881 being as follows:—

	£	s.	d.
5 per cent. debentures	57,761	13	2
4 $\frac{1}{2}$ " "	600	0	0
	<hr/>		
	58,361	13	2

In addition, there is the liability to the Widows' and Orphans' Fund, upon which there is a guaranteed credit balance of £14,412. On 31st December, 1879, the cash balance in the Treasury was £3,909.

The gross revenue in 1878 was £41,518, and the expenditure, £41,253. The imports in the same year were £191,234, and the exports, £142,673, including £44,279 to the United Kingdom.

In 1880, in the face of the reduction in the tax on house property, the revenue was £42,945. The expenditure was £43,642, including some outlay on public works. The imports in 1880 were £180,815, and the exports £121,429, of which £100,875 was native produce, including sponge (£34,565), pine apples (£31,114), and salt.

In Nassau, the maximum temperature in the shade in 1880 was 88°5', in July, and the minimum, in December, was 68°.

The great difficulty experienced in the West Indies owing to the depreciation of the Mexican dollar has affected the Bahamas. In 1838, this coin was declared to be legal tender for 4s. 2d., though recently the public have only taken it at 4s. Elsewhere, however, its value has been as low as 3s. 7d., and hence Mexican dollars have been imported, while United States coin and sterling were shipped away. Sterling exchange ran up to 10 per cent. premium, and affected trade. Hence demonetisation of Mexican dollars was carried out in 1881 at some expense to the Colony.

The area of the Bahamas is 5,390 square miles. In 1851, the population numbered 23,410; in 1861, 35,287; in 1871, 39,162; and in 1880 it was 43,521.

BARBADOES.

The sum of £22,725 due to the public creditor in 1864 was practically liquidated in 1870, when the debt was returned at £1,255. In 1871, however, a debt of £25,000 was incurred, the total at the close of that year being £25,906, at about which point it has stood since that date. In 1879, the total was £24,888, but the assets and balance in the Treasury were returned at £53,652. At the end of 1880 there were no liabilities, while the assets were £32,197. In addition, there is a railway liability, which was incurred in 1879. To the Barbadoes Railway Company the Colonial Government guarantee an income of £6,000 a year for 20 years. The railway offices are at 4, Mincing Lane, and the undertaking possesses a capital of 6 per cent. preference shares and £22,315 in ordinary shares, all of £5 each. The line is now practically completed.

The island is very densely populated, containing 171,889 inhabitants in 1881, giving 1,035 persons per square mile.

Gross Amounts of Public Revenue and Expenditure.

	Revenue.		Expenditure.	
	£		£	
1860	94,753	.....	110,873	
1870	104,932	.....	105,709	
1871	119,492	.....	122,346	
1875	132,123	.....	126,844	
1879	121,751	.....	124,889	
1880	136,403	.....	136,767	

The expenditure includes the outlay upon public works. The revenue in 1879 derived £62,302 from import dues, £16,927 from rum duty, £13,672 from tonnage, £4,758 from licences, and £4,093 from land tax. There are also urban and local taxes, amounting in 1879 to £39,506, which was in excess of the local outlay.

The external trade of this Colony is very considerable.

Year.	IMPORTS.		EXPORTS.	
	Total.	From United Kingdom.	Total.	To United Kingdom.
	£	£	£	£
1860.....	941,761		984,294	
1870.....	1,069,867	413,908	973,020	544,455
1871.....	1,191,888	546,396	1,293,546	609,870
1875.....	1,187,493	443,091	1,474,910	782,434
1879.....	1,023,398	370,809	1,259,158	599,700
1880.....	1,170,735	444,818	1,166,388	504,092

In 1879, Barbadoes exported 974,202 cwts. of sugar, value £859,594, and 33,974 puncheons of molasses, value £152,882. The imports were mainly flour and grain, linens and cottons, staves and timber, salt meat, and hardware.

The area of Barbadoes is 166 square miles, and the population in 1841 was 110,500. In 1861, it had increased to 152,727; in 1871, it was 162,042; and in 1881, it was 171,889.

BRITISH COLUMBIA.

(INCLUDING VANCOUVER'S ISLAND.)

In 1866, the revenues of British Columbia and Vancouver's Island were combined; and in 1871, the combined Colony was absorbed within the boundaries of the Canadian Dominion. The terms of this absorption included the important stipulation that within ten years British Columbia should be connected with Manitoba and Canada by a "Canadian-Pacific" Railway; and towards this object the Home Government agreed to guarantee the interest on a loan of £2,500,000. This limitation as to ten years it has been found impossible to adhere to; and though the Canadian-Pacific line is now well under construction, some few years must still elapse before the railway is complete from ocean to ocean.

Although all the following British Columbian loans, except the last, now rank as Dominion debts, they are still known in London under their original titles, and may be described here. The only original debt of Vancouver's Island comprised £40,000, raised in January, 1865, on the following conditions:—

Vancouver's Island Government Loan—£40,000.—Six per Cent. Debentures, issued under authority of an Act entitled "An Act to authorise the Governor of Vancouver's Island to borrow the sum of Forty Thousand Pounds on the security of the general revenue of the said Colony." The Secretary of State for the Colonies having authorised Her Majesty's Agents-General for Crown Colonies to dispose of the above debentures, they hereby give notice, that they will be prepared to receive tenders for the whole or any portion of the same. The bonds are for sums of £500, £200, and £100 respectively, with coupons attached, and will be redeemed in London on the 15th of January, 1880. Interest, commencing from the 15th inst., at the rate of 6 per cent. per annum, will be paid at the Office of Her Majesty's Agents-General on the 15th of January and 15th of July in each year.

These debentures have now been redeemed. The loans raised by British Columbia (Mainland) were as follows :—

In January, 1863, a loan for £50,000 was brought out, bearing interest at 6 per cent. per annum, payable on 1st January and 1st July, by the Crown Agents for the Colonies. An accumulative sinking fund of 9 per cent. per annum redeemed this part of the debt in 1873. A further debenture issue was effected later in 1863, the terms of which were similar, with the exception of the sinking fund, the rate of which, at 4 per cent. accumulative, will redeem the entire loan in 1883. The amount of this loan was likewise £50,000.

The last issue of debentures prior to absorption within the Dominion took place in April, 1865, under the conditions expressed in the following prospectus, then published :—

British Columbia Government Six per Cent. Debentures, created under the authority of the "British Columbia Loan Act, 1864," for raising a further sum of £100,000, to be applied to the construction and maintenance of roads and other reproductive public works in the Colony. Her Majesty's Principal Secretary of State for the Colonies having directed the undersigned to dispose of the debentures above referred to by public tender, they hereby give notice, that they will be prepared to receive written applications for the whole or any portion thereof, not being a fraction of £100, until one p.m. on Thursday, the 13th of April next. The debentures, with interest coupons attached, are for sums of £500, £200, and £100 respectively, redeemable in thirty years from the 1st of April, 1864. Interest, at the rate of 6 per cent. per annum, commencing on the 1st of April, 1865, will be paid half-yearly, in April and October of each year. Both principal and interest are made payable at the Offices of the Crown Agents for the Colonies in London, or at the Treasury, in New Westminster, as the lenders may elect. The loan is secured on the general revenues of British Columbia, which have gone on steadily increasing during the last six years at the rate of about 20 per cent. per annum; and the only charges now existing thereon amount altogether to but £102,000, or considerably less than one year's revenue. For the final extinction of the debt the Act provides that a sum equal to 2½ per cent. per annum on the total amount of the loan shall be paid into a sinking fund, to be formed in this country, under the control of trustees appointed by the Secretary of State for the Colonies, the money to be invested in Consols or other Government securities. Debentures will be allotted to the highest bidders, provided that the prices offered are not below par.

PENROSE G. JULYAN, } *Crown Agents*
W. C. SARGEAUNT, } *for the Colonies.*

In July, 1877, a fresh loan was placed through the medium of the Bank of British Columbia and Messrs. Morton, Rose, and Co., this being still a provincial loan.

Issue of £150,000 Six per Cent. Sterling Debentures of the Province of British Columbia.—Interest payable by coupons in London on 1st January and 1st July, at the Bank of British Columbia. The first coupon due 1st January, 1878. Authorised by an Act of the Legislative Assembly of the Province passed during the last Session, entitled

BRITISH COLONIAL DEBTS—BRITISH COLUMBIA. 187

“British Columbia Loan Act, 1877.” Issue price, 100 per cent. The debentures are payable to bearer in 30 years from 1st July, 1877, and the above Act provides that a sinking fund of 2 per cent. is to be annually invested under trustees, either in these bonds or in other securities authorised by the Act. The loan is issued to consolidate the floating liabilities of the Province, incurred chiefly in the construction of roads and other communications, and in the undertaking of a dry dock at Esquimalt. To the cost of the latter work the Imperial Government have agreed to contribute £50,000 on completion to their satisfaction. The Act provides that the £150,000 debentures now issued “shall be deemed a primary charge upon all the revenue of the said Province, from whatever source arising; and all interest on such debentures, and the principal, when due, shall be paid by the Minister of Finance of the said Province out of such revenues, under warrants to be issued by the said Lieutenant-Governor, in Council, in priority of all demands thereon, except the charge and expenses of the collection thereof.” The amount required to meet the interest and sinking fund on the debentures now issued is £12,000 per annum, and is the only charge on the revenues besides the remaining expenses of the Provincial Government. By a recent Act of the Dominion Parliament, these debentures are available for the deposits required to be made by insurance companies.

The following additional information respecting the finances of the Province was furnished at the same time:—

The total revenue of the Province for the year 1876 (exclusive of Customs and Excise, which by the terms of the union are assigned to the Dominion) is officially stated to be, approximately, \$380,000 (£78,082), while that for the current year (1877) is estimated at \$407,350 (£83,702), of which the subsidy payable by the Dominion of Canada, upon the basis of the Act of Union, amounts to \$208,000, or £42,740. A large portion of the charges for carrying on the Provincial Government is also assumed and paid by the Dominion in consideration of their receiving the revenues derivable from Customs, Excise, &c., which average for the three years to 30th June, 1876, about \$450,000, or £92,465 annually.

Prior to the union, the gross revenue and expenditure of this Colony were as follows:—

	REVENUE.		EXPENDITURE.	
	British Columbia.	Vancouver's Island.	British Columbia.	Vancouver's Island.
	£	£	£	£
1860	53,327	23,850	47,171	24,054
1865	116,106	88,894	141,762	90,278
1867		96,436		83,251
1869		110,515		92,192
1870		102,990		100,523

The imports of the two divisions in 1861 were, together, £699,491; and in 1862, they rose to £1,304,545, nominally their highest point. Only £145,205, however, came from the United Kingdom. In 1865, they were £1,092,081. In 1870, the imports only figured for £335,133; but the trade between the Island and the Mainland no longer was included in this

statement. The principal item of export was gold, the estimated amount of which in 1869 was \$3,417,873, or £700,000. Exclusive of gold, the exports in 1865 were valued at £76,993; in 1869, at £149,834; and in 1870, at £106,635. Of this last item, £32,688 was for the United Kingdom.

The area of Vancouver's Island is 13,000 square miles; and the population in 1861 was 23,000. The area of the Mainland is now stated at over 300,000 square miles; and the population in 1861 was 11,816. The total population in 1871 was stated at 33,586, a considerable number being Indians. In 1881, the population was returned at 49,459.

It may be mentioned that Vancouver's Island exports some coal.

BERMUDA.

In 1865, the Public Debt was stated at £500; in 1868, at £9,000; and in 1872, at £17,330. Since then it has steadily fallen, being £12,734 at the end of 1875, £11,484 in 1879, and £9,484 in 1881. This consisted of—

At about 4½ per cent. interest	£ 4,890
Savings' banks deposits, 2½ per cent.	4,594
	9,484

equal to 13s. 1½d. per head of the civil population.

The revenue in 1880 was £29,738, raised almost entire from Customs—the naval and military population consuming considerable quantities of spirituous liquors. The expenditure was £27,735, including £1,000 redemption of Public Debt.

The export trade consists mainly of vegetable produce to United States' markets, shipped in the early spring months before the American crops are ready; and in 1880 comprised 28,000 barrels of potatoes, 67,000 boxes of tomatoes, and 186,000 boxes of onions, besides other produce.

	IMPORTS.		EXPORTS.	
	From United Kingdom.	Total.	To United Kingdom.	Total.
	£	£	£	£
1870.....	76,949	232,388	Nil.	36,757
1875.....	60,388	244,486	2,666	61,253
1879.....	57,080	247,247	2,384	69,533
1880.....	62,048	248,864	5,320	84,037

The great disproportion between the imports and exports is due to these coral reef islands being an important naval and military station. The Imperial expenditure is reckoned at about £220,000 a-year. The merchants on the islands are compelled to purchase Treasury bills from the military and naval authorities to make their foreign remittances.

The area of these small islands is stated at 19 square miles, and only 2,230 acres are under cultivation, with a population of 11,881 in 1861, of 12,121 in 1871, and of 14,401 in 1881. The approaches, almost encircled by reefs and guarded by forts, are regarded as well-nigh impregnable; and the station is the only one situated in the mid-Atlantic. The thermometer hardly ever drops to 40 in winter, or rises above 85 in summer, and the climate is healthy.

BRITISH GUIANA.

This Colony is often referred to as Demerara—the river and seaport upon which Georgetown is situated, almost the entire cultivated area being located upon the coast. New Amsterdam, on the Berbice, is the only other town of the least importance.

The first statement of the debt of this Colony which appears in official returns is that for 1861, since which year it has been stated *in gross* as follows:—

1861	£ 576,499	1868	£ 636,606	1875	£ 403,537
1862	563,700	1869	649,940	1876	354,821
1863	591,454	1870	582,423	1877	323,563
1864	593,617	1871	512,865	1878	303,662
1865	559,517	1872	411,482	1879	304,518
1866	660,646	1873	474,955	1880	419,056
1867	661,037	1874	412,766		

In 1850, a loan of £250,000 was obtained under the guarantee of the Home Government. Accumulations out of revenue were applied to the redemption of this debt, which was finally liquidated on January 1, 1875.

The loans of 1853, 1854, 1859, and 1863—none of them for large amounts—have also been repaid.

The largest item of the Public Debt has recently consisted of a sum of £205,300, borrowed under Ordinance 24 of 1864, on account of immigration. This loan is under the manage-

ment of Commissioners, and is the basis of the Immigration Fund, and all proceedings connected with it are separate from the monetary transactions of the general Government. The public revenues are pledged for the payment of interest and principal, but no direct burden falls upon the revenue in connection with this special loan. There are other portions of the debt which are merely guaranteed, and are not in reality a burden upon the State finances.

In 1869, an Ordinance was passed authorising a loan for \$500,000, or £104,167, for works of a permanent character.

In December, 1871, Mr. Charles Cave, of the firm of Prescott, Grote, and Cave, invited tenders for a 6 per Cent. Loan for £10,000 for five years, to make up, with funds in hand, a sufficient sum to redeem £40,000 in bonds falling due on the 1st of January, 1872. The loan consisted of twenty bonds of £500 each, and has since matured.

At the close of 1880 the debt stood as under:—

	£
Immigration loans (secured entirely upon sugar estates)	318,400
Town loans (secured on Georgetown)	44,055
Town loans (secured on New Amsterdam)	5,276
	<hr/>
	367,731
Loans raised for, and forming a charge on, Government.....	51,325
	<hr/>
	419,056

It would be more correct, therefore, to state the *net* debt at £51,325, or at 4s. per head.

The gross amounts of revenue and expenditure in the following years were (converting the dollar at 4s 2d):—

	Revenue.	Expenditure.
	£	£
1860.....	279,952	314,858
1865.....	309,372	300,894
1870.....	354,130	325,185
1871.....	379,647	338,053
1875.....	352,137	381,103
1879.....	395,741	387,643
1880.....	404,461	394,593

The principal items of revenue are derived from wine and spirit import duties, from rum duties, and from retail spirit licences. The expenditure includes immigration and public works.

The Demerara Railway is a line of 21 miles, constructed by a joint-stock company. The offices are situated at 4, Mincing Lane, E.C., and the capital comprises £160,000 ordinary stock, and £115,000 7 per cent. preference stock. Fair dividends have been paid.

In 1871, the telegraph cable connecting British Guiana with

the West India Islands, the United States, and Europe was laid by the West India and Panama Telegraph Company. A yearly subsidy of £3,000, to continue for ten years, was guaranteed to the company by the Government by an Ordinance passed in 1869.

Demerara sugar and rum are the staple productions and exports of this Colony, and the appliances in use for treating the sugar-cane are described as very complete and costly. This it is which gives to Demerara sugar its present prestige

Year.	IMPORTS.		EXPORTS.	
	Total.	From United Kingdom.	Total.	To United Kingdom.
	£	£	£	£
1860.....	1,145,959	619,851	1,513,452	1,347,999
1865.....	1,359,292	741,493	2,089,639	1,729,151
1870.....	1,897,098	997,530	2,383,422	1,388,314
1871.....	1,897,183	1,025,181	2,748,720	1,266,426
1875.....	1,837,158	927,168	2,337,122	1,744,972
1879.....	2,065,045	1,071,715	2,715,535	2,163,419
1880.....	2,002,696	1,004,938	2,617,625	1,684,612

In 1877, the value of the merchandise exported was £3,049,157. In 1879, there were exported 106,866 hogsheads, or 1,816,722 cwts., of sugar, value £2,137,321. The rum shipped was 30,490 puncheons, value £304,900; and molasses, 16,161 casks, value £80,805. The chief imports were rice, £255,355; flour, £156,186; machinery, £126,663; manure (guano), £105,459; and dried fish, £71,827.

The area of British Guiana is, roughly, 76,000 square miles; but the interior is very little known. The population in 1851 was 127,695. In 1861, it was 148,026; and in 1871, it was 193,491. The Creoles (or whites born in the West Indies) then numbered 113,570. In 1880, the population was estimated at 253,054. A large number of coloured labourers have been brought to the Colony for terms of years. The yearly extremes of temperature at Georgetown are usually from 70° to 85°.

CANADIAN DOMINION.

The net debt of the Canadian Dominion has been officially returned as follows at the various dates mentioned :—

	Canada. £	New Brunswick. £	Nova Scotia. £	British Columbia. £	P. Edward Island. £
1855	8,885,582	...	...	...	8,735
1860	11,977,905	1,035,614	1,012,538	6,060	41,420
1863	13,591,385	1,206,562	971,711	162,090	50,119
1865	12,864,483	1,249,174	971,706	277,986	71,083
1866	12,793,634	1,249,174	971,706	293,078	120,559
June 30.					
1867	15,776,800		...	309,273	166,458
1868	15,782,736		...	304,166	123,571
1869	15,804,025		...	304,166	136,084
1870	16,293,696		...	322,328	133,797
1871	16,183,858		...	322,328	142,169
1872	17,122,307				
1873	20,801,753				
1874	22,567,701				
1875	24,168,412				
1876	25,948,232				
1877	27,757,356				
1878	29,242,097				
1879	30,725,223				
1880	31,433,317				
1881	32,040,367				

Ontario, Quebec, New Brunswick, and Nova Scotia were formed into the Canadian Dominion from July 1, 1867; Manitoba and the North-West were included from July, 1870; British Columbia and Vancouver's Island from July, 1871; and Prince Edward Island from July, 1873. Newfoundland has hitherto held aloof from the Dominion.

The above debt statement gives the net liabilities of the Dominion and Provincial Governments, after deducting the sinking funds and other assets in hand. The gross debts run into larger figures.

Since 1867, the date of the Union, the Dominion has expended the following amounts, which may fairly rank against capital:—

	£
Public works.....	5,283,585
Canadian Pacific Railway.....	4,405,932
Intercolonial Railway.....	5,313,709
North-West (including purchase of Hudson's Bay Territory)	599,573
Dominion lands.....	68,720
Provincial debts absorbed and allowed.....	4,199,546
	19,871,065

As the increase in the debt has been but £17,000,000, it follows that nearly £3,000,000 in addition must have been provided out of revenue.

The debt of Canada has passed through various transformations, of which the following is a short account:—

The indirect Public Debt of Canada, including railway advances, in 1858 was £6,271,762, bearing 6 per cent. interest, which prior to 1857 had not been a charge upon the revenue. In that year, owing to the commercial crisis, it became necessary to make large payments on account of it; and in 1858 the general revenue was called on to meet almost the whole amount. In addition to the commercial depression, the harvest of 1857 was below an average, and that of 1858 was nearly a total failure. It became manifest that the indirect debt must for many years be a charge upon the country, and Parliament was required to make provision for it. The interest on the Public Debt, direct and indirect, thus required, in 1858 was £636,667; and without a breach of faith it could not be postponed nor repudiated. The pressure came suddenly upon the people of Canada, and the Customs Act of 1858 was at once passed, and subsequently, with the same objects in view, the Customs Act of 1859.

After subjecting the engagements of the Provinces to strict scrutiny, the Government were of opinion that it was possible to reduce the annual outlay on many items of expenditure, and their efforts were therefore directed towards economy; the ordinary expenditure in 1858 having been £1,837,606, and the estimate for corresponding service in 1859, £1,540,490. But after making every reduction, it was manifest that unless an increase of revenue could be obtained a deficiency must occur in 1859.

Messrs. Baring and Co. and Messrs. Glyn and Co. made a communication to the Stock Exchange in January, 1860, from the Provincial Government, as to the consolidation of then

existing debts, to the effect that the various liabilities of the Colony amounted to £11,661,010, and that the holders were given the option of converting them into a new Consolidated Five per Cent. Stock, redeemable twenty-five years after the 1st January, 1860. A portion of these liabilities consisted of £700,000 due to the English Government as the balance of a guaranteed loan; £400,000 to the current revenue for amounts of debt then recently paid off; £250,000 for certain indemnity claims on the "Feudal Tenure Fund," and £1,250,000 Currency Debt, making a total of £2,600,000, which it was contemplated to meet in cash. For that purpose an issue was to be made on the London market, increased to £2,800,000 by £200,000 for public buildings at Ottawa. By this consolidation of a number of securities into one stock, increased market value and negotiability were anticipated, and £69,000 in annual interest saved. A scale was published of the rates at which the Sterling Six per Cent. Government Bonds, payable in London, would be allowed to be converted, £109 10s. of the New Five per Cent. Stock being offered for £100 of the Six per Cent. Bonds due in August, 1854, and the rate gradually rising to £113 10s. for those not maturing till 1884. The new registered stock was made transferable in London, and the dividends made payable in London, with the alternative of coupon bonds to bearer, changeable into stock at the option of the holder. There was also a sinking fund of $\frac{1}{2}$ per cent. The issue was nominally at par, but as the instalments extended over a year, while the interest commenced immediately, the actual price was, in fact, 97 $\frac{1}{2}$.

The following are extracts from the official notice issued at the close of 1859 by the Canadian Minister of Finance:—

Conversion of the Public Debt of Canada, 1860.

The objects contemplated by the Act are to consolidate the whole existing debt of Canada into a uniform security, and to provide for its gradual extinction through the operation of a sinking fund to be invested in it.

At present the Public Debt consists of—

	£
Imperial Guaranteed Loan, bearing 4 per cent. interest, and constituting a first charge on the Consolidated Revenue Fund	1,500,000
Sterling Debentures, 5 per cent., payable in London	279,325
" 6 per cent., " "	7,223,600
Currency Debentures, 4 $\frac{1}{2}$ per cent., payable in Canada	3,000
" 5 per cent., " "	147,683
" 6 per cent., " "	524,064
Total	9,677,672
chargeable on Consolidated Revenue Fund, and bearing an annual interest of £546,345.	

In addition to the foregoing amount, the Province, as trustee for the Consolidated Municipal Loan Fund, and for other special funds, has issued debentures chargeable specially upon the security of such funds, and not upon the consolidated revenue, to the following amount:—

Sterling Debentures, chargeable on the Consolidated Municipal Loan Fund, payable in London, 6 per cent.	£ 200,000
Currency and Sterling ditto, payable in Canada	1,720,160
Currency Debentures, 6 per cent., chargeable on minor special funds, payable in Canada	63,178
Total	1,983,338

bearing an annual interest of £119,000 sterling.

Owing to this latter class of securities not carrying the direct engagement of the Province, they have suffered considerable depreciation in the London money market, and the Legislature have authorised the Government, by the Act above cited, to redeem the whole or part of these securities, and to raise funds for the purpose, by the issue of the Consolidated Stock or Bonds.

By an arrangement with the Lords of the Treasury, it is agreed that the sinking fund may be invested in approved securities, bearing a rate of interest nearly approaching that paid by Canada. It is now proposed by the Government of Canada to raise the amount required to make good the entire sinking fund, and thus to discharge the Province from the necessity of providing from its consolidated revenue any larger sum than the interest on the balance of about £700,000, by which means an annual charge of about £35,000 will be substituted for that of £90,000, while some profit will arise from the sinking fund being invested in securities yielding a higher rate than that payable under the guarantee, 4 per cent.

It is, therefore, proposed to create an issue of consolidated stock or bonds, at the option of the purchaser, irredeemable until after twenty-five years from 1st January, 1860, bearing 5 per cent. interest, payable half-yearly, for the following purposes:—

To pay up in full the sinking fund for the Imperial Guaranteed Loan, about	£ 700,000
To reimburse the Consolidated Revenue Fund for advances made in 1859 on account of redemption of debt	400,000
To redeem so much of the Feudal Tenure Fund.....	250,000
For public buildings at Ottawa	200,000
For redemption of remainder of Six per Cent. Currency Debt, both direct and indirect, about	1,250,000
	2,800,000

The charges now borne by the revenue on the foregoing items are as follow:—

Interest and sinking fund, Imperial Loan	£ 90,000
6 per cent. interest on £2,100,000	126,000
Total per annum	216,000

By the issue of Five per Cent. Consols or Bonds, the annual charge will be reduced—

For interest.....	£ 140,000
For sinking fund, $\frac{1}{2}$ per cent.	7,000
Total per annum	147,000

Making a reduction of charge upon the revenue of Canada of £69,000 per annum, while at the same time the existing Imperial sinking fund will by this operation be increased to £1,500,000, thus practically extinguishing so much of the present debt.

In order to facilitate the consolidation of the entire debt of the Province, the Government are prepared to convert the Sterling Six per Cent. Bonds, payable in London, and carrying a direct charge upon the Consolidated Revenue Fund, into new stock or bonds of of the same character as those now to be disposed of.

Holders of Five per Cent. Sterling Bonds may convert at par. But neither class of such sterling bonds, payable in London, can be received in payment of sub-criptions to the new loan. The option of conversion is limited to the 30th of June, 1860.

A. T. GALT, *Minister of Finance of Canada.*

London, 31st December, 1859.

The amount outstanding of these Five per Cent. Bonds, redeemable in 1885, is £6,484,242, as will be seen on reference to page 193.

No fresh Canadian debts were incurred for some years, but after the Dominion had been negotiated between the Colonies, and finally carried into effect, there appeared in July, 1868, the prospectus of the first of the

Intercolonial Railway and Rupert's Land Loans,

the sum required being £2,000,000, the issue, as usual, being effected by Messrs. Barings and Glyns. The particulars and design will be best understood by the accompanying extracts:—

Issue of £1,500,000 Canada Bonds, bearing 4 per cent. interest, and guaranteed by the Imperial Government of the United Kingdom, under the authority of the Act of 30 Vict., c. 16, being one moiety of the loan authorised by that Act; and of £500,000 Five per Cent. Bonds of the Government of Canada, being also a moiety of the loan of £1,000,000, authorised by the Act of the Parliament of Canada, passed on the 21st December, 1867, for the construction of the Intercolonial Railway.

Messrs. Baring Brothers, and Messrs. Glyn, Mills, Currie, are authorised to receive, at the office of the former firm, sealed tenders for £1,500,000 Canada Four per Cent. Bonds, guaranteed by the Imperial Government of the United Kingdom, and to be repaid on the 1st October, 1903, and £500,000 Canada Five per Cent. Bonds, to be repaid also on the 1st October, 1903.

All these bonds will bear interest from the 1st July, 1868. A dividend for three months will be repaid on the 1st October, and the dividends will thenceforth be payable half-yearly, on the 1st April and 1st October of each year, as per coupons.

The above-mentioned sealed tenders may be for the whole or part of £2,000,000, in the proportion of three-quarters of Guaranteed Bonds and one-quarter of Ordinary Five per Cent. Canada Bonds, and no tender will be admitted which does not comply with this condition—namely, stating one price for the two stocks united.

Upon allotment a payment of 20 per cent. will be required, and the subsequent instalments must be paid, or, in default, the previous pay-

ments will be forfeited—25 per cent. on the 13th October, 1868; 25 per cent. on the 12th January, 1869, and the balance on the 13th April, 1869.

The entire loan, except £73,200, was taken up by Messrs. Rothschild at 105½ per cent.

In September, 1873, Messrs. Barings and Glyns brought out a further £1,800,000 in Four per Cent. Guaranteed Bonds, which were readily taken up at about 103¾. The prospectus stated as follows :—

£1,500,000 Canada Bonds (Intercolonial Railway Loan), bearing interest at 4 per cent. per annum, guaranteed by the Imperial Government of the United Kingdom, under authority of the Act 30 Vict., c. 16, being the second moiety of £3,000,000 authorised by the said Act, the principal to be repaid on the 1st April, 1908.

£300,000 Canada Bonds (Rupert's Land Loan), bearing interest at 4 per cent. per annum, guaranteed by the Imperial Government of the United Kingdom, under the authority of the Act 32 and 33 Vict., c. 101, the principal to be repaid on the 1st April, 1904.

All these bonds will bear interest from the 1st October, 1873, and the dividends will be paid half-yearly, on the 1st April and 1st October of each year, commencing in April, 1874.

Upon allotment a payment will be required of the difference between 80 per cent. and the price tendered; the balance must be paid by the following instalments, or, in default, the previous payments will be forfeited—viz., 25 per cent. on the 1st January, 1874; 25 per cent. on the 1st April, 1874; 30 per cent. on the 1st July, 1874—total, 80 per cent.

Scrip receipts will be issued without delay, and bonds of £1,000, £500, or £100 will be delivered in exchange as soon as practicable.

In June, 1874, the same financial houses placed a Four per Cent. Loan for £4,000,000 in sterling bonds or inscriptions, bearing interest from the 1st of May, 1874, payable in London on 1st May and 1st November. This loan was not guaranteed by the Imperial Government; but it was stated that it formed part of £8,000,000 authorised by the Session of 1874, and that of the balance then unissued £3,600,000 would be so guaranteed. The issue price was 90, payable between 18th June and 1st December. The prospectus further stated :—

The principal of the loan now offered is to be repaid in London in thirty years. A cumulative sinking fund of not less than ¼ per cent. per annum will be employed in the purchase of bonds or stock of the loan at or below par; the Government reserving the right to invest the sinking fund in other securities, if the price of the loan should be above par.

Subscribers will have the option of receiving bonds to bearer, or stock registered in their names, and by virtue of an arrangement entered into by the Imperial and Canadian Governments, the registered stock will be transferable, free of stamp duty, to the proprietors. Bonds to bearer may at any future time be converted into registered stock on payment of 2s. 6d. per cent. stamp duty.

In October, 1875, Messrs. Glyns and Barings invited

applications for the following compound loan, the whole of which was placed at and above £98 12s. per cent. :—

£1,500,000 Canada Four per Cent. Bonds, guaranteed by the Imperial Government of the United Kingdom, and to be repaid on the 1st October, 1910.

And £1,000,000 Dominion of Canada Four per Cent. Bonds, to be repaid on the 1st November, 1905.

The Four per Cent. Guaranteed Bonds will bear interest from the 1st October, 1875, and the Four per Cent. Dominion Bonds from the 1st November, 1875, payable half-yearly, on the 1st April and the 1st October, and the 1st May and the 1st November, respectively.

The sealed tenders may be for the whole or part of £2,500,000, in the proportion of three-fifths of Guaranteed Bonds and two-fifths of ordinary Dominion of Canada Four per Cent. Bonds; and no tender will be admitted which does not comply with this condition, namely, stating one price for the two stocks united.

The guaranteed portion of this loan will be all in bonds to bearer, but the Dominion Four per Cent. Bonds can, at the option of the subscribers, be either in bonds to bearer or stock registered in their names, and by virtue of an arrangement entered into by the Imperial and Canadian Governments, the registered stock will be transferable free of stamp duty to the proprietors. Bonds to bearer may at any future time be converted into registered stock, on payment of 2s. 6d. per cent. stamp duty.

For the £1,000,000 Dominion Four per Cent. Loan a cumulative sinking fund of not less than $\frac{1}{2}$ per cent. will be employed in the purchase of bonds or stock of the loan at or below par; the Government reserving the right to invest the sinking fund in other securities, if the price of the loan should be above par.

The Minister of Finance of Canada will deliver to the partners present of Messrs. Baring Brothers and Co., and Messrs. Glyn, Mills, Currie, and Co., a sealed paper containing the minimum price at which he will sell the above-mentioned £2,500,000 bonds.

Neither Messrs. Baring Brothers and Co., nor Messrs. Glyn, Mills, Currie, and Co., will make any tender.

Upon allotment a payment of the difference between 80 per cent. and the price tendered will be required, and the subsequent instalments must be paid at the office of Messrs. Glyn, Mills, Currie, and Co., as follows :—25 per cent. on the 28th December, 1875; 25 per cent. on the 11th February, 1876; 30 per cent. on the 28th March, 1876.

Scrip receipts will be issued without delay, and bonds of £1,000, £500, or £100, will be delivered in exchange as soon as practicable.

In November, 1876, the same financial agents in England of the Dominion placed £2,500,000 Four per Cent. Sterling Bonds or Inscriptions, bearing interest in London on the 1st May and 1st November, the issue price being 91 per cent., payable by instalments up to July, 1877.

This loan is issued under the authority of an Act of Parliament of the Dominion of Canada (39 Vict., cap. 1, sec. 4) passed during the last Session. The object of the loan is partly to provide for the payment of debt maturing or redeemable in the course of next year, and partly for expenditure on public works.

The principal of the loan now offered is to be repaid in London in thirty years. A cumulative sinking fund of not less than $\frac{1}{2}$ per cent.

per annum will be employed in the purchase of the bonds or stock of the loan at or below par, the Government reserving the right to invest the sinking fund in other securities, if the price of the loan should be above par.

Subscribers will have the option of receiving bonds to bearer, or stock registered in their names; and by virtue of an arrangement entered into by the Imperial and Canadian Governments, the registered stock will be transferable free of stamp duty to the proprietors. Bonds to bearer may at any future time be converted into registered stock on payment of 2s. 6d. per cent. stamp duty.

In December, 1878, a fresh compound loan for £3,000,000 was offered by Messrs. Baring Brothers and Co., and Messrs. Glyn, Mills, Currie, and Co., at the minimum of 96½ per cent. Upon opening tenders only £1,619,000 was taken at an average of 96¾. The balance, however, was taken a few days later at the official minimum. It will be recollected that this loan was placed just after the failures of the City of Glasgow and West of England Banks. The prospectus stated:—

£1,500,000 Canada Four per Cent. Bonds, guaranteed by the Imperial Government of the United Kingdom, and to be repaid on 1st October, 1913.

And £1,500,000 Dominion of Canada Four per Cent. Bonds, to be repaid on 1st November, 1908.

The Four per Cent. Guaranteed Bonds will bear interest from the 1st October, 1878, and the Four per Cent. Dominion Bonds from the 1st November, 1878, payable half-yearly, on the 1st April and October, and 1st May and November respectively.

Tenders must be for the whole or part of £3,000,000, in the proportion of one-half of Guaranteed Bonds and one-half of ordinary Dominion of Canada Four per Cent. Bonds; and no tender will be admitted which does not comply with this condition, by bidding one price for the two stocks united.

The guaranteed portion of the loan will be in bonds to bearer, but the Dominion Four per Cent. Bonds can, at the option of the subscribers, be either in bonds to bearer or stock registered in their names, and by virtue of an arrangement entered into by the Imperial and Canadian Governments, the registered stock will be transferable free of stamp duty to the proprietors. Bonds to bearer may at any future time be converted into registered stock on payment of 2s. 6d. per cent. stamp duty.

For the £1,500,000 Dominion Four per Cent. Loan, a cumulative sinking fund of not less than ½ per cent. will be employed in the purchase of Dominion Four per Cent. Bonds at or below par, the Government reserving the right to invest the sinking fund in other securities should the price be above par.

Holder of any portion of the £1,547,000 Canada Six per Cent. Bonds maturing on the 1st January next, who desire to re-invest in Canadian securities, may pay for any bonds allotted to them in such maturing bonds, in lieu of cash.

Scrip certificates will be issued without delay, and bonds of £1,000, £500, or £100 will be delivered in exchange as soon as practicable.

In July, 1879, a fresh issue of Canadian Dominion Four per Cent. Sterling Bonds to the amount of £3,000,000—not guaranteed by the Home Government—were placed by the

same firms at 95. Of this amount, the major portion was required to repay £2,000,000 of bonds bearing a higher rate of interest, and most of the balance for the purchase and equipment of the Riviere du Loup section of the Grand Trunk Railway, which was required for the Intercolonial Railway system. The other terms and conditions were very similar to those of the previous Four per Cent. "Unguaranteed" Loans, there being the usual sinking fund of $\frac{1}{2}$ per cent. applied to purchases at or below par, and a provision for repayment at par at the end of 29 years.

The following are the recent fluctuations in market values of some Canadian securities:—

—	Canadian 4 per Cent. Loan, "1904-5."		Canadian 5 per Cent. Loan, "1885."		Canadian 5 per Cent. Loan (Canadian Guaranteed), "1903."		Canadian 4 per Cent. Loan (Guaranteed by Great Britain), "1903."		Grand Trunk Railway Stock.		Great Western Railway Shares.	

1870 .....	...	...	100	89	...	...	106	101½	16½	10½	17½	12½
1871 .....	...	...	105	97	105	87	...	102½	25	11½	23½	14½
1872 .....	...	...	105	94	105	85	106	101	24	17½	24½	19½
1873 .....	...	...	108	101	108	102	106	102	28½	16½	23½	14½
1874	91	87½	110	104	109	104	105½	102½	21½	14½	18	10½
1875	82½	87½	108	102	108½	105	107	103	16½	9½	11½	5½
1876	85½	88½	108½	103	108	103	108½	104	11½	7½	8½	5½
1877	94½	89	109	103	108	103	110	105½	9½	6½	8½	5½
1878	94½	89	107	102	109	102	110	102	9½	5½	8½	5½
1879	97½	89	106½	102	111	104	110½	103	16½	5½	12½	4½
1880	104½	94½	107	102½	114	106	111	108	25½	11½	15½	11½
1881	108	101	107½	102½	116	111	116	109	26½	15½	16½	11½

Canadian Guarantees and Further Liabilities.

Most Canadian debts have been incurred in making advances to railways and in construction of canals, State railways, and other public works. These up to the present time have been by no means directly profitable to the Government, though indirectly they have undoubtedly proved of advantage to the community, and will probably be more profitable hereafter. The provision of railway and water facilities, costing in all £15,000,000, in 1880-1 yielded but little over £3,000 net profit, as will be seen below.

Dominion Public Works Revenue Account.

	Revenue.	Working Expenditure.	Net Balance.
Canals	\$361,558	...	— \$13,230
Railways—			
Intercolonial	1,760,394	1,759,851	+ 543
Do., Windsor Branch ...	17,463	20,502	— 3,039
Prince Edward Island ...	131,131	203,123	— 71,992
Canadian Pacific	294,076	236,945	+ 57,131
River slides and booms.....	79,849	57,118	+ 22,731
Hydraulic rents	30,396	...	+ 30,396
Harbours, bridges, ferries, and piers	15,693	19,489	— 3,796
	2,690,560	2,671,816	+ 18,744

The Canadian Pacific Railway Company, the provisional contract for which was ratified by the Canadian Legislature in February, 1881, provided for the handing over to the company of railways already constructed by Government at a cost of £6,000,000; with the contribution of a further £5,000,000 in Government money, the right to import materials, duty free, and the grant of some 25,000,000 acres of land, large tracts of which are fertile, but are as yet almost wholly untenanted. This railway is now being pushed forward rapidly, and is selling its lands largely to newly-established land companies.

The St. Lawrence canals, whereby steamers are already enabled to pass the rapids up to the great lakes, are being enlarged. It is stated that the new canals when complete will have a uniform system of locks, 270 feet long by 45 feet wide, with a depth of 14 feet, and will enable steamers of 1,500 tons to pass from Lake Superior to Montreal and the Sea.

The Canadian Dominion have guaranteed 5 per cent. for twenty years, from 1879, upon £500,000 First Mortgage Bonds of the Canada Central Railway.

New Brunswick, Nova Scotia, British Columbia, and Prince Edward Island Debts.

The principal and interest on all loans contracted by these Colonies at the time of joining the Dominion are now payable out of, and guaranteed by, the National revenues.

New Brunswick.—Six per Cent. Debentures, to the amount of £846,900, are domiciled with Messrs. Baring Brothers and Co., and redeemable between 1886 and 1891. The interest is payable on 1st January and 1st July. The bonds are to bearer, in sums of £1,000, £500, or £100 each. These are now Dominion loans.

Nova Scotia.—The most considerable loan of Nova Scotia at the date of the Union—£700,000 Six per Cent. Debentures, domiciled with Messrs. Baring Brothers and Co.—was redeemed at par in 1875.

At the present time there are held in this country Six per Cent. Debentures for £225,000, which were originally issued at par by Messrs. Baring Brothers and Co. The interest is payable on 1st January and 1st July, and the principal is repayable at par in January, 1886. The money was raised for railway works between Truro and Picton. This is now a Dominion loan.

British Columbia.—The terms of issue and other details respecting the various loans of British Columbia are furnished elsewhere. (See "British Columbia.")

Prince Edward Island.—The Public Debt of the Island on

the 31st December, 1870 (inclusive of Treasury notes, warrants, and debentures issued up to that date), was £105,689; against which, however, were to be placed £62,977, due on account of land sales, and 99,657 acres of unsold land.

The principal conditions upon which the absorption into the Dominion was effected were as follows :—

Resolved,—That it is expedient to provide—

1. That Canada shall be liable for the debts and liabilities of Prince Edward Island at the time of the Union.

2. That in consideration of the large expenditure authorised by the Parliament of Canada for the construction of railways and canals, and in view of the possibility of a re-adjustment of the financial arrangements between Canada and the several Provinces now embraced in the Dominion, as well as the isolated and exceptional condition of Prince Edward Island, the Colony shall, on entering the Union, be entitled to incur a debt equal to \$50 per head of its population, as shown by the Census returns of 1871—that is to say, \$4,701,050.

3. That Prince Edward Island, not having incurred debts equal to the sum mentioned in the next preceding resolution, shall be entitled to receive, by half-yearly payments in advance, from the general Government interest at the rate of 5 per cent. per annum on the difference, from time to time, between the actual amount of its indebtedness and the amount of indebtedness authorised as aforesaid—viz., \$4,701,050.

4. That Prince Edward Island shall be liable to Canada for the amount (if any) by which its Public Debt and liabilities at the date of the Union may exceed \$4,701,050, and shall be chargeable with interest at the rate of 5 per cent. per annum on such excess.

Upon this understanding, in July, 1873, the Prince Edward Island (Canadian Dominion) Six per Cent. Debenture Loan was brought out by Messrs. Morton, Rose, and Co. for £224,200, in six per cent. sterling coupon debentures of £200 each. As already stated, these bonds form part of the direct debt of Canada. The object was the construction of a railway. Interest is payable in London on the 1st January and 1st July, and the principal either in ten or thirty years after issue. The price of issue was £104 15s. per cent. Notice has recently been given of repayment at the end of ten years, and £65,200 were redeemed on 1st January, 1882, and £118,600 on 1st July, 1882; leaving £40,400 to be repaid on 1st January, 1883.

PROVINCIAL LOANS.

Quebec.—In July, 1874, the Bank of Montreal and Messrs. Morton, Rose, and Co. placed a Five per Cent. Sterling Loan for £800,000 for the Province of Quebec at the price of 97½ per cent., payable by instalments extending over a period of four months. In the prospectus it was stated that the

Province had incurred no previous debt; that there had in the previous six years been an annual surplus on the revenue account, and that the money was required to aid in the construction of certain railways. The bonds were issued in sums of £1,000, £500 or £100 each, with interest payable at the Bank of Montreal, Birchin Lane, on the 1st May and 1st November, and the principal on 1st May, 1904. A memorandum furnished with the prospectus stated that "more than half the revenue (\$1,014,712 annually) is a direct cash contribution from the Dominion Government, guaranteed by the Act of Union; and the balance is derived from timber dues, stamps, licences on shops, taverns, auctioneers, and other trades The Provincial Constitution also gives ample powers of imposing additional taxation, if needed."

In August, 1876, a second Province of Quebec loan appeared in the shape of an issue of £860,000 Sterling Five per Cent. Bonds, in sums of £1,000, £500, £200, or £100 each, the agents here being the London Joint-Stock Bank, representing the Merchants' Bank of Canada. This loan is now domiciled with the Bank of Montreal, Birchin Lane. The issue price was 98½ per cent., the debentures carrying interest from the 1st May previous, and the interest being payable on the 1st May and 1st November. The redemption at par is fixed for the 1st May, 1906.

The Act of Provincial Legislature, 39 Vict, cap. 4, provides that for the redemption of these debentures at maturity a sinking fund of 1 per cent. per annum shall be established. From the statement of the Treasurer, the financial position of the Province is most satisfactory, the only existing debt being the loan of £800,000 in similar debentures, and the proceeds thereof are intended for the development of useful public works.

Statement by the Treasurer of the Province :—

At the last Session of the Legislature of the Province of Québec (heretofore Lower Canada), it was determined to construct, as a public work, a line of railway from the Port of Québec, through Montreal (the commercial metropolis of Canada), to Ottawa (its political capital), and thence to be connected ultimately with the Canada Pacific Railway, and for this purpose the Legislature passed an Act authorising the Executive to negotiate a loan for £860,000, and it is this loan which is now offered to the public.

The revenues of the Province since Confederation (1867) have exceeded the expenditure, and the Province has been enabled to save about \$2,000,000, one-half of which has been spent upon public works of importance (\$844,633), and the other half (\$1,017,371) is now in the Treasury in cash.

The revenue of the Province for the fiscal year ending 30th June, 1875, was \$2,335,151, having increased \$948,313 since 1868, the first year after Confederation.

Part of the revenue is derived from Crown lands, of which the Province possesses over 100,000,000 of acres.

In March, 1879, this Province issued in New York \$3,000,000 of Five per Cent. Bonds of \$1,000 or \$500 each, the price of issue being par. The coupons are payable on the 1st May and 1st November, and the principal in 1908. Payments in New York are made in gold, or they may be received in London in sterling, through the Bank of Montreal. The contractors for this loan were a syndicate of New York bankers, who offered better terms than the London houses, and it was remarkable as being the first foreign loan of any importance ever issued in the United States. This loan is not quoted on the London Stock Exchange.

In July, 1880, the Banque de Paris et des Pays-Bas placed in Paris "Province of Quebec 4½ per Cent. Obligations" to the amount of 21,965,000 francs, or £878,600, in sums of 500f., or £20 each, the price of issue being 490 francs, or £19 12s. The coupons are payable on the 1st January and 1st July; and the principal by half-yearly drawings on the 1st June and 1st December, for repayment with the coupons in the months following. These drawings have already redeemed (including January, 1882) £12,900, and the entire redemption is to be effected in thirty-nine years, or before the 1st January, 1920. Though this loan was brought out in Paris, it was soon practically transferred to London, where coupons are now payable by the Imperial Bank, Lothbury.

The revenue of Quebec Province for 1882-3 is estimated at \$2,810,690; deficit \$106,479.

British Columbia.—The Provincial loan of this section of the Dominion is described under the head of British Columbia.

CANADIAN CITY LOANS.

The four leading cities of Montreal, Ottawa, Quebec, and Toronto, having raised loans in this country, a short account of the terms of issue is desirable, as, though not guaranteed by the State, the security offered is that of important portions of the community, and they increase the liabilities of the people of Canada. There are also City loans issued by London (Ontario), Winnipeg, Providence, St. Catherine's, and Hamilton, which are known to the London market.

Compton.—In 1873, Municipality Six per Cent. Sterling Debentures were issued through Messrs. Jay and Co., Throgmorton Street, to the amount of £46,000. The issue price was 96½ per cent. Interest is payable by the Bank of Montreal, Birchin Lane, on the 1st January and 1st July, and the principal on the 1st July, 1896. The money was raised for a subscription to the St. Francis and Megantic Railway.

Hamilton (Canada West).—The Sterling Debentures of 1864 have their coupons payable at the City Bank, Thread-

needle Street, on the 1st April and 1st October. The amount of this issue is small.

London (Ontario), City of.—In July, 1875, Messrs. G. S. Herbert and Sons offered £70,800 (part of £99,800) City of London (Ontario) First Preference Five per Cent. Sterling Debentures, in sums of £200 each, at the price of £180 per debenture. Interest is payable at the Bank of Scotland, Lothbury, on the 30th June and 31st December, and the principal on the 31st August, 1893.

In February, 1877, a further issue of Six per Cent. Sterling Debentures for £45,100 were effected by the Scottish American Investment Company and the Bank of Montreal. The latter now have charge of the loan, and pay coupons on the 1st January and 1st July. The bonds are for £100 or £200 each, and the principal is repayable at par in 1896. The issue price was 102½ per cent.

In February, 1879, applications were received for Six per Cent. Debentures of £250 or £500 each for £66,788 (part of £80,000), at the price of 101½ per cent. The bonds are repayable in twenty years (1899) by means of a 2 per cent. sinking fund, and the money was required for waterworks. This loan is domiciled with the Bank of Scotland, Lothbury, and the coupons are payable on the 1st April and 1st October.

There are also Six per Cent. Municipal Bonds to the amount of £31,000, with coupons payable on the 7th May and 7th November, and the principal repayable in 1893. The Bank of Scotland, Lothbury, are the agents for this loan.

Montreal.—In January, 1873, Messrs. Morton, Rose, and Co. allotted the City of Montreal Five per Cent. Sterling Loan for £500,000, in bonds of £100 or £500 each. The coupons are payable by this firm on the 1st May and 1st November. The issue price was 90 per cent., the whole loan being redeemable at par in thirty years by an accumulative sinking fund of 1½ per cent., the drawings to take place annually from the 1st April, 1874. Amount outstanding (January, 1882), £435,000. The prospectus stated:—

The interest and sinking fund on its debt form the first charge upon the revenues.

Any creditor may, by summary process, require the levy of a rate to meet a judgment debt.

According to the official statement of accounts issued by the Treasurer of the City, the total funded debt on the 31st January, 1872 (exclusive of about £58,000 sundry liabilities, covered by cash and gold assets in hand), was about £1,052,000, of which about £715,000 had been expended in the construction of waterworks, which works, together with the markets belonging to the city, yield an annual return to it equal to 6 per cent. per annum on about £1,043,000. Thus the revenue derived from the waterworks and markets alone provides within a small

fraction the whole interest on the entire funded debt of the city. The balance of debt—about £337,700—has been expended on a system of drainage, city improvements, &c.

In September, 1874, Messrs. Morton, Rose, and Co., and the Bank of Montreal, brought out another City of Montreal Five per Cent. Sterling Loan for £750,000, in bonds of £100 or £500 each. As in the case of the previous loan, the interest is payable half-yearly in London on the 1st May and 1st November, and the whole is redeemable by a 1½ per cent. sinking fund within thirty years. The amount outstanding (January, 1882) is £658,700. The issue price was 92½ per cent. The prospectus stated:—

The above loan is issued for improvement of the drainage, the extension of the waterworks, and for other public purposes.

The bonds are to bearer, and repayable on the 1st July, 1904. A cumulative sinking fund of at least 1½ per cent. will be applied annually to purchases, so long as the bonds can be obtained at or below par and accrued interest, otherwise by annual drawings, at par and interest.

The interest and sinking fund on the debts of the city are made a first charge on its revenues.

The revenue of the city for the year ending 31st January, 1873, amounted to \$1,083,074, while that of 1874 is estimated at \$1,250,000.

The present assessed value of the real property is estimated at \$63,561,150, of which \$54,319,590 is available for rating.

In December, 1879, the Bank of Montreal invited tenders for a Five per Cent. Loan for £200,000, in sterling bonds of £100 or £500 each, the issue being made to replace 6 per cent. bonds to a similar amount which matured on 1st November, 1878. The minimum price of issue was 101½ per cent., and the interest is payable in London on the 1st May and 1st November. The principal is redeemable before 1909, by means of a 1½ per cent. accumulative sinking fund, applied to purchases at or below par, or to drawings above par. The drawings take place on 1st October in each year, for redemption on 1st November. The amount outstanding (January, 1882,) is £194,000.

Ottawa.—In June, 1873, the City of Ottawa Six per Cent. Sterling Loan for £102,820 was issued by Messrs. Grant Brothers and Co. The bonds, of £100, £200, or £500 each, carry interest payable on the 1st May and 1st November, and the principal is redeemable in 1903. The loan was raised under the "Waterworks Amendment Act," and the price of issue was 102 per cent., and the coupons are now paid by the Union Bank of London, Princes Street. The prospectus stated—

The principal is payable on the 1st May, 1903, and the Corporation are to raise annually, after completion of the waterworks, a sufficient sum to provide a sinking fund of £20,000 at the end of each term of

10, 15, 20, and 25 years, and of £22,720 at the end of 30 years, to enable the Corporation to redeem the bonds at par, by drawings, at the above respective periods, in pursuance of the Act of Parliament.

In November, 1873, Messrs. Grant Brothers received applications for another City of Ottawa Loan, for £120,000, in sterling bonds to bearer of £100, £200, or £500 each, redeemable at par on the 1st November, 1893. The interest is payable on the 1st May and 1st November, and the issue price was fixed at 102 per cent. The object of the loan is to establish a system of drainage. The previously existing debt of the City was stated at \$579,460, or about £116,000. This loan is also under the management of the Union Bank of London.

In May, 1875, Messrs. Grant Brothers and Co. received applications for City of Ottawa Six per Cent. Sterling Waterworks Bonds, to the amount of £12,150 (part of £92,400), at the price of 103 per cent. The bonds are of £100, £250, or £500 each, bearing interest on the 1st April and 1st October, and redeemable at par on the 1st October, 1904. This loan is managed by the Union Bank of London.

These bonds are specially secured on the water rates of the City, and, in addition, by a special rate-in-aid, to be levied upon the whole of the assessable property of the City, and are issued for the purpose of completing the construction of the waterworks, as certified by the Corporation under the City seal.

In October, 1875, Messrs. Grant Brothers and Co. placed a further £62,000 City of Ottawa Six per Cent. Sterling Bonds, at the price of 103 per cent. Interest is payable on the 1st June and 1st December, and the principal on the 1st June, 1895. Both are made payable at the Union Bank of London. In 1870, the value of rateable property in Ottawa was \$5,037,858, and in 1874 it had increased to \$9,670,720.

Quebec.—In May, 1872, Messrs. Grant Brothers and Co. received applications for the City of Quebec Six per Cent. Sterling Consolidated Fund Loan for £100,000, the whole being readily taken up at par. The object of the loan was to pay off debentures falling due, the total debt of the Corporation being then \$2,261,775, or about £452,000. The interest is payable here on the 1st January and 1st July by the London and County Banking Company, Lombard Street. The loan is redeemable at par on the 1st January, 1892, a sinking fund being accumulated for that purpose.

In June, 1873, the same firm allotted a further £115,000 in City of Quebec Six per Cent. "Sterling Consolidated Fund" Bonds, redeemable at par in July, 1893. Interest is now payable by the London and County Banking Company on the

1st January and 1st July. The price of issue was 102, and the object was the same as that of the foregoing loan.

In July, 1875, Messrs. Grant Brothers and Co. received applications for "£220,000 Terminable Debenture Bonds of the Consolidated Fund of the City of Quebec, Class C," at the price of 102 per cent. The bonds are of £500, £200, or £100 each, bearing 6 per cent. interest, payable on the 1st January and 1st July, with principal redeemable on the 1st July, 1905, both, as now arranged, at the London and County Banking Company. The bonds were issued to redeem £132,000 falling due, and for City improvements. A 1½ per cent. sinking fund is to be annually set aside towards the redemption in 1905. On the 30th April, 1875, the total amount of debentures of this City outstanding were £623,000.

In November, 1878, the Clydesdale Banking Company, Lombard Street, were authorised to receive tenders for £102,739 14s. 6d. (representing \$500,000) Six per Cent. Sterling City of Quebec Consolidated Fund Terminable Debentures, created in virtue of the Act of the Legislature of the Province of Quebec, in the Dominion of Canada, 41 and 42 Vict., c. 14. The interest on the debentures commenced from 1st July, 1878, and the coupons are payable in sterling on 1st January and 1st July. The bonds are to bearer, in sums of £100 or £200 each, and one bond of £139 14s. 6d., and the principal is payable in London, on 1st July, 1908. The price of allotment was somewhat above the minimum of 103.

The principal of this loan is repayable on 1st July, 1908, and the payment of the bonds is to be secured by a sinking fund of one per cent., and to be kept apart and invested by the City Treasurer in public securities, in stock or bonds of the Dominion of Canada or of the Province of Quebec, or in redemption of the terminable debentures of the City, issued since 1st February, 1870.

The revenue of the City for the fiscal year ending 30th April, 1878, was—Corporation, \$278,888; Waterworks, \$86,212—\$365,100 (say £75,000); the net debt of the City, exclusive of the 1878 Loan, was \$3,425,152, or about £703,500; the value of the property owned by the City is estimated at £523,000; the value of the taxable property in the City is estimated at £3,082,000. The present loan forms entire balance of all issues that can be made by the City under existing Acts of Parliament, and it is not in contemplation to ask for any further powers in the direction of increasing the debt of the City. The loan is not subject to income or any other tax in Canada, and will be paid, principal and interest, without any abatement or deduction whatsoever, in London.

St. Catherine's.—Messrs. Bosanquet, Salt, and Co., Lombard Street, are the London Agents in respect to £41,000 debentures, repayable 1st September, 1891; £30,000, repayable 31st December, 1896; £15,400, repayable 22nd April,

1898; and £4,500, repayable 30th June, 1898. Interest is payable in sterling on the 30th June and 31st December.

Toronto.—In February, 1874, Messrs. Grant Brothers and Co. issued a City of Toronto Six per Cent. Sterling Loan for £102,700, in debentures to bearer of £100 each, redeemable at par in gold in London on the 1st October, 1897. The interest coupons are payable on 1st April and 1st October, and the price of issue was 102 per cent. The money was required for the construction of waterworks. Messrs. Bosanquet, Salt, and Co., Lombard Street, are now the London Agents.

In June, 1874, Messrs. Grant Brothers invited applications for a further £123,300 of the above debentures, completing the sum of £226,000 required for the waterworks. The issue price was 102; and the loan is now included with the foregoing in the Stock Exchange "Official List," though the principal is not repayable till 1st April, 1904.

In July, 1876, the Bank of Montreal, Birchin Lane, received subscriptions for a loan for £110,000 in Six per Cent. Sterling Consolidated Loan Debentures of £500 or £100 each, redeemable on 1st June, 1896. Interest is payable by this Bank on 1st January and 1st July, by coupon, and the issue price was 102½ per cent. The object was to redeem bonds falling due. The prospectus included the following remarks:

By this Act a Sinking Fund of one per cent. per annum for the entire Consolidated Debt of the City of Toronto is made a first charge upon the annual revenues of the City.

The following figures from a statement by the Treasurer of the City give further particulars of its progress and financial position:—

Total amount of Debenture Debt of the City, \$5,385,038, of which \$1,999,713 has been issued on Waterworks' account.

The value of real estate owned by the City, in addition to Waterworks' property, is estimated at \$3,000,000.

The value of property in the City liable to assessment is over \$47,000,000.

The revenue accruing from taxes and rentals for the year 1875 amounted to \$785,615.

The population of the City, taken concurrently with the year's assessment just completed, was 71,693.

The average taxes collected per inhabitant is, therefore, under £2 sterling per head.

In December, 1877, Messrs. Ellis and Co., Royal Exchange Buildings, placed £51,350 Six per Cent. Debentures at the price of 104. The redemption is fixed for 1897, and interest is payable on 1st January and 1st July by Messrs. Bosanquet, Salt, and Co.

In July, 1879, Messrs. Morton, Rose, and Co., of Bartholomew Lane, E.C., received subscriptions at par for £132,100 Five per Cent. General Consolidated Debentures of £500 or

£100 each. The coupons are payable by Messrs. Bosanquet, Salt, and Co., on 1st January and 1st July, and the bonds are redeemable in 1919. These debentures may be registered in Toronto. Part of the proceeds were applied to redemption of debts falling due. These Five per Cents. formed part of a total of £1,200,000 authorised to redeem bonds falling due which bear a higher rate of interest, the amount of which was \$5,441,050 in 1879. There is a sinking fund of $\frac{1}{4}$ per cent. per annum accumulative, which may be invested in Toronto or other securities. The present amount of these Consolidated Five per Cents. is £136,700.

The foregoing have not been all the loans raised by Toronto, some having been otherwise placed here. The following is a short enumeration of the sterling loans :—

	Issued.	Present Agents.	Interest.	Redeemable.	Amount Outstanding.
6 per Cent. Waterworks Loans.....	1874	Bosanquet, Salt, & Co.	April 1, Oct. 1	1887	£102,700
	1874	Ditto	April 1, Oct. 1	1904	123,300
	1876	Ditto	April 1, Oct. 1	1906	184,900
6 per Cent. Loans for various purposes .....	...	Ditto	Jan. 1, July 1	1884	13,000
	...	Ditto	April 1, Oct. 1	1885	47,200
	...	Ditto	April 1, Oct. 1	1885	65,100
	1877	Ditto	Jan. 1, July 1	1897	51,350
	...	Ditto	...	1898	54,650
6 per Cent. Consolidated ...	1876	Bank of Montreal.	Jan. 1, July 1	1896	110,000
6 per Cent.	1877	Bosanquet, Salt, & Co.	Jan. 1, July 1	1897	50,350
5 per Cent. General Consolidated	1879	Ditto	Jan. 1, July 1	1919	136,700
					939,250

Winnipeg.—In July, 1875, Messrs. Morton, Rose, and Co. allotted City of Winnipeg Sterling Six per Cent. Bonds for £51,300, in sums of £100 and £500 each. Principal and interest are payable in London; the former in November, 1894, and the latter on the 1st May and 1st November. The issue price was 89 $\frac{1}{4}$ per cent., reduced to 88 $\frac{1}{4}$ by interest accrued.

Municipal Loan Fund.—In June, 1874, the Colonial Trusts Corporation, Limited, was authorised by the Treasurer of the Province of Ontario to receive tenders for the purchase of "Municipal Loan Fund First Preference Five per Cent. Sterling Debentures," for £313,300, in bonds to bearer of £100 and £200 each. Interest is payable on the 30th June and 31st December at the Bank of Scotland, in London, and the principal is redeemable between 1880 and 1893. The municipalities on which this loan is stated to be a first charge are Chatham, Brentford, Cobourg, Goderich, Guelph, Peterborough, Port Hope, Stratford, St. Catherine's, Lindsay, Hope, Ops, and London; and the counties of Northumberland, Durham, and Perth. The issue prices were various.

In April, 1875, the same Corporation received tenders, at and above the minimum of 86½ per cent. (reduced to 84 by interest accrued), for £69,700, "Five per Cent. First Preference Sterling Debentures," forming the balance of the first charge on the towns of Chatham, Brentford, Cobourg, and St. Catherine's, amounting to £249,400. The interest is payable as in the previous issue, and the principal in August, 1893.

Gross Revenue of the Colonies at present composing the Canadian Dominion.

	Canada.	New Brunswick.	Nova Scotia.	P. Edward Island.	British Columbia.
	£	£	£	£	£
1860	1,888,980	178,664	155,246	28,742	77,177
1865	2,442,090	170,450	260,670	45,361	205,000
1868 (June 30) ...	2,851,652			55,594	123,911
1870 " ...	3,281,714			62,230	102,990
1871 " ...	3,867,112			79,113	...
1875 "	5,135,149				
1876 "	4,705,747				
1877 "	4,595,682				
1878 "	4,661,461				
1879 "	4,691,121				
1880 "	4,778,017				
1881 "	6,090,972				

Gross Expenditure of the Same.

	Canada.	New Brunswick.	Nova Scotia.	P. Edward Island.	British Columbia.
	£	£	£	£	£
1860	2,988,557	174,419	116,991	41,196	71,225
1865	2,685,482	189,679	220,471	50,634	232,040
1868 (June 30) ...	2,909,603			61,616	97,706
1870 " ...	2,988,648			70,663	100,523
1871 " ...	3,124,616			83,473	...

	Ordinary.	Public Works out of Loans.	Gross.
	£	£	£
1875 "	4,940,223	1,442,330	6,382,553
1876 "	5,101,744	1,490,441	6,592,185
1877 "	4,899,854	1,583,277	6,483,131
1878 "	4,896,492	1,386,916	6,283,408
1879 "	5,094,871	1,176,735	6,271,606
1880 "	5,094,379	1,799,747	6,894,126
1881 "	5,243,728	...	...

In 1879, trade having been bad in the Dominion for some time, and the revenue having since 1875 not covered the ordinary expenditure, it was decided to adopt a far more Protectionist tariff. This tended to increase the revenue from Customs in the year 1879-80, but at the same time the quick revival of trade throughout North America acted powerfully in the same direction. The result is, that the Customs, which in 1871-2 yielded £2,557,996, in 1880-1 gave £3,773,241, while the Excise gave £947,130 in 1871-2 and £1,095,592

in 1880-1. Public works yielded the bulk of the remaining national revenue; and of direct taxation for Dominion purposes there is practically none. These remain to provide for provincial and urban requirements.

It is impossible to give a just comparison of the expansion of the foreign trade of late years, as, upon the absorption of the various provinces into the Dominion, the imports and exports between them have ceased to appear in the returns. The following are, however, the official figures respecting the whole of British North America, excluding Newfoundland, which has not yet joined the Confederation:—

Years (ended June 30 from 1868).	IMPORTS INTO THE DOMINION. (Partly inclusive of Bullion and Specie.)		EXPORTS FROM THE DOMINION.	
	Total.	From United Kingdom. (Consumption.)	Total.	To United Kingdom.
	£	£	£	£
1860	10,714,836	4,414,883	9,569,255	3,279,090
1865	15,121,683	6,487,876	12,214,723	3,863,585
1868*	15,304,092	...	11,993,310	4,076,608
1870	15,586,320	8,346,737	15,327,810	4,562,007
1871	20,019,369	10,243,369	15,452,837	5,036,088
1872	23,214,693	13,155,987	17,216,596	5,341,249
1873	26,669,017	14,275,578	18,706,233	8,071,635
1874	26,711,164	13,140,924	18,614,985	9,375,809
1875	25,639,642	12,572,306	16,226,454	8,340,189
1876	19,418,822	8,486,304	16,868,007	8,484,057
1877	20,693,325	8,244,216	15,807,374	8,659,889
1878	19,392,039	7,798,162	16,525,764	9,571,154
1879	17,075,922	6,456,902	14,894,011	7,561,607
1880	18,018,692	7,074,550	18,314,887	9,391,895
1881	20,388,070		19,200,418	

* Union of Canada, New Brunswick, and Nova Scotia; but returns of other provinces included in above statement.

In the year ended 30th June, 1880, the imports for consumption from the United States were £6,001,539, and third on the list comes the Spanish West Indies, £349,991. The exports were—to the United States, £6,480,067, and to the British West Indies, £390,740. The principal imports in the same year were—iron and steel, crude manufactured, £1,932,189; wheat and flour, £1,898,766; cotton manufactures, £1,564,605; woollens, £1,284,569; sugar, £822,725; coal, £653,381; and tea, £661,286. The exports were—wheat and flour, £3,451,997; barley and rye, £1,082,251; peas, £620,322; wood and timber, £3,059,685; fish, £1,265,886; cattle and sheep, £873,282; cheese, £852,926; butter,

£649,825; horses, £394,419; gold quartz and dust (from British Columbia), £226,457; and furs, £216,167.

The population of Ontario and Quebec, in 1851, was 1,842,265. The movement over the entire Dominion, in 1861, 1871, and 1881, is shown below :—

Area. Square Miles.		1861.	Increase in the Decade.	1871.	Increase in the Decade.	1881.
109,480	Ontario	1,396,091	%	1,620,851	%	1,923,228
193,355	Quebec	1,111,568	7·2	1,191,516	14·0	1,359,027
21,731	Nova Scotia	330,857	17·2	387,800	13·6	440,573
27,323	New Brunswick	252,047	13·3	285,594	12·4	321,233
2,133	Prince Edward Island	80,861	16·3	94,021	14·6	103,871
150,000	Manitoba		*		300·0	65,954
390,344	British Columbia and Van- couver's Island	34,816	...	33,586	76·6	49,459
2,177,077	N. W. Territories			72,728	...	56,446
335,100	Islands (Arctic and Hudson's Bay) .....	...	...	...	...	...
3,406,542		3,206,238	15·0	3,686,096	17·1	4,324,810

* With N. W. Territories.

Population per square mile (exclusive of Arctic Islands), 1·4. Population of Ontario, 17·6; Quebec, 7·0; Nova Scotia, 20·7; New Brunswick, 11·8; Prince Edward Island, 51·0; British Columbia, ·1.

The population of Montreal in 1881 was 140,747; Toronto, 86,415; Quebec, 62,446; Halifax, 36,100; Hamilton, 35,961; Ottawa, 27,412, and St. John, 26,127.

CLIMATE, &c.—The chief drawback to the Canadian Dominion is the extreme variations in the temperature. In Manitoba, where they are greatest, the maximum temperature in the shade in July and August usually runs up to 95°, while the lowest, in December, January, and February, generally records 70° of frost. Here the land is usually ice-bound during seven months. At Montreal, from 87° to 90° is the usual maximum, while from 20° to 25° below zero is the lowest. Toronto has a milder winter, and both there and in Nova Scotia 20° below zero is seldom recorded; while on the Pacific slope of the Rocky Mountains the climate is almost as mild as that of Great Britain. In many of the Hudson's Bay Company's stations in the great North-West as much as 85° of frost have been returned in December, January, and February. The North-West and Manitoba are not nearly so heavily timbered as the more eastern provinces, and the land is well adapted for grain cultivation, though the summer is short. Coal is worked in Nova Scotia and Vancouver's Island, and is also known to exist in the North-West.

RAILWAYS.—The first railway started in the Canadian Dominion was the Grand Trunk, and it was quickly followed by the Great Western of Canada. Neither have been prosperous, the former never having paid a dividend upon the ordinary stock, and the latter, though much aided by through traffic with the United States, has at various times been subject to great reverses of fortune. Both lines have watered their capital accounts by issues of stock at heavy discounts; and probably the money actually spent on the 1,400 miles of the Grand Trunk system has not been more than one-half the £32,986,000 stated in the capital account. Recently, however, with the revival in trade, both companies have shown signs of improvement. In times past, both have received State assistance. The Northern of Canada, Midland of Canada, and others, as well as the Canadian Pacific, are much more recent creations.

Altogether, there were in 1874 some 4,002 miles of line in operation; in 1875 there were 4,483½ miles in operation, and the gross capital was returned at \$298,501,855, including \$43,332,815 lent or given by the Dominion Government and \$5,598,551 by Provincial and City authorities. In 1876, when the Intercolonial State Railway was brought into operation, the length reached 5,157 miles. On the 30th June, 1878, there were 6,143 miles open, 721 miles partly open, and 1,041 miles under construction; the capital being \$360,617,186, or £73,926,492, including £13,527,665 Government aid, and a further £4,000,000 Provincial and City contributions. The total gross revenues were £4,206,616, and the working expenses, £3,298,020. The net profit in that year was \$4,419,975, or scarcely above £900,000. In 1879 there were 6,256 miles at work, and in 1881 this total had increased to 7,230 miles.

BANKS.—On the 31st December, 1881, the Canadian (Ontario and Quebec) chartered banks held in all £25,360,000 bills under discount, and the deposits therein were £18,367,000. The growth of Canadian banking may be judged from the following figures:—

Ontario and Quebec Chartered Banks.

	LIABILITIES.	
	Notes. £	Deposits. £
Average, 1871	4,042,023	11,130,153
June, 1877	3,434,000	13,938,000
June, 1879*	3,328,000	13,412,000
December, 1881.....	6,633,000	18,367,000

* In 1879 there was a crisis in Canadian banking.

The following are the statistics of the leading Canadian Banks :—

Name.	Shares.	Capital Subscribed.	Capital Paid-up.	Rest.
British North America	£50	\$ 4,866,666	\$ 4,866,666	\$ 1,216,000
Canadian Bank of Commerce..	\$50	6,000,000	6,000,000	1,400,000
Du Peuple	50	2,000,000	1,000,000	240,000
Dominion	50	1,000,000	970,250	415,000
Exchange	100	1,000,000	1,000,000	...
Federal	100	1,500,000	1,483,780	525,000
Hamilton	100	1,000,000	751,550	100,000
Imperial	100	1,000,000	1,000,000	175,000
Jacques Cartier	50	1,000,000	960,745	...
Merchants' Bank of Canada..	100	5,798,267	5,617,763	525,000
Molson's	100	2,000,000	2,000,000	250,000
Montreal	200	12,000,000	11,999,200	5,000,000
Maritime	100	1,000,000	664,000	...
Nationale	50	2,000,000	2,000,000	150,000
Ontario	40	3,000,000	2,998,404	100,000
Ottawa	100	600,000	600,000	16,000
Quebec	100	2,500,000	2,500,000	325,000
Standard	50	509,750	509,750	25,000
Toronto	100	2,000,000	2,000,000	860,000
Union	100	2,000,000	1,992,990	18,000
Eastern Townships	50	1,500,000	1,386,855	220,000

INSURANCE.—A large proportion of the Canadian insurance business is conducted through British and United States offices. The purely Canadian offices are named below :—

	Number of Shares.	Amount of Share.	Paid.
British American Fire and Marine ...	10,000	\$50	\$50
Canada Life	2,500	400	50
Confederation Life	5,000	100	10
Sun Mutual Life	5,000	100	12½
Sovereign Fire	5,000	100	20
Montreal Assurance	4,000	£50	£5
Royal Canadian .....	...	100	15
Quebec Fire	5,000	100	65
Quebec Marine	1,085	100	40
Queen City Fire	2,000	50	10
Western Assurance	20,000	40	20

In 1881, the British offices insured \$270,243,833 against fire, the Canadian offices \$140,331,153, and the American \$30,040,366.

CAPE OF GOOD HOPE.

The annual total of the Public Debt is thus officially stated from 1859 to 1882 :—

	£	£	£	After Consolidation—(Con.)	
1859.....	80,000	1871.....	1,120,000		
1860.....	368,400	1872.....	1,561,564	1877.....	5,468,009
1861 and 1862.....	565,050	After Consolidation.		1878.....	7,449,108
1863 and 1864.....	715,050	1873.....	2,113,794	1879.....	10,017,409
1865 and 1866.....	551,650	1874.....	2,399,709	1880.....	11,391,809
1867, 1868, and 1869.....	1,101,650	1875.....	2,780,209	1881.....	12,760,657
1870.....	1,106,458	1876.....	4,532,509	1882.....	15,441,700

The annual interest on the debt on the 1st January, 1875, was £122,144; on the 1st January, 1877, it was £216,479; and at the present time amounts to £680,400; or, per head 9s. There is, in addition, the charge of the sinking fund, making the total charge £818,700, or 10s. 11d. per head.

By Act 9 of 1864, an accumulative sinking fund of 1 per cent. upon the entire debt was established, which is yearly applied to the purchase of the debentures of the Colony, or invested in Crown Land Bonds. On the 31st December, 1871, this fund amounted to £93,925, the appropriation for the year 1871 having amounted to £22,950. Since the consolidation, however, this fund has been applied to redemption drawings at par, and at the drawing of 17th March, 1882, 4½ per Cent. Debentures to the amount of £90,200 were drawn for repayment on 15th April; on the previous 1st November, £28,100 of the issue of 1878 were drawn for redemption in December; and on 1st May, £20,000 of the Four per Cent. Loan; together, £138,300.

The debenture debt in 1882 (after allowing for the March and May drawings) stood as follows :—

Dates of Issue.		Original Amount.	Amount Outstanding.	Dividends Payable by Crown Agents.	Dates of Redemption.
1860 to 63..	6 % Debentures	£ 124,000	£ 103,400	April 15, Oct. 15.	1884 to 1890.
1862 to 67..	6 % "	448,500	395,800	April 15, Oct. 15.	1890 to 1900.
1861.....	6 % "	150,000	131,300	Jan. 1, July 1.	1891.
1865†.....	5 % "	235,400	209,200	April 15, Oct. 15.	1900.
1872 to '80;	4½ % "	7,407,700	7,019,100	April 15, Oct. 15.	{ Before 1918 by annual drawings.
1879.....	4½ % "	2,615,800	2,544,900	Jan. 1, July 1.	{ Before 1918 by annual drawings.
1881.....	4 % "	2,000,000	1,980,000	June 1, Dec. 1.	{ Before 1920 by annual drawings.
1882.....	4 % "	3,000,000	3,000,000	June 1, Dec. 1.	{ Before 1923 by sinking fund, or in 1917.
1876.....	{ 4½ % Wynburg } { Railway Deben. }	68,000	68,000	Jan. 1, July 1.	1899.
		16,069,200	15,441,700		

* Including £150,000 issued in 1863, redeemable in 1891, and £200,000 in 1867, redeemable in 1900. † Including £234,000 issued here in January, 1865. ‡ Including £780,000 issued here in 1872; £680,000 and £109,000 issued in 1875; £650,000 in 1876; £1,000,000 in 1877; £2,000,000 in 1878; and £535,400 in 1880.

It will be seen from the Treasury Return hereafter that a temporary war loan was added to this "amount outstanding," to make up the total debt on the 31st December last. This has now been repaid.

The foregoing represent the direct Government loans; but there are additional "sub-guarantees" upon harbour and other loans at Cape Town and Port Elizabeth, for which local dues and revenues are primarily responsible. These sub-guarantees amounted in the following years to—

	£
In 1863	74,000
" 1870	463,449
" 1881	801,150

The purposes for which these loans were raised were set forth in a Return dated The Treasury, Cape Town, 16th March, 1882:—

	Total Capital Borrowed.	Redeemed to 31st Dec. 1881.	Existing Debt, 31st Dec. 1881.	Remaining Borrowing Powers.
	£	£	£	£
General Government Loans—				
For Hospitals	20,000	2,500	17,500	...
" Prisons	102,800	17,900	84,900	...
" Immigration	245,807	39,800	206,007	...
" Telegraphs	100,000	1,500	98,500	54,358
" { Roads } Ordinary	60,000	7,500	52,500	...
" { and } Kei Bridge	50,000	...	50,000	...
" { Bridges } Orange River Bridge	341,200	13,900	327,300	...
" Houses of Parliament	120,000	2,500	117,500	...
" War expenses	2,750,000	20,000	2,730,000	1,000,000
" Temporary loan from Stan- dard Bank	300,000	...	300,000	...
" Griqualand West liabilities...	308,300	...	308,300	...
" Railways	10,680,500	309,400	10,371,100	2,136,096
" Deficiency	536,250	73,600	462,650	...
" Consolidated Debt	150,000	10,800	139,200	...
" { Harbour } Kowie	214,000	14,100	199,900	40,000
" { Work. } East London ...	300,000	4,700	295,300	100,000
	16,278,857	518,200	15,760,657	3,330,454
Sub-guarantees—				
" { Harbour } Table Bay	502,150	21,200	480,950	...
" { Works } Algoa Bay	331,200	11,900	319,300	...
" { Mossel Bay	900	...	900	...
	834,250	33,100	801,150	...
Grand total	17,113,107	551,300	16,561,807	3,330,454

This table has been adjusted by the addition of the £3,000,000 borrowed for railway purposes in June, 1882.

At the beginning of May, 1872, frequent representations

having been made to the Government of the Cape of Good Hope that holders of the various debentures in circulation would be considerably benefited if the whole of the various small loans which had from time to time been contracted were converted into one uniform loan, such as would be best calculated to command a ready market, and be free from the objections commonly urged by investors against high premium-bearing stocks, the Colonial Government determined to offer, in exchange for the bonds of the loans in circulation, New $4\frac{1}{2}$ per Cent. Debentures, in all respects identical with those just previously created by the same Government for the purchase of the Cape Town and Wellington Railway. The Six per Cents., redeemable in 1890 and 1891, were offered 118 per cent. in the New $4\frac{1}{2}$ per Cent. Bonds; the Six per Cents., redeemable in 1900, were offered 120 per cent.; and the Five per Cents., redeemable in 1900, were offered 109 per cent. These offers were accepted by many bondholders, but being entirely optional, there are still various considerable balances of these loans outstanding.

The conditions upon which the principal loans were contracted have been the following:—

In October, 1863, the Cape of Good Hope Government Six per Cent. Debentures (£150,000), authorised by Act No. 14 of 1863, were placed, through the Crown Agents for the Colonies, at the price of $108\frac{1}{2}$ per cent.

The debentures are for sums of £100 and £500 each, with coupons attached, bearing interest from the 15th October, 1863, at the rate of 6 per cent. per annum, payable half-yearly, on the 15th April and 15th October of each year, and redeemable on the 15th April, 1891.

Both principal and interest are secured by an Act of the Colonial Parliament on the general revenues of the Colony, and will be paid at the Offices of the Crown Agents for the Colonies in London.

Five per cent. of the purchase-money must be paid into the Bank of England immediately the allotment is made, and the balance within ten days thereof.

In January, 1865, the Cape of Good Hope Government Loan of £234,000 was allotted at and above 91 per cent.

To be effected by the issue of debentures, bearing interest at the rate of 5 per cent. per annum, in sums of £100, £200, and £500 each, secured on the public revenues of the Colony, and redeemable on the 31st December, 1900. Authorised by an Act of the Colonial Legislature, No. 8 of 1864, for the purpose of paying off loans redeemable in 1865.

Both principal and interest are made payable at the Offices of the Crown Agents for the Colonies in London, the former on the 31st December, 1900, and the latter by coupon, half-yearly, on the 15th April and 15th October of each year.

Purchasers of the debentures will be entitled to the interest accrued since the 14th October last—equal to about $1\frac{1}{4}$ per cent.

The Six per Cent. Debentures issued under Acts Nos. 8 and 10 of 1857, and Acts Nos. 16 and 21 of 1858, redeemable in 1865, will be received at par in payment from persons tendering for the above Five per Cent. Loan.

In June, 1867, another new loan was brought out. It was for the sum of £200,000, bearing 6 per cent. interest, and redeemable by sinking fund in the year 1900. The bonds were for sums of £500, £200, or £100 each; and both principal and interest are payable in London. The minimum price of issue was fixed at $102\frac{3}{4}$ per cent., and the whole was floated at and above £103 18s.

In April, 1871, a small Five per Cent. Loan for £20,000 was readily taken up in the Colony itself at the price of $100\frac{1}{4}$.

The terms upon which the Cape Town and Wellington Railway was absorbed may be judged from the prospectus of the Cape of Good Hope Government $4\frac{1}{4}$ per Cent. Debentures, issued by the Crown Agents in December, 1872; similar conditions, it should be remembered, applying equally to those portions of the Consolidated Debt issued subsequently. These debentures were received at par in exchange for the railway ordinary share capital.

Whereas, the Legislature of the Cape of Good Hope did during its last Session pass an Act, since confirmed by Her Majesty, authorising the purchase of the Capetown and Wellington Railway, in respect of which the Government of the Colony have for many years past been paying about £29,000 a year as guarantors; and whereas the said Act, among other things, authorises the creation of debentures to an extent not exceeding £780,000, to be issued as therein directed, for the purchase of the said Railway, &c.; and whereas the Crown Agents, duly authorised to act on behalf of the Government of the Cape of Good Hope, having settled the terms of purchase with the Cape Railway Company, have undertaken, among other liabilities, to extinguish the preference share capital of the Company by a cash payment, notice is hereby given, that to enable them to make such payment, they now invite subscriptions for so many of the said debentures as shall represent £40,000.

The price of issue will be 97—say, £97 in money for every £100 bond, payable as follows:—£7 on allotment, and £90 on 28th December instant.

The bonds will be in sums of £500, £200, and £100, with coupons attached, carrying interest from 1st January, 1873, at the rate of $4\frac{1}{4}$ per cent. per annum. The first payment to be for three-and-a-half months, and thenceforward half-yearly, on 15th April and 15th October of each year.

The principal will be repaid at par by annual drawings, to which 1 per cent. per annum will be devoted from 15th April, 1874, on the cumulative principle, thus extinguishing the whole of the debt in about 39 years.

Both interest and principal will be made payable at the Offices of the Crown Agents for the Colonies in London.

The first drawing will take place in the month of March, 1875, for the period ending 15th April following, and will embrace £530,000 of the same loan, for which scrip has already been issued to the Cape Railway Company, and so much more of the remainder as shall be issued to extinguish the debenture debt of that Company, for which the Government have become liable.

Thenceforward the drawings will take place in the month of March of every year.

The loan, of which the £40,000 now offered forms a part, is secured on the general revenues of the Government of the Cape of Good Hope, but does not increase the burden on the Colonial Treasury, inasmuch as the new liabilities thereby incurred are expected to be considerably less than were involved in the six per cent. guarantee to the Railway Company, which will now become extinct.

In April, 1875, similar 4½ per Cent. Debentures were allotted above the minimum of 98, the amount offered by the Crown Agents being £300,000, the balance of a loan for £660,000, the remainder having been placed in the Colony.

In October, 1875, a further £109,000 of these 4½ per Cent. Debentures were placed by the Crown Agents at the price of 101½ per cent., to pay off debentures of the Cape Railway falling due.

In December, 1875, the Crown Agents for the Colonies invited applications for £1,000,000, as a first instalment of £4,000,000, authorised for the construction of railways. Interest accrued from the 1st January, 1876, and the prospectus stated—"The debentures will be uniform with the 4½ per Cents. of the same Colony already in the market." Upon tenders being opened (4th January, 1876), it was found that only £390,100 had been applied for at and above the minimum of 98½ per cent.; but soon after the minimum had been disclosed, the balance was taken up at that limit. It will be remembered that 1875 witnessed the collapse of a great many foreign loans, and some very heavy commercial disasters.

In October, 1876, these 4½ per Cents. were placed to the amount of £650,000, at and above the minimum tenders accepted of £99 0s. 6d. per cent.

£300,000 to be raised under Act 26 of 1874, for the construction of bridges over the Orange River; £100,000 under Act 25 of 1875, for harbour improvements at Port Elizabeth; £100,000 under Act 12 of 1876, for harbour improvements at the Port of East London; and £150,000 under Act 13 of 1876, for improvement of the Kowie Harbour. The first drawing will take place in March, 1878, for the period ending 15th April following, and will be conducted by a Notary Public, in the presence of the Crown Agents for the Colonies, and of such of the debenture-holders as may be pleased to attend. The numbers and values of the bonds drawn on such occasions for payment will be published in the *Times* and *London Gazette* for the information of those concerned.

The debentures will be uniform in character with the 4½ per Cents. of the same Colony already in the market.

In February, 1877, the Crown Agents allotted another £1,000,000 (the second instalment of the £4,000,000 for railway purposes), at and above the price of £101 11s. per cent. The applications reached £3,429,000. Instalments were payable over a period of four months, and interest accrued from the April following. These debentures rank with the foregoing $4\frac{1}{2}$ per cent. issues.

In March, 1878, the third instalment of £1,000,000 of the £4,000,000 railway loan was placed by the Crown Agents for the Colonies at the price of £99 6s. per cent. and upwards, applications amounting to £2,950,000. The first drawing was fixed for March, 1879; and in all other particulars this loan was identical with the previous issues of $4\frac{1}{2}$ per Cents.

In July, 1878, the final £1,000,000 of this $4\frac{1}{2}$ per Cent. Railway Loan was allotted by the Crown Agents, the first annual drawing to take place in March, 1880. These rapid issues, coupled with weak markets, had depressed the value of Cape stock, and the allotment was effected at £97 10s. 6d. as a minimum.

All the foregoing $4\frac{1}{2}$ per Cents. carry interest coupons, payable on 15th April and 15th October in each year; with 1 per cent. accumulating drawings, generally effected about 17th March, for redemption at par on 15th April.

The terms of the next $4\frac{1}{2}$ per cent. issue were rather different.

In May, 1879, the Crown Agents brought out the following Cape of Good Hope Government $4\frac{1}{2}$ per Cent. Loan for £2,615,600, authorised by Acts 24 and 26 of 1878, to provide for the completion of railways and other public works, and to meet extraordinary military expenses. The minimum was fixed at $96\frac{1}{2}$, but the whole was placed at, and above, £98 2s. 6d., the applications amounting to £5,053,300. The prospectus stated:—

The loan is secured on the general revenues of the Government of the Cape of Good Hope, and will be repaid at par by annual drawings, to which 1 per cent. per annum on the cumulative principle will be devoted. The first drawing will take place in November, 1880, for the period ending 1st December following, and will be conducted by a Notary Public, in the presence of the Crown Agents for the Colonies, and of such of the debenture-holders as may be pleased to attend. The numbers and values of the bonds drawn on such occasions for payment will be published in the *Times* and *London Gazette* for the information of those concerned.

The debentures will be for sums of £1,000, £500, £200, and £100 each; interest will commence on 15th April, 1879, at the rate of $4\frac{1}{2}$ per cent. per annum.

Interest and principal will be payable at the Offices of the Crown Agents for the Colonies, Downing Street, London. The first coupon

will be attached to the scrip certificate, and will be for a period of seven and a-half months ending 30th November, 1879; thenceforward interest will be paid half-yearly, on the 1st June and 1st December.

In October, 1880, a 4½ per Cent. Loan for £535,400 was brought out by the Crown Agents, and in this instance a return to the old description of 4½ per Cents. was made, interest being payable on 15th April and 15th October, while the first drawing was fixed for March, 1882. The applications reached £1,890,100, and tenders at £102 18s. 6d., received about 14 per cent., and above in full.

In June, 1881, the 4½ per cent. form was departed from, and Four per Cent. Debentures for £2,000,000 were allotted by the Crown Agents for the Colonies, that amount being authorised by Act 1 of 1881, to provide for the expenses of carrying out military operations. The minimum was fixed at 95½, and applications amounted to about £5,500,000, the whole amount being placed at, and above, £98 1s. per cent., the average price being £98 4s. 8d. The prospectus contained the following:—

This loan is secured on the general revenue of the Colony, and will be represented by coupon-bearing bonds of £1,000, £500, £200, and £100 each, bearing interest at the rate of 4 per cent. per annum, payable half-yearly at the Offices of the Crown Agents for the Colonies in London, on the 1st June and 1st December.

The interest on this issue will commence from the 1st June, 1881, and the principal will be repaid at par by annual drawings, to which 1 per cent. per annum on the cumulative principle will be devoted.

The first drawing will take place in May, 1882 [it really took place on April 1] for the period ending 1st June following, and will be conducted by a Notary Public in the presence of the Crown Agents for the Colonies, and of such of the debenture-holders as may be pleased to attend. The numbers and values of the bonds drawn will be published in the *Times* and *London Gazette*.

After payment by the allottees into the Standard Bank of British South Africa, Limited, bankers by appointment to the Cape Government, Clement's Lane, Lombard Street, of the instalment due on allotment, they will receive at the Offices of the Crown Agents for the Colonies, in exchange for the banker's receipts, scrip certificates to bearer, which will be exchanged for debenture bonds at the same place, before the first coupon falls due, of which due notice will be given.

In the last Session of the Cape Parliament, an Act (No. 22 of 1880) was passed, authorising a loan of £531,400 for railway purposes; but owing to an informality in the wording of one of its clauses, it was deemed advisable to postpone offering the debentures to the public until the Act had been amended. A Bill to effect this has been introduced in the Cape Parliament, and will probably shortly become law.

In June, 1882, Messrs. Baring Brothers and Co. brought out a Cape Loan for £3,000,000, authorised by Act 14 of

1881, to "provide for the construction, equipping, and working certain railways." The prospectus stated:—

This loan is secured on the general revenue of the Colony, and will be represented by coupon bonds of £500, £200, or £100 each, or by stock, bearing interest at the rate of 4 per cent. per annum, payable half-yearly on 1st June and 1st December, at the Counting House of Messrs. Baring Brothers and Co. The interest on this issue will commence from 1st June, 1882, and will be payable by coupons upon the bonds, and upon the stock by dividend warrants, which can be sent by post if desired. The principal of the loan now offered will be repaid in London in about forty-one years; and for this purpose a cumulative sinking fund of 1 per cent. per annum will be employed in the purchase of the bonds or stock at or below par; but the Government reserves the right to invest the sinking fund in other securities if the price of the loan should be above par, as well as the right to pay off, at the end of thirty-five years, any portion of the loan then outstanding, on giving six months' notice. The bonds, or stock, will be allotted to the highest bidders, provided the price offered is not below 94 in money for every £100. Subscribers will have the option of receiving bonds to bearer, or stock, and after registration the stock will be transferable free of stamp duty. Bonds may at any future time be converted into registered stock on payment of 2s. 6d. per cent. stamp duty.

Tenders at £95 9s. received about 31 per cent.

In 1876, an issue was made of Wynburg Railway 4½ per Cent. Debentures to the amount of £68,000 (£51,300 being handed to the company), redeemable at par in 1899. These constitute a Government debt, and coupons are payable by the Crown Agents on 1st January and 1st July. The bonds are "to bearer," of £500, £200, £100, or £50 each, and the present amount is £75,000, as a further £7,000 were sold at the Cape.

Sub-Guaranteed Loans.

In January, 1862, an issue of Six per Cent. "Mossel Bay" Debentures for £8,000 was made, redeemable in October, 1875.

In March, 1862, Six per Cent. "Kowie Harbour" Debentures for £12,500 were placed, the principal being repayable in 1876. The interest payments were effected by the Crown Agents for the Colonies in April and October.

By Act 18 of 1863, £24,000 similar debentures were issued for the improvement of Kowie Harbour. The Governor of the Colony, under the provisions of that Act, borrows this money upon the security of the public revenue, and the Colonial Government is in turn reimbursed by the wharfage dues and the proceeds of the sales of lands belonging to the Kowie Harbour Company. These debentures are to be redeemed at 100 in the year 1884, and are for sums of £100 each, with coupons attached, bearing interest from 15th October, 1863, payable half-yearly on 15th April and 15th

October in London, at the Offices of the Crown Agents for the Colonies.

Another issue of similar debentures to the extent of £20,000, bearing interest from 15th October, 1865, took place in February, 1866, under the provisions of Act No. 8 1865. These debentures are redeemable in 1900 at par.

In January, 1863, the sum of £29,500 was raised by the Government on behalf of the Port Elizabeth Harbour Board, both principal and interest being secured on the revenues and funds of that Board, and also on the general revenues of the Colony. The debentures are at 6 per cent. interest, payable half-yearly, at the Offices of the Crown Agents for the Colonies, on 15th April and 15th October, and are redeemable in October, 1892. They are in amounts of £100, £200, £300, and £500.

A second issue of Port Elizabeth Harbour Debentures for £29,000 took place in May, 1865, bearing 6 per cent. interest from 15th April, 1865, payable by coupon on 15th April and 15th October in each year, redeemable in thirty years from 15th October, 1864.

CITY LOANS.

Port Elizabeth.—In April, 1879, a “Port Elizabeth Six per Cent. Municipal Waterworks Loan of £150,000 (first issue, £100,000)” was placed in London at £102 12s. 6d., and above. The prospectus stated—

Total value of colonial produce exported from Port Elizabeth during the year 1877, £2,225,286.

Customs return for the Port of Algoa Bay during 1877, £302,304.

The population, according to last census, taken in 1875, was 14,528.

In order to pay the interest and to establish a sinking fund for the redemption of the principal, and to provide for all other claims under the Act, the Municipality are compelled to impose, levy, and collect an annual rate or assessment sufficient for those purposes on the estimated annual value of the whole of the immovable property within the limits of the said Municipality.

The last official valuation, made in the year 1878, of the value of the said property amounted to £1,406,215. As a further security, there is available the general revenue of the Municipality, amounting in 1878 to about £17,000.

The debentures forming the present issue will be to bearer, in sums of £100, £500, and £1,000, and will be issued under the corporate seal, carrying interest from the 1st day of July, 1879, in terms of coupons attached, at the rate of 6 per cent. per annum, payable half-yearly, on the 31st March and 30th September, at the Office of the Standard Bank of British South Africa (Limited), London, or at the Offices of the said Bank in Port Elizabeth.

The principal will be repayable at par at the Office of the said Bank, in London, by annual drawings, commencing March, 1885, and a sinking fund of not less than 1 per cent. per annum on the capital

sum raised under this Act will be devoted to the purpose of such repayment.

In August, 1882, Port Elizabeth raised a Six per Cent. Municipal Water Loan for £48,000. The minimum was 106, but the issue was made at and above £107 17s. 6d.

The following summary of the gross revenue and expenditure of the Cape Colony shows a remarkable rate of expansion in the past ten years:—

Year.	Revenue.		Total Expenditure.	Year.	Revenue.		Total Expenditure.
	Actual.	Including Loans.			Actual.	Including Loans.	
	£	£	£		£	£	£
1835.....	...	133,417	134,576	1873.....	1,218,620	2,078,220	2,159,658
1840.....	...	171,205	181,653	1874.....	1,538,551	1,907,951	1,357,455
1845.....	...	247,369	223,672	1875.....	1,602,918	2,246,179	2,272,275
1850.....	...	245,785	245,654	1st ½-1876	827,386	1,864,928	1,412,677
1855.....	...	306,026	329,565	1876-7...	1,319,063	2,932,413	3,503,671
1860.....	...	742,771	763,236	1877-8...	1,586,303	3,233,161	3,627,529
1865.....	...	856,762	870,089	1878-9...	2,082,889	5,661,100	3,994,933
1870.....	668,240	831,211	795,695	1879-80...	...	3,541,720	3,742,665
1871.....	774,788	836,174	764,915	1880-1...	2,820,000	} Budget	}
1872.....	1,047,748	1,161,548	922,568	1881-2...	3,492,396			Estimates.	...

In 1880-1, taxation produced £1,668,275; services rendered—railways, telegraphs, &c., £945,515; territorial revenue, £257,279; and miscellaneous, £138,901.

The figures representing the value of the commerce of this Colony are as follow:—

Year.	IMPORTS.		EXPORTS.		Estimate (including Diamonds)
	Total.	From United Kingdom.	Total (As Published).	To United Kingdom.	
	£	£	£	£	£
1856.....	1,607,124	1,427,459	1,346,271	1,129,933	} Before diamond discoveries.
1860.....	2,677,586	2,187,207	2,100,980	1,547,351	
1865.....	2,125,332	1,700,574	2,297,173	1,968,917	
1870.....	2,502,043	1,956,305	2,603,211	2,123,061	2,603,211
1871.....	3,107,838	2,580,565	3,585,996	2,724,716	3,600,000
1872.....	*6,189,243	*5,442,439	4,829,589	3,504,437	5,800,000
1873.....	5,451,927	4,670,634	4,011,327	3,452,240	...
1874.....	5,725,412	4,431,145	4,468,747	3,951,110	...
1875.....	5,762,743	4,724,053	4,393,320	4,000,158	6,300,000
1876.....	5,829,602	4,866,788	3,636,807	3,360,141	...
1877.....	5,456,848	4,302,005	3,662,955	3,300,530	...
1878.....	6,588,725	4,897,437	3,532,841	3,191,005	...
1879.....	7,664,225	6,195,498	4,067,689	3,388,533	7,500,000
1880.....	8,078,048	6,183,309	4,488,872	4,110,924	7,637,884
1881.....	9,227,171	...	...	...	9,096,494

* Including £1,900,330 in specie (mostly gold), the imports of which in other years have ranged from under £100,000 up to £500,000. A Treasury Return, dated the 16th March, 1882, showed that the Colony had imported £9,862,249 in specie up to the 31st Dec., 1881, and had exported £2,839,551, leaving £7,022,698 in the Colony.

The export returns since 1872 have been defective in respect to precious stones. Since the discovery of Cape diamonds, in 1868, the exports have been very valuable, and in some recent years have been estimated to be worth about £4,500,000. The exports for 1871, however, included £403,349 as the value of 35,169 diamonds. The other principal exports have been returned as follows :—

	1870.	1879.	1880.
	£	£	£
Wool.....	1,669,518	2,156,609	2,429,360
Ostrich feathers.....	91,229	653,756	883,632
Copper ore	146,368	283,885	306,790
Angora hair.....	26,673	130,775	206,471
Skins (sheep and goat) ...	213,352	212,152	279,850

In 1873 there were but 64 miles of railway in operation. In 1876 there were 208 miles; in 1879, 751 miles; and at the end of 1881, 961 miles, which have cost over £8,000 a mile. The gross receipts during 1881 were £874,846.

At the end of 1880 there were 3,140 miles of telegraph line in operation.

The leading South African banks are below. On the 30th June, 1882, their notes in circulation were £1,158,204, and their deposits in the Colony, £9,387,282; while they held—coin and bullion, £1,663,103; discounts, &c., not yet due, £10,008,049; and ditto overdue, £415,819, including those secured.

	Capital.		
	Subscribed.	Paid-up.	Per Share.
	£	£	£ s.
Standard Bank of British South Africa, Limited	4,000,000	1,000,000	25 0
Bank of Africa, Limited	1,000,000	500,000	12 10
Cape of Good Hope Bank, Limited	875,000	350,000	20 0
South African Bank	75,000	45,000	30 0
Union Bank, Cape Town	110,300	55,150	5 0
Cape Commercial Bank	124,728	52,364	...
Kaffrarian Colonial Bank	60,000	16,500	5 10

The area and population are only approximate, owing to the numerous annexations effected in recent years.

	Area. Sq. Miles.	Population at Various Dates.		
		White.	Black, &c.	Together.
1856	104,931	...	...	267,096
1865	199,950	200,000	380,000	582,582
1875	239,300	250,000	800,000	1,051,953

There are included in 1865 and 1875 British Caffraria, and in 1875 Basutoland, the Transkei, and Griqualand West. Not, however, the vast Transgariep or Namaqua Lands, to the North-west, where there are settlements, but which would practically double the area of the Colony. At the present time the population of the included area is estimated to approach a million and a-half.

CEYLON.

The Public Debt of Ceylon has thus been returned :—

£		£	
1861	100,000	1876	784,375
1862-5	350,000	1877	773,812
1865	450,000	1878	662,645
1867	800,000	1879	671,437
1868-71	700,000	1880	1,369,661
1872-3	640,000	1881	1,943,000
1874	637,500	1882 (say)	1,693,000
1875	623,719		

At the close of 1881 this debt stood as follows :—

Outstanding.		Interest.
£		
6 % Debentures...	350,000—	May 15, Nov. 15—£250,000 since repaid out of sinking fund.
4½ % " ...	200,000	" " "
4 % " ...	1,275,000—	Feb. 15, Aug. 15.
3½ % " ...	118,000—	from Public Works Loan Commissioners.
1,943,000		

With the population standing at 2,558,488, the debt per head is now 12s. 4d.; and the interest is about £70,000 per annum, exclusive of sinking funds, or barely 6d. per head. In reality, however, far from the debt being a burden, it was a profit to the island, for the gross earnings of the railway in 1879 (an adverse year) were 3,349,509 rupees, and the net earnings were 1,925,048 rupees, or £160,421, thus leaving a handsome contribution towards the State finances.

Prior to 1861 the only securities of this Colony dealt in here were the shares of the Ceylon Railway, on which the Colonial Government guaranteed 6 per cent. yearly for 99 years on a capital of £800,000, and 5 per cent. upon any further capital that might be required. In November, 1861, the Colony contracted a debt of £100,000, to pay off the shareholders of the Railway Company, which now no longer exists. This was the first item of the Public Debt of Ceylon. In 1862, the Government of Ceylon issued an Ordinance for raising one million sterling on debentures for the construction of a railway from Colombo to Kandy, in compliance with which, in April, 1863, the Crown Agents for the Colonies raised a first instalment of the authorised loan by the issue of bonds to the amount of £250,000. The following extract from the prospectus gives the conditions under which this issue was granted :—

The above loan, which is required exclusively for railway purposes, is secured on the general revenues of the Colony, and both principal and interest are made payable at the Offices of the Agents-General for Crown

Colonies in London. The bonds are for sums of £500, £300, £200, and £100, redeemable in fifteen years, and bear interest at the rate of 6 per cent. per annum from the 15th May next, payable half-yearly on coupons.

This loan was repaid in 1878.

On the 29th August, 1865, a second instalment of the loan, to the extent of £100,000, was issued under like conditions to the former. The prospectus of the second instalment contained the following provisions for a sinking fund:—"The principal will be repaid by means of a sinking fund, in November, 1872, and interest, commencing from the 15th inst., at the rate of 6 per cent. per annum, will be paid on the 15th May and 15th November." This loan was also repaid at maturity.

In March, 1867, a third instalment (£250,000) of this Six per Cent. Railway Loan was placed at 108 per cent., in bonds of £500, £300, £200, or £100 each. The interest was payable on the 15th May and 15th November, and the principal in 15½ years by means of an accumulative sinking fund. These bonds were, therefore, redeemed in May, 1882.

In November, 1867, the final instalment (£100,000) of the Railway Loan was placed by the Crown Agents for the Colonies at 108 per cent. The particulars are similar to the third instalment, except that the redemption will be effected in November, 1883.

The railway was opened at the end of 1867, and was from the first profitable to the State. It was found that no further issue of the loan for £1,000,000, authorised in 1862, would be necessary, the balance of the £1,250,000 expended on the railway having been provided out of surplus revenue. The net revenue of this railway in 1870 amounted to £133,093. An extension of the line from Peradeniya to Nawalapitiya was contracted for in 1871, the cost of which (£200,000) was to be principally borne by revenue.

In 1876, a 4½ per Cent. Loan for £400,000 was authorised for the improvement of the Harbour of Colombo; and in November, 1876, the first instalment of £100,000 was brought out by the Crown Agents for the Colonies. The prospectus stated—

The loan is secured on the general revenue and public assets of the Colony, and will be raised on debentures representing £1,000, £500, £200, and £100 respectively, and bearing interest from the 15th November, 1876, at the rate of 4½ per cent. per annum, payable half-yearly, at the Offices of the Crown Agents for the Colonies in London.

The principal will be repaid by annual instalments, commencing in November, 1882, by means of a sinking fund, to be formed on the cumulative principle, into which the Government will pay a sum equal to 1 per cent. per annum on the total amount of debentures issued, which is calculated to extinguish the debt in about 39 years from the

above date. The accumulations in this fund will be applied either to annual drawings by lot, or to the purchase of the bonds in the market, at the option of the Government. The first drawing (if any) will take place in October, 1882, and thenceforward in the same month of every year. The drawn bonds will be paid off, together with the interest falling due, on the 15th of the following month.

The debentures will be allotted to the highest bidders, provided the price offered be not less than £102 in money for every £100 in debentures.

The applications reached £503,700, and the average price of allotment was £104 8s. 6d.

In January, 1878, a second £100,000 of this loan was placed by the Crown Agents, the price of issue being fixed at 105, at which they were duly allotted.

In 1877 and 1878, Ordinances were passed authorising loans to the extent of £275,000 for the construction of the Matalé Railway Extension, and of £1,000,000 for the railway from Nawalapitiya to Nanu-Oya; but it was not until January, 1880, that any portion of this £1,275,000 was offered for public subscription. Then, however, the Crown Agents placed £700,000, in the form of Ceylon Government Four per Cent. Debentures, the issue price being fixed at 98 per cent. Applications reached seven times the amount to be allotted.

These loans are secured on the general revenue and public assets of the Colony, and will be raised on debentures representing £1,000, £500, and £100 respectively, bearing interest from 15th February, 1880, at the rate of 4 per cent. per annum, payable half-yearly. Interest and principal will be payable at the Offices of the Crown Agents for the Colonies, Downing Street, London.

The principal will be repaid by annual instalments, by means of a sinking fund, to be formed on the cumulative principle, into which the Government of Ceylon will pay a sum equal to 1 per cent. per annum on the total amount of debentures issued, which is calculated to extinguish the debt in about 41 years from the date of the first drawing. The repayments will commence in February, 1886.

The accumulations in this fund will be applied either to annual drawings or to the purchase of the bonds in the market, at the option of the Government. The first drawing (if any) will take place in January, 1886, and thenceforward in the same month of every year. The drawn bonds will be paid off at par, together with the interest falling due, on the 15th of the following month.

In July, 1881, the final portion (£575,000) of these Four per Cent. Loans was allotted by the Crown Agents, and the "minimum" was placed at 102 per cent. But the applications reached £2,641,000, and the average price realised was £103 13s 8d. This issue now ranks in every respect with the preceding.

The following official statistics show the financial and commercial position of the island :—

	Revenue.		Expenditure.	
	(At the official rates of 2s. per rupee to 1873, and 1s 10½d. from 1874.)		(At the official rates of 2s. per rupee to 1873, and 1s 10½d. from 1874.)	
	£		£	
1855	476,273	.....	405,610	
1860	767,180	.....	705,440	
1865	978,492	.....	838,193	
1870	1,068,471	.....	1,026,871	
1871	1,121,679	.....	1,064,184	
1872	1,174,698	.....	1,062,994	
1873	1,290,918	.....	1,176,259	
1874	1,241,558	Revenue	1,110,181	Expenditure
1875	1,354,123	(at 1s. 8d.	1,220,180	(at 1s. 8d.
1876	1,375,888	per rupee).	1,276,930	per rupee).
1877	1,596,205	...	1,437,266	...
1878	1,543,321	... 1,371,845	... 1,443,497	... 1,287,553
1879	1,382,688	... 1,229,056	... 1,376,985	... 1,223,986
1880	1,298,356	... 1,154,094	... 1,337,296	... 1,188,707

In every instance except the last a surplus is shown, notwithstanding considerable outlay in each year upon public works, and on account of sinking funds. These figures are, however, slightly misleading in respect to the expenditure, some appropriations being left over till subsequent years. Thus, in 1880, there was an outlay not included above of 68,997 rupees (£6,750 at 1s. 10½d) out of previous balances, besides an appropriation of £13,220 out of accumulated surplus funds for public works, making the gross expenditure in 1880 14,478,053 rupees, or £1,357,318 at the official rate. The decrease in the revenue in 1879 and 1880 was partly a matter of account, and partly due to depression in trade. The revenue is mainly derived from Customs, land sales and rents, licences, salt, and railways.

Value of Imports and Exports, including Specie.

(2s. per rupee to 1873, and 1s. 10½d. per rupee from 1874.)

Year.	IMPORTS.		EXPORTS.		COFFEE.
	Total.	From United Kingdom.	Total.	To United Kingdom.	Exported.
	£	£	£	£	Cwts.
1860...	3,551,239	711,582	2,550,586	2,274,648	...
1865...	5,022,179	904,255	3,565,157	2,420,056	929,202
1870...	4,634,297	1,531,491	3,803,731	2,907,146	1,054,030
1871...	4,797,952	1,462,050	3,634,853	2,633,169	945,851
1872...	5,169,524	1,489,359	3,139,060	2,139,690	723,056
1873...	5,574,358	1,534,852	5,439,591	4,056,138	951,342
1874...	5,336,119	1,498,956	4,394,427	2,989,237	730,937
1875...	5,361,240	1,417,115	5,375,410	3,709,012	924,265
1876...	5,562,884	1,612,021	4,509,595	2,979,254	667,165
1877...	5,885,969	1,611,738	5,730,050	4,251,279	988,815
1878...	4,980,917	1,267,898	4,438,137	3,115,059	633,154
1879...	5,029,435	1,149,058	4,960,938	3,635,479	779,739
1880...	5,013,481	1,497,139	4,742,620	3,250,228	656,595

The staple export is coffee; but this has suffered greatly in recent years, owing to the leaf disease, for which no effectual cure has as yet been discovered. In 1879, its effects were described as disastrous, and the exports of 1880 were thereby affected; but in 1881 its virulence was much less. The value of the coffee shipped in 1879 was set down at £3,777,403 (official value); that of cocoa-nut oil, £254,788; plumbago, £152,339; areca nuts, £97,258; cinnamon, £61,598; cinchona bark, £47,200; and tea, £3,000—the two last being the result of new industries in the island. The specie imports in 1879 were £876,548, and they invariably exceed the specie exports.

It will be noticed that since the depreciation in silver some reduction has been made in the "official value" of the rupee; but the actual value in recent years has been not above 1s. 8d.

The area of the island of Ceylon is 24,702 square miles, and the population in 1851 numbered 1,575,553; in 1861, 1,892,540; in 1871, 2,405,287; while in 1881, it was 2,758,529, or 112 per square mile. The population is chiefly native.

In 1871, there were 74 miles of railway open; in 1872-4, 82 miles; in 1876, 95 miles; in 1878, 112 miles; in 1879, 118½ miles; and in 1880, 136¾ miles. The main line from Colombo to Kandy yielded a net profit of 8 per cent. on the capital outlay; while the more recently-opened Nawalapitiya and coast sections returned 5 per cent. and 3 per cent. respectively. The outlay on the Colombo breakwater to the end of 1879 had been 4,530,988 rupees, or, say, £412,000. The telegraphs in the island were constructed by the Indian Government.

DOMINICA.

In 1876 this West India Colony placed a loan for £5,900 through the Crown Agents for the Colonies, at 4½ per cent., the price of issue being par. Interest is payable on the 15th March and 15th September, and the principal is repayable in 1901. The money was raised for waterworks purposes, and at the close of 1880, the sinking fund in hand was £630, reducing the net amount to £5,270. In addition there were the Yaws Loan, £1,000, redeemable in 1885; the Escheat fund, £615; and savings' bank and other small liabilities,

£700; raising the total debt to £7,585. The Hurricane Loan was finally paid off in 1880.

In 1866, the debt of Dominica was returned at £9,620; while in 1874 it had sunk to £4,813.

In 1880, an Act was passed authorising a loan for £5,600 for the embankment of the Roseau River, and other purposes.

The area of the island is 291 miles, and the population was 27,178 in 1871, and 28,211 in 1881, or 97 per square mile. The revenue in 1880 was £20,326, and the expenditure, £19,754. Towards the revenue Customs yielded £10,269.

The imports in 1880 were valued at £69,941, including £26,231 from Great Britain, and the exports were £64,669, including £50,572 to Great Britain. The exports to Great Britain were much below the average, but trade to and from the United States showed increase. The chief exports are sugar, cocoa, lime-juice, and molasses.

FIJI ISLANDS.

These islands were formally created a Crown Colony in 1875. In 1878 the debt was stated at £100,000; in 1879, at £120,000; and at the close of 1880, at £255,000, being partly represented as to £75,000 by the liabilities incurred by the late Government, £150,000 being an Imperial "Grant-in-aid," to be repaid when circumstances permit, and £30,000 borrowed for public works.

In March, 1881, the Crown Agents for the Colonies brought out the Fijian Government 4½ per Cent. Loan (£150,000), authorised "for public works and coolie immigration, and for the payment of liabilities of the late so-called Government." The minimum was fixed at £98, but the average price realised was £99 19s. 8d. The prospectus stated as follows:—

The loan is secured on the general revenues and assets of the Government of the Colony, and will be raised on coupon-bearing debentures of £100 each, transferable by delivery, and bearing interest from the 15th March, 1881, at the rate of 4½ per cent. per annum, payable half-yearly at the Offices of the Crown Agents for the Colonies in London. The principal will be repaid at the same place, by a cumulative sinking fund, into which the Government will pay a sum equal to 1 per cent. per annum on the total nominal amount of debentures issued. The accumulations in this fund will be applied, at the

option of the Crown Agents, either to the purchase of the debentures in the open market, or to the repayment of the outstanding debentures in rotation, according to their numbers, at any time after the lapse of five years from the date of issue.

The numbers of the debentures which may be selected for repayment will be published by the Crown Agents in the *Times* and *London Gazette* newspapers six months prior to the date fixed for repayment, which date shall be one of the days upon which a coupon becomes payable; from and after the day so appointed for repayment of any debenture all claim to interest on the principal secured thereby shall cease.

The area of the Fiji Islands is 8,034 square miles, with a population, in 1880, of 124,902, of which 115,635 are Fijians and 5,637 other Polynesians. The revenue rose from £16,433 in 1875, to £46,688 in 1877, and £80,678 in 1880; while the expenditure in the latter year was £91,102.

The imports in 1880 increased to £185,741, and the exports to £229,528, chiefly copra (sun-dried cocoa-nut), Sea Island cotton, coffee, and sugar. Tobacco and sugar are indigenous; and the soil is described as extremely rich. The rainfall usually exceeds 100 inches a-year, and the extreme variations in the temperature in most years are between 60° and 95°. The live stock chiefly consist of pigs, of which there are about 50,000 on the islands. In 1880, there were 16,350 acres under cocoa-nut, 5,176 acres under cotton, 2,160 acres under sugar-cane, and 1,529 acres under coffee.

GAMBIA.

In 1877, the Home Government lent £3,000 in aid of the finances of Gambia, which was repaid in January, 1880. This West African possession, therefore, has no debt. At the close of 1880, the balance of assets over all liabilities was returned at £17,815.

Gambia is only 69 square miles in extent, with a population in 1871 of 14,190, mostly black. The revenue in 1880 was £23,365, and the expenditure, £18,361; and the revenue was affected by the failure of the ground-nut crop in 1879.

The imports in 1880 were £169,691, besides £21,889 specie; and the exports, £138,983, or £68,381 less than in 1879. The export of ground-nuts was valued at £110,594, against £183,120 in 1879.

GIBRALTAR.

In 1869, the Gibraltar Six per Cent. Mortgages were placed through the medium of the Crown Agents for the Colonies to the amount of £24,000. The bonds are of £400 each, and two are redeemable in each year. The interest is payable by the Crown Agents on the 15th March and 15th September. This loan was raised for sanitary purposes, and the outstanding amount is now £14,000. The final repayment is fixed for 1899.

This loan is provided for by special appropriations, and is not reckoned amongst the liabilities of the Government, which are set down at "nil;" while the free assets are £29,324, of which £23,914 represent surplus funds actually invested.

The revenue in 1880 was £44,828, and the expenditure £43,372, including £12,079 upon new public works.

No import and export statistics are available; but this possession was in 1879 made a port-of-call by 3,948 steamers, and 1,637 sailing vessels.

In 1878, the civil population of Gibraltar was 18,014, and the military population, 5,948. The total area is 1½ square miles, and the population per square mile 12,800.

GOLD COAST.

In 1875, a grant of £20,000 was made to this Crown Colony, which was repaid in 1879.

Far from having any Public Debt, this Crown Colony, at the end of 1879, had a sum of £67,329 in the hands of the Crown Agents for the Colonies on investment.

There are no local revenues raised and appropriated under the authority of any municipal body. The Colony does not incur any expenditure on account of its military defence beyond an allowance to the officers and men in lieu of exemption from import duties.

The Government revenue in 1879 was £90,432; and the expenditure, £98,064, including the repayment of £20,000 above referred to. The revenue in 1880 was £119,500; expenditure, 86,957.

Imports in 1880, £337,248; exports, £482,058.

This possession covers a long straggling area of about 6,000 square miles, with a population, in 1871, of 408,070, or 68 to the square mile, almost wholly black.

GRENADA.

The Public Debt of Grenada (one of the Windward Islands, in the West Indies) was in 1860 returned at £9,400, and in 1862, at £12,000. In 1871, however, it consisted of a single loan of £7,000, obtained in July, 1858, for immigration purposes, against which there was a sinking fund, which had accumulated to the extent of £6,876. Upon this being repaid, a further immigration loan for £10,000 was contracted in 1877, of which, at the end of 1879, there was £9,000 outstanding; and besides this, there was £1,000 due on account of the St. George's Waterworks, which was repayable in 20 years.

Gross Amounts of Revenue and Expenditure.

	Revenue.	Expenditure.
	£	£
1860.....	17,353	19,719
1870.....	23,106	20,824
1880.....	36,089	38,060

In 1879, Customs' dues increased to £17,997, and Excise to £5,278. The expenditure includes considerable amounts for public works and repairs.

Imports and Exports, excluding Specie.

Year.	IMPORTS.		EXPORTS.	
	Total.	From United Kingdom.	Total.	To United Kingdom.
	£	£	£	£
1860	126,206	53,258	125,502	110,682
1870	104,475	54,433	127,184	114,154
1879	156,533	84,187	149,427	137,842
1880	142,702	67,334	171,728	152,545

The sugar export in 1880 was only 33,185 cwts., or less than for a great number of years. Cocoa and spices are also exported.

The area of Grenada is 133 square miles. In 1851, the population was 28,927; in 1861, 31,900; in 1871, it was 37,795; and in 1881, it was 42,403, or 317 per square mile.

HONG KONG.

Hong Kong has had no Public Debt since 1867, when a small sum of £15,625 was due by the Government of the island.

Under the advantages of British administration the population has of late grown rapidly, being 124,198 in 1871, and 160,402 in 1881, to an area of $32\frac{1}{2}$ square miles, or 5,305 per square mile.

The revenue in 1880 increased to £222,905, while the expenditure was £197,502. The house rate produced £47,916, and the opium farm £12,708. Hong Kong is a free port, with a steadily-increasing through trade. In 1880, the vessels entered and cleared were 62,495 in number, representing 8,634,376 tons. Chinese and Japanese steamers and junks in large numbers carry on most of the local trade.

HONDURAS (BRITISH).

Until 1863 it would appear that British Honduras had no Public Debt. In 1865, it was returned at £28,239; in 1868, at £39,277; in 1870, at £29,591; and in 1871, at £27,343, composed as under:—

	Outstanding. £
Belize Improvement Loan 1863-64	13,041
Immigration Loan	6,897
Debt to Imperial Government for military defences...	7,405
Total	27,343

A 1 per cent. import duty provided for the extinction of the first-named loan in 1880. The second was originally for £16,550, bearing 6 per cent. interest, payable in Belize or London; but a sinking fund, already, in 1871, amounting to £9,653, provided for its extinction in 1877. The Imperial Government at the same time consented to allow the third loan to stand over till more prosperous times.

Thus, in 1873, the debt was stated at £15,591; in 1877, at £5,041; in 1879, at £1,111; and at the end of 1880, the Colony was free from debt of any kind.

The sanitary arrangements of Belize are, however, very defective, and it has been proposed to expend £30,000 upon drainage works and a pier, and to raise a loan for the purpose.

Gross Amounts of Revenue and Expenditure.

	Revenue.	Expenditure.
	£	£
1860	32,575	30,270
1870	32,674	26,220
1880	43,234	37,923

In 1878 and 1879 there were heavy deficits, owing to the outlay upon public works. British Honduras was granted a constitution in 1870.

The foreign trade of the Colony in the following years exhibits considerable fluctuation :—

Year.	IMPORTS.			EXPORTS.		
	From United Kingdom.	From United States.	Total.	To United Kingdom.	To United States.	Total.
	£	£	£	£	£	£
1860...	128,081	...	200,869	224,065	...	315,918
1865...	130,426	...	210,675	220,077	...	323,170
1870...	131,348	...	184,338	79,925	...	171,988
1875...	95,036	...	175,321	104,331	...	202,512
1877...	84,540	69,977	161,232	94,548	24,228	124,503*
1879...	79,284	59,734	159,883	117,896	45,635	187,673
1880...	122,864	66,212	237,204	117,288	57,460	252,855

* Return said to be incomplete.

Merchandise used to be sent through Belize to the Central American States to a greater extent than is now the case.

The value of the mahogany exported has rapidly diminished of late years, and in 1880 was only £21,967, as the cost of bringing the wood to port has increased, owing to the cutting down of trees near the coast. Of logwood the export was 17,058 tons, and sugar, 1,733 tons. A trade appears to have lately developed rapidly in the direction of the United States. Steamers now convey fruit from Belize to New Orleans within four days, and within a week Honduras fruit is saleable in Chicago. Large areas are being brought under cultivation with this object.

The area of British Honduras is now officially stated at only 7,562 square miles. The population in 1861 was 25,635; in 1871 there was a falling off to 24,710; while in 1881 the total was 27,452. Latterly, the Colony has been free from incursions of Indians.

INDIA (BRITISH).

The following figures show the growth of the debt of India during a period of nearly fifty years:—

Nominal Debt of the Government of India (at 10 rupees = £1).

On the 30th April.	In India.	In England.	Total.	Interest Payable.
	£	£	£	£
EAST INDIA COMPANY'S ADMINISTRATION.				
1834.....	37,827,715	3,523,237	41,350,952	1,959,594
1835.....	36,250,297	3,523,237	39,773,534	1,908,716
1836.....	31,821,118	3,522,925	35,344,043	1,638,589
1837.....	32,433,329	3,522,825	35,956,154	1,679,401
1838.....	32,266,553	1,734,300	34,000,853	1,589,112
1839.....	32,246,573	1,734,300	33,980,873	1,574,762
1840.....	32,750,696	1,734,300	34,484,996	1,596,631
1841.....	34,187,827	1,734,300	35,922,127	1,673,795
1842.....	36,670,173	1,734,300	38,404,473	1,799,824
1843.....	38,744,340	1,734,300	40,478,640	1,904,863
1844.....	40,149,150	2,299,600	42,448,750	1,962,855
1845.....	41,203,150	2,299,600	43,502,750	2,013,688
1846.....	41,592,249	2,299,600	43,891,849	2,032,391
1847.....	44,584,626	2,799,600	47,384,226	2,218,438
1848.....	45,957,614	3,899,500	49,857,114	2,337,529
1849.....	47,151,019	3,899,500	51,050,519	2,416,888
1850.....	50,035,268	3,899,500	53,934,768	2,525,111
1851.....	51,199,815	3,899,500	55,099,315	2,562,811
1852.....	51,215,193	3,899,500	55,114,693	2,548,485
1853.....	52,313,094	3,899,500	56,212,594	2,593,031
1854.....	49,762,876	3,894,500	53,657,376	2,250,183
1855.....	51,615,927	3,894,400	55,510,327	2,330,551
1856.....	53,848,927	3,894,400	57,743,327	2,439,058
1857.....	55,546,652	3,894,400	59,441,052	2,525,375
1858.....	60,704,084	8,769,400	69,473,484	3,027,701
TRANSFERRED TO IMPERIAL GOVERNMENT.				
1859.....	66,082,031	15,089,277	81,171,308	3,111,362
1860.....	71,969,460	26,138,000	98,107,460	3,889,191
1861.....	72,901,081	29,976,000	101,877,081	4,293,337
1862.....	72,418,859	35,095,300	107,514,159	4,560,905
1863.....	72,656,135	31,839,100	104,495,235	4,838,596
1864.....	72,207,645	26,310,500	98,518,145	4,465,849
1865.....	72,352,455	26,125,100	98,477,555	4,482,385
1866.....	71,437,251	26,946,400	98,383,651	4,577,416

Nominal Debt of the Government of India—(Continued.)

On the 31st March.	In India.	In England.	Total.	Interest Payable.
	£	£	£	£
1867.....	72,526,815	29,538,000	102,064,815	4,269,331
1868.....	71,289,111	30,697,000	101,986,111	5,102,787
1869.....	71,168,289	31,697,900	102,866,189	5,025,014
1870.....	72,989,638	35,196,700	108,183,805	5,151,579
1871*.....	77,095,674	37,627,617	115,723,291	5,840,145
1872.....	78,878,231	39,012,617	117,890,848	5,966,299
1873.....	76,805,660	39,012,617	116,476,201	5,857,458
1874.....	76,805,660	41,117,817	117,923,477	5,789,821
1875.....	76,356,192	48,597,033	124,953,225	5,412,055
1876.....	78,447,999	49,797,033	128,245,032	5,563,968
1877.....	76,409,561	55,397,033	131,806,594	5,802,735
1878.....	79,046,154	59,677,033	138,723,187	6,096,207
1879.....	81,332,145	59,029,117	140,361,262	6,356,800
1880.....	84,279,129	68,855,556	153,134,685	6,586,093
1881†.....	88,949,525	72,004,195	160,953,720	6,497,173

* From 1871, the return has been constructed upon a somewhat different plan, and includes liabilities on deposits, service funds, railway accounts, &c., less cash assets held against them. From the same time, the debt "in India" includes all but the direct sterling securities issued by the Indian Government.

† This return is for the 30th September, 1881.

Loans Raised in India.

Description of Loan.	Rate of Interest.	Date of Termination of Loan.	Amount of Debt Outstanding on 30th September, 1881.	
			(Official Value.)	At 1/8 per rupee.
			£	£
Loans Bearing Interest.				
Debenture Loan of 1867-68	5 per cent.	Not before 1st June, 1882.	600,300	500,250
Transfer Loan of 1870	4½ "	Not before 15th July, 1885.	1,835,640	...
Transfer Loan of 1871	4½ "	Interest reduced to 4 per cent. on 4th July, 1881.	...	...
Railway Loan from Maharajah Holkar.	4½ "	No date specified.	1,000,000	...
Loan of 1878.....	4½ "	Not before 15th September, 1893.	2,011,840	...
Transfer Loan of 1879, 4½ per cent. portion.	4½ "	" "	18,578,527	...
		Total of 4½ per Cent. Loans.....	23,426,007	19,521,672

Loans Raised in India—(Continued.)

Description of Loan.	Rate of Interest.	Date of Termination of Loan.	Amount of Debt Outstanding on 30th September, 1881.	
			(Official Value.)	At 1/8 per rupee.
Loans Bearing Interest.			£	£
Transfer Loan of 1879, 7s. sterling per cent. portion.	Equivalent in rupees of 7s. per Rs. 100.	Not before 15th September, 1893.	24,000	20,000
Loan of 1824-25.....	4 per cent.	No date specified; but on 3 months' notice by Government.	31,584	...
Loan of 1828-29.....	4 "	" "	5,845	...
Loan of 1832-33.....	4 "	" "	988,107	...
Loan of 1835-36.....	4 "	" "	2,681,780	...
Loan of 1842-43.....	4 "	" "	21,189,640	...
Loan of 1854-55.....	4 "	" "	5,622,600	...
Transfer Loan of 1st May, 1865.	4 "	" "	19,751,799	...
Transfer Loan of 22nd April, 1854.	4 "	15 months after notice by Government.	1,228,778	...
Reduced Loan of 16th January, 1879.	4 "	3 months after notice by Government.	11,260,130	...
Reduced Loan of 4th July, 1881.	4 "	" "	219,300	...
Promissory notes for Mysore Family.	4 "	No date specified.	108,429	...
Railway Loan from Maharajah Scindia.	4 "	" "	1,500,000	...
East Indian Railway Computed Stock.	4 "	No date specified; but on 3 months' notice by Government.	10,675	...
Total of 4 per Cent. Loans.....			64,596,667	53,830,556
Loan of 1853-54.....	3½ "	3 months after notice by Government.	59,520	49,600
Debenture Loan for Nagpur and Raipur Railway.	4½ "	Not before 1st July, 1890, & on 3 months' notice.	43,334	...
Debenture Loan for Cawnpore and Furrukhabad Railway.	4 "	Not before 1st January, 1890, and on 3 months' notice.	45,121	...
Debenture Loan for Muttra & Hathras Railway.	4 "	Not before 31st March, 1905, unless by mutual agreement.	32,410	...
Debenture Loan for Ghazipur and Dildarnagar Railway.	4 "	Not before 30th Sept., 1887, unless by mutual agreement.	50,080	...
Total of railway debentures.....			170,945	142,454
Total debt in India bearing interest.....			88,877,439	74,064,532
Loans not Bearing Interest.....		Outstanding balances of loans ordered to be paid off.	72,086	60,072
Total debt in India.....			88,949,525	74,124,604

Loans Raised in England.

Description of Loan.	Rate of Interest.	Date of Termination of Loan.	Amount of Debt Outstanding on 30 Sept., 1881.
Loans Bearing Interest.			£
East India Bonds	4 per cent.	30th November, 1881	4,487,200
India Debentures.....	4 "	16th August, 1884	6,996,500
India 4 per Cent. Stock ...	4 "	Not redeemable until 10th October, 1888, but on or after that day, upon one year's previous notice having been given by the Secretary of State for India in Council.	53,506,645
India 3½ per Cent. Stock..	3½ "	Not redeemable until 5th January, 1891, but on or after that day, upon one year's previous notice having been given by the Secretary of State for India in Council.	3,500,000
East Indian Railway De- benture Stock.	4½ "	{ £1,279,850 ... 12th July, 1882 } { £230,150 ... 1st Dec., 1882 } { £440,000 ... 19th March, 1883 }	1,500,000
East Indian Railway De- bentures.	4 "		1,950,000
Total debt in England bearing interest			71,940,345
Loans not Bearing Interest		Outstanding balances of loans redeemed	63,805
Total debt in England			72,004,195

Combining these two statements we have—

	DEBT.		INTEREST.	
	Official Value.	Exchangeable Value.	Official Value.	Exchangeable Value.
In India	£ 88,949,525	£ 74,124,604	£ 3,559,124	£ 2,965,937
In England	72,004,195	72,004,195	2,863,116	2,863,116
	160,953,720	146,128,799	6,427,240	5,834,053

Up to the 1st January, 1881, the expenditure upon State railways had been £29,589,157, adding to which the proportion of East Indian Railway capital included in the foregoing statement, £9,730,862, we obtain a total outlay upon State railways of £39,320,019; Canals and Irrigation Works represented another £12,000,000; and Madras Harbour Works £350,000; making a total debt incurred upon reproductive works of £51,650,000.

The above debts, however, do not include the guarantees to railway and other undertakings, which may be set down as follows:—

	Guaranteed Loans, Dec. 31, 1880.
East Indian Railway (less £9,730,862, included above)	£21,239,545
Guaranteed Railway Companies*	66,518,261
	87,757,806
Madras Irrigation and Canal capital	999,666
Total guarantees.....	88,757,472

* Exclusive of the guarantee during construction on the Bengal Central Railway capital.

Thus the combined debt and guarantees may be stated at £249,711,192, or per head £1 5s.; but the burden of the debt is very trifling, even by comparison with this capital sum. In the years ended March 31, 1871, and 1881, the annual burden of the debt was as under:—

	1870-71.	1880-81.
	£	£
Interest on Government debts.....	5,679,216	4,142,179
" " ditto, raised for productive works	160,929	2,354,994
	5,840,145	6,497,173
Guaranteed railway interest	4,439,609	4,513,977
Madras Irrigation and Canal interest	53,233	46,783
	10,332,986	11,360,933
Gross liabilities met.....		
Deduct—	£	£
Interest received from advances and sums due to the State	344,056	844,850
Net receipts of State railways	— 1,806	601,800
" " guaranteed railways	2,621,754	5,485,230
" " Irrigation works (deducting deficit on Madras Irrigation)	(?)	225,862
	2,964,004	7,167,742
Net burden of debt and liabilities	7,418,982	4,193,191
Population (excluding Mysore, transferred to native administration).....	186,356,023	198,000,000
Annual charge per head.....	9d.	5d.

This is a remarkable statement, showing that though the debt during the ten years has nominally increased £45,000,000, the annual burden has been reduced £3,225,000. No allowances have been made in this statement for loss by exchange on the one hand, nor for the "land revenue due to irrigation" on the other.

The securities of the Indian Government dealt in and quoted on the London Stock Exchange are:—

Interest.		Amount Outstanding.
		£
	(Payable in London.)	
5 April and 5 Oct. 4	India Stock, 10th Oct., 1888	53,493,712
5 Jan., April, July, Oct. 3½	" " 5th Jan., 1931	4,086,300
16 Feb. and 16 Aug. 4	" " Debentures, 16th Aug., 1884	6,996,500
	(Payable in India.)	(At 10 rupees)
Various Dates. 4	India Enfaced Paper	64,596,667
15 Jan. and 15 July 4½	" " 1885	1,835,640
15 Mar. and 15 Sept. 4½	" " 1893	20,614,367
1 June and 1 Dec. 5	Rupee Debentures, June, 1882	600,300

By an Act passed in the 21st and 22nd years of the reign of Her Majesty, cap. 106, the jurisdiction was transferred from the East India Company to a Council and Secretary of State for India; and the bonds, securities, &c., of the various loans raised by the Company are now Government securities, chargeable on the revenue of India alone.

The early debt of India was contracted largely to meet the expenditure involved in various wars.

During the Nepal and Mahratta Wars, from 1815 to 1820, there was an aggregate deficit in expenditure over revenue of nearly £5,500,000.

In the first Burmese War and the Siege of Bhurtpoor, from 1825 to 1827, a deficit was incurred of £13,500,000.

The Afghan, Scinde, and Gwalior Wars, 1838 to 1844, caused a deficit of nearly £9,000,000; the first Sikh War, 1846 to 1848, of about £3,000,000; and the second Sikh War of £1,500,000; the second Burmese War of about £3,500,000; the Mutiny led to a deficiency of over £30,000,000 in 1858-9-60; and the Afghan War of 1879-80 to a fresh deficit of £7,500,000, besides the contribution of £5,000,000 from the Home Government. The great famine in 1877-8 also caused a deficit of £5,500,000, though much of this was expended upon public works.

In other years, however, the surplus revenues have been large, and had the outlay upon reproductive public works been strictly charged to capital, the surplus balances would latterly have largely outweighed the deficits.

STOCKS, EXISTING OR REDEEMED.

East India 10½ per Cent. Stock.—This capital stock of £6,000,000 was, in 1833, by the Act 3 and 4 Wm. IV. cap., 85, guaranteed 10½ per cent. until the 22nd April, 1874, when it was repayable at £200 in money for £100 in stock. By same Act, a security fund was instituted, setting apart £2,000,000 in 1833, to be invested in names of Commissioners for Reduction of National Debt (Great Britain). Any surplus revenue to be added. In 1860, after the transfer of the East India Company, the domicile of the loan was removed from Leadenhall Street to the Bank of England. In January, 1874, the following notification was issued:—

For every £100 of the capital stock—£220 Reduced Three per Cent. Annuities, or £200 India Four per Cent. Stock, and in proportion for any greater or less amount; the India Four per Cent. Stock being redeemable at par on or after the 10th October, 1888, upon one year's previous notice. The total so offered is £3,000,000 Reduced Three per Cent. Annuities, and £2,000,000 India Four per Cent. Stock.

Proprietors of East India Stock who may not signify their assent to either of the offers now made, or whose assents are not accepted, will be paid off on the 30th April, 1874, at the rate of £200 sterling for every £100 of stock, and no transfer of East India Stock can be made subsequently to the 31st March.

The above stocks were readily taken up, and the balance involving a cash distribution of about £6,500,000, was paid off on 30th April, 1874.

India Five per Cent. Stock.—Created 22 and 23 Vict., cap. 39, and 23 and 24 Vict., cap. 30.—At the time of its repayment at par on 5th July, 1880, this stock amounted to £17,200,000. It was issued at various dates and for various purposes; and in January, 1880, holders were given the option of converting at par into Four per Cents., redeemable in 1888. These Five per Cents. were optionally repayable in 1870, but three years previously the State notified it would not exercise that option.

India Four per Cent. Stock.—The present amount of this sterling debt is £53,506,645. Interest is payable on the 5th April and 5th October in each year up to and including 1888. On the 10th October in that year, and at any time subsequently, this loan will be repayable, at Government option, at par, upon twelve months' notice being given; and as the 3½ per Cents. are above par, it is understood that this redemption will take place in due course. This stock has been issued at various dates. In 1865 but £2,441,000 was issued; in 1872, the total was £12,800,000; and upon redemption of the Five per Cents., and conversion of the East Indian Railway capital, further large additions were made. The transfer-books are kept at the Bank of England, and no transfer fees are chargeable. Trustees are empowered to invest in this stock, the same as in Consols.

In April, 1874, £5,000,000 of this stock was allotted at and above £101 8s. per cent., the money being required to complete the payment of the 10½ per Cents., and to cover the expenses of the Bengal famine.

In April, 1876, a further £4,000,000 was placed, tenders being received at the India Office. The minimum price of allotment was £102 8s.

India 3½ per Cent. Stock.—In December, 1880, the Indian Government brought out a sterling loan, bearing only 3½ per cent. interest; and as future issues in sterling may very possibly take this form, the chief stipulations of the prospectus are appended:—

The Secretary of State for India in Council gives notice, that he will be prepared to receive, at the Bank of England, tenders for a loan of £3,500,000, on security of stock to be created under the provisions of the Acts 42 and 43 Vict., c. 60, and 43 Vict., c. 10, and to bear interest, payable quarterly at the Bank of England, on the 5th January, 5th April, 5th July, and 5th October in each year.

The stock not to be redeemable until the 5th January, 1931, but to be redeemable at par on and after that day, upon one year's previous notice having been given, in the *London Gazette*, by the Secretary of State for India in Council.

The books of the stock will be kept at the Bank of England, where all assignments and transfers will be made. Transfers will be free of stamp duty.

The same facilities will be given in respect of this stock for the transmission of dividend warrants by post, and for the exchange of stock into stock certificates with coupons annexed, payable to bearer, as are given in the case of Consols and India Four per Cent. Stock. Trustees are empowered to invest trust funds in this stock, unless expressly forbidden by the instrument creating the trust.

Tenders may be for the whole or any part of such loan, but not for sums of less than £100 stock, and must state what amount of money will be given for every £100 of the said stock. The minimum price, below which no tender will be accepted, has been fixed at £98 for every £100 of stock. Scrip certificates to bearer, with the coupon of 5th April, 1881, attached, will be issued by the Bank of England in exchange for the provisional receipts.

The stock will be inscribed in the Bank books on or after the 1st June, 1881, but scrip paid up in full on or after the 11th January may be inscribed as stock with the dividend current.

The applications for this loan amounted to above £14,500,000, and tenders at £103 12s. received about 71 per cent.

East India Bonds.—These bonds were redeemed on the 30th November, 1881. The amount so paid was £4,487,200. Prior to the 31st May, 1868, they bore 5 per cent. interest, and subsequently the State reduced the payment to 4 per cent.

India Debentures.—The State will repay these sterling debentures to the amount of £6,996,500 on the 16th August, 1884. Prior to the 16th August, 1866, they carried 4 per cent. interest, but the annual payment was then raised to 5 per cent., and was again reduced to 4 per cent. from August, 1873. The sum of £3,000,000 was added to the total in October, 1877, the price of allotment being £101 3s. per cent.

Rupee Stocks.—These issues have been very numerous, and many of the earlier creations were not placed upon the market, but allotted by way of compensation and for other purposes. The "Transfer-Loans" are most of them conversions of securities, which formerly bore higher rates of interest. The prospectuses of new rupee loans are, as a rule, issued simultaneously in London and India, as subscriptions are largely made from this country, and on one recent occasion from France. To allow time for English subscriptions to arrive, these prospectuses are generally issued a month prior to the date of receiving subscriptions. Thus, the following

notification was issued on the 13th May, 1875, for a loan for 2,50,00,000 rupees :—

Promissory notes will be issued for the said amount, bearing interest at the rate of 4 per cent. per annum. The form and conditions of these notes will be those of the notes of the Transfer Loan of 1st May, 1865, of which loan they will form a part. No note will be issued for less than five hundred rupees, or for any amount not being a multiple of one hundred rupees. The notes will be payable to order, and interest thereon will be paid half-yearly on the 1st May and 1st November in each year.

Notice is hereby given, that tenders will be received by the Comptroller-General at Calcutta, from this date to noon of Wednesday, the 16th of June next, for the whole or part of the above-named sum of two crores and fifty lacs of rupees.

The amounts of accepted tenders must be paid, in five equal instalments, on the following dates :—One-fifth on the 1st July, 1875; one-fifth on the 2nd August, 1875; one-fifth on the 1st September, 1875; one-fifth on the 1st October, 1875; one-fifth on the 1st November, 1875.

Payment of any instalment except the first will be accepted before the due date, but not before the 1st July next. Interest upon the amount of each instalment paid before the 1st November next will be paid in advance, from the date when such instalment is received to the 31st October next.

Payment may be made to the account of the Government in one of the Presidency Banks of Bengal, Madras, or Bombay, or into any Government Treasury or Treasuries in India that may be named in the tenders.

This loan was issued at and above 102 rupees per cent.

In July, 1877, a further issue of 2 crores 50 lacs of Four per Cents. was effected at and above 95½.

In June, 1878, another 2 crores 50 lacs of 4½ per Cents. was brought out.

In May, 1879, 5 crores of 4½ per Cents. were placed at 94.

In June, 1880, a 4½ per Cent. Loan for 3 crores 13 lacs was brought out and placed at 103⅞ rupees, the whole being taken on behalf of a French Syndicate, who afterwards placed the loan on the Paris Bourse at 91 francs per cent., guaranteeing a fixed rate of exchange for the interest. There was another feature about this loan which attracted a good deal of attention at the time. The allottees were allowed the option of taking either registered stock, or coupon bonds to bearer; and the coupon form was chosen by the Syndicate.

In September, 1882, a Four per Cent. Loan for 2 crores 50 lacs was announced.

Five per Cent. Debentures of 1867-68.—These debentures for £1,500,000 were issued in May, 1867, mainly in London, though the interest and principal being payable in India they have ranked as rupee debt. £400,000 of this loan was redeemed in 1872, a further £500,000 in 1877, and the final £600,000 was paid off on the 1st June, 1882.

According to Mr. J. Westwood Thompson's Indian circular, the amounts of Rupee Paper held in London on the 30th April, 1882, were as under, representing (at 10 rupees = £1) £22,388,198, or at 1s. 8d., £18,656,800:—

Rupee Loan.	Amount of Capital on 30th Sept., 1881.	On London Books to 30th April, 1882.	Repayable.	Interest By Drafts on India.
	£	Rs.		
4½ % 1878	2,011,840	99,16,900	Not before 15 Sept., 1893	15 Mar., 15 Sept.
4½ % 1879	18,578,527	9,38,21,200	" 15 Sept., 1893	15 Mar., 15 Sept.
(7s. % portion)	24,000	1,08,500	" 15 Sept., 1893	15 Mar., 15 Sept.
4½ % 1870	1,835,640	47,51,900	" 15 July, 1885	15 Jan., 15 July.
4 % 1881	219,300	19,000	On 13 Feb., 1882	3 Jan., 3 July.
4 % 1835-36	2,681,780	31,93,800	At 3 months' notice.	31 Mar., 30 Sept.
4 % 1842-43	21,189,640	2,32,13,200	" "	1 Feb., 1 Aug.
4 % 1854-55	5,622,600	1,04,21,400	" "	30 June, 31 Dec.
4 % 1865	19,751,799	2,92,19,500	" "	1 May, 1 Nov.
4 % 1879	11,280,130	2,59,26,900	" "	16 Jan., 16 July.
3½ % 1853-54	59,520	54,100	" "	28 Feb., 31 Aug.
4 % Sicca 1824-25	31,584	5,000	On the 27th Mar., 1882.	Quarterly, on dates corresponding with that of original subscription to the loan.
4 % " 1828-29	5,945	1,000	" "	
4 % " 1832-33	988,107	18,14,100	At 3 months' notice.	
4 % " Transf. Loan	1,226,778	S.R. 1,07,21,886	{ 15 months after notice by Government.	
Debentures.				{ 25 April, 25 Oct. Paid in sterling at exchange, 2s. 1d. per Sicca rupee.
5 % 1867	600,300	31,93,600	Not before 1st June, 1882	1 June, 1 Dec.
Total	86,087,380	22,38,81,986		

During the Nepal and Mahratta Wars, from 1815-16 to 1819-20, the accumulated deficits reached £5,342,939. In the next three years there were surpluses amounting to £2,471,099; while in 1823-4 there was a deficit of £847,091. In the following four years the deficits amounted to £13,462,529, owing to the first Burmese War and the Siege of Bhurtpoor; and in 1828-9 there was likewise a deficit of £927,629. From 1829-30 to 1837-8 there were six surpluses and three deficits, with a net balance of £4,032,796 in favour of revenue. But the Afghan, Scinde, and Gwalior Wars, 1838 to 1843, the first Sikh War, 1845-6, and the second Sikh War in 1848, caused a succession of eleven annual deficits, the sum of which was as much as £15,292,986. From 1849-50 to 1852-3 there were four years with surpluses amounting to £2,552,241; but the second Burmese War, which broke out in 1852, caused a deficit of £1,962,995 in 1853-4; and in the following year the deficiency was £1,620,406. The years 1855-6 and 1856-7 yielded deficits to the combined amount of £902,142. Then came the Indian Mutiny. 1857-8 resulted in a deficit of £9,533,795; and from the transfer of the rights of the East

India Company to the Government the revenue statements have recorded the following results:—

Gross Revenue and Expenditure (at 2s. per rupee).

Year— Ended April 30.	Revenue.	Expendi- ture.	Surplus.	Deficit.	Remarks.
	£	£	£	£	
1858-59...	86,060,788	51,056,930	...	14,996,142	} Indian Mutiny.
1859-60...	39,705,822	51,861,720	...	12,155,898	
1860-61...	42,903,234	48,154,087	...	5,250,853	
1861-62...	43,829,472	44,870,232	...	1,040,760	
1862-63...	45,143,752	44,053,122	1,090,630	...	} Great development of cotton shipments. Cot- ton famine in Europe.
1863-64...	44,613,032	44,982,006	...	368,974	
1864-65...	45,652,897	46,450,920	...	798,023	
1865-66...	48,935,220	47,332,102	1,603,118	...	
1866-67*	42,122,433	44,639,924	...	2,517,491	
Ended March 31.					
1867-68...	48,534,412	49,542,107	...	1,008,000	
1868-69...	49,262,691	52,036,721	...	2,774,030	
1869-70...	50,901,081	50,782,412	118,669	...	
1870-71...	51,413,686	49,930,693	1,482,990	...	
1871-72...	50,110,215	46,986,088	3,124,177	...	
1872-73...	50,219,489	48,453,817	1,765,672	...	
1873-74...	49,598,253	51,405,921	...	1,807,668	} Orissa Famine. Silver falling.
1874-75...	50,570,171	50,250,974	319,197	...	
1875-76...	51,310,063	49,641,118	1,668,945	...	
1876-77...	55,995,785	58,178,563	...	2,182,778	} Great famine.
1877-78...	58,969,301	62,512,388	...	3,543,087	
1878-79...	65,199,602	63,165,356	2,034,246	...	
1879-80...	68,484,666	69,667,615	...	1,182,949	} Afghan War.†
1880-81...	72,559,901	76,604,040	...	4,044,149	
1881-82...	72,913,000	71,336,000	Regular	Estimate.	

* Eleven months. † Military expenditure thereon £17,551,000.

The expenditure in 1879-80 was effected to the extent of £55,119,951 in India and £14,547,664 in England. This rapid increase in the revenue and expenditure since 1875 has been mostly a matter of account. First, the accounts being stated at 2s per rupee, the expenditure includes the item described as "loss by exchange on transactions with London." In 1871-2 this was set down at £395,964; in 1875-6 at £1,429,658; in 1878-9 at £3,359,154; and in 1879-80 at £3,246,983. This alone materially reduces the actual revenue and expenditure; but the outlay in India requires the same curtailment, and at 1s. 8d. per rupee, the revenue in 1879-80 was £57,070,555, and the expenditure £58,056,346, leaving the deficit at £985,791. As compared with 1875-6, when, at the exchange of 11 rupees = £1, the revenue was £46,645,512, a growth in four years is shown of £10,425,043, which is accounted for to the extent of about £6,000,000 by railway receipts. Until 1876-7, it was the practice to enter in the revenue receipts the net revenue of the State lines, and against

the expenditure the net burden of the guarantee to the railway companies. Since then, the entire net revenues of the guaranteed companies have been included in the receipts, and the entire interest payments upon the guaranteed companies' capitals in the expenditure, and the consequence has been the swelling of accounts indicated. From 1878, also, certain provincial rates, amounting in 1879-80 to £2,882,125 (say, £2,402,000 actual), have been also included. Practically, therefore, the growth of revenue in India between 1875-6 and 1879-80 was hardly over £2,000,000, instead of over £17,000,000, as in the above table. The leading branches of revenue are the following:—

Branches of Revenue (at 2s. per Rupee).

	Land.	Customs.*	Excise.	Salt.	Opium.	Stamps. Not Postage.
	£	£	£	£	£	£
1870-1	20,622,823	2,610,789	2,374,465	6,106,280	8,045,459	2,510,316
1875-6	21,503,742	2,721,389	2,493,232	6,244,415	8,471,425	2,835,368
1878-9	22,330,588	2,326,561	2,619,349	6,941,120	9,399,401	3,110,540
1879-80	22,463,548	2,280,793	2,838,021	7,266,413	10,319,162	3,193,739
1880-1	21,112,995	2,539,612	3,135,226	7,115,988	10,460,051	3,250,431

* Import duties were mainly reduced from 7½ per cent. to 5 per cent. by an Act passed 5th August, 1873, and a number of articles were declared free in March, 1878. According to Major Baring's Budget in 1882, the import duties on most remaining articles have now been abolished, and the salt duty reduced.

The following tables relate to the foreign trade by sea of India :

Year.	IMPORTS (at 10 rupees = £1).				Exchange Value of Rupee.
	Merchan- dise.	Treasure.	Total.	From United Kingdom.	
	£	£	£	£	
1849-50	10,299,889	3,396,807	13,696,696	...	...
1854-55	12,742,671	2,028,256	14,770,927	9,853,646	...
1859-60	23,265,140	16,356,963	40,622,103	26,503,899	...
1864-65	28,150,923	21,363,352	49,514,275	23,748,180	2/
1865-66	29,599,228	26,557,301	56,156,529	24,912,617	1/11½
1866-67*	29,038,715	13,236,904	42,275,619	25,484,507	1/11½
1867-68	35,705,784	11,775,373	47,481,157	31,629,315	1/11½
1868-69	35,990,142	15,155,953	51,146,095	35,399,073	1/11½
1869-70	32,927,580	13,954,806	46,882,386	30,357,055	1/11½
1870-71	34,469,119	5,444,823	39,913,942	28,803,725	1/10½
1871-72	32,091,850	11,573,813	43,665,663	32,458,577	1/11½
1872-73	31,874,625	4,556,585	36,431,210	27,493,467	1/11
1873-74	33,819,828	5,792,534	39,612,362	28,904,389	1/10½
1874-75	36,222,113	8,141,047	44,363,160	34,247,081	1/10½
1875-76	38,891,656	5,300,722	44,192,378	32,764,917	1/9½
1876-77	37,440,631	11,436,120	48,876,751	37,538,387	1/8½
1877-78	41,464,185	17,355,459	58,819,644	45,130,726	1/8½
1878-79	37,800,594	7,056,749	44,857,343	31,959,399	1/7½
1879-80	41,166,003	11,655,395	52,821,398	37,058,927	1/8
1880-81	53,116,770	8,988,214	62,104,984		1/8
1881-82	49,112,872	11,322,780	60,435,652		1/8

* Eleven months.

On the other hand, the *imports* from these countries are comparatively trifling—

	China.	United States.	Straits.	Ceylon.	France.	Italy.
1879-80	£ 5,586,958	£ 526,262	£ 1,422,132	£ 1,047,472	£ 587,850	£ 785,340
1881-2						

In 1879-80, the exports to these six countries reached £31,519,000, while the imports therefrom were only £9,954,000, leaving a balance due to India of £21,555,000, almost the whole of which is paid by those countries to England, partly to cover the excess of our exports to India, and partly as interest upon our Indian investments, which can hardly be set down at less than £300,000,000, of which about £190,000,000 is covered by sterling and guaranteed capital and rupee paper held here, and the balance would represent unguaranteed railway, banking, and other securities, as well as British merchants' capital employed in India.

The actual reduction in the value of the merchandise exported as compared with 1864-5 (the official value shows a fictitious growth in values) is due to the very high prices realised for Indian raw cotton during the American Civil War. In 1864-5 India exported 4,688,000 cwts. of raw cotton, valued at £37,573,637; in 1871-2 no less than 7,225,411 cwts., valued at £21,272,430; in 1878-9 only 2,966,569 cwts., worth £7,914,091; in 1879-80, 3,948,476 cwts., worth £11,145,453; in 1880-1, 4,541,539 cwts., worth £13,241,734; and in 1881-2, 5,628,898 cwts., worth £14,939,516. The other leading exports were in 1881-2—Opium, valued at £12,432,142; rice, £8,302,531; seeds (mostly linseed, rape, and til), £6,054,099; raw jute, £5,030,302; tea, £3,609,136; hides and skins, £3,948,792; indigo, £4,509,082; wheat (a very variable item), £8,604,081; gunny bags, £1,084,081; Indian-made cotton goods, £2,010,532; and coffee, £1,447,615; all these being the values of Indian produce and manufactures at the official values.

The foregoing statistics do not include trade *by land*, the imports by which in 1879-80 were £4,597,929, mainly from Burmah and Nepal; and the exports were £4,292,892, mainly to Burmah, Nepal, and Cabul.

Indian railways have done much towards developing the country. The original companies were guaranteed 5 per cent. on almost the entire amounts of their ordinary stocks, the

State taking one-half net profits in each half-year in excess of the guarantees. The following is an enumeration :—

Guaranteed Companies.	Miles in Operation, Dec. 31, 1881.	Capital Expended, Dec. 31, 1881.	Gross Receipts in 1881.	Working Expenses.	Net Receipts.
		£	£	£	£
Eastern Bengal.....	158½	3,264,125	522,687	213,837	308,850
Oude and Rohilkund ...	546½	6,334,027	492,873	295,303	197,570
Scinde, Punjab, and Delhi	663½	11,061,923	932,630	650,603	282,027
Madras	858	10,476,894	578,537	388,251	190,286
South Indian.....	653½	4,345,975	369,920	241,304	118,616
Great Indian Peninsula	1,238	23,638,904	2,938,542	1,451,756	1,486,786
Bombay, Baroda, and Central India.....	421½	8,037,326	893,308	366,614	526,689
Southern Mahratta guaranteed 3½ per cent.....	New	*3,000,000	issued in	1882.	
Total guaranteed...	4,589½	67,329,179	6,718,492	3,607,668	3,110,824
East Indian (now State property)	1,504½	31,987,379	4,541,147	1,446,316	3,094,831
Other State Railways†...	3,732½	34,884,023	2,466,314	1,719,255	747,059
Total guaranteed and State	9,826½	134,200,581	13,725,953	6,773,239	6,952,714
Add—					
Darjeeling-Himalayan...	48½				
Assam Railways and Trading	under } con- } struction }	*350,000	guaranteed 100,000 rupees per annum for 20 years.		
Bengal Central		*1,250,000	guaranteed 4% during construction.		
West of India Portuguese		*600,000	guaranteed by Portugal.		

* Not included in total to December, 1881.

† Includes Native State lines, with a capital of £2,590,008, and an open mileage of 445½ miles.

The State have the option of purchasing the Eastern Bengal in 1883, at the average market price of the three previous years; the Scinde, Punjab, and Delhi in 1885; the Oude and Rohilkund in 1887; the South Indian in 1890; the Great Indian Peninsula in 1899; the Bombay, Baroda, and Central India in 1905; the Madras in 1907; the Assam Railways, at 20 per cent. beyond the market price, every five years after completion; the Bengal Central in 1912, at 25 per cent. beyond the capital expended; and the Southern Mahratta at par in 1907, 1917, 1927, or 1932.

The leading banks in India are the following :—

STATE BANKS:	Capital	Deposits,	Exchange
	Paid up.	Dec. 31, 1881.	Operations, Dec. 31, 1881.
	Rs.	Rs.	Rs.
Bank of Bengal	2,00,00,000	5,00,36,108	...
Bank of Bombay	1,00,00,000	2,61,40,732 (April, '82)	...
Bank of Madras	50,00,000	1,16,01,196 (June, '82)	...
ANGLO-INDIAN, OR EXCHANGE BANKS:	£	£	£
Agra, Limited	1,000,000	3,687,044	1,351,072
Chartered of India, Australia, and China:	800,000	4,021,539	4,086,424
Chartered Mercantile of India, London, & China	750,000	3,550,375	2,331,330
Delhi and London, Limited	337,625	651,354	332,784
National of India, Limited	465,250	2,615,479	1,302,209
Oriental Bank Corporation	1,500,000	8,768,323	2,544,074

In addition to the following Indian banks:—Bank

State taking one-half net profits in each half-year in excess of

[To face page 255.]

Correction received from the India Office after going to press.

Area and Population of British India, with Estimate for the Native States and the French and Portuguese Possessions.

Provinces, &c.	Under Direct British Administration.		Native States.		Total.	
	Area, in Square Miles.	Population.	Area, in Square Miles.	Population.	Area, in Square Miles.	Population.
Under Government of India:						
Ajmere	2,711	*460,722	...	...	2,711	*460,722
Benar	17,711	*2,672,673	...	...	17,711	*2,672,673
Mysore .....	...	...	24,723	*4,186,188	24,723	*4,186,188
Coorg	1,583	*178,302	...	...	1,583	*178,302
Central India .....	...	...	89,098	*8,000,000	89,098	*8,000,000
Rajputana .....	...	...	130,989	*11,000,000	130,989	*11,000,000
Hyderabad .....	...	...	*80,000	*9,167,789	*80,000	*9,167,789
Baroda .....	...	...	8,750	*2,185,005	8,750	*2,185,005
Manipur .....	...	...	7,584	*150,000	7,584	*150,000
Andaman and Nicobar Islands	3,285	*26,198	...	...	3,285	*26,198
Total	25,290	3,337,895	341,144	34,688,982	366,434	38,026,877
Bengal	156,081	*66,530,127	37,988	*2,653,492	194,069	*69,183,619
Assam	46,341	*4,908,276	...	...	46,341	*4,908,276
North-Western Provinces	81,748	*32,720,128	5,125	*745,675	86,873	*33,465,803
Oudh	24,213	*11,387,741	...	...	24,213	*11,387,741
Punjab	107,010	*18,794,260	*104,958	*4,852,360	*211,968	*23,646,620
Central Provinces	84,208	*9,800,000	29,112	*1,700,000	113,320	*11,500,000
British Burma	87,230	*3,736,771	...	...	87,230	*3,736,771
Madras	140,430	*30,839,181	9,818	*3,336,365	150,248	*34,175,546
Bombay	125,418	*16,454,414	66,319	*6,900,000	191,737	*23,354,414
Total for British India	877,959	198,508,793	594,464	54,876,874	1,472,423	253,385,667
French Possessions .....	...	...	...	...	178	*276,649
Portuguese Possessions .....	...	...	...	...	1,086	*446,987
Total of all India .....	...	...	...	...	1,473,687	254,107,803

* Final figures of Census of 17th February, 1891.

† Figures of 1891 quoted in Administration Report for 1890-91.

‡ Estimated.

§ Population on 31st March, 1891, including 12,000 aborigines (estimated).

¶ Preliminary figures of Census of 17th February, 1891.

‡ Including Cashmere, 70,000 (estimated).

† Preliminary figures of Census of 17th February, 1891, including Cashmere 1,000,000 (estimated).

‡ Partly estimated.

§ French official figures for 1879.

¶ Portuguese official figures for 1877.

National of India, Limited	465,250	2,615,470	1,302,209
Oriental Bank Corporation	1,500,000	8,766,325	2,544,074

In addition, there are the following Indian banks :—Bank of Upper India, Limited (paid-up capital, 1,00,00,000 rupees); Bangalore Bank, Limited (6,63,765 rs.); Himalaya Bank, Limited (2,00,000 rs.); Rohilkund and Kumaon Bank, Limited (2,00,000 rs.); Simla Bank Corporation, Limited (13,00,000 rs.); Uncovenanted Service Bank, Limited (6,10,000 rs.).

The deposits of these banks have increased of late years, though, in respect to the Anglo-Indian banks, some of those deposits are obtained in England and employed in India. The profits of the latter have latterly suffered materially, partly owing to the depreciation of the rupee, and partly, it is reported, owing to mismanagement and over-competition for exchange business.

The area and population of all India, separating the Native States and Foreign Possessions, are given below :—

Provinces.	Under British Administration.		Native States.		Total.	
	Area, in Square Miles.	Popula- tion.	Area, in Square Miles.	Popula- tion.	Area, in Square Miles.	Popula- tion.
		Census of 1881.		Census of 1881.		Census of 1881.
Government of India :						
Ajmere	2,711	453,075	...	...	2,711	453,075
Benar	17,711	2,670,982	...	...	17,711	2,670,982
Mysore .....	...	...	24,744	4,186,399	24,744	4,186,399
Coorg	1,572	178,283	...	...	1,572	178,283
Central India & Bundelkhand* .....	...	...	89,098	9,200,881	89,098	9,200,881
Rajputana .....	...	...	130,989	11,005,512	130,989	11,005,512
Hyderabad .....	...	...	80,000	9,167,789	80,000	9,167,789
Baroda .....	...	...	4,399	2,154,469	4,399	2,154,469
Manipur .....	...	...	7,584	126,000	7,584	126,000
Andaman and Nicobar Islands	3,285	25,945	...	...	3,285	25,945
Bengal	155,997	166,000,000	37,988	2,900,000	193,985	68,829,920
Assam	45,303	14,815,157	...	...	45,303	14,815,157
North-Western Provinces	81,748	32,699,436	5,125	745,675	86,873	33,445,111
Oudh	24,213	11,407,625	...	...	24,213	11,407,625
Punjab	107,010	18,794,260	114,742	3,853,282	221,752	22,647,542
Central Provinces	84,208	10,000,000	29,112	1,500,000	113,320	11,500,000
British Burmah	87,220	3,707,646	...	...	87,220	3,707,646
Madras	140,338	30,839,181	9,818	3,001,439	150,156	33,840,620
Bombay	126,445	16,383,422	66,408	6,941,631	192,853	23,325,053
Total for British India	877,756	198,000,000	600,007	54,600,000	1,477,763	252,600,000
French Possessions .....	...	...	...	...	178	285,022
Portuguese Possessions .....	...	...	...	...	1,086	444,617
Total of all India					1,479,027	253,329,794

* Excluding minor States for which there is no information.

† Amalgamated with the North-Western Provinces, 17th January, 1877.

‡ Excluding Naga Hills.

§ Excluding Poodeocottah, Bunganapilly, and Sundoor.

|| Not officially returned.

The population of Calcutta is 683,458*; of Bombay, 753,000*; Madras, 405,948*; Lucknow, 261,485*; Benares, 207,570*; Delhi, 160,553; Patna, 158,900; Allahabad, 150,378*; Agra, 137,908*; Bangalore, 142,513; Umritsur, 142,381; Rangoon, 132,004*; Lahore, 128,441; Poona, 118,886;

* In 1881.

Cawnpore, 119,603; Ahmedabad, 116,873; Surat, 107,149; Bareilly, 101,688. In a large number of other cities, the population ranges from 100,000 to 50,000. Of the population of British India about 140,000,000 are Hindoos; 42,000,000 Mahomedans; 3,000,000 Buddhists; and 1,000,000 Christians. The Mahomedans are in excess of the Hindoos in the Punjaub, while the Buddhists are practically confined to British Burmah.

For coinage and monetary statistics and the amounts of bills on India see "Exchanges" and "Coinage" (pages 131-2 and 145). There is also a Government note circulation, which has not expanded of late years. At 2s. per rupee, the notes in circulation were £11,415,744 on 31st March 1872; £10,670,407 in March, 1876; £13,250,247 in 1878; and £12,798,303 in 1880. These notes are mainly of 10,000 rs., 1,000 rs., 100 rs., or 10 rs. each.

An average of about £10,000 a-year is paid for the destruction of wild beasts, which include annually about 4,000 tigers, and 200,000 snakes.

The European troops employed in India have been reduced of late, and now number about 50,000, of which about 2,500 are annually invalided and sent home.

JAMAICA.

The Public Debt of this island, less sinking funds actually invested, stood as follows on the 30th September in each of the following years:—

Years.	Security.		Total Debt.
	General Revenue.	Immigration Fund.	
	£	£	£
1855 .....	...	...	879,344
1860 .....	...	...	752,582
1865 .....	...	...	734,718
1870	609,506	56,138	665,644
1871	591,656	84,169	675,825
1872	571,542	80,565	652,107
1873	554,493	78,283	632,776
1874	539,108	126,429	665,537
1875	548,024	130,205	678,229
1876	501,413	145,293	646,706
1877	485,108	148,327	633,435
1878	641,645	transferred to	641,645
1879	718,609	general revenue.....	718,609
1880	721,481	...	721,481
1882 .....	...	... (say)	1,200,000

In 1870-1, the interest on the debt was £46,153, and in 1879-80, it was £49,008.

The increase in the debt in 1879 was due to the purchase of the Jamaica Railway for £90,000; besides which, on the 30th September, 1880, a further £25,000 have been spent on restoration of the line. The net revenue of the line in 1880 was £11,368, or close upon 10 per cent. on the capital outlay. This was much the best return the line had ever made.

In addition to the above debt there are the following liabilities under guarantee:—

	£
Rio Cobre Canal, Irrigation Canal Loan.....	123,900
Kingston and Liguanea Waterworks Loan	98,200
Kingston Markets Loan	20,000
Kingston Gasworks Loan	25,000
Kingston Slaughter-house Loan	10,000
	<hr/>
	277,100

These liabilities are self-sustaining, except the first, upon which in 1880 the Government had to make good £5,808.

The Imperial Government guarantee the interest on a large portion of the general debt.

JAMAICA (GUARANTEED) LOANS.

Issue of 1860.—This loan was for £100,000, as part of £500,000, and guaranteed by the English Government. The debentures received interest at 4 per cent., payable half-yearly, at the Bank of England, on the 1st January and 1st July, and were redeemed 1st January, 1881.

On account of the £500,000 guarantee there is a further £71,400 outstanding, repayable in 1885. The debentures are "to bearer," of £500, £400, or £300 each.

Issue of 1870.—In June, 1870, the Crown Agents for the Colonies received tenders for a Four per Cent. Loan for £367,600, bearing, in addition to the security of the revenues of Jamaica, the unconditional guarantee of Her Majesty's Government. The interest is payable quarterly, on the 1st January, April, July, and October, by the Crown Agents, and the principal is redeemable at par on the 1st July, 1897. To the end of 1881 there was a sinking fund of £79,900. The debentures are in sums of £1,000, £500, £300, or £100 each. The whole was taken at and above the minimum, fixed at 104 per cent.

UNGUARANTEED LOANS.

In March, 1879, the Crown Agents for the Colonies negotiated a loan for £100,000 (part of £140,000) bearing 4½ per cent. interest, the object of which was the purchase and restoration of the Jamaica Railway.

The loan is secured on the general revenue and public assets of the Colony, and will be raised on debentures representing £500 and £100 respectively, and bearing interest from the 1st April, 1879, at the rate of 4½ per cent. per annum, payable half-yearly, at the Offices of the Crown Agents for the Colonies in London. The principal will be repaid by annual instalments, commencing in April, 1884, by means of a sinking fund, to be formed on the cumulative principle, into which the Government will pay a sum equal to 1 per cent. per annum on the total amount of debentures issued, which is calculated to extinguish the debt in about 39 years from the above date. The accumulations in this fund will be applied either to annual drawings by lot or to the purchase of the bonds in the market, at the option of the Government. The first drawing (if any) will take place in March, 1885, and thenceforward in the same month of every year. The drawn bonds will be paid off, together with the interest falling due, on the 1st of the following month. The debentures will be allotted to the highest bidders, provided the rates offered are not below £96 in money for every £100 in debentures.

The tenders amounted to £302,200, and the average price realised was £99 10s. 6½d.

In 1880, a further portion of £15,000 of this loan was offered for competition in Jamaica itself, and was taken at about 99½.

In August, 1881, the Crown Agents placed £200,000—part of £400,000, authorised for the extension of the Island Railway—in 4 per cent. debentures of £1,000, £500, or £100 each. The loan is secured on the general revenues and public assets of the Colony, and will be repayable by a 1 per cent. accumulative sinking fund, commencing in August, 1887. Interest is payable by the Crown Agents on February 15th and August 15th, and the sinking fund, when it accrues, may be applied either to drawings or to purchases of stock. The issue price was fixed at or above 98 per cent. Tenders were received for a total of £285,600. Those at and above £98 10s. 6d. received in full, and those at £98 10s. about 60 per cent.

In July, 1882, the Crown Agents brought out a Jamaica Government Four per Cent. Loan, £509,000, of which £200,000 represented the unissued moiety of the previous loan, and £309,000 represented the first instalment of the Loan of £585,000, authorised by Law 19 of 1880, for the conversion or redemption of certain Island debentures. The amounts of the bonds, the dates of interest payments, and the method of redemption are the same as in the previous loan. The minimum was fixed at 98, and the average price of allotment was £99 9s. 8d. per cent.

The external debt, therefore, stands as follows:—

Loans.	Original Amount. £	Present Amount. £	Interest Payable.	Date of Final Redemption.
4 % Guaranteed	500,000	71,400	April 1, Oct. 1	1885
4 % " 1870... ..	387,600	287,700	Quarterly	1897
4½ % " 1879... ..	140,000	115,000	April 1, Oct. 1.	} 1 % sk. fd.
4 % " 1881... ..	200,000	200,000	Feb. 15, Aug. 15.	
4 % " 1882... ..	509,000	509,000	Feb. 15, Aug. 15.	

Originally the "unguaranteed" loans bore 6 per cent. interest, but they were converted into Five per Cents. in 1871, and the most recent issues have been effected in the form of Four per Cents., at close upon par.

The gross revenue and expenditure of Jamaica are thus officially returned:—

	Revenue. £	Expenditure. £
1855.....	226,419	243,105
1860.....	262,339	255,239
1865.....	341,005	390,178
1870.....	447,044	413,387
1875.....	590,938	586,520
1876.....	572,686	537,359
1877.....	532,788	536,206
1878.....	539,476	504,568
1879.....	546,903	561,362
1880.....	598,992	687,579

These figures, however, are certainly misleading. The revenue rightly excludes receipts from loans, but the expen-

diture includes "expenditure out of loans," which in 1878-9 was £37,267, and in 1879-80, £98,218. On the other hand, the entry "sinking funds" was excluded from expenditure, and this reached £10,706 in 1878-9, and £18,019 in 1879-80. Making allowance for these discrepancies, the ordinary expenditure in 1879-80 was £607,380, and the deficit only £8,388. Apart from the outlay on the railway and the disbursement of "appropriated revenues" to roads, &c., there was an outlay of £67,438 during the year upon public works, mainly upon roads, bridges, telegraphs, and lighthouses.

The revenue was derived in 1879-80 to the extent of £258,514 from import duties, £92,770 from the rum duty, £17,861 from licences, £27,682 from the gross receipts of the Jamaica Railway, £79,384 from "revenues specially appropriated," and £27,702 from "immigration revenue," coolies being hired, as at Demerara, for periods of years, and then given the option of returning to India free of expense.

The deposits in the Government Savings' Bank were £79,686 in 1870, £228,028 in 1875, and £333,970 in 1880.

The following table contains the value of the import and export trade, exclusive of specie:—

Years Ended 30th Sept.	IMPORTS. (For Consumption only.)		EXPORTS. (Including Foreign Manufactures Re-exported.)	
	Total.	From United Kingdom.	Total.	To United Kingdom.
	£	£	£	£
1855	899,507	494,019	1,003,325	788,288
1860	1,202,854	701,211	1,225,676	991,473
1865	1,050,984	642,785	912,004	723,153
1870	1,300,212	760,431	1,283,036	1,016,289
1875	1,759,942	966,470	1,410,485	1,154,016
1876	1,700,254	967,953	1,517,015	1,227,848
1877	1,552,339	832,982	1,458,669	1,159,121
1878	1,492,722	757,077	1,210,705	954,584
1879	1,347,342	685,915	1,357,572	994,572
1880	1,475,197	777,627	1,512,978	1,018,227

The exports of Jamaica produce and manufactures in 1880 were valued at £1,427,144, and comprised 32,117 hogsheads of sugar, which, at £15 10s. per hogshead, was worth £497,824; besides 18,586 puncheons of rum, 10,188,890 lbs. of coffee, 10,215,479 lbs. pimento, 889,847 lbs. ginger, 48,024 tons dye-woods, and fruit to the value of £51,295. The fruit trade to the United States has entirely been created in the past five years; but the acreage under sugar and coffee has slightly diminished of late.

The area of Jamaica is 4,193 square miles, or about one-third that of the whole of the West India Islands belonging to Great Britain. The population in 1844 amounted to 377,433; in 1861, to 441,264; in 1871, to 506,154; and in 1881, to 580,804. Population per square mile, 138. Hitherto, about 60 per cent. of the children born have been illegitimate, and infant mortality has been excessive. Happily, there has latterly been a decrease in immorality amongst the upper classes in the island. In 1871, the white population numbered 13,101; the mixed races, 100,346; and the black, 392,707.

LABUAN.

This has not been a progressive Colony. The area is 30½ square miles, and the population, which in 1871 numbered 4,848, included 50 whites; while in 1881, it was nearly 6,000, with only 22 whites. The Oriental Coal Company stopped its operations in 1879, and the revenue has since declined. This was £9,429 in 1876, £7,541 in 1879, and to less than £6,000 in 1880; while the expenditure in 1880 was £6,440, showing a deficit for the first time for many years. There was, however, a balance of accumulated assets over liabilities of about £3,000, exclusive of £4,600 rental due by the coal company. The imports in 1880 were about £160,000, and the exports £158,000. Much of the imports are re-shipped to Brunei.

MALTA.

The debt of Malta has been returned as follows:—

	£		£
1860	88,789	1875	266,081
1865	204,114	1879	325,616
1870	246,733	1880	238,011

In reality, however, Malta has no debt, for the bulk of the above £288,012 consists of deposits in the savings' banks, while against these liabilities were—Consols (at 92), £274,794; cash, £32,873; advances made, £18,691; and an amount on

remittance, £900; making together £327,259. The surplus assets were, therefore, £39,247.

The revenue of the islands (including Gozo) was in 1860 £145,944, against an expenditure of £148,303. In 1870, the revenue was £158,631, and the expenditure £171,788; and in 1880 the revenue was £189,471, and the expenditure £169,318. In 1880, £9,391 of the revenue consisted of interest received from the Crown Agents in London.

The Colonial Statistical Abstract states the trade of Malta as under, the note to the first, third, and fourth columns, "dutiable articles only, including goods for exportation in the same vessels or transhipment."

	IMPORTS.		EXPORTS.	
	Total.	From United Kingdom.	Total.	To United Kingdom.
	£	£	£	£
1870	4,097,269	65,724	3,627,694	2,090,366
1875	10,324,587	70,984	9,500,011	5,603,957
1879	19,489,631	97,042	16,940,867	5,257,363
1880	11,459,019	105,497	10,703,921	3,759,333

It is apparent, therefore, that these figures are wholly misleading as a guide to the trade of the islands. About 95 per cent. of the imports, and practically the whole of the exports, are represented by cargoes in ships which merely touched at Malta, but neither landed nor shipped the goods. In 1879, the dutiable goods landed at Valetta, the port, were valued at £794,565, and in 1880 at £340,425. The imports from the United Kingdom are also entirely misleading, as they do not include goods free of duty, such as coal. In 1880 the import duties were £110,000.

The Malta Railway Company, Limited, was brought out in 1880, with a capital of £60,000, in £10 shares. The concession is for ninety-nine years, and the Government have the option of purchase at any time after fifteen years from the date of opening, upon certain terms, which will allow 10 per cent. for the compulsory nature of the transfer. The office is at 18, King Street, Cheapside.

The area of Malta is 119 square miles, and the population in 1861, exclusive of military, was 136,339; in 1871, it reached 141,918, and in 1881, it was 154,892. Almost all the resident population are Italian, and the wealth of the principal island is largely due to the presence of the military and naval forces.

MAURITIUS.

An Ordinance passed by the Governor and Council of Mauritius and its dependencies, dated the 29th day of April, 1862, intituled "An Ordinance for enabling the Government to pay £300,000 from the Colonial Treasury, and to borrow money on debentures to the extent of £1,000,000 for the construction of railways in the Colony," originated the debt of this Colony.

	Total Debt.
	£
1863 and 1864.....	600,000
1865.....	900,000
1866, 1867, and 1868.....	1,000,000
1869, 1870, and 1871.....	1,100,000
1872.....	1,095,500
1873.....	900,200
1874 and 1875.....	895,600
1876 and 1877.....	1,000,000
1878.....	700,000
1879 and 1880.....	799,100
1881.....	

In reality these amounts are in excess of the debt of the island. There are, apart from the railway debt, certain assets and liabilities in connection with the Savings' Bank, notes in circulation, &c. ; and on the 31st December, 1880, there was a balance of assets over such liabilities of 1,800,408 rupees, say, £150,000. The railways which are now being extended are a valuable asset. The gross receipts upon 66 miles in 1880 were 1,490,511 rs., and the working expenses 1,022,489 rs.; leaving the net receipts at 468,022 rs., say, £39,000, equal to 4·9 per cent. upon the railway debt. Including sinking funds, the annual charge of the debt is about £43,000. Practically, therefore, it does not rank as a burden upon the Colony.

The debt is accounted for as follows:—

In October, 1862, a railway loan for £1,000,000 having been authorised, the Crown Agents for the Colonies issued

a first instalment of debentures, to the amount of £200,000, under the conditions stated in the following extracts from the prospectus :—

Her Majesty's Principal Secretary of State for the Colonies having directed the Crown Agents to negotiate, on behalf of the Government of Mauritius, the loan authorised, they will be prepared to receive tenders for debentures to the extent of £200,000, being the first instalment of the said loan. The revenue of the Government of Mauritius has for many years past considerably exceeded the expenditure, and up to the present date the Colony has contracted no public debt whatever. The above loan, required exclusively for railway purposes, is secured on the general revenues and assets of the Colony, preferably to any other charges thereon; and both principal and interest are made payable either at the Offices of the Agents for the Loan, or at the Public Treasury in the Island of Mauritius, as the lender shall elect at the time of allotment. The bonds are for sums of £500, £200, and £100 each, redeemable in twenty years, and bear interest at the rate of 6 per cent. per annum, from the 15th of November next, payable half-yearly, on coupons attached thereto.

This loan is, therefore, repayable on 15th November, 1882; but part has since been converted.

In June, 1863, a second instalment of £400,000 was issued under similar conditions, excepting that one-half (£200,000) was redeemable in ten, and the other half (£200,000) in fifteen, years, from the 1st July, 1863, from which date interest commenced. Both these have since been repaid.

The balance of the Railway Loan for £1,000,000 was raised in 1865. In February that year, the Crown Agents invited tenders, debentures, and registered stock to the extent of £300,000 :—

Secured on the general revenues and assets of the Colony, of which the railways themselves, now approaching completion, form valuable portions.

The debentures will be transferable by delivery, and the stock by deed of transfer, and either will be exchangeable for the other at par, at any time, at the option of the holder, upon conditions which may be known on application to the undersigned.

The debenture bonds and stock certificates, with half-yearly dividend coupons, payable to bearer, attached to each, will be issued in sums of £1,000, £500, £200, and £100, to suit purchasers, but no fractional part of £100 will be created, or subsequently dealt with, in either of these securities.

The principal in both cases will be repaid by means of a sinking fund in thirty years from the date of issue, and interest at the rate of 6 per cent. per annum on both debentures and stock will be paid half-yearly, on the 15th February and 15th of August in each year, commencing from the 15th instant.

Principal and interest will be made payable either at the Offices of the Agents for the Loan in London, or at the Public Treasury in Mauritius, as the lender may elect at the time of allotment.

In December, 1865, the final issue of £100,000 was made. As this last issue was brought out under exactly the same conditions as that next preceding it, they are quoted as one stock in the Stock Exchange lists. This loan is repayable in February, 1895, but part has since been converted.

The years 1867 and 1868 were years of depression in this Colony, the former owing to the prevalence of fever, and the latter owing to the ravages caused by a hurricane of extraordinary violence.

In May, 1869, another Six per Cent. Loan for £100,000 was allotted, the object being to make good the damages caused by the hurricane in 1868, and to construct additional railway and other works. The whole was repaid in July, 1878, by sinking fund.

In May, 1876, the Crown Agents allotted a Mauritius Government 4½ per Cent. Loan for £100,000, the minimum of issue being fixed at 99, while the average price of allotment was £100 7s. 9d. per cent.

Both principal and interest are secured on the general revenues of the Government of Mauritius, and a sinking fund of one per cent. per annum on the cumulative principle, commencing 15th May, 1881, has been provided, which will be applied to the extinction of the debt, either by annual drawings at par, or by the purchase of the debentures in the market, as the trustees of the fund may elect. The debenture bonds, with interest coupons attached, payable to bearer, will be for sums of £1,000, £500, £200, and £100 each.

In March, 1880, holders of the Six per Cents. were given the option of converting into Four per Cents. under the "Consolidated Loan Ordinance, 1879." The official notification stated :—

The present Six per Cent. Debenture Debts of the Colony amount to £600,000, and the Crown Agents, acting under the direction of Her Majesty's Principal Secretary of State for the Colonies, are prepared to issue new debentures, bearing interest at the rate of 4 per cent., in exchange for old Six per Cents., on the following terms, viz. :—

Authority for Issue.	Loans Proposed to be Consolidated.	Principal When Due.	Unexpired Period from 15th May, 1880.	Amounts of New Debentures Offered for Every £100 of the Old.
Ordinance 19, 1862	£ 200,000	15 Nov., 1882	2 6-12 years	108
" 15, 1864	300,000	15 Feb., 1895	14 10-12 "	118
" 15, 1864	100,000	15 Jan., 1896	15 8-12 "	118

Interest on the New Four per Cents. will commence from May 15, 1880, and all interest accrued prior to that date on such of the old debentures as shall be surrendered to the Crown Agents will be paid to the respective owners, in addition to the foregoing rates of exchange. The debentures will be for sums of £1,000, £500, and £100, and fractions

of the latter amount, which may be unavoidable in the conversion, will be adjusted by the issue of one bond more or less, or by the payment or receipt of the difference in money, as the Crown Agents may elect.

The principal will be repaid by annual instalments, by means of a cumulative sinking fund, to be commenced in 1881, into which the Government of Mauritius will pay a sum equal to 1 per cent. per annum on the total amount of the debentures issued. It is calculated that the debt by this means will be extinguished in about 42 years from this date; the first repayment will be in May, 1882.

The accumulations in this fund will be applied to the above repayments, either by annual drawings, or by the purchase of the bonds in the market, at the option of the Government. Whenever a drawing is made for the allotment of such accumulations, it will take place at the Office of the Crown Agents for the Colonies, in the month of April, on a day of which due notice will be given by advertisement. The drawn bonds will be paid off at par, together with the interest falling due, on the 15th of the following month.

£245,500 of these debentures are now in existence, and the total railway debts now stand as follows:—

	Original Amount. £	Outstanding Amount. £	Date of Redemption. £
6 per Cents. issued in Oct., 1862	200,000	130,100	Nov. 15, 1882
6 per Cents. " " Feb., 1865	300,000	254,300	{ Feb. 15, 1895 Jan. 15, 1896
6 per Cents. " " Dec., 1865	100,000		
4½ per Cents. " " May, 1876	100,000	99,100	1881 to 1919
4 per Cents. " " 1880-81	...	245,500	1881 to 1922
		729,000	

The official returns of gross revenue and expenditure are as follows:—

	Revenue. (At 2s. per Rupee.) £	Expenditure. (At 2s. per Rupee.) £
1855.....	348,453	317,890
1860.....	553,419	500,854
1865.....	646,731	667,716
1870.....	608,166	591,578
1875.....	692,896	775,836
1878.....	789,553	734,578
1879.....	763,729	746,200
1880.....	782,109	757,396

At 1s. 8d. per rupee, the revenue in 1880 was £651,758, and the expenditure £631,163. The Customs yield about one-third of the entire revenue, and licences and railway gross receipts the bulk of the remainder. Harbour dues and transfer and registration fees are the two next leading items on the list.

The Municipal Corporation of Port Louis has a debt outstanding of 1,299,200 rupees (say, £108,300), against which there was a sinking fund in hand of 262,200 rupees (say, £22,000). The amount of this debt has been reduced of late years.

Year.	IMPORTS INTO MAURITIUS. (At 2s. per Rupee.)		EXPORTS FROM MAURITIUS. (At 2s. per Rupee.)	
	Total.	From United Kingdom.	Total.	To United Kingdom.
	£	£	£	£
1855	1,356,301	279,947	1,848,091	1,230,795
1860	2,769,209	578,814	2,259,640	1,446,130
1865	2,141,360	595,462	2,629,519	1,311,787
1870	2,070,158	543,752	2,086,571	547,585
1875	2,194,824	581,990	2,522,099	734,250
1876	2,284,213	343,893	3,273,822	1,383,561
1877	2,359,449	571,275	4,201,286	1,810,113
1878	2,229,346	434,515	3,777,379	785,876
1879	2,385,870	378,438	3,256,464	336,764
1880	2,210,114	384,435	3,656,656	440,626
1881				

At 1s. 8d. per rupee, the imports in 1880 were £1,841,762, and the exports £3,047,213, which materially detracts from the apparent increase. The exports to the United Kingdom have diminished in recent years, as the shipment of sugar to Australia is found to be more profitable. In 1880, the export of sugar was 2,168,788 cwts., officially valued at £3,092,764. In 1875, they were as low as 1,748,977 cwts., and in 1877 as high as 2,725,848 cwts., so much depending on the character of the season. Rum and cocoa-nut oil represent the balance of the exports.

The area of the Mauritius is 713 square miles. In 1851 the population was returned at 180,863; in 1861, at 310,050; in 1871, at 318,584, and in 1881, at 377,373, or 529 per square mile, as compared with 289 per square mile in the United Kingdom. Of this population about two-thirds are Indian immigrants.

These figures appear to include portions of the minor dependencies of Agalega, Diego Garcia, Coetioy, and St. Brandon; but cannot include any material area of the Seychelles, Amirantes, and Rodrigues, which, though placed under the same Governor, are hundreds of miles distant.

NATAL.

The Public Debt of Natal has thus been officially returned :—

	Debt. £
1860 and 1861	50,000
1862, 1863, and 1864	100,000
1865	110,000
1866	160,000
1867	213,000
1868, 1869, and 1870	268,000
1871	263,000
1872	334,400
1873, 1874, and 1875	331,600
1876	681,700
1877	1,231,700
1878, 1879, 1880, and 1881	1,631,700

This debt is composed as under :—

	Dates of Issue.	Original Amount.	Amount Outstanding.	Redeemable.	Dividends.
6 % Harbour Works Loan ...	1860-27	£ 163,000	£ 97,000	1883-57	April, Oct. 15
6 % Coole Immigration	1863-7	100,000	68,600	1886	May, Nov. 15
5 % Conversion	1872	166,100	166,100	1909	May, Nov. 15
4½ % Railway	1876-7-8	1,200,000	1,200,000	1919	Mar., Sept. 15
4½ % Coole Immigration	1877-8	100,000	100,000	1919	Mar., Sept. 16
			1,631,700		

In 1874, the interest on this debt absorbed £18,241, and in 1881, £76,741.

The debt in 1864 consisted of two loans issued in October, 1860 and 1862, respectively, of £50,000 each, in 6 per cent. debentures, interest payable half-yearly, in April and October, by coupon at the Crown Agents' Offices. For each of these loans a sinking fund of 3 per cent. is provided, which will pay them off in October, 1883 and 1885, respectively. The sinking fund is not applied annually to the redemption of debentures, but annual contributions are invested for the most part in Imperial Government securities, in the names of five trustees approved by the Secretary of State for the Colonies.

In November, 1865, a further issue of debentures for £50,000 was effected, as follows:—

Natal Government Six per Cent. Loan, £100,000, authorised by Law No. 15 of 1864.—The Crown Agents hereby give notice, that they will be prepared to dispose of the first moiety thereof by public tender. The debentures will be issued in sums of £500, £300, £200, and £100 each, bearing interest at the rate of 6 per cent. per annum, commencing from the 15th November, 1865, payable half-yearly, at the Offices of the Crown Agents for the Colonies in London, where also the principal will be finally repaid. The security offered is the general revenue of the Colonial Government, upon which the only charge that now exists is £110,000, borrowed under Law No. 8 of 1860, since the passing of which the revenue has increased upwards of 90 per cent. The money now required will be applied exclusively to the introduction of coolie labourers from India, to work on the rapidly-extending sugar, coffee, and cotton estates of Natal, and it will be repaid in thirty-one years from the 15th November, 1865, out of a fund to be formed in this country by the annual investment, under trustees, of a sum equal to 2 per cent. on the total amount borrowed.

In September, 1867, the second moiety of the loan for £100,000, authorised in 1864, was issued. The whole sum, which is redeemable in 29½ years from 1867, was issued at above 100¼. The minimum was affixed at par. Both principal and interest are payable in London.

In January, 1867, a final instalment of £65,000 of the loan for the improvement of Port Natal was raised at 95½ per cent. The bonds bear 6 per cent. interest, and are redeemable in 1887.

Thus there were previously to April, 1872, five small Six per Cent. Loans issued for this Colony of an aggregate amount of about £263,000. The Consolidated Loan Law was then published, whereby the option was afforded of converting the whole into a Five per Cent. Stock (Natal Consols) bearing interest on the 15th of May and the 15th of November, accruing from May, 1872, and the principal of which will be reimbursed in 1909. An accumulative sinking fund of 1 per cent. per annum is to be invested in Government securities on account of the redemption fund. The terms of conversion were published by the Crown Agents for the Colonies.

For £100 Old Six per Cent. Debentures of any of the above issues holders may receive £114 New Five per Cents., as above described. The new bonds will, at the option of those entitled to receive them, be drawn in sums of £1,000, £500, £200, and £100 respectively, and fractions which may be unavoidable in the conversion will be adjusted either by issue of one bond more or less, and by the payment of the difference in money. The effect of the proposed conversion, so far as the holder of the old debentures is concerned, will be that at a cost of 6s. per cent. on the annual interest he will add 14 per cent. to his capital. The proposed conversion is entirely optional with the holders.

Of the Six per Cent. Loans there were converted £97,400, but the terms were unduly favourable to the debentures having the shorter term to run.

Simultaneously with this conversion, an issue of £55,000 of the new stock was announced by the Crown Agents, and allotted at and above par.

In March, 1876, the Crown Agents placed the first portion (£350,000) of the Natal Government 4½ per Cent. Debentures, £1,200,000, authorised by the Law No. 5 of 1875, for the construction of a line from Durban to Pietermaritzburg, which, with certain branches, would be 105 miles long. The prospectus stated—

The loan is secured on the general revenue and assets of the Colony—including the proposed railways themselves—and will be represented by coupon-bearing bonds of £1,000, £500, £200, and £100 each, transferable by delivery, and redeemable in 43 years from date of issue. Interest at the rate of 4½ per cent. per annum, commencing on the 16th March, 1876, will be paid half-yearly, at the Offices of the Crown Agents for the Colonies in London.

The issue price will be £95 5s. in money for every £100 expressed in debentures. For the final repayment of the capital, a sinking fund will be formed in this country, under the management of trustees to be appointed by the Governor, with the approval of the Secretary of State for the Colonies. Commencing in 1880, a sum equal to 1 per cent. on the nominal amount of debt incurred will be paid annually into this fund, and will either be invested and allowed to accumulate at compound interest until the bonds fall due, or, at the option of the trustees, will be devoted to the gradual extinction of the debt by purchasing the debentures in the market.

In June, 1877, a further instalment (£500,000) of the above railway loan, and £50,000 for coolie immigration were placed through the same channel at the minimum of 96. The entire amount was not subscribed on the day of receiving tenders. The terms were in other respects such as are contained in the above extract.

In June, 1878, the final £350,000 of the 4½ per Cent. Railway Loan, and a further £50,000 for coolie immigration were offered at the minimum of 92½ per cent., and was duly taken up at that price.

Law No. 35 of 1882 provides for the raising of a new loan for £1,700,000, of which £1,200,000 will be for the purpose of a railway, Pietermaritzburg to Ladysmith, about 25 miles from the Drakensburg, which is expected to attract through traffic from the Orange Free State, besides £50,000 to cover the deficit on the previous Railway Loan, £200,000 for public works, and £250,000 for the Imperial Government as a contribution towards the Zulu War expenses.

The foregoing do not include the Durban and Pietermaritzburg (Corporation) Loans offered in the English market in 1867. The Durban Loan for £50,000 bears 8 per cent. interest, and is redeemable in 40 years. The Pietermaritzburg Loan for £13,000 bears 6 per cent. interest, and is redeemable in 40 years. In 1880, the revenue of Durban was £20,234, and that of Pietermaritzburg, £46,971.

The revenue and expenditure are thus returned :—

	Revenue.	Expenditure.
	£	£
1855	34,050	33,894
1860	86,859	80,385
1870	126,293	117,010
1875	260,272	307,026
1876	265,532	261,934
1877	272,473	283,823
1878	369,384	434,632
1879	473,478	491,884
1880	582,715	494,436
1881		

The railway, which was opened throughout on 1st December, 1880, now swells both revenue and expenditure. Some Customs dues are levied on the Coast, while the natives are made to pay a hut-tax of 14s. per annum. All trade with the Dutch Republics is free. The Customs in 1866 realised £29,505; in 1870, £45,571; in 1875, £114,500; and in 1880, £

The value of the commerce of Natal is estimated as follows, exclusive of specie :—

Year.	IMPORTS.		EXPORTS.	
	Total.	From United Kingdom.	Total.	To United Kingdom.
	£	£	£	£
1855	86,551	46,022	52,073	23,148
1860	354,987	269,280	139,698	81,508
1865	455,206	369,990	210,254	160,271
1870	429,527	363,099	382,979	260,486
1875	1,268,838	1,076,057	835,643	639,087
1876	1,022,890	869,003	657,390	501,243
1877	1,167,402	945,069	689,817	518,715
1878	1,719,562	1,336,835	694,192	524,165
1879	2,176,356	1,760,429	583,711	494,470
1880	2,336,584	1,980,211	890,869	641,798
1881				

The imports consist mainly of British manufactures; while the exports in 1880 were—wool, £529,321, largely from the

Dutch Republics; sugar, £215,191; hides, £47,938; and ostrich feathers, £9,264. The exports of ivory dwindled down to £7,020. The great excess of imports over exports is open to modification, no record of the trade with the Orange Free State, or the Transvaal and Zululand, being kept. Recently, too, the wars have caused large importations for the troops, and have at the same time caused colonial produce to be consumed more largely in the country. The laying down of capital in the Colony represents the balance.

In 1880, according to the "field cornets," there were 80,992 acres under cultivation by Europeans and 216,493 acres by natives, showing considerable increase. The native cultivation, however, is very wasteful, no manure being applied, and as soon as the soil becomes unproductive fresh ground is broken and the old abandoned. The deforestation of the country thus caused will have to be checked.

The leading banks in Natal are the Standard Bank of British South Africa, Limited, and the Bank of Africa, Limited (see the "Cape of Good Hope"), and the Natal Bank, an undertaking with a paid-up capital of £84,122, and over half-a-million deposits.

The area of Natal is 18,750 square miles. The population in 1851 was 120,627; in 1861, 152,704; in 1871, 289,773; and in 1881, 428,209, comprising 26,730 Europeans, 18,887 Indians (coolies—many of whom having served their time are now prosperous shopkeepers—pedlars, &c.), and 382,592 natives. It has, however, been found impossible to take a census at present, and the Administrator writes—"I have very little faith in even the approximate accuracy of these figures, and believe the numbers under each head but the last to be considerably under-estimated."

NEWFOUNDLAND.

The Public Debt of the Island of Newfoundland is held exclusively in the Colony itself. The total amount on the 31st December, 1880, was \$1,451,080; and, expressed in sterling, was as follows in the years mentioned:—

Amount.		Amount.	
£		£	
1855	151,805	1876	274,873
1860	182,139	1877	275,135
1861	182,139	1878	280,769
1865	197,506	1879	302,352
1870	242,254	1880	302,289
1875	262,232	1881	

The whole is repayable at various dates, and the principal portion bears 5 per cent. interest. The interest in 1879 was \$68,436. By an Act passed in 1879, the profits of the Savings' Bank (about £3,000 a-year) is applied to redemption of debt.

The revenue and expenditure have thus been returned:—

	Revenue.	Expenditure.
	£	£
1860	133,608	132,667
1865	130,448	156,454
1868	179,340	173,439
1870	183,290	147,844
1875	205,505	205,931
1877	188,571	202,251
1879	261,865	222,011
1880	205,231	230,311
1881		

Three-fourths of the revenue is derived from Customs.

The value of the import and export trade of Newfoundland is as follows:—

Year.	IMPORTS.		EXPORTS.	
	Total.	From United Kingdom.	Total.	To United Kingdom.
	£	£	£	£
1855	1,152,804	375,637	1,142,212	393,349
1860	1,254,128	489,969	1,271,712	353,025
1865	1,104,084	429,415	1,144,375	343,678
1870	1,386,635	583,833	1,297,974	427,694
1875	1,532,944	535,386	1,340,000	443,678
1877	1,534,090	556,979	1,425,329	611,238
1879	1,512,708	458,349	1,233,109	430,757
1880	1,451,300	540,810	1,174,124	366,038
1881				

The principal export is codfish, of which 985,134 quintals were shipped in 1880, valued at £683,950. The largest shipment was in 1874, namely 1,249,320 quintals. These figures, however, do not include the fish caught on the coast of Labrador. In addition, cod-oil, £120,280; seal-oil, £128,101; seal-skins, £43,584; and copper-ore, £91,842, were exported in 1880. The imports are mainly clothing materials, flour, pork, and tropical food products.

In July, 1882, Messrs. Melville, Evans, and Co., offered for subscription £400,000 Newfoundland Railway First Mortgage Six per Cent. Land Grant Bonds, at the price of £98 per £100 bond. The issue forms a first mortgage upon the southern division, which comprises the line and branches connecting St. John's and Harbour Grace, one-third being completed. The bonds are also secured by the grants of land, and by an annual subsidy, equal to £108 per mile, payable by the Newfoundland Government for thirty-five years, which amounts on this section to £10,800 annually. The proceeds of land sales are to be applied to the redemption of the bonds by purchases at the current market price, but not exceeding 120 per cent.

The area of Newfoundland is about 40,200 square miles. The population in 1845 was 96,506; in 1857, it was 122,638; in 1869, it was 146,536; and in 1881, it was 179,509. The population is, therefore, under $4\frac{1}{2}$ per square mile, and there is a large French element. Newfoundland has resisted all overtures to be incorporated in the Canadian Dominion.

NEW SOUTH WALES.

The debt of this Colony has been thus returned from 1850 to 1881 :—

	Population.	Debt.		Population.	Debt.
		£			£
1850.....	265,503	57,500	1866.....	431,412	6,418,030
	(Victoria separated.)		1867.....	447,620	6,917,630
1851.....	187,243*	187,100	1868.....	466,765	8,564,830
1852.....	208,254	212,000	1869.....	485,356	9,546,030
1853.....	231,088	312,000	1870.....	502,861	9,681,130
1854.....	251,315	392,000	1871.....	503,981*	10,614,330
1855.....	277,579	1,011,300	1872.....	539,190	10,773,230
1856.....	266,189*	2,099,400	1873.....	560,275	10,842,415
1857.....	305,487	2,306,150	1874.....	584,278	10,516,371
1858.....	342,062	2,797,090	1875.....	606,652	11,470,637
	(Queensland separated.)		1876.....	629,776	11,759,519
1859.....	336,572	3,519,530	1877.....	662,212	11,724,419
1860.....	348,546	3,830,230	1878.....	693,743	11,688,119
1861.....	350,860*	4,017,630	1879.....	734,232	14,937,419
1862.....	367,495	5,802,980	1880.....	739,385	14,903,919
1863.....	378,934	5,802,980	1881.....	748,882*	16,947,119
1864.....	392,589	5,231,348	1882.....	... (say)	18,930,000
1865.....	411,388	5,749,630			

* Census Returns.

This debt, which prior to 1872 was raised at the uniform rate of 5 per cent. interest, but has since been largely increased in the form of Four per Cents., has for the most part been incurred in the establishment of railways, of which there were 1,041½ miles in operation at the end of 1881, and a further mileage under construction. Various sums have, however, been expended upon waterworks, sewerage, and immigration; and the following is a condensed summary of that expenditure to the 31st December, 1880 :—

	£
Railways	12,641,021
Telegraphs	444,355
Immigration	569,930
Sewerage and Water Supply, Sydney—Old Works	400,000
Compensation to the Municipal Council of	
Sydney for land resumed under the Water Supply	
Act, 17 Vict., No. 35	43,262
New Water Supply Works	28,368
New Sewage Works	4,481
Public Works, Queensland, when it formed part of	
New South Wales	49,855
Harbours and Rivers Navigation Improvements...	1,021,490
Public Works and Buildings	920,736
Roads and Bridges	429,920
Loans repaid under various Acts	1,335,230
Total	17,888,648

Public Debt of New South Wales Raised and Outstanding on 30th September, 1881.—Continued.

Services.	Authority.	Amount of Debentures and Funded Stock Sold.	Amount Raised.	Paid Off.	Outstanding.	Due Dates.	Rate of Interest.	Annual Interest on Total Loan Outstanding for Each Service.
Brought forward								
Railways and Public Works	25 Vic, No. 19	4,253,390	4,148,847	1,644,200	2,609,130	Jan. 1, 1892	5 per cent.	130,456
"	26 Vic, No. 14	1,782,300	1,686,828	...	1,782,300	Jan. 1, 1895	"	89,115
Public Works	27 Vic, No. 14	162,000	136,729	...	162,000	Jan. 1, 1895	"	8,100
To pay off Debentures	29 Vic, No. 5	300,000	565,484	300,000	...	Jan. 1, 1895	"	33,500
Public Works and Immigration	29 Vic, No. 9	219,400	270,252	...	219,400	Jan. 1, 1896	"	10,970
Public Works	29 Vic, No. 23	758,000	718,845	...	758,000	July 1, 1896	"	37,900
"	30 Vic, No. 23	65,800	61,902	...	65,800	Jan. 1, 1897	"	3,290
Railways	31 Vic, No. 21	1,000,000	981,655	218,900	781,100	Various years.	"	89,055
Public Works	31 Vic, No. 27	177,400	178,055	200	177,200	July 1, 1898	"	8,360
"	32 Vic, No. 13	197,800	196,625	100	197,700	Jan. 1, 1899	"	9,885
"	34 Vic, No. 2	407,100	403,321	...	407,100	July 1, 1900	"	20,355
Public Works and other purposes	Under various Acts.	450,000	439,787	...	450,000	July 1, 1900	"	22,500
"	35 Vic, No. 5	374,900	375,425	...	374,900	July 1, 1901	"	18,745
"	36 Vic, No. 2	406,800	422,687	7,500	399,300	July 1, 1902	"	19,965
Railways	36 Vic, No. 17	1,901,500	1,725,681	...	1,901,500	July 1, 1903	4 p. ct.	76,060
Public Works	39 Vic, No. 18	162,000	154,713	...	162,000	July 1, 1906	"	6,490
"	38 Vic, No. 2	3,249,500	3,178,374	...	3,249,500	1908 & 1909	"	129,980
"	40 Vic, No. 12	...	...	...	...	...	"	...
"	41 Vic, No. 4	...	...	...	...	...	"	...
Public Works	41 Vic, No. 7	2,050,000	2,120,000	...	2,050,000	July 1, 1910	"	82,000
"	43 Vic, No. 11	...	...	...	...	...	"	...
"	44 Vic, No. 12	...	...	...	...	...	"	...
"	44 Vic, No. 28	...	...	...	...	...	"	...
FUNDED STOCK.								
Public Works and other purposes	36 Vic, No. 21	18,587,880	17,968,672	2,170,900	16,416,980	Interminable	"	747,216
"		530,189	509,780	...	530,189	Interminable	"	21,208
Totals		19,118,019	17,478,452	2,170,900	16,947,119		"	768,424

There was a further £2,000,000 issued in June, 1882.

The following statement gives the surplus railway receipts, less the deficiency in the Telegraph Department, which in the years named was appropriated in reduction of the interest charge upon the debt:—

	Surplus Railway Revenue.*	Deficiency in the Telegraph Department.	Together.	Total Interest on the Debt.	Net Charge Covered from Other Sources.
	£	£	£	£	£
1870	89,765	520	89,245	486,662	397,417
1875	284,842	17,030	267,812	542,278	274,466
1877	345,194	20,480	324,714	566,524	241,810
1878	161,839	23,703	138,136	560,752	422,615
1879	147,746	29,911	117,835	556,239	438,404
1880	348,719	29,893	318,826	686,394	367,567
1881 .....	...	...	...	...	...

* These figures, though official, apparently understate the railway net revenue, which, from a return quoted later, would appear to have been considerably larger in every year. But even upon the basis of these figures, the interest of the debt, which in 1880 was £268,394 gross, or 18s. 6d. per head, was reduced to £367,567 net, or to barely 10s. per head.

With respect to the loans placed on the London market, the interest is in all cases made payable on the 1st January and 1st July, at the Bank of New South Wales, and the principal is repayable at various dates up to the year 1910. The debenture bonds are in sums of £100, £500, or £1,000 each (except a small number of £10 bonds repayable in 1883), and are secured upon the general revenues of the Colony.

In February, 1866, the Oriental Bank Corporation invited applications for a 5 per cent. loan for £700,000, with interest and principal payable either in London or Sydney. This has since been repaid.

In September, 1866, the Oriental Bank Corporation successfully issued a short-dated debenture loan for £850,000, at the price of £90 for each £100. The bonds carried interest at 5 per cent. per annum, and were redeemed by annual drawings, to the extent of £100,000, commencing in December, 1867, the entire loan being paid off by the 1st June, 1875.

In May, 1867, a 5 per cent. loan for £832,000 was issued by the Oriental Bank Corporation. The bonds were offered at 85½ per cent., at which price they were all taken up. The instalments were payable over a period of six months; and the loan is redeemable in January, 1895, at par. Principal and interest are payable in London.

In January, 1868, tenders were invited by the Oriental Bank Corporation for £758,000 in 5 per cent. debentures, redeemable

in 28½ years—that is, on 1st July, 1896. The money was to be applied to harbours, railways, and other productive works. The issue price was fixed at 94 per cent., and the whole was floated at £94 3s., and above.

In October, 1868, Messrs. Rothschild and the Bank of New South Wales received tenders for £1,000,000 for railway purposes, in 5 per cent. debentures. The interest is payable half-yearly in London, and the loan is redeemable at par by a 2 per cent. accumulative sinking fund, applied annually. The instalments fell due over a period of six months, and the whole was placed at and above £98 0s. 6d. per cent. The amount outstanding is £752,100, and the whole is repayable by 1898.

In October, 1870, the Bank of New South Wales invited applications in London for a 5 per cent. loan for £578,000, of which £128,000 will be repayable in January, 1899, and £450,000 in July, 1900, either in Sydney or London. The debentures bore interest from the 1st July, 1870. The entire issue was allotted at and above £98 3s. 6d. per £100 debenture.

In March, 1871, the Bank of New South Wales negotiated a loan here for £407,100 in 5 per cent. debentures, bearing interest from the 1st January in that year. The principal is payable at par, either in Sydney or London, on the 1st July, 1900. The whole was taken up at and above £98 16s.

In October, 1872, a loan in 5 per cent. debentures, to the amount of £406,800, was placed above par entirely in Sydney. The issue, however, finds an official quotation in the London Daily Stock and Share List, and the bulk of the bonds are now over here. The principal is repayable in 1902, but £7,500 appears already to have been redeemed.

At the end of 1872, the first 4 per cent. loan was placed in the Colony itself. The amount was £500,000 nominal, the debentures being all subscribed for at and above the Government limit of 86.

In June, 1873, the Treasurer issued a further £509,780 of Four per Cent. New Funded Stock in the Colony, bearing quarterly interest, and the whole was taken up at once. So that in 1872 and 1873 New South Wales borrowed at home in preference to the London market.

In December, 1874, the Bank of New South Wales allotted here £1,000,000 (part of an authorised issue of £1,901,500), in

4 per cent. debentures, for railway purposes, at the price of 90 per cent. The prospectus contained the following :—

The loan will be issued in debentures of £1,000, £500, and £100 each, bearing interest at 4 per cent. from the 1st January, 1875, and the coupons of the said loan are payable on the 1st January and the 1st July, in each year, at the Treasury in Sydney, or at the Office of the Banking Agents in London.

The principal will be payable on the 1st July, 1903, either in Sydney or in London, at the option of the holder.

In December, 1875, the Bank of New South Wales placed £901,500, being the balance of the above loan for £1,901,500. The minimum was fixed at 92½, and the whole was allotted at and above £92 13s. The principal will be payable on the 1st July, 1905, either in Sydney or in London, at the option of the holder.

For some time after this New South Wales borrowings were restricted; but in May, 1879, the Bank of New South Wales received tenders at 97 (the actual allotment was made at and above £98 8s.), for £3,249,500, in 4 per cent. debentures, of which £1,749,500 are redeemable in January, 1909, and £1,500,000 in July, 1908. This issue formed part of loans authorised in 1874, 1876, and 1877 for railways and other public works, and bears interest payable in London or Sydney.

In June, 1881, another 4 per cent. loan was negotiated here through the same bank, the amount being £2,050,000, and the minimum price of issue 102. Applications reached £4,086,300, and only tenders at and above £103 8s. were successful. The principal is repayable on the 1st July, 1910, either in London or Sydney.

In June, 1882, the Bank of New South Wales invited tenders for £2,000,000, in 4 per cent. debentures, at the minimum of 102. Like its predecessors, this loan was obtained for railways and other productive works. As in the case of all the foregoing loans, the debentures are of £1,000, £500, or £100 each, secured on the consolidated revenues of the Colony, and the prospectus contained this provision :—

An Act is now prepared, and will be submitted during the next Session of Parliament in Sydney, for the conversion of this loan into inscribed stock at the option of the holder.

The principal will be repayable on the 1st July, 1910, either in Sydney or London, at the holder's option. The applications for this loan reached £4,206,300, and the allotment was made at the average price of £102 2s. 11d. per cent.

The range of market values in the leading New South Wales securities was as follows in the years named :—

	5% DEBENTURES.				4% DEBENTURES.	
	Redeemable 1888-92.		Redeemable 1899-1900.		Redeemable 1903.	
	Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.
1865	96	89	...	...	...	...
1870	103½	96	...	...	...	...
1875	111	105	111	105	97½	90
1878	111	103	111½	104	104	95
1880	112	103	116	105	105	95
1881	112	104	116	109	106½	100

The public income and expenditure in each of the following years have been as follows :—

	REVENUE.		EXPENDITURE.	
	Ordinary.	Derived from Loans.	Ordinary.	Out of Loans.
	£	£	£	£
1850	575,794	57,917	567,165	...
1855	800,989	859,721	886,724	788,300
1860	1,487,228	560,729	1,321,724	726,231
1865	2,016,216	298,578	2,016,216	554,278
1870	2,575,309	85,106	3,298,353	660,089
1871	2,238,900	1,380,709	2,518,732	595,923
1872	2,812,012	568,436	2,696,048	652,437
1873	3,324,713	217,270	2,333,166	427,286
1874	3,509,966	365,560	2,939,227	575,732
1875	4,121,996	902,358	3,341,324	1,255,224
1876	5,033,828	1,220,505	4,749,013	1,198,333
1877	5,748,245	1,025,839	4,627,979	1,020,877
1878	4,983,864	750,095	5,672,154	1,018,276
1879	4,475,059	2,426,918	5,839,150	2,164,171
1880	4,904,230	828,394	5,560,078	2,496,992
1881	6,714,327	...	5,157,113	...

These totals are official, but, nevertheless, they are misleading in many ways. Outstandings from previous years are included in the ordinary expenditure, which it would be more accurate to state at £4,853,557 in 1879, at £4,914,013 in 1880, and at £5,157,113 in 1881, the figures in the latest year not being final. The revenue in 1880 was derived to the extent of £1,188,930 from Customs, and the total raised from taxation was £1,417,293; while the land revenue produced £1,646,435 (including land sales, £1,177,386); the railway receipts, £1,189,564; and the Post Office, £286,184—all these items being gross receipts. The two most improving sources

of income in recent years have been the land revenue and the railway receipts, details of which are given below :—

	Land Sales.	Rents, &c.	Total Land Revenue.
	£	£	£
1871.....	...	...	261,401
1877.....	...	...	2,967,857
1879.....	1,215,700	416,324	1,632,024
1880.....	1,177,386	469,049	1,646,435
1881.....	2,229,986	591,017	2,821,003

Up to the close of 1880, the Colony had sold 33,269,766 acres, realising £30,296,717; leaving 164,602,234 acres still "unalienated."

With respect to the earnings on the 1,041 miles of railway opened to 31st December, 1881, upon which so much of the debt has been expended, the following figures show the progress made over a period of ten years :—

	Miles Open.	Gross Earnings.	Working Expenses.	Net Receipts.	Per Mile.
		£	£	£	£
1870.....	329 ...	307,142 ...	206,003 ...	101,139 ...	= 300
1875.....	437 ...	614,648 ...	296,174 ...	317,474 ...	= 726
1877.....	643 ...	815,920 ...	418,985 ...	396,935 ...	= 617
1879.....	736 ...	952,366 ...	604,721 ...	347,645 ...	= 472
1880.....	849½ ...	1,189,564 ...	840,845 ...	348,719 ...	= 646
1881.....	1,041½ ...	1,459,684 ...	...	...	= ...

At the end of 1880 there were 456 miles of line under construction in the Colony, the whole being Government property.

The trade of the Colony of New South Wales may be summarised thus—

Years.	IMPORTS.		EXPORTS.		
	Total.	From United Kingdom.	Total.	Including Gold.	To United Kingdom.
	£	£	£	£	£
1855.....	4,668,519	2,710,267	2,884,130	209,250	1,499,792
1860.....	7,519,285	4,160,307	5,072,020	1,876,049	1,482,717
1865.....	9,928,595	4,349,371	8,191,170	2,647,668	3,319,628
1870.....	7,757,281	3,200,706	7,990,038	1,585,736	2,492,460
1871.....	9,609,508	3,252,617	11,245,032	2,074,937	4,378,281
1872.....	9,208,496	3,728,457	10,447,049	2,111,231	4,926,728
1873.....	10,471,483	5,137,139	9,387,873	2,590,145	6,657,559
1874.....	11,293,739	4,888,725	12,345,603	1,875,081	5,737,066
1875.....	13,490,200	6,062,226	13,671,580	2,097,740	6,374,503
1876.....	13,672,776	5,763,533	13,003,941	1,589,854	5,918,187
1877.....	14,606,594	6,471,780	13,125,819	1,824,188	6,018,926
1878.....	14,768,873	6,658,628	12,965,879	1,699,953	5,516,437
1879.....	14,198,847	6,749,519	13,086,819	696,327	5,148,609
1880.....	13,950,075	6,536,661	15,525,138	838,419	7,525,637
1881.....	17,409,326	...	16,049,503	...	...

In 1880, New South Wales exported no less than 162,486,322 lbs. of wool, valued at £8,437,534; besides tin, £708,735; coal, £427,612; copper, £426,906; cattle, £454,754; tallow, £396,916, also some sugar and maize.

The sugar-growers are "protected;" but otherwise, this Colony is the champion of Free-trade in Australia; with the striking result that the Customs' receipts are practically as great as in Victoria, although Victoria protects all internal industries.

In 1852, the production of the New South Wales gold fields was valued at as much as £2,660,946, being the highest amount raised in any one year. From this period to 1855 there was a very rapid decrease, the value then being only £613,148. A steady increase, however, took place up to 1862, when the amount raised was valued at £2,360,383; after which there was a gradual falling-off, until in 1870 the value was £916,409. An increase to £1,634,821 took place in 1872, since which the decline has been marked, the amount raised in 1879 being only £399,187. A branch of the Royal Mint has been established in Sydney, for details respecting which see "Bullion and Coinage."

The mineral wealth of the Colony now lies chiefly in its coal, tin, and copper. In 1870, the coal raised was 868,564 tons, value £316,836; in 1879, the quantity was 1,583,381 tons, value £950,879; and in 1880, the quantity was 1,466,180 tons, value £625,336.

The remarkable adaptability of New South Wales for sheep-farming will be gathered from the following figures:—

	Horses. No.	Cattle. No.	Sheep. No.	Pigs. No.	Land Under Tillage. Acres.
1860...	233,220	2,408,536	6,119,163	180,662	260,798
1870...	337,597	2,195,096	16,308,585	243,066	426,976
1880...	395,984	2,580,040	32,399,547	308,205	706,498

Large numbers of cattle have gone to Queensland. The acreage under wheat and vines has increased of late years, but that of maize is stationary.

In 1880, the highest shade temperature in Sydney was 95° in November, and the lowest, 39° in July. In 1878, the highest temperature was 103°.

The banks in the Colony rendering sworn returns under

Act 4 Vict., No. 13, are the following, these figures representing the averages in the final quarter of 1881:—

	Deposits.	Notes.	Total Liabilities	Coin and Bullion.	Discounts, Loans, and Advances.	Total Assets.
	£	£	£	£	£	£
Bank of New South Wales ...	5,390,171	459,956	5,882,825	944,854	4,912,954	7,453,888
Commercial Banking of Sydney ...	5,314,493	459,562	5,842,846	661,776	5,587,620	7,073,373
Bank of Australasia ...	1,156,516	100,098	1,260,990	233,409	1,149,065	1,440,011
Union of Australia ...	1,068,462	39,832	1,116,322	181,412	1,157,268	1,370,832
Australian Joint Stock ...	2,467,222	277,366	2,809,079	418,059	2,631,411	3,540,066
London Chartered of Australia ...	399,390	28,933	434,219	88,122	608,307	725,163
English, Scottish, and Australian ...	1,067,815	63,408	1,140,575	95,153	1,247,113	1,377,539
City ...	1,100,901	43,579	1,147,414	204,396	1,174,054	1,476,155
Oriental Bank Corporation ...	733,878	46,256	826,347	123,054	730,487	1,011,470
Mercantile Bank of Sydney ...	886,588	13,459	916,023	130,282	1,092,822	1,344,843
Bank of New Zealand ...	473,677	...	644,186	59,242	589,822	672,964
Queensland National ...	221,981	...	324,188	279,981	41,671	323,153
Sydney and County ...	36,990	4,111	41,102	47,085	13,082	60,999
	20,306,015	1,539,250	22,394,316	3,467,816	20,935,506	27,870,483

The statistics relative to these banks show rapid development.

	LIABILITIES.			ASSETS.	
	Deposits.	Notes.		Coin and Bullion.	Discounts, Loans, and Advances.
	£	£		£	£
1873	10,279,324	1,001,845	1,951,807	9,712,895	
1875	13,650,892	1,114,411	2,422,547	12,483,712	
1878	16,722,458	1,170,970	2,224,756	17,080,227	
1880	17,883,024	1,260,772	3,463,563	17,210,205	
1881	20,306,015	1,539,250	3,467,815	20,935,595	

The area of New South Wales is 310,938 square miles. The population per square mile in 1881 averaged 2·4.

NEW ZEALAND.

The Public Debt of New Zealand was returned as follows in each of the undermentioned years, the figures including the Provincial Government Loans, taken over by the Colonial Government, when the provincial governments were abolished:—

	GROSS DEBT.			Sinking Fund in Hand.	Net Debt.
	State.	Provincial.	Total.		
1856	£ 77,174	£ ...	£ 77,174	£ ...	£ ...
1860	594,044	...	594,044	...	...
1862	600,000	236,000	836,000	...	...
1865	3,017,282	1,351,400	4,368,682	...	...
1866	3,418,054	1,917,675	5,435,729	...	...
1867	3,848,844	1,932,350	5,781,194	298,991	5,483,203
1868	3,916,544	3,266,200	7,182,744	348,831	6,833,913
1869	4,201,316	3,159,300	7,360,616	340,533	7,020,033
1870	4,543,316	3,298,575	7,841,891	457,344	7,384,447
1871	5,493,316	3,407,675	8,900,991	503,544	8,397,447
1872	6,507,111	3,478,275	9,985,386	657,064	9,328,322
1873	7,427,523	3,486,413	10,913,936	804,635	10,109,301
1874	9,844,824	3,522,112	13,366,936	958,001	12,408,935
1875	13,937,185	3,502,846	17,440,031	1,100,119	16,299,912
1876	15,169,164	3,509,007	18,678,111	1,289,956	17,388,155
1877	Not distinguished		20,691,111	1,438,838	19,252,273
1878	later.		22,608,311	1,678,127	20,930,183
1879			23,958,311	1,805,231	22,153,079
1880			28,583,231	2,000,320	26,582,911
1881			29,165,511	2,057,241	27,108,269
1882			29,946,711	2,266,417	27,680,293

The composition of the debt on 31st December, 1880, was as follows:—

Loans.	DEBITURES AND TREASURY BILLS.		Sinking Funds Accumd.	Net Indebtedness.	ANNUAL CHARGE.			
	Amount Authorised.	Amount in Circulation.			When Redeemable.	Interest Fund.		Total.
						Rate.	%		Rate.	%
Under Acts of the Colonial Government— Ordinance of Legislative Council.....	...	811	On presentation	£	311	Over-due.	£	...
"New Zealand Loan Act, 1866" (Home guaranteed)	500,000	375,000	January, 1888	...	...	4	2	30,900
"New Zealand Loan Act, 1866" (Home guaranteed)	500,000	50,000	October, 1888	877,286	122,714	4	2	7,448
"New Zealand Loan Act, 1860"	150,000	50,000	October, 1888	62,524	80,576	6	2	96,792
"New Zealand Loan Act, 1863" (£200,000 Home guaranteed)	3,000,000	83,100	1st July, 1891	432,533	1,068,967	5	1	278,706
"Consolidated Loan Act, 1867"	7,000,000	488,000	15th July, 1914	...	...	4	2	...
"Defence and Other Purposes Loan Act, 1870"	1,000,000	500,000	1st November, 1915	...	...	6	2	...
"Immigration and Public Works Loan Act, 1870" (£200,000 Home guaranteed)	4,000,000	201,500	15th March, 1891	1,041,314	7,618,786	6	2	55,123
"North Otago District Public Works Loan Act, 1872"	70,000	238,000	15th June, 1891	...	...	6	2	...
"General Purposes Loan Act, 1873"	750,000	83,900	15th December, 1891	...	...	5	2	...
Carried forward.....	...	4,583,100	About 36 years from issue	1,916,907	9,623,004	5	1	688,513
		64,000	1st January, 1893	...	...	5	4	...
		15,000	15th April, 1913	...	...	5	5	...
		600,000	About 36 years from issue	...	...	5	5	...
		30,000	1st January, 1893	...	...	4	4	...
		75,000	15th April, 1913	...	...	4	4	...
		5,000	1st July, 1910	...	...	4	4	...
		250,000	Not later than 15th July, 1906	...	...	4	4	...
		3,100,000	About 36 years from issue	...	...	5	5	...
		372,100	15th April, 1913	...	...	5	5	...
		200,000	Not later than 1st Feb., 1904	...	...	4	4	...
		500,000	1st June, 1907	...	...	4	4	...
		27,900	15th April, 1882	...	...	4	4	...
		17,000	Not later than 1st Nov., 1902	...	...	4	4	...
		12,300	15th May, 1914	...	...	5	5	...
		49,500	15th December, 1881	...	...	4	4	...
		20,900	15th October, 1883	...	...	4	4	...
		18,500	15th October, 1913	...	...	4	4	...
		6,200	15th October, 1885	...	...	4	4	...
		142,600	Various	...	...	5	5	...
		500,000	Not later than 15th July, 1906	...	...	5	5	...
		11,786,911		1,916,907	9,623,004			688,513

Loans.	DEBENTURES AND TREASURY BILLS.		When Redeemable.	Sinking Funds Accrued.	Net Indebtedness.	ANNUAL CHARGE.		
	Amount Authorised.	Amount in Circulation.				Interest Rate.	Sinking Fund.	
							Rate.	Total.
	£	£		£	£	%	£	
Brought forward .....	...	11,788,911	.....	1,916,907	9,823,004	...	685,513
Under Acts of the Colonial Government—Continued.								
"Wesland Loan Act, 1873"	50,000	50,000	15th April, 1894	929	46,071	5	2,500	
"Immigration and Public Works Loan Act, 1873"	2,000,000	{ 1,500,000 500,000	Not later than 1st Feb., 1904	...	2,000,000	{ 4 1/2 5	92,500	
"Immigration and Public Works Loan Act, 1874"	4,000,000	4,000,000	Not later than 1st Feb., 1905	...	4,000,000	4 1/2	180,000	
"New Zealand Loan Act, 1876"	4,000,000	4,000,000	1888 to 1st March, 1918	...	4,000,000	5	200,000	
"New Zealand Loan Act, 1877"	2,500,000	2,500,000	1st November, 1889	...	2,500,000	5	125,000	
"New Zealand Loan Act, 1879"	5,000,000	3,121,900	1st November, 1929	...	5,575,680	{ 5 4	106,065	
Do, part converted into Treasury Bills—	...	3,453,720	.....	...	5,575,680	...	138,149
"Treasury Bills Extended Currency Act, 1873" .....	...	180,000	1st November, 1882	...	180,000	3/4d. per diem.	9,264
"Treasury Bills Extended Currency Act, 1876" .....	...	60,000	1st November, 1883	...	60,000	3/4d. per diem.	3,088
"Financial Arrangements Act, 1876" .....	...	23,900	1st November, 1881	...	23,900	3/4d. per diem.	1,280
"Treasury Bills Act, 1879" .....	...	310,100	31st December, 1883	...	310,100	3/4d. per diem.	15,980
"Treasury Bills Act, 1880" .....	...	283,400	30th June, 1883	...	283,400	3/4d. per diem.	13,857
Under Acts, &c., of the late Provincial Governments—								
"Auckland Loan Act, 1867"	500,000	81,600	33 years from issue	9,488	22,112	6	2,528	
"Wellington Loan Act, 1868"	50,000	13,500	1st July, 1886	6,584	6,946	2	1,350	
"Nelson Loan Act, 1874"	30,000	18,000	10 and 20 years from issue	...	18,000	7	1,280	
"Lyttelton and Christchurch Railway Loan Ordinance, 1869"	300,000	77,700	30 years from issue	82,172	46,528	6	6,216	
"Canterbury Loan Ordinance, 1868"	500,000	23,900	50 years from issue	3,192	20,608	6	1,596	
"Otago Loan Ordinance, 1862"	500,000	116,700	1st July, 1886	35,077	84,683	6	8,169	
Advances secured on Debentures & Treasury Bills—								
"Immigration and Public Works Loan Act, 1870" .....	...	37,983,231	.....	2,000,320	35,982,911	...	1,443,975
"Treasury Bills Act, 1879" .....	...	100,000	.....	...	100,000	Various	0
.....	...	500,000	.....	...	500,000	3/4d. per diem.	25,784
.....	...	28,383,231	.....	2,000,320	26,582,911	...	1,469,709

Part of this debt has been expended in defensive measures against the Maories, and upon the railways up to the 31st March, 1881, a total net expenditure of £9,355,497 had been incurred. In the revenue accounts for the year 1880 the railway receipts were £840,559, while the working expenditure was £533,274, leaving the net sum derived from this source at £307,285, which deducted from the annual charge of £1,469,709 would leave £1,162,424 to be provided from other sources. As the population on April 3, 1881, was 489,933, exclusive of Maories, the gross charge per head was £3, and the net charge £2 7s. 5d. These provisions, however, included large sinking funds. In 1881, the railways were more productive, yielding a net revenue of £368,500.

The terms upon which the principal descriptions of debt were raised must now be set forth, and it may be remarked that the loans are all secured on the general revenues of the Colony. The following prospectus, issued in June, 1864, gives the conditions under which the first instalment of the loan of £3,000,000, authorised in 1863, was issued:—

New Zealand Government Debenture Loan, £3,000,000 Sterling.—Authorised for defraying the cost of suppressing the present rebellion, for the introduction of settlers from Australia and Great Britain, and for other public purposes. A Bill is now before Parliament, which, if passed, will extend the guarantee of the Imperial Government to one-third of the above loan. The other two-thirds will be offered to the public by instalments, in debentures, transferable by delivery, and bearing interest at the rate of 5 per cent. per annum. The Crown Agents for the Colonies now offer the first instalment of the above loan, amounting to £1,000,000 sterling, to public competition by tender. The debentures are for sums of £500, £200, and £100 each, with interest coupons attached, redeemable in fifty years from the 15th July next (that is, in 1914), and bearing interest from the same date at the rate of 5 per cent. per annum, payable half-yearly on the 15th January and 15th July each year. Both principal and interest are made payable at the Offices of the Crown Agents for the Colonies in London. The debentures will be allotted to the highest bidders, provided the rates offered are not below the minimum. The Act provides for the annual payment out of the revenue of the Colony of a sum of money equal to 1 per cent. on the amount borrowed, for the formation, under proper trustees, of a sinking fund for the final liquidation of the debt.

The second instalment of £500,000 Four per Cents., issued in 1865, was taken by the Imperial Government in part payment of a debt. The Imperial Government guarantee this portion of the loan.

In 1866, the third instalment of this loan appeared, which was offered under the following altered conditions:—

New Zealand Government Six per Cent. Loan, £3,000,000.—The

Crown Agents for the Colonies invite subscriptions for the third instalment of the above loan, amounting to £500,000, in bonds of £1,000, £500, £200, and £100 each, bearing interest at the rate of 6 per cent. per annum from the 15th March, 1866. The price of issue will be £90 in money for every £100 in debentures, payable at the Bank of England. Both principal and interest are made payable at the Offices of the Crown Agents for the Colonies in London, the former at £100, on the 15th March, 1891, and the latter half-yearly, on the 15th March and 15th September of each year. Provision has been made for the payment annually to public trustees appointed in this country of a sum equal to 2 per cent. on the total amount borrowed, for the formation of an accumulating fund for the final liquidation of the debt. A large portion of the money now required will be applied to the redemption of other debentures already in circulation in this country and shortly falling due, and the remainder to defraying the cost of suppressing the rebellion, now rapidly drawing to a close, to immigration, and other public purposes.

In March, 1865, the Colonial Government issued Treasury bills to the amount of £400,000, authorised by Act of Legislature, intituled "Debentures Act, 1864," in anticipation of a further issue of the loan of £3,000,000 authorised by the Loan Act, 1864. The Debentures Act in question authorised an issue of bills to the amount of £1,000,000, under the distinct understanding that they were to be redeemed out of the proceeds of the £3,000,000 Permanent Loan of 1864.

The Treasury bills were issued in sums of £100 and £1,000 each, with the coupons attached, bearing interest at the rate of 8 per cent. per annum from the date of issue, viz., 1st April, 1865, payable half-yearly on the 1st January and 1st July, redeemable as follows:—

£	
1st Series,	100,000, on 31st Dec., 1866, 21 months' currency.
2nd "	150,000, on 30th June, 1867, 27 " "
3rd "	150,000, on 31st Dec., 1867, 33 " "

The whole of this issue was not, however, allotted.

In November, 1866, tenders were invited for the fourth instalment of the Six per Cent. Loan for £3,000,000. The amount (£100,000) was allotted at 92½ per cent. Applications were received for £1,054,000.

In December, 1866, tenders for the fifth instalment, amounting to £250,000, of the Six per Cent. Loan for £3,000,000 were received by the Crown Agents. £2,100,000 had been subscribed for in previous instalments. The lowest price of allotment was 95 per cent. The bonds were for sums of £1,000, £500, £200, or £100 each, bearing interest from the 15th December, payable half-yearly at the Office of the Crown Agents. The principal is to be redeemed on the 15th June, 1891, a 2 per cent. sinking fund being set aside for the

purpose. Treasury bills falling due might be given in payment of deposits.

In 1867, the sixth instalment, for about £150,000, followed.

In November, 1867, the balance of £505,400—less £35,000 exchanged for Treasury bills—was issued at and above 104½ per cent. The minimum was fixed at 102½ per cent. The terms of issue were similar to the foregoing. A large proportion of this final issue was absorbed in payment of Treasury bills.

About this time a number of Provincial Government Loans were brought out, of which the following were the most important. They were afterwards taken over by the New Zealand Government.

Provincial Loan (Canterbury).—Six per Cent. Loan, redeemable 1915. Amount, £300,000. All was not floated at the minimum of 92 per cent.

Provincial Loan (Wellington).—Eight per Cent., for £50,000, redeemable 1886. The whole was allotted in January, 1867, at 106 per cent. minimum.

Provincial Loan (Auckland).—Six per Cent., for £200,000, redeemable in 33 years. This was a second instalment of £500,000. The whole was not at first issued at 95 per cent., the reserve price.

FIVE PER CENT. CONSOLIDATED DEBT.

In May, 1868, a new Five per Cent. Loan was issued at 97 per cent. The amount issued was £1,114,000, but £2,260,700 was applied for. More than half this loan was, however, expended in taking up unissued portions of the Provincial Loans.

These numerous loans, with their different conditions, creating some confusion in dealings, a consolidation and conversion of all Government and Provincial Loans was determined on, and proved, for the most part, successful. By a Colonial Act passed in 1867, the "Consolidated Loan" was authorised; and in May, 1868, it was brought before the public. A Five per Cent. Government Debenture Stock was created, with interest payable quarterly, in January, March, July, and October, in London or New Zealand. The principal is repayable by a 1 per cent. accumulative sinking fund, to be applied annually in March, by which means the debt will be liquidated in 36 years. The bonds are for £1,000, £500,

£200, or £100 each; and the particulars of the conversion were—

For every £100 General Government Five per Cents., payable in 1914, holders may receive £99 10s. New Five per Cents., as above described.

For every £100 General Government Six per Cents., payable in 1891, the holders may receive £113 10s. in the New Five per Cents.

For every £100 Six per Cents. of the Provincial Governments of Auckland, Canterbury, Otago, and Hawke's Bay, payable from 1879 to 1914, the holders may receive £109 in the New Five per Cents.

In addition, Otago Ten per Cent., 1868, received 101 per cent.; Otago Eight per Cent., 1873, 1874, and 1875, received 112, 113, and 115 per cent.; Canterbury Eight per Cent., 1872, received 109½ per cent.; Wellington Eight per Cent., 1877 and 1886, received 118 and 128½ per cent.; besides which the Nelson and Taranki Seven, Eight, and Ten per Cents. received similar proportions.

Three further issues of New Zealand Five per Cent. Consols have been effected, raising the total to £7,283,100, of which there had been redeemed in July, 1882, £1,232,100, leaving outstanding, £6,051,000.

In March, 1871, the Crown Agents for the Colonies invited tenders in the following terms:—

New Zealand Government Loans, £5,000,000, of which £1,000,000 is authorised by the "Defence and Other Purposes Loan Act, 1870," and £4,000,000 by "The Immigration and Public Works Loan Act, 1870," including £1,000,000 guaranteed by the Imperial Parliament under Act 33 and 34 Vict., cap. 40.

The Crown Agents for the Colonies invite tenders for the first instalment of the unguaranteed portion of the above loan, amounting to £1,200,000. The loan will be raised on debentures representing £1,000, £500, £200, and £100 respectively, and bearing interest at the rate of 5 per cent. per annum, commencing from the 15th April, 1871, payable quarterly, by coupon, at the Offices of the Crown Agents for the Colonies in London. The principal will be repaid at the same place at par by a 1 per cent. cumulative sinking fund, commencing on the 15th April, 1875, and thenceforward applied by annual drawings to the extinction of the debt. The drawings will take place in the month of March of each year, commencing in 1876.

This £1,200,000 was placed at an average of £95 16s. 6d. per cent.

In April, 1872, a further £1,000,000 of the unguaranteed portion of the above loan was taken at a minimum of £100 1s., the average price being £100 10s. 5d.

In July, 1873, the sum of £500,000 of the unguaranteed portion was subscribed for at £102 10s. per cent.; while in the same month £200,000, out of the £1,000,000 guaranteed 4 per cent. interest by the Home Government, was offered, but not taken up, owing to the official minimum being fixed too high.

In January, 1874, New Zealand brought out a 4½ per Cent.

Loan for £500,000, forming part of the loan authorised in 1870, of which £2,500,000 had been raised, partly in London, and partly in Australia and New Zealand.

The agents for raising the loans authorised by the above-named Acts invite subscriptions for the final instalment of the unguaranteed portion of the above loan, amounting to £500,000. The price of issue will be £98 in money for every £100 in debentures, payable at the London and Westminster Bank. The loan will be raised on debentures representing £1,000, £500, £200, and £100 respectively, bearing interest at the rate of $4\frac{1}{2}$ per cent. per annum, commencing on the 1st February proximo, payable by coupon at the Offices of the Crown Agents for the Colonies in London on the 1st February and 1st August in each year. The principal will be repaid at par not earlier than five years and not later than thirty years from the date of the debentures, the Government reserving to itself the right of paying it off on the 1st February or 1st August of any intermediate year, upon giving six months' notice by advertisement in the *London Gazette* and the *Times* newspaper of its intention to do so.

In May, 1874, the "Agents for New Zealand Government Loans," at the Office of the Crown Agents for the Colonies, invited subscriptions, at 98 per cent., for $4\frac{1}{2}$ per Cent. Debentures to the amount of £1,500,000, representing the first instalment of a loan for £2,000,000, authorised by the Immigration and Public Works Loan Act, 1873. The terms as to interest and redemption were precisely the same as those of the preceding issue.

In February, 1875, a considerably more important issue was effected as a $4\frac{1}{2}$ per Cent. 5-30 Years' Loan, on similar conditions as the foregoing, only that the issue price was reduced to 94 per cent., payable by instalments extending over a period of six months. The amount of this issue was £4,000,000, as appeared from the following notification:—

The General Assembly of New Zealand in Parliament assembled has, by the Immigration and Public Works Loan Act, 1874, authorised a loan of £4,000,000, of which £3,000,000 are for the construction of railways, £500,000 for other public works, and £500,000 for immigration.

Messrs. N. M. Rothschild and Sons have to announce that they are authorised to receive, at their Office, subscriptions for this loan. The scrip, which will be signed by two or more of the loan agents, will be issued by Messrs. N. M. Rothschild and Sons; but the subsequent instalments will be payable at the offices of the Bank of New Zealand, in London, where the scrip will be exchanged for the bonds after payment of the last instalment.

In July, 1876, the "Agents for New Zealand Government Loans" brought out at the minimum price of par the New Zealand Government Five per Cent. 5-30 Loan (£1,250,000), forming the last issues under "The Defence and other Purposes Loan Act, 1870," "The Immigration and Public Works Loan Act, 1873," and "The General Purposes Loan Act, 1873."

The undersigned, agents for raising and managing the loans authorised under the above-cited Acts, hereby give notice, that they are prepared to receive tenders on behalf of the Government of New Zealand for debentures bearing interest at the rate of 5 per cent. per annum, and representing altogether £1,250,000. The loan will be raised on debentures of £1,000, £500, £200, and £100 respectively, bearing interest from the 16th July, 1876. The principal will be repaid at par at the Offices of the Crown Agents for the Colonies in London not earlier than 5 years, and not later than 30 years, from the 16th July, 1876, the Government reserving to itself the right of paying it off on the 15th January or 15th July, of any intermediate year, upon giving six months' notice in the *London Gazette* and the *Times* newspaper of its intention to do so. Interest will be paid at the same place half-yearly, on the 15th January and 15th July of every year.

Upon tenders being opened only £184,000 was found to have been applied for, but the whole was allotted a few days later.

In June, 1878, the New Zealand Government Five per Cent. 10-40 Debenture Loan, £3,500,000, authorised by the New Zealand Loan Acts, 1876 and 1877, for carrying on public works and immigration, for redeeming £1,000,000 short-dated debentures, and for meeting certain Provincial liabilities defined in "The Financial Arrangements Act, 1876," was brought out at par by the Bank of England. The bonds are of similar amounts to preceding loans, and interest is payable on the 1st March and 1st September. The prospectus stated—

The principal will be repaid at par, not earlier than 10 years, nor later than 40 years, from the date of issue, the Government reserving to itself the right of redemption on the 1st March or 1st September of any year, after the year 1887, upon giving six months' notice in the *Times* and *London Gazette* newspapers of its intention to do so. Both interest and principal will be made payable at the Offices of the Crown Agents for the Colonies in London.

In December, 1879, the Bank of England issued the New Zealand Government Five per Cent. Loan, £5,000,000, authorised by the New Zealand Loan Act of 1879, for carrying on public works and immigration, and for redeeming £800,000 guaranteed debentures. The terms of the prospectus were peculiar, and are given below :—

The Governor and Company of the Bank of England, on behalf of the agents appointed for raising and managing the loan under the above Act (Sir Penrose Julian, K.C.M.G., C.B., Sir Julius Vogel, K.C.M.G., and Captain Ommanney, R.E.), are authorised to receive, on Thursday, the 11th inst., applications for New Zealand Government Five per Cent. Debentures of £1,000, £500, and £100 respectively, bearing interest from the 1st November, 1879, redeemable at par 10 years from date of issue, with option to holders to convert into inscribed stock on the terms hereinafter set forth. Both interest and principal of the debentures will be made payable at the Offices of the Crown Agents for the Colonies, Downing Street, London. The issue

price will be at the rate of £97 10s. in money for every £100 expressed in debentures. Scrip certificates to bearer will be issued after payment of the instalment due on allotment, and upon payment in full the scrip may be converted into inscribed stock, on or after the 16th March, 1880, or exchanged for debenture bonds (with coupons payable the 1st May and 1st November of each year), at the Bank of England, at an early date, of which due notice will be given.

The following are the conditions upon which the purchasers or holders of the scrip or debentures above described may, at their option, convert them into inscribed stock. The stock will bear interest at the rate of 4 per cent. per annum, payable half-yearly at the Bank of England (dividend warrants being transmitted by post if desired), on the 1st May and 1st November of each year, until the 1st November, 1929, when the capital will be repaid at par. The books of the stock will be kept at the Bank of England, *where all assignments and transfers will be made free of stamp duty*; and holders of the stock may, if they so desire, be furnished with stock certificates, transferable to bearer, with coupons attached, which certificates may be re-inscribed as stock at the will of the holder. Every £100 represented by debentures will be convertible into £120 of inscribed stock. The conversion may be effected on the above terms at any time between the 16th March, 1880, and the 16th March, 1881.

The applications reached £12,000,000. The result of the option was that all but £524,000 of these Five per Cent. Debentures were converted into Four per Cent. Inscribed Stock, of which there is now £5,371,200 upon the books of the Bank of England.

New Zealand pledged herself not to bring out any further public loan for three years from January, 1880.

The highest and lowest prices of New Zealand securities in some recent years are thus recorded:—

	6 per Cent. 1891.	5 per Cent. Consolidated.	4½ per Cent. 5-30's.	Auckland City 6 per Cents.
1867.....	110 to 95	.....	.....	.....
1870.....	111 104	100½ to 93	.....	.....
1872.....	115 108	104½ 101	.....	.....
1874.....	115 109	106½ 102½	100 to 96	.....
1876.....	117 111	106½ 100½	99 92½	109 to 103
1878.....	117 111	108 98	100 90	110 104
1880.....	115 108	105½ 99	101 92	114 104
1881.....	115 110	106½ 100	104 96	117 110

CITY AND HARBOUR LOANS.

About thirty Boroughs and nine Harbour Boards have raised loans, bearing 5, 5½, 6, 7, or 8 per cent. interest. The following figures, relating to the year ended 31st March, 1881,

are furnished respecting all such local bodies which have borrowed £30,000 or upwards :—

Cities.	Popula- tion, April, 1881.	Rateable Value.	Revenue.	Loans Out- standing, Mar. 31, 1881.	Interest Rate.
		£	£	£	Per Cent.
Auckland	16,664	161,817	49,341	235,500	6
Christchurch	15,213	220,625	33,985	35,000	6
Dunedin	24,372	285,240	86,137	600,000	5, 6, 7
Invercargill	4,596	59,000	13,763	80,000	6
Napier	5,756	56,248	11,040	70,000	6
Nelson	6,764	55,808	11,852	35,900	6
Oamaru	5,791	49,370	15,376	160,000	7
Port Chalmers	2,181	14,354	3,771	30,000	7
Timaru	3,917	51,000	6,351	60,000	7
Wanganui	4,646	46,220	5,514	37,100	6, 7
Wellington	20,563	216,294	57,281	430,000	6
65 Boroughs	194,981	1,835,123	354,005	1,844,007	

Harbour Boards.	Exports in 1880.	Revenue.	Loans Out- standing, Mar. 31, 1881.	Interest Rate.
	£	£	£	Per Cent.
Auckland	758,271	23,212	147,000	6
Bluff	309,817	3,627	50,000	6
Lyttelton	1,525,416	43,443	200,000	6
New Plymouth	(P)	5,902	198,000	6
Napier	555,474	6,603	75,000	7
Oamaru	35,133	13,383	191,300	5½, 6
Otago	1,644,951	51,113	247,500	6
Wanganui	94	4,866	77,000	6
24 Harbour Boards	6,352,692	179,558	1,195,800	

Auckland.—In January, 1875, the City of Auckland, through the Bank of New Zealand, placed a Six per Cent. Loan for £100,000, in bonds of £100 each, at the issue price of £98, or 1½ per cent. above the published minimum. The National Bank of New Zealand are now the agents for this city. The bonds are redeemable in London by four equal instalments, in November, 1899, November, 1904, November, 1914, and November, 1924. Interest is payable here on the 20th May and 20th November. The loan is “issued under authority of the Auckland Waterworks Act, 1872, for the purpose of authorising the Municipal Council of the City of Auckland to

raise money for constructing waterworks to supply the city with water, and secured by a special annual recurring rate, and a domestic water rate." Amount unconverted, £91,800.

In 1879, a Six per Cent. Loan for £25,000 was issued, redeemable in 1926. Interest is payable on the 20th May and 20th November. Amount unconverted, £23,100.

In August, 1880, the National Bank of New Zealand received tenders for £55,000 of the City of Auckland Six per Cent. Consolidated Debentures, being part of £250,000, the balance of which was reserved for the conversion of the previous waterworks loans, and of loans authorised in the Colony. The minimum price was 108 per cent., interest accruing from May last. The total amount applied for was £384,700. The loan was placed at an average price of £110 4s. 4d. per cent. This loan is redeemable in 1930, bears interest on the 1st May and 1st November, and the amount issued is £123,600.

Auckland Harbour.—In June, 1875, the Bank of New Zealand, as agents for the Auckland Harbour Board, allotted £100,000 (part of £150,000) Six per Cent. Auckland Harbour Board Bonds, at the average price of 98½ per £100 debenture. Interest is payable by coupons, half-yearly, at the Offices of the Bank of New Zealand in London, or by arrangement in Melbourne, Sydney, or New Zealand, at the option of the holder, on the 10th January and 10th July in each year. The bonds are to be redeemed at par by the application to annual drawings of a 1 per cent. accumulative sinking fund, commencing in January, 1879. The amount outstanding is £145,300.

Bluff Harbour.—The Six per Cent. Loan of 1879 was placed by the Colonial Bank of New Zealand at and above 95 per £100 bond. Interest accrues on the 30th June and 31st December, and the principal is redeemable in 1913.

Christchurch.—The City of Christchurch Six per Cent. District Drainage Loan of £200,000 was brought out by the Bank of New Zealand in January, 1877, and £100,000 was first issued bearing date 18th October, 1876. Interest is payable on the 30th June and 31st December, and the principal on the 30th June, 1926. The minimum was fixed at 98 per £100 debenture, and the allotment was made above par. In 1879, the balance was placed, the minimum being fixed at 103.

Dunedin.—In March, 1875, the Bank of New Zealand publicly allotted £65,000, balance of a "present issue of £117,000," forming part of £200,000 City of Dunedin Waterworks Six per Cent. Debentures of £100 each. The price of issue was 99, or 97½, allowing for interest accrued. Interest

is payable on the 1st January and 1st July in London, Dunedin, or Melbourne, and the principal at par in January, 1925.

In February, 1876, the same bank offered the "Municipality of Dunedin Six per Cent. Loan of £300,000. Present issue, £201,200, of which £101,200 are reserved for conversion of the existing General Debt of the Municipality." Interest is payable on the 1st January and 1st July, and the principal on the 1st January, 1906.

In August, 1878, the Bank of New Zealand brought out the "Municipality of Dunedin Five per Cent. Consolidated Loan of £600,000, in debentures to bearer of £100, £250, and £500, interest payable on the 1st April and 1st October," of which £370,900 was reserved for conversion of the loans previously issued, and £229,100 was then issued for gas, water, and other municipal purposes, the minimum being fixed at 95 per cent. The debentures are of £100, £250, or £500 each, and the principal is repayable at par on 1st April, 1908, a 1 per cent. sinking fund being invested for that purpose. Of this loan £312,200 has been issued, and the amount outstanding of the two 6 per cent. loans is altogether £200,700.

Invercargill.—The Bank of Australasia are agents for two 6 per cent. loans (the first for £60,000 and the second for £20,000), both bearing interest on 1st January and 1st July, with principal redeemable part in 1893 and part in 1910.

Lyttelton Harbour.—In 1879, the Bank of New Zealand placed a 6 per cent. loan at 102 per £100 debenture. Interest is payable on the 1st January and 1st July, and the principal in July, 1929. There is a sinking fund of $\frac{1}{4}$ per cent. per annum.

Napier.—In May, 1879, the Union Bank of Australia received tenders, at the minimum of 98, for £60,000 (balance of £70,000), raised for drainage purposes. Interest is payable on the 1st January and 1st July, and the principal in 1914.

Napier Harbour.—In August, 1876, the Bank of Australasia invited tenders at par for the Napier Harbour Board Seven per Cent. Loan of £75,000. The bonds are of £100 each, bear interest on the 1st January and 1st July, and are redeemable on the 1st July, 1911.

New Plymouth Harbour.—In September, 1879, the Bank of New Zealand issued £200,000 in New Plymouth Harbour Board (New Zealand) Six per Cent. Debentures, between 95 and 97 $\frac{1}{4}$. The bonds are of £500, £250, or £100 each, bearing interest on the 1st May and 1st November, and the principal is repayable on the 1st May, 1909.

Oamaru.—In February, 1878, a Seven per Cent. Municipal

Corporation Waterworks Loan for £60,000 was issued through the Union Bank of Australia. Interest is payable on the 1st February and 1st August, and the principal in 1907. The minimum was 102½ per £100 debenture.

In 1880, another Seven per Cent. Waterworks Loan was issued by the same bank, the amount being £50,000, with interest payable on the 1st January and 1st July, and the principal on the 1st January, 1910.

Oamaru Harbour.—In March, 1877, Six per Cent. Mortgage Debentures of £100 each were issued through the Union Bank of Australia to the amount of £65,000. Interest is payable on the 1st February and 1st August, and the principal is repayable at par by annual drawings of 1 per cent., accumulative, commencing in December, 1879.

Otago Harbour.—In March, 1876, the Colonial Bank of New Zealand brought out the Otago Harbour Board Six per Cent. Loan of £100,000, in debentures of £100 each, the minimum being par. They were, however, placed at and above 101½. These bonds are registered, and interest is payable on 1st January and 1st July, and the principal by 1 per cent. accumulative drawings from 1880.

In December, 1877, the same bank placed the Otago Harbour Board Six per Cent. Loan of £120,600, at and above 102½. Interest and principal are payable as above.

In June, 1881, the same bank issued the Otago Harbour Board Six per Cent. Loan of 1881, to the extent of £100,000, at and above £105 1s. per £100 debenture. Interest is payable on 1st January and 1st July, and the principal on the 1st January, 1921.

Timaru.—In 1880, the Bank of New Zealand negotiated a 7 per cent. Loan for the Borough of Timaru. The amount is £60,000, with interest payable on 1st January and 1st July, and the principal on 1st July, 1910. The minimum issue price was 102 per £100 debenture.

Wanganui.—In October, 1875, the Bank of New South Wales received subscriptions for the Wanganui Borough Corporation Waterworks Six per Cent. Loan for £30,000. The debentures, all of £100 each, bear interest by coupon on the 1st May and 1st November, until redemption on the 1st November, 1894. The minimum price was fixed at par.

Wanganui Harbour.—In June, 1880, the National Bank of New Zealand received tenders at not less than 95 for £60,000,

part of £100,000 authorised. The bonds are of £250 or £100 each, and bear interest on 1st June and 1st December, while the principal is repayable, by means of a sinking fund of 1 per cent. per annum, on 1st June, 1905.

Wellington.—In March, 1877, the Bank of New Zealand issued City of Wellington (New Zealand) Six per Cent. Consolidated Debentures, bearing 6 per cent. interest. The amount was £200,000, all in bonds of £100 each. Interest is payable on 30th June and 31st December, and the principal is redeemable in 1907. The minimum was par.

In August, 1879, the Six per Cent. Improvements Loan, to the amount of £100,000, was issued through the same bank. Interest is payable on 1st March and 1st September, and the principal in September, 1929. The loan was placed at and above 104.

In January, 1880, Six per Cent. Waterworks Debentures, to the amount of £130,000, were floated by the Bank of New Zealand. Interest and principal are payable as in the preceding loan. The loan was placed at and above £103 15s. 6d. per £100 debenture.

The revenue and expenditure of New Zealand have been as follows:—

	REVENUE.			EXPENDITURE.
	Ordinary.	Land.	Total.	
	£	£	£	£
1855	111,234	62,300	173,534	...
1860	233,108	215,760	448,868	...
1865	936,945	500,045	1,436,990	2,906,332
1870	960,368	327,589	1,287,957	2,697,393
1871	921,672	377,699	1,299,371	2,657,587
1872	1,005,942	618,772	1,624,714	2,238,520
1873	1,487,393	1,265,788	2,753,181	2,119,524
1874	1,873,448	1,150,900	3,024,348	3,035,711
1875	2,047,234	688,722	2,735,956	3,431,973
1876	2,391,344	1,149,622	3,540,966	4,305,337
1877	2,340,841	1,575,182	3,916,023	3,822,426
1878	2,653,708	1,509,181	4,167,889	4,365,275
1879	2,766,834	318,661	3,085,495	3,845,036
1880	2,895,128	389,914	3,285,042	4,019,851
1881	3,488,170	317,063	3,805,233	3,616,896

In 1879, the Customs tariff was materially raised. In 1880, the revenue derived from Customs was £1,264,807, while the railway receipts were £840,559; the land sales produced £339,129, and the post and telegraph receipts were together £219,654. The outlay upon the postal and telegraph departments, however, was £268,127.

The value of the commerce of this Colony is thus officially given:—

Years.	IMPORTS. (Including Bullion and Specie.)		EXPORTS. (Including Bullion and Specie.)		
	Total.	From United Kingdom.	Total.	Gold. New Zealand Produce.	To United Kingdom.
	£	£	£	£	£
1855...	813,460	328,909	365,868	17,585	30,869
1860...	1,548,333	878,569	588,953	24,568	421,428
1865...	5,594,977	2,606,994	3,713,218	2,226,474	1,186,085
1870...	4,639,015	2,685,736	4,822,756	2,157,585	2,488,916
1871...	4,078,193	1,808,636	5,282,084	2,787,520	2,767,831
1872...	5,142,951	2,685,160	5,190,665	1,730,992	3,259,586
1873...	6,464,687	3,781,130	5,610,371	1,987,425	3,702,416
1874...	8,121,812	5,481,036	5,251,269	1,505,331	3,769,174
1875...	8,029,172	5,103,610	5,828,627	1,407,770	4,227,760
1876...	6,905,171	4,451,269	5,673,465	1,268,559	4,533,389
1877...	6,973,418	4,115,544	6,327,472	1,496,080	5,321,499
1878...	8,755,663	5,333,170	6,015,700	1,240,079	4,727,242
1879...	8,374,585	5,302,823	5,743,126	1,134,641	4,171,915
1880...	6,162,011	3,479,217	6,352,692	1,220,263	4,767,068
1881...	7,457,045	4,530,316	6,060,866	996,867	4,475,601

Wool has since 1871 taken the place of gold as the leading export of New Zealand. In 1880, the export of wool (66,860,150 lbs.) was the largest on record. In value, however, the 64,481,324 lbs. shipped in 1877 exceeded by nearly half-a-million the total in 1880, the wool exports in the latter year being returned at £3,169,300. In this year the wheat exports were £632,943; oats, £169,662; Kauri gum, £242,817; tallow, £146,535, and barley, £84,783.

Apart from gold, there has yet been very little development of mineral-raising in New Zealand. The soil, however, is remarkably fertile, the temperature very even, and the yield per acre of grain and potatoes is much in excess of the other Australasian Colonies. The land under cultivation has, consequently, greatly increased of late.

	Total under Cultivation, including Sown Grass.	Wheat.	Oats.	Barley.	Potatoes.
	acres.	acres. bushels.	acres. bushels.	acres. bushels.	acres. tons.
1870	997,477	77,843 1,833,548	121,829 3,802,729	22,866 577,667	10,901 56,039
1880	4,506,889	324,933 8,147,705	215,007 6,891,251	46,877 1,221,241	22,530 111,329

The wheat yield per acre in 1880 was 25 bushels; oats, 32 bushels; barley, 26 bushels, and potatoes nearly 5 tons. The increase in live stock has also been remarkable.

	Horses. No.	Cattle. No.	Sheep. No.	Figs. No.
1861	28,275	193,285	2,761,583	43,270
1871	81,028	436,592	9,700,629	151,460
1878	137,768	578,430	13,069,338	207,337
1881	161,736	698,637	12,985,085	200,083

New Zealand railways are mostly constructed upon the 3 ft. 6 in. gauge, though a portion are 4 ft. 8½ in. In 1873 there were only 14½ miles of line open; in 1875, 542 miles; and the following results have since been obtained:—

	Mileage.		Capital.	Revenue.	Ex- penditure.	Net.
	Open.	Con- structing.				
			£	£	£	£
1876-7..	860	304	6,765,862	469,051	337,445	131,606
1878-9..	1,140	204	8,428,625	758,096	545,479	212,617
1879-80	1,172	257	8,460,210	762,572	580,010	182,556
1880-1..	1,277	192	9,866,238	836,454	521,958	314,119
1881-2..	...	...	...	884,000	515,500	368,500

The growth of banking in the Colony is shown below:—

	LIABILITIES		Coin and Bullion.	ASSETS.	
	Notes.	Deposits.		Discounts and Advances.	
	£	£	£	£	£
1871	566,019	3,402,014	1,302,266	3,733,856	
1873	695,578	4,713,807	1,582,158	5,382,200	
1876	874,517	6,238,471	1,614,918	9,854,267	
1879	950,426	8,021,074	1,915,574	13,748,713	
1880	918,297	8,538,936	2,116,578	11,642,283	
1881	880,938	8,964,064	2,070,530	11,970,132	

The banks comprised in this statement are :—

	Notes. £	Deposits. £	Coin and Bullion. £	Discount and Advances. £
Bank of New Zealand	445,983	4,313,571	738,969	5,921,757
Union of Australia, Limited...	109,881	1,043,343	395,554	1,344,997
Bank of New South Wales ...	74,803	834,616	319,261	1,085,524
Bank of Australasia	57,830	505,193	124,419	921,253
National of New Zealand, L.	101,933	864,925	281,120	1,612,554
Colonial of New Zealand	90,506	801,407	211,113	1,084,011
	880,938	8,964,064	2,070,530	11,970,132

New Zealand consists of two principal Islands, also Stewart Island and Chatham Islands in the South, and comprises an area of 105,342 square miles. In April, 1881, the population of the North Island was 193,047, that of the Middle Island 296,349, that of Stewart Island 295, and Chatham Islands 242; or in all 489,933, including 5,004 Chinese and 2,044 half-castes. These figures excluded Maories, 44,099, the numbers of which were 45,470 in 1873. The white population in 1851 numbered 26,707; in 1861, it was 98,971; and in 1871, it was 266,986. Latterly, a more pacific spirit has been established amongst the Maories, who formerly had caused a great deal of difficulty and expense in the administration of the Northern Island.

At the close of 1880, the *Economist* thus commented upon the position of New Zealand :—

Of all our Colonies, it must be admitted that few have such excellent natural gifts as New Zealand. Its climate is admirably adapted to Englishmen—the temperature in summer never rising to the height it does here, while in winter frosts are unknown anywhere near the sea-level; and the regular rainfall adapts it well for pasturage, for which it has been estimated some two-thirds of its area of 105,000 square miles is available. Then, again, there are few countries on the face of the globe better provided with natural harbours, and though the rivers are small—because it is difficult to find a spot inland which is as much as 100 miles from the coast, and they, therefore, travel but short distances—they are exceedingly numerous. Then, again, it possesses nearly the same proportion of sea-coast per square mile of area as the mother country, and far more than any other of our great Colonies; and though there may be as much difference between the nature of different coast-lines as there is between the character of one area of country and another, New Zealand has certainly nothing to fear by comparison in this respect. But more striking than all this has been the growth of the population and of land under cultivation. We have referred to the enormous growth of the population; but since 1873 certainly not one-half of that increase has been due to the excess of births over deaths within the Colony. In 1874, the net immigration was 38,106; in 1875, it was 25,270; in 1876, it was 11,955; in 1877, it fell to 6,376; while in 1878, it recovered to 10,502. A great portion of this immigration was “assisted.” In the past nine years the debt has grown to the extent of no less than 200 per cent. But not only has the debt been trebled. Almost every important town and harbour board in the Colony has raised loans recently in this country. This raises the

amount of the New Zealand indebtedness to the mother country to a sum larger than is owed by any other Colony, with the exception of the Canadian Dominion, a country with a population nearly twice as numerous as all Australasia put together. Nor can this be looked upon as the full extent of New Zealand's liabilities to us. For instance, the Bank of New Zealand has 24,451 shares upon its London register; other New Zealand banks draw capital and deposits from England, and many land mortgage and trust companies have drawn large amounts from hence to New Zealand in the shape of capital, deposits, and debentures. In this way it seems probable that this young Colony has accumulated fully £35,000,000 of debt to a country 14,000 miles away, which at so low an interest charge as 5 per cent. will absorb an annual payment to us of £1,650,000, or of £3 13s. 4d. per head on a present population of, say, 450,000 souls. That this is an enormous burden cannot but be admitted, for it will necessitate a "balance of trade" in favour of (that is, out of) New Zealand to that extent to keep up a monetary equilibrium between the two countries. India has apparently learnt the lesson of a constant excess of exports, but New Zealand is very far from mastering it at present.

It cannot be doubted, however, that New Zealand finance has made a considerable stride in the past two years.

QUEENSLAND.

This Colony was separated from New South Wales at the end of 1879, when the population numbered 28,056. In 1861, the first portion of the Public Debt was contracted. The following is a statement of the debt at the end of each of the years mentioned:—

Population.			Debt.		
Population.			Debt.		
Population.			Debt.		
1861.....	34,885	£ 70,000	1872.....	...	4,547,850
1862.....	...	123,800	1873.....	...	4,786,850
1864.....	...	548,800	1874.....	...	5,253,350
1865.....	87,804	1,131,550	1875.....	...	6,439,250
1866.....	...	2,150,300	1876.....	187,100	6,439,250
1867.....	...	3,344,000	1877.....	...	7,685,350
1868.....	...	3,459,686	1878.....	...	8,935,350
1869.....	...	3,459,750	1879.....	...	10,192,150
1870.....	...	3,509,250	1880.....	...	12,192,150
1871.....	120,104	4,047,850	1881.....	218,159	13,249,086

The loans thus represented have been incurred for the following purposes:—

Immigration	£ 1,252,000
Improvement of harbours and rivers	915,500
Railways	7,508,918
Electric telegraphs.....	429,100
Public buildings.....	539,855
Roads and bridges.....	642,686
Loans to Municipalities for water supply and other works....	691,250
Other Services	1,269,777
	<hr/>
	13,249,086

An official memorandum states—

“By the Local Government Act, no Municipality, Road-District, Harbour-Trust, or other local body can borrow money except from the Central Government. The above sum,

therefore, represents the total public indebtedness of the Colony, including that of Municipalities, Public Trusts, and all other local bodies, with a few unimportant exceptions, incurred before the Act came into operation." This applies to the Brisbane loan for £121,250 domiciled here, incurred before the Local Government Act was passed.

The following is a statement of the loans raised by Queensland :—

Year of Issue.	Amount Issued. £	Redeemable.	Interest. £
6 per Cents., 1861	123,800	... Jan., 1882 ...	7,428
6 per Cents., 1864-5	707,436	} ... " 1884 ...	103,586
6 per Cents., 1865-6	1,019,000		
6 per Cents., 1866-7	1,170,950	... " 1891 ...	70,257
6 per Cents., 1871	765,600	... " 1896 ...	45,936
4 per Cents., 1873-4	1,466,499	... " 1913 ...	58,660
4 per Cents., 1875-6	1,695,300	} ... July, 1915 ...	319,332
4 per Cents., 1877	740,700		
4 per Cents., 1878	1,322,000		
4 per Cents., 1879	1,184,800		
4 per Cents., 1880-1	3,053,000		
Total in 1881	13,249,085	.....	605,699
Less repaid Jan., 1882..	123,800	.....	7,428
	13,125,285	.....	598,271

In 1881, the interest on the debt was therefore £605,699, or £2 15s. 6d. per head. In the same year the railway net earnings were £153,311; leaving the net burden of the debt at £452,388, or per head £2 1s. 6d.

The details of the various loans, as brought before the public (the agency for which has recently been transferred to the Queensland National Bank, Limited), have been as follows :—

In 1861, a Six per Cent. Loan for £123,800 was placed here, the object being to provide funds for public works and immigration. The bonds were all of £100 each, and realised over 104½. A sinking fund provided for redemption in 1882.

In February, 1864, a Queensland Loan for £200,000 was brought out by the Union Bank of Australia, under Act of the Colonial Legislature, assented to the 22nd September, 1863, entitled "An Act to authorise the raising of Loans, £707,436, on the security of the Consolidated Revenues of the Colony, for the Execution of certain Public Works." The prospectus stated—"These debentures of £100 each, with coupons attached, will become due the 1st January, 1884, and bear interest at the rate of 6 per cent. per annum, from the

1st January, 1864; said debentures, principal and interest, being made payable in London or Brisbane, at the option of the holder."

In June, 1864, £100,000 debentures, being the second instalment of this loan, were offered for sale by tender in like manner.

In August, 1864, a further sum of £270,000 debentures were offered, but were not disposed of until late in the year, the tenders being below the minimum price fixed.

In April, 1865 the balance (£127,500) of these Six per Cent. Debentures were offered, the sale of which completed the total sum authorised to be raised. The average price realised for the entire £707,436 was 102½.

A further loan of £1,019,000 was authorised in 1864 in debentures at the same rate of interest. The following is a copy of the notice published upon the issue of the first instalment:—

Queensland Loan—£1,019,000.—The Union Bank of Australia being empowered, as Financial Agents of the Government of Queensland, to negotiate a sale of debentures under Act of the Colonial Legislature, assented to the 13th September, 1864, entitled "An Act to authorise the raising of Loans on the security of the Consolidated Revenues of the Colony, for the Execution of certain Public Works, and further to provide Funds for Immigration," notice is hereby given, that the Board of Directors are prepared to receive, up to the 1st August, sealed tenders, in writing, for any portion of £500,000, being the first issue of debentures under the above Act. These debentures of £100 and £250 each, with coupons attached, will become due the 1st January, 1884, and bear interest at the rate of 6 per cent. per annum, from the 1st July, 1865, said debentures, principal and interest, being made payable in London or Brisbane, at the option of the holder.

The minimum price was fixed at 103½ per cent., and a second instalment of £250,000 was issued in January, 1866.

Had the whole of these issues been accepted, there would have remained, therefore, £269,000 of the authorised debt to be issued in debentures, under the Law of September, 1864. It would appear, however, from the publication of the following notice in July, 1866, that all the debentures offered were not disposed of:—

Queensland Loan of 1864, £1,019,000—Tenders for Balance, £446,350.—Notice is hereby given, that the Board of Directors are prepared to receive tenders for any portion of £446,350, being the balance of the above loan. These debentures of £100 and £250 each, with coupons attached, will become due the 1st of January, 1884, and bear interest at the rate of 6 per cent. per annum from the 1st July, 1866, said debentures, principal, and interest being made payable in London or Brisbane, at the option of the holder. The proceeds of the loan of 1864 are for the following purposes: Immigration, £100,000; railways, £347,000; electric telegraph extensions, £10,000; public buildings and works, £47,000; advances to municipalities, £15,000—total, £1,019,000.

The whole of these debentures were disposed of at or above the fixed minimum of 85 per cent., the fall in the market value during the previous twelve months having been due to the crisis of 1866.

At the end of 1866, a further loan of £400,000, in 6 per cent. bonds, redeemable at par in 1891, was floated at 91 per cent. This was the first instalment of the sum of £1,170,950 raised for public works; and in March, 1867, a further portion of £550,000 was issued at the same price. The interest is payable in January and July in London, and the bonds are for sums of £100, £250, or £500 each. The balance of the loan was raised on Treasury bills.

In April, 1871, the Union Bank of Australia was authorised to negotiate the sale of £200,000 in debentures of £500, £250, or £100 each, being the balance of a loan of £765,600, of which £565,600 had been collected in the Colony. The 6 per cent. interest is payable in London, on the 1st January and 1st July, and the principal in January, 1896. The subscription was effected at and above £106 1s. 6d.

In January, 1874, the Union Bank of Australia allotted, at the average price of £88 4s. 6d. per cent., a further £250,000 of the "Queensland Government Four per Cent. Loan of 1872 of £1,466,499," of which £650,000 had previously been placed in the Colony itself. The loan is secured upon the consolidated revenues of Queensland, and the debentures exist in sums of £500, £200, or £100 each, bearing interest coupons, payable on the 1st January and 1st July, in London. The principal will be payable on the 1st January, 1913, in London, Brisbane, Sydney, or Melbourne, at the option of the holder.

In July, 1874, the same bank placed the balance of £466,499 of this loan for £1,466,499, at the average price of £88 11s. 6d. per cent.

In December, 1875, there was allotted £1,000,000 of the "Queensland Government Four per Cent. Loan of 1875 (£1,695,300), assented to 3rd September, 1875," at and above £91 1s. 6d. per cent. The prospectus stated:—

The Union Bank of Australia are empowered to negotiate a sale of debentures, amounting to £1,000,000, being the first issue of the above loan, of the balance of which £200,000 has been allotted to the Queensland Government Savings Bank, and the remainder, £495,300, will not be offered for a period of at least six months. The loan is secured upon the consolidated revenues of the Colony, and the debentures will be issued in sums of £500 and £100 each, bearing interest at 4 per cent. per annum, commencing from the 1st January, 1876, the coupons being payable on the 1st January and the 1st July in each year, at the offices of the banking agents of the Government in London. The principal sum will be payable on the 1st July, 1915, in London, Brisbane, Sydney, or Melbourne, at the option of the holder. The debentures will be

allotted to the highest bidders, but no tender will be accepted at less than 91.

The balance of this loan was placed here in August, 1876, when the minimum was fixed at 91 $\frac{1}{2}$. But the issue was made at and above £92 6s. 6d.

In May, 1877, the "Queensland Government Four per Cent. Loan of 1876 (£740,000), authorised by the Act of the Colonial Legislature, assented to 1st December, 1876," was allotted through the Union Bank of Australia at the published minimum of £91. The prospectus contained the following:—

The above loan is secured upon the consolidated revenue of the Colony, and is authorised for the execution of certain permanent works of public utility and convenience, viz., railways, roads, and bridges, telegraphs, harbours, and rivers improvement, water supply, &c., and certain other purposes. The debentures bear interest at 4 per cent. per annum, commencing from the 1st July, 1877, the coupons being payable on the 1st January and 1st July in each year, at the offices of the banking agents of the Government in London. The principal sum will be payable on the 1st July, 1915, in London, Brisbane, Sydney, or Melbourne, at the option of the holder.

In May, 1878, the "Queensland Government Four per Cent. Loan of 1877 (£1,322,000), authorised by Act of the Colonial Legislature, assented to the 6th November, 1877," was placed to the extent of £1,200,000 by the Union Bank of Australia, the balance of £122,000 having been taken by the Queensland Government Savings' Bank. The minimum was £92. The applications reached £2,330,000, and no tender was accepted below £92 8s. 6d.

The loan, which is secured upon the consolidated revenues of the Colony, is for the execution of certain permanent works of public utility and convenience—viz., immigration, railways, roads and bridges, telegraphs, harbours and rivers improvement, water supply, public buildings, defence of the Colony, and certain other purposes. The debentures bear interest at 4 per cent. per annum, commencing from the 1st July, 1878, the coupons being payable on the 1st January and 1st July in each year, at the offices of the banking agents of the Government in London. The principal sum will be payable on the 1st July, 1915, in London, Brisbane, Sydney, or Melbourne, at the option of the holder.

In March, 1879, the "Queensland Government Four per Cent. Loan of 1878 (£1,184,800), assented to the 10th September, 1878," was negotiated through the Union Bank of Australia, the minimum being fixed at 88 $\frac{1}{2}$, interest not commencing to accrue till the following July. The interest and principal are payable as in the case of the preceding loan.

In April, 1880, the "Queensland Government Four per Cent. Loan of 1879 (£3,053,000), assented to the 15th September, 1879," was tendered for through the Queensland National Bank, Limited, to the amount of £2,000,000. The

minimum was stated at 89, interest accruing from the following July. Applications reached £5,887,000, and only those at and above £90 6s. obtained allotments. The bonds are in sums of £1,000, £500, £200, or £100 each, and principal and interest are payable as in the preceding loan.

In July, 1881, the balance (£1,053,000) of this loan was allotted through the Queensland National Bank at and above the minimum fixed at par.

The highest and lowest prices of Queensland Six per Cent. Debentures, repayable 1891, were—In 1867, 105 and 89; in 1870, 113 and 102; in 1872, 116 and 109½; in 1874, 119 and 112; in 1876, 120 and 115; in 1878, 119 and 112; in 1879, 119 and 111; in 1880, 120 and 111; in 1881, 120 and 112.

The highest and lowest prices of Queensland Four per Cents. were—In 1874, 93 and 88; in 1876, 96 and 91; in 1878, 96 and 86; in 1879, 95½ and 88; in 1880, 100 and 87; in 1881, 103½ and 95½.

CITY LOAN.

In February, 1875, the liquidator of the Bank of Queensland allotted £84,050 City of Brisbane Corporation 5 per Cent. Bridge Debentures, forming part of a total issue of £121,250. The debentures are in sums of £50 or £25 each, and carry interest at the rate of 5 per cent. per annum, payable on the 1st May and 1st November, at the office of the banking agents of the Corporation, viz., the Australian Joint-Stock Bank.

The principal will be payable on the 1st November, 1891, either in London or Brisbane, at the option of the holder.

The net revenue and expenditure have thus been officially returned:—

Year.	REVENUE.		EXPENDITURE. £
	Derived from Taxation. £	Total, including Land, Railways, &c. £	
1860		178,589	161,503
1865		472,451	459,025
1870		743,058	764,491
1871		823,169	787,555
1872		988,899	865,743
1873	546,732	1,120,034	956,335
1874	552,758	1,160,944	1,121,710
1875	562,227	1,261,464	1,404,198
1875-6	568,776	1,263,268	1,283,520
1876-7	609,861	1,436,582	1,382,806
1877-8	694,062	1,559,111	1,543,820
1878-9	631,289	1,461,824	1,678,631
1879-80	600,236	1,612,314	1,673,695
1880-1 .....		.....

The expenditure includes the charge upon the Public Debt, and some considerable disbursements upon public works.

Year.	IMPORTS.		EXPORTS.		
	Total.	From United Kingdom.	Total.	Gold.	To United Kingdom.
	£	£	£	£	£
1860...	742,023	56,730	523,477	14,576	119,515
1865...	2,505,559	713,545	1,153,464	92,938	240,550
1870...	1,537,799	436,436	2,533,732	489,751	667,099
1871...	1,539,968	394,793	2,760,045	619,261	737,031
1872...	2,175,590	474,845	2,998,934	660,553	847,541
1873...	2,739,933	965,278	3,542,513	793,997	942,479
1874...	2,833,814	1,015,684	4,106,462	1,359,779	1,194,386
1875...	3,328,009*	1,260,041	3,857,576	1,508,169	879,031
1876...	3,126,559	1,086,170	3,875,581	1,443,731	1,069,802
1877...	4,068,682	1,164,377	4,057,256	1,315,544	1,201,528
1878...	3,436,077	1,181,246	3,190,419	1,100,384	922,326
1879...	3,080,889	815,973	3,434,034	1,043,587	873,357
1880...	3,087,296	839,790	3,448,160	830,252	780,808
1881...					

* Includes imports by land from this date.

Since 1877 the production of gold has fallen off. Nor have the wool exports (24,360,723 lbs., value £1,387,630, in 1880) much increased, Queensland being less adapted than her Southern neighbour to sheep-farming. But lying near, and the Northern portion actually within, the tropics, attention has been turned to the raising of tropical produce. In 1880, the export of sugar was 205,538 cwts., valued at £292,041. There were also shipments of tin, valued at £142,977; copper, £20,137; preserved meat, £79,224; and tallow, £162,042.

The following agricultural statistics show the directions in which the productions of Queensland tend:—

	Acreage under Crop.	Wheat. Bushels.	Maize. Bushels.	Horses. Number.	Cattle. Number.	Sheep. Number.
1860 ..	3,353 ...	...	...	...	432,890 ...	3,449,350
1870 ..	52,210 ...	(73) 82,381 ...	(73) 845,600 ...	83,358 ...	1,076,630 ...	8,163,818
1875 ..	77,947 ...	65,645 ...	1,122,829 ...	121,497 ...	1,812,576 ...	7,227,774
1880 ..	120,881 ...	223,243 ...	1,409,607 ...	179,152 ...	3,162,752 ...	6,935,967
1881 ..	...	...	...	...	...	...

Thus, between 1870 and 1880, while the numbers of sheep diminished, those of horses were more than doubled, and cattle were trebled. At the present time Queensland possesses a much larger number of horned cattle than any other Australasian Colony. There are rivers in Queensland which are navigable for some distances, and there is mostly a good supply of rain during the summer months, while the country is hilly near the coast. At Brisbane, in 1880, there were 47½

inches of rain; the highest shade temperature was 100°, while the lowest was 36°. In Adelaide and Melbourne higher temperatures are often experienced than in Brisbane. The lands sold in Queensland up to the end of 1880 amounted to 3,568,484 acres, leaving 422,713,877 acres still the property of the Government.

To the end of 1870, Queensland possessed 206 miles of railway in operation, and there was no important extension opened until 1877. By the end of 1880, however, the system had reached 633½ miles, and there were a further 171½ miles under construction. All these lines are upon the narrow (3 ft. 6 in.) gauge, and up to the end of 1880 the outlay thereon had been between £6,000,000 and £7,000,000, and in 1881, a further £788,214 was expended. In 1879, the gross revenue of the railways in operation was £244,598, and the net revenue £75,657. In 1881, the gross revenue was £348,590, and the net revenue £153,311.

The sworn quarterly averages of the note-issuing banks in the Colony give the following results:—

	Notes.	Deposits.	Coin and Bullion.	Discounts, Advances, &c.
	£	£	£	£
1873 ...	287,855 ...	2,067,845 ...	607,635 ...	2,153,804
1876 ...	345,437 ...	3,091,681 ...	754,270 ...	3,400,046
1879 ...	325,885 ...	3,627,139 ...	1,163,723 ...	4,214,825
1880 ...	338,634 ...	3,433,502 ...	1,086,573 ...	4,062,141
1881 ...	405,756 ...	4,688,846 ...	1,041,277 ...	5,252,645

The area of Queensland is 669,520 square miles, with a seaboard of 2,250 miles. The population in 1859, at the time of the separation, was 25,146. In 1881, it had increased to 218,159, including 11,229 Chinese, and 6,348 Polynesians, imported from the Pacific Islands. There are a large number of the Chinese in the Northern districts engaged in gold mining operations, and it has recently been proposed to carry a railway through to Point Parker, on the Gulf of Carpentaria. Negotiations have been carried on with a view to establishing a company with large grants of land for this purpose. Brisbane, the capital, has a population of 31,109.

SEYCHELLES.

These islands, 80 in number, lie nearly 1,000 miles north of the Mauritius, and only a short distance south of the Equator. The population in 1881 was 14,035, showing a 10 years' increase of 2,827. They are administered from the Mauritius.

There is no debt, but there is a balance of assets over liabilities of £650. The revenue in 1880 was 153,100 rupees (£13,000), and the expenditure 156,593 rupees. The imports were 444,663 rupees (£37,055), and the exports 412,382 rupees (£34,365).

About 12,000 acres on these islands are planted with coconuts; and vanilla, cocoa, cloves, coffee, and pepper are grown.

SIERRA LEONE.

The first public loan of this West African Colony was brought out in May, 1871. The total authorised to be raised by this Public Works Loan was £60,000, of which, however, the first issue was only £25,000. The Crown Agents for the Colonies received applications for the same at par, the rate of interest offered being 6 per cent., payable in London on the 1st June and 1st December. The loan will be paid off at the end of 25 years, a 2 per cent. sinking fund being accumulated for the purpose. The debentures, of £100, £200, or £500 each, were all taken.

In June, 1873, a second £25,000 was borrowed on the same terms, the principal being repayable in 1898.

Since then a loan of £38,000 (now £33,000) has been obtained from the Home Government; and hence the debt at the close of 1880 was stated at £83,000. The demonetisation of the dollar for the time increased the debt.

In reality, however, the net debt was less than this, there

being sinking funds accumulated £10,185; funds invested £8,000, besides cash in the colonial chest and in the hands of the Crown Agents. The balance of assets over liabilities was £50,637.

The gross revenue and expenditure have thus been returned:—

	Revenue.		Expenditure.
	£		£
1860	33,734	.....	31,136
1865	47,573	.....	48,490
1870	64,636	.....	68,041
1875	116,217	.....	113,652
1880	76,008	.....	87,775

The figures of 1875 are misleading, including the receipts and disbursements of loans. In 1880, the Customs yielded £64,799, showing steady increase.

Year.	IMPORTS. (Excluding Bullion and Specie.)		EXPORTS. (Excluding Bullion and Specie.)	
	Total.	From United Kingdom.	Total.	To United Kingdom.
	£	£	£	£
1860	172,726	138,006	304,394	93,460
1866	251,212	200,265	259,719	73,874
1870	280,864	212,024	291,254	44,002
1875	326,011	252,884	350,202	113,060
1880	491,993	321,529	375,985	103,644

The exports of ground nuts in 1880 were 247,707 bushels (much below the average), and palm oil, rubber, ginger, and cola nuts were the other leading exports.

The area is 468 square miles. The population numbered 41,497 in 1861, 37,089 in 1871, and 60,546 in 1881, almost wholly black.

SOUTH AUSTRALIA.

The official returns of the indebtedness of this Colony have year by year since 1855 been as under :—

	Population.	Debt.		Population.	Debt.
		£			£
1855.....	96,982	135,000	1869 ...	...	1,781,300
1856.....	...	294,900	1870 ...	...	1,944,700
1857.....	...	597,700	1871 ...	185,626	2,167,700
1858.....	...	662,000	1872 ...	...	2,094,800
1859.....	...	830,100	1873 ...	...	2,174,900
1860.....	...	870,100	1874 ...	...	2,989,750
1861.....	126,830	866,500	1875 ...	...	3,320,600
1862.....	...	853,300	1876 ...	225,677	3,837,100
1863.....	...	866,850	1877 ...	...	4,737,200
1864.....	...	839,300	1878 ...	...	5,829,600
1865.....	...	796,200	1879 ...	...	6,605,750
1866.....	163,452	775,600	1880 ...	...	9,865,500
1867.....	...	1,077,750	1881 ...	236,324	11,196,400
1868.....	...	1,663,100	1882 ...	...	11,162,000

BRITISH COLONIAL DEBTS—SOUTH AUSTRALIA. 315

The following return shows the position of the debt on the 30th June, 1881, and the 30th June, 1882:—

Under Acts	Official Titles of Loans.	Rate of Interest.	Bonds Issued, to Extent of	Bonds Redeemable after 1st July, 1881.	Interest and Redemption in 1881-82.	Bonds Redeemable after 1st July, 1882.
			£	£	£	£
18 of 1853...	City and Port Railway	%	150,000	paid off	...	paid off
15 1854...	Adelaide and Gawler Railway	%	250,000	10,000	10,450	14,400
20 1854...	Port Adelaide Harbour Trust	%	100,000	13,000	4,720	9,000
27 1855-6	City and Port Railway	%	35,000	6,000	2,330	4,000
23 1855-6	City Waterworks	%	200,000	40,800	12,838	30,900
11 1857-8						
9 1857-8	Port and Gawler Railways, Com- pletion of	%	68,100	15,600	3,391	12,600
10 1857-8	Gawler Railway, Extension No. 1	%	76,800	17,600	4,308	14,400
2 1858...	" " No. 2	%	36,800	8,000	2,056	6,400
26 1859...	" " No. 3	%	12,600	2,400	735	1,800
2 1860...	City Waterworks and Northern Railway	%	43,200	paid off	...	paid off
9 1861...	City Waterworks Completion	%	32,400	32,400	1,044	32,400
28 1862...	Victor Harbour Works and Tram- way	%	12,900	12,800	768	12,800
25 1862...	Port Augusta Waterworks	%	18,000	18,000	1,080	18,000
17 1863...	Port Adelaide Waterworks	%	34,400	34,400	2,064	34,400
1 1866...	Strathalbyn and Middleton Tram- way	%	45,300	45,300	2,718	45,300
15 1866-7	Port and Dry Creek Railway	%	18,600	18,600	1,116	18,600
17 1866-7	Main Roads Construction	%	236,000	236,000	14,160	236,000
25 1866-7	Port Wakefield Tramway and Im- provement	%	73,400	73,400	4,404	73,400
26 1866-7	Port Adelaide Deepening (vide Act 18 of 1874)	%	60,000	60,000	3,600	60,000
28 1867...	Railway Purposes	%	500,000	500,000	30,000	500,000
4 1868...	Northern Territory (No. 1)	%	40,000	40,000	2,400	40,000
15 1868-9	Adelaide Waterworks Extension to Hope Valley	%	68,700	68,700	4,122	68,700
2 1870...	Port Augusta and Port Darwin Telegraph (No. 1)	%	112,400	112,400	6,744	112,400
6 1870...	Northern Territory (No. 2)	%	20,000	20,000	1,200	20,000
14 1870-1	Adelaide Suburban Waterworks	%	114,000	114,000	5,700	114,000
15 1870-1	Port Adelaide Suburban Waterworks	%	26,000	26,000	1,800	26,000
16 1870-1	Public Purposes	%	100,000	100,000	5,000	100,000
2 1872...	Port Augusta and Port Darwin Telegraph (No. 2)	%	100,000	100,000	5,000	100,000
4 1872...	Adelaide Waterworks Reservoir	%	25,000	25,000	1,250	25,000
6 1872...	Northern Territory (No. 3)	%	25,000	25,000	1,250	25,000
25 1872...	South-Eastern Railway	%	160,000	160,000	6,400	160,000
17 1873...	Northern Territory (No. 4)	%	100,000	100,000	4,000	100,000
2 1874...	Loan Act, 1874	%	600,000	600,000	24,000	600,000
18 1874...	Second Loan Act, 1874	%	400,000	400,000	16,000	400,000
24 1875...	Public Purposes	%	552,000	552,000	22,080	552,000
47 1876...	Railway and Other Purposes	%	2,188,500	2,188,500	87,540	2,188,500
57 1876...	Public Purposes	%	751,600	751,600	30,064	751,600
77 1877...	Public Purposes	%	1,036,600	1,036,600	41,464	1,036,600
106 1878...	Adelaide Sewers	%	200,000	200,000	8,000	200,000
120 1878...	Public Purposes	%	2,058,000	2,058,000	82,320	2,058,000
150 1879...	Public Purposes	%	977,000	977,000	39,080	977,000
180 1880...	Public Purposes	%	388,300	388,300	15,532	388,300
			12,047,500	11,196,400	513,538	11,163,000

Annual charge (1881-2), £513,538—namely, £479,128 interest, and £34,400 principal repaid.

	Debt Held in England.	Debt Held in Adelaide.
	£	£
6 per Cents.	1,210,550	149,450
5 "	278,500	111,500
4 "	9,332,000	80,000
	10,821,050	340,950

Taking the gross annual charge in 1880-1 at	£	466,633
There was to be deducted :—		
Railway net revenue	£	151,665
Waterworks net revenue.....		38,408
		<u>190,073</u>
		276,560

This upon a population of 286,211 gave 19s. 4d. per head. There was, however, some loss upon working the telegraph system, which includes the Augusta and Port Darwin (Trans-continental) line, an undertaking of great utility and value to all the Australasian Colonies. The following table indicates that the Colony has expended a larger sum upon public works than loans have been raised for, the statement being to the 30th June, 1881:—

	Loans Raised.	Actual Outlay by Colony.
	£	£
Railways	6,121,376 ...	5,374,429
Waterworks.....	917,220 ...	1,060,238
Trans-continental Telegraph	508,300	857,532
Telegraph to Eucla, &c.	218,530 } ...	
South-Eastern Drainage Works...	374,750 ...	562,759
Reproductive	8,140,176 ...	7,854,958
Port Adelaide improvements	517,000 ...	...
Main roads	864,000 ...	3,047,677
Northern Territory	451,000	2,813,679
Deepening and improving outputs	272,190	
Bridges.....	152,684	
Lighthouses	56,410	
Jetties	173,920 } ...	
Schools and quarantine station ...	419,900	
Military defences	66,420	
Aid to revenue	100,000 }	
	<u>11,213,700 ...</u>	<u>13,716,314</u>
Apart from interest		2,796,931
		16,513,245

It is, therefore, apparent that at that date there was a considerable sum unexpended on the railway account.

Between 1853 and 1870 a number of small 6 per cent. loans were issued here—loans which amounted to £2,245,500 in all, and are repayable by instalments in each year up to 1918. The amount of these annual redemptions, however, increases from £26,700 in 1893 to £72,600 in 1894. Between July, 1882, and December, 1890, the amount repayable in England is £154,250; between 1891 and 1900, £468,800; and from 1901 to 1918, £604,700. The interest on all these bonds is payable by the Agent-General for South Australia on the 1st January

and 1st July, and the bonds are of £1,000, £500, £250, or £100 each. Between 1867 and 1870, the prices realised by these Six per Cents. ranged from 107 to 110½ per cent.

In November, 1871, the first 5 per cent. loan appeared, tenders being received by the National Bank of Australasia. The loan was for £140,000; and the bonds, in sums of £500, £250, or £100 each, had a currency up to 1915–1920. The minimum was fixed at par, while the price realised was above £102 1s. 6d. Interest is payable on the 1st January and 1st July.

In January, 1873, a further £100,000 of Five per Cents., maturing 1911 and 1912, were placed at and above £105 2s. 6d. per cent. In other respects the terms were the same as those of the preceding loan; and it was notified that this would be the last 5 per cent. loan of South Australia, and that a scheme was under consideration for converting all outstanding issues into one uniform stock bearing a lower rate of interest. This scheme, however, was never brought forward.

There are also £38,500 Five per Cent. Debentures, redeemable in 1889 and 1890.

In May, 1874, the National Bank of Australasia received tenders, at the minimum of 90, for a 4 per cent. loan for £180,000. The average price realised was £90 7s. 8d. per cent.

The bonds are for £500, £250, and £100.

Principal and interest are made payable in London; the interest by coupon on the 1st July and 1st January of each year, and the principal, £80,000, at par on the 1st July, 1899, and £100,000 at par on the 1st January, 1894.

In December, 1874, the National Bank of Australasia invited applications, at the minimum of 90 per cent., for a 4 per cent. loan for £600,000. The money was required for railway, waterworks, and telegraph purposes. The bonds have been issued in sums of £1,000, £500, £200, or £100, with interest payable on the 1st January and 1st July, and the principal at par in London on the 1st July, 1899. The loan was not immediately subscribed.

In October, 1875, the same bank allotted at and above £93 5s. 6d. Four per Cent. Bonds to the amount of £400,000, the money being required for "railway, waterworks, harbour improvements, lighthouses, and telegraph purposes." The bonds, in sums of £1,000, £500, £200, or £100, bear interest on the 1st January and 1st July, and the principal is redeemable at par on the 1st July, 1899. The official minimum was fixed at 93 per cent.

In May, 1876, the same bank received application for

£552,000 South Australian Four per Cent. Bonds, the minimum being fixed at 94. The amount applied for was £1,550,000, and the average price of allotment was £94 12s. 6d. The loan was required for railways, roads, &c., and the principal is repayable at par on the 1st January, 1916. The dates of interest, payments, and amounts of bonds are the same as above.

In February, 1877, a further £500,000 of similar Four per Cents. (with the exception that the principal is repayable on the 1st January, 1907) was placed at 97½, the minimum having been fixed at 96½.

In August, 1877, another £500,000 of Four per Cents. was allotted (the principal likewise being repayable in January, 1907), the average price realised being £97 7s. 11d.

In January, 1878, another half-a-million of similar bonds was placed at the average price of £95 8s. 2d. These bonds are repayable on the 1st January, 1908.

In July, 1878, Four per Cent. Bonds, to the amount of £688,500 (making, with the three previous issues, the entire amount, £2,188,500, authorised to be issued by the Act 47 of 1876), was offered at the minimum of 95. In this case, the principal is repayable on the 1st July, 1908. This loan was not all applied for.

In January, 1879, the National Bank of Australasia received tenders (not below 88) for £559,200, the unallotted balance of the preceding loan, and for £751,600, authorised by Act No. 57 of 1876. The prospectus stated:—

The bonds, which are for £1,000, £500, £200, and £100, bear interest at the rate of 4 per cent. per annum, commencing on the 1st January, 1879. Principal and interest are made payable in London, the interest by coupon on the 1st July and 1st January of each year, and the principal of the issue of £559,200, herein announced, at par on the 1st January, 1908; and the principal of the issue of £751,600 at par on the 1st July, 1908.

Upon the tenders being opened there was a balance of £135,700 not taken up.

In February, 1880, a much more important issue was made for the construction of railways, waterworks, and other public works, and the drainage of the City of Adelaide. The prospectus contained the following:—

The Committee of the eight associated Australian banks have been instructed to negotiate the loan of £3,294,600. The bonds, which are for £1,000, £500, £200, and £100, bear interest at the rate of 4 per cent. per annum, commencing on the 1st January, 1880. Principal and interest are made payable in London, the interest by coupon on the 1st

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January and 1st July of each year, and the principal, £3,094,600, on the 1st January, 1909; £200,000 on the 1st July, 1929. The bonds will be allotted to the highest bidders, provided the rates offered are not below £92 10s. for every £100 tendered for. At the Offices of the undermentioned eight Associated Australian banks:—

- Chairman of Committee—D. Larnach.
- Agent-General—Arthur Blyth.
- For the Bank of New South Wales—John Badcock, Manager.
- For the Bank of Australasia—P. Selby, Secretary.
- For the Union Bank of Australia—W. R. Mewburn, Manager.
- For the Bank of South Australia—W. G. Cuthbertson, General Manager.
- For the National Bank of Australasia—T. M. Harrington, Manager.
- For the English, Scottish, and Australian Chartered Bank—Henry Moules, Secretary.
- For the Oriental Bank Corporation, as Agents for the Bank of Adelaide—A. W. Anderson, Inspector.
- For the City Bank, as Agents for the Commercial Bank of South Australia—D. G. H. Pollock, Assistant-Manager.

Tenders reached £14,996,700, and those at £98 17s. received about 34 per cent. of the amount applied for.

In July, 1881, the National Bank of Australasia received tenders for £977,000 and for £338,000 in Four per Cent. Debentures, authorised for railway and other purposes. The bonds are of £1,000, £500, £200, or £100 each, carrying coupons payable on 1st April and 1st October, and the principal in April, 1916. The minimum was fixed at £102, and all tenders at £102 18s. received nearly two-thirds of the amount applied for. The average price was £102 19s. 8d.

The total amount of 4 per cent. bonds now in circulation is £9,412,000.

The range of market values over a period of years may be gathered from the following statistics:—

	6 per Cent., "1901-1918."		5 per Cent., "1911-1920."		4 per Cent., "1899-1916."	
	Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.
1868	115	107	...	...	...	...
1870	115	108	...	...	...	...
1872	118	111	108	103	...	...
1874	125	114	110	105	94	90
1875	123	115	110	105	95½	89
1876	123	114	112	106	98½	92½
1877	123	115	112	107	99½	95½
1878	124	114	112	107	98½	89
1879	125	115	111	105	98	88
1880	125	115	114	105	102½	91
1881	132	117	116	109	105	98

The revenue and expenditure have been returned as follows:—

	REVENUE.		EXPENDITURE.
	Customs.	Total.	
	£	£	£
1860 .....	...	438,827	492,656
1865 .....	...	1,089,129	790,504
1869-70 .....	...	657,576	736,817
1870-1	236,241	778,094	759,477
1871-2	260,490	697,442	700,255
1872-3	361,999	937,648	914,121
1873-4	365,646	974,628	943,807
1874-5	393,007	1,055,936	1,167,050
1875-6	437,388	1,316,794	1,183,655
1876-7	491,865	1,491,225	1,415,703
1877-8	511,456	1,501,411	1,353,582
1878-9	513,431	1,662,120	1,768,167
1879-80	519,797	2,027,963	1,923,605
1880-1	515,681	2,010,682	1,979,426

The revenue derived from land sales (£553,284 in 1880-1) is a fluctuating item, while that derived from railways and tramways (£436,940 in 1880-1) is increasing with the rapidly-extending mileage.

Railways.

	Mileage.*		Gross Revenue.	Gross Expenditure.	Net.
	Open.	Constructing.			
			£	£	£
1872	133	...	82,646	72,118	10,528
1875	193	...	176,098	132,508	43,590
1877	327	...	198,023	180,013	18,010
1878-9	449	...	312,428	213,689	98,739
1879-80	559	...	369,845	242,527	127,317
1880-1	667	319	418,331	266,666	151,665

* The mileage figures for all these years are for the 31st December, so that in the last three they are for the middle of the financial year. On the 31st December, 1881, there were 273½ miles open on the old 5 ft. 6 in. gauge, and 531½ miles on the new 3 ft. 6 in. gauge, making 825½ miles Government property, besides 13 miles private lines—in all, 838½ miles; and there were under construction another 146½ miles.

In the Public Works Report for the year ended June, 1881, the Commissioner mentions that the net profit on the railways was 3·50 per cent. on a capital invested of £4,328,599, and an average mileage of 655½, as against 3·44 on a capital invested of £3,673,388, and an average mileage of 554½, the previous year.

It will be gathered from the following statistics that South Australia is the leading wheat-growing Colony in Australia, though New Zealand and Victoria are now running it closely.

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	Land in Cultivation. Acres.	Wheat.			Hay. Acres.
		Acres Sown.	Bushels.	Bushels per Acre.	
1860-61	423,816	273,672	3,576,593	13'08	55,818
1870-71	959,006	604,761	6,961,164	11'30	140,816
1873-74	1,225,073	784,784	6,178,816	7'52	142,167
1874-75	1,330,484	839,638	9,862,693	11'45	160,931
1875-76	1,444,586	898,820	10,739,334	11'57	161,429
1876-77	1,514,916	1,063,732	5,857,569	5'24	91,937
1877-78	1,828,115	1,163,646	9,084,692	7'46	223,905
1878-79	2,011,319	1,305,851	9,332,049	7'9	218,359
1879-80	2,271,058	1,458,096	14,260,964	9'47	265,463
1880-81	2,574,489	1,733,542	8,606,510	4'58	272,567
1881-82	2,613,434	...	...	...	...

During the last two years farmers have suffered greatly from the dryness of the seasons, and some remission of purchase-money has been made to those whose crops have failed. The live stock returns are as under:—

	Horses.	Cattle.	Sheep.	Pigs.
	No.	No.	No.	No.
1860	49,399	278,265	2,824,811	...
1870	83,744	196,832	4,400,655	76,025
1875	107,164	219,240	6,179,395	100,562
1880	157,915	307,177	6,463,897	131,011

The following are the values of the imports and exports of the Colony, taken from the official Statistical Returns:—

Year.	IMPORTS.		EXPORTS.	
	Total.	From United Kingdom.	Total.	To United Kingdom.
	£	£	£	£
1850	845,572	...	570,817	...
1860	1,639,591	939,345	1,783,716	783,898
1865	2,927,596	1,741,691	3,129,846	964,895
1870	2,029,793	1,196,293	2,419,488	1,136,463
1871	2,158,022	1,183,348	3,582,397	1,626,739
1872	2,801,572	1,600,480	3,738,623	2,193,231
1873	3,841,101	2,344,423	4,587,859	2,801,876
1874	3,983,291	2,588,141	4,402,856	2,337,117
1875	4,203,802	2,381,673	4,805,050	2,612,817
1876	4,576,183	2,612,887	4,816,170	2,655,021
1877	4,625,511	2,828,835	4,626,531	2,542,806
1878	5,719,611	3,087,901	5,355,021	3,119,954
1879	5,014,150	2,718,788	4,762,727	2,845,251
1880	5,581,497	3,002,342	5,574,505	3,695,498
1881-2	5,890,972	...	5,284,584	...

The staple exports, produce of the Colony, are:—

	Breadstuffs.	Wool.	Copper.
	£	£	£
1850	38,212	131,731	362,130
1860	499,102	573,368	435,782
1870	470,828	902,753	568,751
1880	2,469,720	1,716,171	346,147

1880 opened with a good harvest.

Details respecting the progress of banking in the Colony may thus be summarised :—

	Notes.	Deposits.	Coin and Bullion.	Discounts, Advances, &c.
	£	£	£	£
1873	372,101	2,183,754	593,364	3,556,329
1876	442,541	3,316,096	733,169	4,749,442
1880	506,887	4,265,274	1,028,869	5,598,359
1881	525,264	4,942,554	1,051,492	6,741,687

The nine note-issuing banks now contributing to these sworn averages were as under in the first quarter of 1882 :—

Banks.	Notes in Circulation.	Deposits.	Coin and Bullion.	Discounts, Advances, &c.
	£	£	£	£
Bank of South Australia	128,419	817,678	180,713	1,802,543
Bank of Australasia	37,624	631,257	118,178	645,781
Union Bank of Australia, Limited	16,345	324,726	70,997	459,908
National Bank of Australasia	166,591	1,255,797	316,209	1,362,651
English, Scottish, and Australian Chartered	96,111	705,844	133,065	870, 20
Bank of Adelaide	50,624	524,247	134,792	851,524
Bank of New South Wales	10,274	393,337	69,223	455,650
Commercial Bank of South Australia	59,712	521,875	62,597	693,896
Town and Country Bank (opened 1st December) ...	6,695	59,185	41,875	77,696
	572,299	5,227,960	1,027,653	7,225,675

As originally returned, the area of South Australia was 383,328 square miles; but including the Northern Territory, the area is now stated to be 903,690 square miles. Practically, the preceding statistics have referred exclusively to "South Australia," except those loans raised for the Trans-continental Telegraph and for the exploration of the Northern Territory.

Northern Territory.—This vast territory, exceeding in area 520,000 square miles, and lying almost wholly within the tropics, possessed a population, according to the census in 1881, of only 2,470. Last year, there was an increase, owing to gold discoveries, and to sugar and coffee planting now being undertaken upon a somewhat extensive scale. The country possesses good natural harbours, and one or two good rivers. In the second half of 1881, the gold export was 13,961½ ozs. (say, £55,840), and the Customs yielded £11,409, the estimate for the financial year being £19,000. Chinese are employed in gold-washing. Banks have opened at Palmerston (Port Darwin), where the Resident resides. There has recently been an excitement respecting discoveries of tin. The heat is very great until the arrival of the monsoon, in January, but the health of Europeans is reported to be good. The territory appears well adapted for coolie labour. In South Australia, the question of constructing a railway right through to Port Darwin has been discussed. Port Darwin is, in a direct line, fully 1,200 miles from Adelaide, and the bulk of this distance is as yet wholly uninhabited.

STRAITS SETTLEMENTS.

Singapore, Penang, and Malacca, comprising the Straits Settlements, were, according to the Blue Book of 1867, stated to have a Public Debt amounting to £51,278; but on the 1st January, 1870, this had apparently been written off, and there was a balance of assets over liabilities amounting to £34,004, which on the 1st January, 1872, had been increased to £93,945, notwithstanding a considerable outlay on public works. A large portion of this surplus was likewise devoted to public works in the three Settlements. The present debt dates from 1876; since which year it has been returned thus:—

	£
In 1876	20,523
„ 1877	120,455
„ 1878	105,986
„ 1879	95,442
„ 1880	89,200
„ 1881	82,900

This debt consists almost entirely of a 4½ per cent. loan for £100,000 (part of £150,000 authorised), brought out in November, 1877, required to cover the cost of the previous disturbances on the Malayan Peninsula, to make advances to the State of Perak, and for public works. A sinking fund of 5½ per cent. (making the total annual charge 10 per cent.) was to be applied to the entire repayment of the loan within 14 years—that is, by 1891; and this has been regularly applied, the drawings taking place in October for redemption on the 15th November. Both principal and interest are payable by the Crown Agents, Downing Street, the latter on the 15th May and 15th November, and the amount outstanding in July, 1882, was £76,600. The minimum was fixed at 98, but the average price realised was £99 6s. 3d.

Apart from this loan, the balance-sheet on the 1st January, 1881, showed—assets, \$1,143,077, and liabilities, \$326,330, the excess of assets being \$816,747, which would far more than cover the amount of the loan outstanding. Practically, therefore, the Straits Settlements were at that time without debt. But by direction of the Secretary of State for the Colonies, the Colony is made liable for about \$550,000, the outlay of the Imperial Government in suppressing the disturbances in Perak, in 1875-6, and this will have to be raised by loan.

The revenue and expenditure have been officially stated as follows :—

	Revenue. (At 4s. 3d. per \$.) £	Expenditure. (At 4s. 3d. per \$.) £
1860.....	125,453	.....
1870.....	292,984	.....
1875.....	327,007	.....
1879.....	387,313	.....
1880.....	501,776	.....
		267,617
		383,611
		400,989
		433,276

Owing to the depreciation of silver, these official figures are now entirely misleading. The value of the Mexican dollar is no longer 4s. 3d., but about 3s. 8d. (July, 1882), and the revenue of \$2,361,301 represented £432,900. The revenue and expenditure in 1880 were thus apportioned :—

	Revenue. \$	Expenditure. \$
Singapore.....	1,277,414	.....
Penang.....	901,904	.....
Malacca.....	181,948	.....
		1,239,525
		434,082
		173,961

These figures do not include municipal revenues, which in 1880 stood as under :—

	Revenue. \$	Expenditure. \$
Singapore.....	278,477	.....
Penang.....	148,332	.....
Malacca.....	22,428	.....
		288,687
		144,705
		18,899

The imports and exports are officially stated as follows :—

—	IMPORTS.		EXPORTS.	
	Total.	From United Kingdom.	Total.	To United Kingdom.
	£	£	£	£
1861.....	7,917,210	2,471,542	6,579,726	1,163,530
1865*.....	8,876,376	2,014,320	9,693,704	1,465,977
1870.....	9,975,400	2,548,984	8,709,395	1,737,954
1875.....	11,536,106	2,220,239	11,502,687	2,193,463
1879.....	15,203,995	3,425,089	14,483,432	2,260,073
1880.....	15,620,959	4,068,832	14,837,849	2,474,765

* Inclusive of trade between the three Settlements until 1866.

These figures are, though in a less degree, open to the same objection as the revenue in respect to the value of the Mexican dollar. The imports in 1880 were \$83,718,103, which, at 3s. 8d., would represent £15,232,210; while the exports were \$78,051,739, or £14,309,480. About two-thirds of this trade is carried on through the port of Singapore, and the bulk of

the remainder through Penang. These figures for the most part represent "through trade" with the Malay Peninsula, China, Sumatra, the French East Indies, &c.

The area is officially returned at 1,445 square miles, and the population, which in 1861 numbered 282,831, in 1871 amounted to 308,097, consisting of 147,188 Malays, 103,936 Chinese, 18,994 Klings, besides a few Hindoos, Javanese, and 1,730 Europeans. In 1881, the total had increased to 416,921, or to 288 per square mile.

ST. CHRISTOPHER.

This is a small West India Island of 68 square miles, with a population of 24,440 in 1861, of 28,169 in 1871, and of 29,137 in 1881. This gives a population per square mile of 428.

The St. Christopher and Anguilla loan, £9,200, was incurred in 1869, which by a sinking fund of £500 per annum had been reduced at the end of 1880 to £3,700. It is domiciled with the Crown Agents for the Colonies, and bears 6 per cent. interest, payable by coupon on 1st January and 1st July. The final redemption is fixed for 1890.

The revenue in 1880 was £32,122, and the expenditure £34,971. The imports were £168,027; and the exports, £186,012, including £128,165 to the United Kingdom. The one great article of export (sugar) varies remarkably in different years. Thus, in 1871, the shipment reached 227,332 cwts., but in 1872 only 110,512 cwts. In 1880, the export was 180,818 cwts.

ST. HELENA.

The area of this island is 47 square miles, with a decreasing population—6,860 in 1861, 6,241 in 1871, and 5,059 in 1881.

A diminution in the revenue causing deficits, St. Helena contracted a debt, amounting in 1868 to £5,000, and in 1869 to £10,000. The deficits continuing in 1870 and 1871, a loan of £22,000 was authorised by the Ordinance No. 4, of 1872; and of this £19,500 was issued through the Crown Agents for the

Colonies, bearing 7 per cent. interest, payable on the 15th April and 15th October. By the end of 1880 the principal outstanding had been reduced to £10,750, and the entire loan is to be paid off by 1892.

In 1870, the revenue was £17,224; and in 1880, it was £11,950; but the expenditure has been even more rapidly cut down—from £18,943 in 1870 to £11,870 in 1880.

The imports of St. Helena in 1880 were £105,002, of which £33,046 were from the United Kingdom; while the exports were £54,215, as compared with £27,485 in 1870, and included £3,307 to the United Kingdom.

ST. LUCIA.

From 1860 to 1874, the debt of St. Lucia was returned at £18,000. This consisted of 4 per cent. debentures guaranteed by the Home Government, with interest payable at the Bank of England in January and July.

In 1875, a loan for £30,000, in 6 per cent. debentures, was contracted through the Crown Agents for the Colonies, the coupons being payable on the 15th February and 15th August. The debentures are redeemable by accumulative drawings. This loan was raised for the purpose of establishing the St. Lucia Central Sugar Factory, a company with that title being floated in 1874. For some years this concern sustained losses, but has latterly been doing better. The office is at 8, Drapers' Gardens. In 1878, the debt of the island was returned at £46,300; in 1879, at £39,500; and in 1880, at £34,100—consisting almost entirely of the Six per Cents.

In 1880, the revenue was the largest on record, amounting to £32,431; while the expenditure was £31,918.

The main production of the island is sugar; and the exports, consequently, vary considerably. In 1876, they were £143,718; in 1879, £210,895; and in 1880, £194,694, including £172,139 to the United Kingdom. The export of sugar was 119,043 cwts.

The area of St. Lucia is 237 square miles; and the population was 26,705 in 1861, 31,610 in 1871, and 38,551 in 1881—mostly coloured.

ST. VINCENT.

In 1879, the Government of this West India Island borrowed £3,000 from the Savings' Bank, guaranteeing to repay it at the rate of £500 a year. At the end of 1880 the debt was £2,500.

In 1880, the revenue was £32,035; the expenditure, £32,891; the imports, £150,950; and the exports, £158,947, including £140,038 to the United Kingdom. The export included 139,358 cwts. of sugar.

The area of the island is 147 square miles; and the population was 31,755 in 1861, 35,688 in 1871, and 40,548 in 1881.

TASMANIA.

The Public Debt of Tasmania has been returned as follows in the undermentioned years:—

	£		£
1859	298,560	1873	1,496,100
1862	486,500	1874	1,505,700
1863	527,880	1875	1,489,400
1866	553,230	1876	1,520,500
1867	1,018,900	1877	1,589,705
1868	1,027,400	1878	1,738,500
1869	1,148,000	1879	1,786,800
1870	1,268,700	1880	1,943,700
1871	1,315,200	1881 .....	...
1872	1,412,300		

In June, 1867, a 6 per cent. loan for £102,500 was issued at 95 per cent. Both interest and principal are payable in London at the Consolidated Bank, the former on 1st January and July, and the latter at par in 1895.

In April, 1868, a new 6 per cent. loan for £400,000 was issued at £102 1s. per cent., chiefly for railway purposes. The interest is payable in January and July in London; and the principal is redeemable—£99,600 in 1893, £100,000 in 1894, £2,000 in 1895, £98,400 in 1896, and £100,000 in 1897. The money was required for railway purposes.

In April, 1870, the Bank of New South Wales and the Consolidated Bank invited applications for £100,000, in 6 per cent. debentures, of £500 or £100 each, for the purposes of the Launceston and Western Railway. The interest is payable in January and July, and the principal in July, 1901, both in London. The entire loan was subscribed at and above £107 0s. 6d. per cent.

In May, 1871, the same banks received tenders for a further £52,800, in 6 per cent. bonds of £500 or £100 each. Interest is due in January and July, and the principal in 1898. The issue was effected at and above £105 11s. 6d.

A further portion of the debt bears 5 per cent. interest.

In April, 1878, the Bank of New South Wales and the Consolidated Bank, Limited, invited tenders for a loan of £300,000, in 4 per cent. debentures, of £100 each, for the purpose of consolidating various small loans falling due during 1878 and 1879, to the extent of £129,000, and for public works to the extent of £171,000. Interest is payable on the 1st January and July, at the Consolidated Bank, where also the principal will be payable in July, 1908. The loan was subscribed for at and above £92 10s. per cent.

In October, 1879, the Bank of New South Wales received tenders at the minimum of par for £65,000 (part of £73,500) debentures, of £500 or £100 each, repayable on the 1st August, 1884. The whole were placed at and above the minimum. Interest is payable by the Consolidated Bank on the 1st February and 1st August.

In March, 1881, tenders for a new 4 per cent. loan of £300,000 were invited by the Bank of New South Wales. 71 tenders, amounting to £1,143,500, were sent in, at prices ranging from the minimum of £97½ to £99 15s. 6d. Tenders at and above £99 7s. received in full. Interest is payable half-yearly on the 1st January and 1st July, and the principal is to be repaid in January, 1920. There have also been issues of debentures and Treasury bills in the Colony itself.

Hobart Town Loan.—There was issued in July, 1880, £100,000, in 5 per cent. debentures, of £1,000, £500, or £100 each, on behalf of the City of Hobart Town. Tenders were received by the Bank of New South Wales, and allotment was made at £103 7s. 6d., and upwards. This issue forms part of £150,000 authorised for the consolidation of then existing mortgages, and interest is guaranteed by the Tasmanian Government, the payment of which takes place at the Consolidated Bank on the 1st May and 1st November. The capital is to be repaid in May, 1930.

Tasmanian Main Line Railway Guarantee.—There is a

liability incurred in respect to the interest guaranteed by the Government on the Tasmanian Main Line Railway. This undertaking was established in 1870, to construct a line from Hobart Town to Launceston, and was opened for traffic in March, 1876. The capital of the company consists of £150,085 in ordinary shares, £243,350 in 6 per cent. preference stock, £650,000 in 4 per cent. (originally 5 per cent.) debenture stock, £32,125 in 6 per cent. debenture stock, and £100,000 in 5 per cent. bonds. The earnings of the company are insufficient to meet the guaranteed interest, and the deficiency has, therefore, to be made good by the Government.

The revenue and expenditure of Tasmania have been officially returned as follows:—

	Revenue.	Expenditure.
	£	£
1865	297,251	299,395
1870	270,128	282,624
1875	342,606	388,090
1876	327,017	341,889
1877	366,118	352,461
1878	385,936	379,232
1879	375,570	481,216
1880	439,780	423,745
1881 .....	...	...

In 1880, the proportion of this revenue raised by taxation (Customs, &c.) was £304,546, the balance representing land sales, railway, and other receipts.

The imports and exports have been—

Year.	IMPORTS.		EXPORTS.	
	Total.	From United Kingdom.	Total.	To United Kingdom.
	£	£	£	£
1855	1,559,797	920,695	1,428,629	445,557
1860	1,068,411	584,174	962,170	421,428
1865	762,375	283,056	880,965	403,559
1870	792,916	282,342	648,709	253,200
1875	1,185,942	505,101	1,085,976	510,757
1876	1,133,003	346,678	1,130,983	549,750
1877	1,308,671	377,499	1,416,975	632,741
1878	1,324,812	373,466	1,315,695	639,764
1879	1,267,475	337,050	1,301,097	600,876
1880	1,369,223	288,495	1,511,931	701,967
1881 .....	...	...	...	...

The principal item of export is wool, of which 4,146,913 lbs. were exported in 1870, 6,199,248 lbs. in 1875, and 9,025,228 lbs. (value, £542,244) in 1880. The value of the tin shipments in 1880 rose to £341,736, the tin discoveries dating only from

1872, while fruits and preserves and timber also form articles of export.

Until quite recently the shipments of bullion and specie formed but an insignificant portion of the total exports, the value in 1870 being only £18,475; in 1871, £14,218; and in 1877, £26,959. In 1879, however, the value was £145,873, and in 1880, it was £201,655, owing to recent discoveries of reefs rich in gold.

In 1880, the area under tillage was 373,299 acres, while the total lands sold reached 4,232,870 acres. The yield of wheat was 750,040 bushels, off 50,022 acres—say, 15 bushels per acre. In 1881, Tasmania possessed 25,267 horses, 127,187 cattle, 1,783,611 sheep, and 48,029 pigs. The sheep numbered 1,305,489 in 1871.

Little has yet been done with the coal and iron existing in the island.

From the subjoined table it will be readily seen that the banking facilities are considerable.

Tasmanian Banks "Sworn Averages"—

First Quarter of 1882.

	Notes.	Deposits.	Coin and Bullion.	Discounts, Advances, &c.
	£	£	£	£
Bank of Australasia	16,902	405,901	82,789	163,648
Commercial Bank	70,616	1,194,931	218,512	778,405
Bank of Tasmania	14,789	106,506	46,196	117,903
Union of Australia	26,099	610,428	127,675	268,887
Bank of Van Diemen's Land	21,283	365,610	58,667	380,763
	149,689	2,683,376	533,839	1,709,606

In 1876, the various banks had notes in circulation to the amount of £117,558, the deposits being at the same time £1,463,008; the coin and bullion, £256,499; and the discounts and advances, £1,357,198. In 1873, the deposits were £858,784. In 1874, the length of railways open for traffic was only 45 miles, but in the following year (1875), their mileage was increased to 150, and in 1876 to 172, at which it remained in 1880.

The area of Tasmania is 26,215 square miles, and the population in 1881 was 115,705, having increased from 101,785 in 1871, and 89,977 in 1861. The climate is very well adapted to Europeans.

T O B A G O .

The Colony has owed since 1878 £1,000, secured on Colonial Treasury bills, carrying interest at 7 per cent., payable half-yearly in advance. These bills fall due on the 1st August, 1882. A sum of £868 was also due to the Crown Agents on the 31st December, 1880.

The island of Tobago covers 114 square miles, and has a population of 19,324, as compared with 17,054 in 1871. In 1880, the revenue was £14,003, and the expenditure, £13,514; the imports were £45,138; and the exports, £77,615, mainly consisting of 66,516 cwts. of sugar.

TRINIDAD.

The Public Debt of the Island of Trinidad was returned at the undermentioned dates as follows:—

	£		£
1855.....	176,073	1875.....	191,500
1860.....	195,884	1877.....	178,000
1865.....	245,268	1878.....	271,310
1869.....	105,164	1879.....	264,380
1870.....	155,750	1880.....	407,370
1873.....	77,800	1881.....	505,000

On the 31st December, 1880, £390,520 had been borrowed for railway purposes, leaving only £16,850 of the debt devoted to other purposes. The total outlay upon railways, completed and constructing, to the same date had been £427,600; and in 1880, the net revenue derived therefrom was £11,724. The annual charge of the debt in 1881 was about £27,500.

At the present time (July, 1882), the debentures placed through the Crown Agents for the Colonies are given below:—

	Original Issue.	Amount Outstanding.	Redeemable.
	£	£	
5 % Railway Loan, 1874.....	150,000	107,600	1 % accumulative drawings from 1875.
5 %, 1873 (£170,000 authorised)	100,000	98,500	1 " " " from 1882.
4 %, 1880-1.....	250,000	250,000	1 " " " from 1883.
4 %, 1882 (£120,000 authorised)	100,000	100,000	1 " " " from 1885.
	600,000	556,100	

The total debt being about £600,000.

In February, 1874, the Crown Agents for the Colonies invited tenders at par for a 5 per cent. loan for the Government of Trinidad, the amount offered here being £100,000, while a further £50,000 was reserved for issue in the Colony. The bonds are of £1,000, £500, £200, or £100 each. The interest is payable on the 15th March and 15th September, and the principal by a 1 per cent. cumulative sinking fund at par. The first drawing took place in February, 1875, and other drawings take place in February in each year, for redemption on the 15th March following.

In April, 1878, the Crown Agents received tenders at par for the "Trinidad Government Five per Cent. Loan, £170,000, authorised by Ordinance No. 1 of 1878." The prospectus stated—

The loan is secured on the general revenue and assets of the Colony, and will be raised on coupon-bearing bonds of £100 sterling each, transferable by delivery. Interest at the rate of 5 per cent. per annum, commencing on the 15th April, 1878, will be paid at the Offices of the Crown Agents for the Colonies in London. In order to make the bonds correspond with those already in the market, the first payment will be made for five months ending the 15th September next, and thenceforward half-yearly on the 15th March and 15th September. The principal will be repaid at par by annual instalments, by means of a sinking fund, to be formed on the cumulative principle, into which the Government will pay a sum equal to 1 per cent. per annum on the total amount of debentures issued. The accumulations in this fund will be applied either to annual drawings by lot, or to the purchase of the bonds in the market, at the option of the Government. The first drawing (if any) will take place in February, 1882, and thenceforward in the same month of every year. The drawn bonds will be paid off, together with the interest falling due, on the 15th of the following month.

In October, 1880, the "Trinidad Government Four per Cent. Loan, £250,000, authorised by Ordinance No. 8 of 1880," was brought forward by the Crown Agents, £150,000 being first placed at 96.

The loan will be raised on coupon-bearing bonds of £500 and £100 sterling each, transferable by delivery, and bearing interest at the rate of 4 per cent. per annum, commencing on the 15th September, 1880, and payable half-yearly at the Offices of the Crown Agents for the Colonies in London, on the 15th March and 15th September. The principal will be repaid at par by annual instalments, by means of a sinking fund, to be formed on the cumulative principle, into which the Government will pay in each half-year a sum equal to 10s. per cent. per annum on the total amount of debentures issued, commencing on the 1st January, 1883. The accumulations in this fund will be applied either to annual drawings by lot or to the purchase of the bonds in the market, at the option of the Government. The first drawing (if any) will take place in February, 1883, and thenceforward in the same

month of every year. The drawn bonds will be paid off, together with the interest falling due, on the 15th of the following month.

In July, 1881, the balance (£100,000) of this loan was allotted at £101 15s.

In May, 1882, the "Trinidad Government Four per Cent. Loan, £100,000, authorised by Ordinance No. 1 of 1882, for the construction of railways," was placed by the Crown Agents, the minimum being fixed at £98, and the allotment being made at £101 1s. Interest is payable as in the preceding loan, and with regard to redemption the prospectus stated—

The principal will be repaid at par, by annual instalments, by means of a sinking fund, to be formed on the cumulative principle, into which the Government will pay in each half-year a sum equal to 10s. per cent. on the total amount of debentures issued, and the first payment to the sinking fund will be made on the 15th September, 1883. The accumulations in this fund will be applied either to annual drawings by lot, or to the purchase of the bonds in the market, at the option of the Crown Agents. The first drawing, if any, will take place in February, 1885, and thenceforward in the same month of every year. The drawn bonds will be paid off, together with the interest falling due, on the 15th of the following month.

Prior to these debts being incurred in this market the Home Government guaranteed a 4 per cent. loan to the amount of £125,000, which was entirely liquidated in 1874. A small Public Buildings Loan was repaid in the previous year.

The gross revenue and expenditure of the Colony are thus given:—

	Revenue.		Expenditure.
	£		£
1860	174,861	.....	187,221
1865	220,312	.....	222,285
1870	233,585	.....	241,148
1875	341,619	.....	352,489
1879	425,094	.....	375,986
1880	435,789	.....	458,640
1881 .....	...	.....	...

The principal sources of revenue are the Customs dues (£150,766 in 1880), the duty on rum, and an export duty on sugar, &c. (now reduced to 6s. per hhd.), levied for immigration purposes. In 1880, the railway receipts also added £35,758 to the revenue, and the expenditure included £24,034 working expenses; net revenue, £11,724, against £9,614 in 1878, and £2,292 in 1876. This item is, therefore, rapidly expanding.

The imports and exports are compared below :—

	IMPORTS.		EXPORTS.		
	Total.	From United Kingdom.	Total.	Sugar.	To United Kingdom.
	£	£	£	£	£
1860	829,304	356,757	714,605	503,050	525,595
1865	810,847	430,815	820,109	470,390	637,816
1870	1,042,678	448,310	1,277,574	718,556	1,032,608
1875	1,507,794	531,612	1,625,082	811,677	1,220,447
1879	2,223,271	773,849	2,264,744	832,534	1,460,622
1880	2,382,632	830,799	2,185,512	858,081	1,163,791
1881 .....	...	...	...	...	...

The export second in importance to sugar is cocoa, valued at £81,470 in 1860, £168,827 in 1870, and £321,906 in 1880.

The area of the island is 1,754 square miles, and the population has grown from 68,600 in 1851, to 84,438 in 1861, to 109,638 in 1871, and to 153,128 in 1881.

Port of Spain, the principal borough, in 1880 had a revenue of £16,160, the expenditure being £17,703.

To the same date the objects for which these loans were incurred, and the balance remaining in hand unexpended, were as follows :—

	Loans Raised. £	Net Proceeds. £	Balance Unexpended. £
Waterworks	3,321,304	3,274,441	50,936
Railways	17,728,367	17,677,307	2,094,908
Defences	100,000	98,299	...
Public works and buildings	587,663	584,451	147,206
State schools	800,000	764,849	12,908
Alfred Graving Dock	348,766	341,819	...
To cover deficiency on sale of stock	62,000	31,747	31,747
	22,948,100	22,772,913	2,337,705

Thus, practically, the whole of this sum has been raised for and expended upon works of a reproductive character, and the burden of the debt in reality rests lightly upon the Colony. This has recently been shown by the following contrast, taken from the accounts for the year ended 30th June, 1881 :—

	£		£
Public Debt	22,593,102	Interest thereon	1,116,944
	Gross Receipts.	Working.	Net Receipts.
	£	£	£
Railways	1,574,432	873,010	705,422
Waterworks	119,562	32,339	87,223
Interest received on loans to local bodies			19,849
			812,494
Net burden of debt			304,450

	Population	862,346	Net burden per head	s. d.
As compared with the United Kingdom	(say)	13	0	7 1 per annum.

“This short statement is sufficient to prove that although the debt per head of Victoria is nominally £26, as compared with £21 15s. in Great Britain, and the annual interest is nominally £1 6s.—just double what it is here—the actual sum required from the taxpayer is little more than one-half what we have to provide for interest on our debt.”

A further loan is authorised, and is expected early next year; but in 1883-5, when the Six per Cent. Railway Loan for £8,000,000 is repayable, a saving of more than £160,000 per annum in the interest charge will doubtless be effected.

The following are the details of the principal items forming the debt, which is constituted a first charge upon the revenue of the Colony :—

Victoria Railway Loan, in Six per Cent. Bonds.—This loan of £8,000,000 was raised for the construction of railways in this Colony during 1858 and subsequent years. One-eighth part was reserved for issue in the Colony, and the remainder for London. Of the London portion of the loan, £1,750,000 was issued in 1859.

In April, 1860, the following official notice, announcing a further issue, was published:—

Victoria (Australia) Railway Loan, issued under the authority of the Railway Loan Act of the Legislature of Victoria, No. 36, dated Melbourne, 24th November, 1857, intituled "An Act to authorise the raising of Moneys for the Construction of Railways," to be effected by the issue of debentures, bearing interest at the rate of 6 per cent. per annum, in amounts of £1,000, £500, and £100 each, secured upon the consolidated revenues of Victoria, and redeemable on the 1st October, 1883.

The Committee appointed by the six associated Australian banks, as agents in this country of the Government of Victoria for the negotiation of the above loan, hereby give notice, that they will be ready to receive tenders, at the London and Westminster Bank, for £1,078,000 of the above-named debentures, at a price not below the minimum of £105 per cent., as fixed by the Australian Government. A deposit of 5 per cent. on the amount of each tender must be previously paid to the London and Westminster Bank, or to the London Joint-Stock Bank. Purchasers of the debentures will be entitled to the interest accrued from the 1st instant. Principal and interest payable in London, at the London and Westminster Bank and London Joint-Stock Bank. Interest on the 1st April and 1st October in each year by coupons.

In reality, upon this loan there is £947,220 repayable in Melbourne, and £7,000,000 in London, mainly in October, 1883 and 1885, but small portions are due in October, 1884, and October, 1888.

Railways, Defence, &c.—In November, 1866, a new loan for £850,000, bearing 6 per cent. interest, and redeemable at par in 1891, was floated at and above £102 15s. 6d. per cent. The proceeds were to be expended on railways, defence, and irrigation. The bonds are for sums of £100, £500, or £1,000 each, with interest payable in January and July, in London, at the London and Westminster and Joint-Stock Banks. £3,074,600 was applied for by the public.

Five per Cents.—In 1868, a further issue of £2,100,700 for railway purposes was authorised by the Colonial Legislature. In March, 1869, this loan, bearing 5 per cent. interest, was brought out by the Associated Banks. The debentures were issued in sums of £100, £500, or £1,000 each, with coupons payable in London on the 1st January and 1st July, and the whole being redeemable in 1894 at par. The issue price was fixed at the minimum of par, at which price only about £700,000 was then taken.

In January, 1870, the subscription for the balance of these Five per Cent. Bonds was again opened, when the whole were taken at and above £101.

A further issue of £610,000 was afterwards made for the construction of waterworks and the Alfred Graving Dock.

Four per Cents., 1873.—In October, 1874, the six associated Australian banks brought out the Railway Loan for £1,500,000, in 4 per cent. debentures. The prospectus stated:—

The loan will be issued in debentures of £100, £500, and £1,000 each, bearing interest at 4 per cent., to commence from the 1st July last, and the coupons of the said loan are payable on the 1st January and 1st July in each year, at the London and Westminster Bank and the London Joint-Stock Bank, where also the principal will be payable on the 1st July, 1899.

The whole of this issue was not at first subscribed for at the minimum of 91 $\frac{3}{4}$ per cent.

Four per Cents., 1876.—In October, 1876, the ten associated banks negotiated the Victoria Public Works and Railway Loan for £3,000,000. The prospectus stated:—

The loan will be issued in debentures of £100, £500, and £1,000 each, bearing interest at 4 per cent., to commence from the 1st July last; and the coupons of the said loan are payable on the 1st January and 1st July in each year, at the London and Westminster Bank and the London Joint-Stock Bank, where also the principal will be payable on the 1st July, 1901. No tender will be accepted at less than £95 10s. for every £100 in debentures.

Applications amounted to £5,967,600, and the whole £3,000,000 was placed at and above £96 1s.

4 $\frac{1}{2}$ per Cents., 1878.—In March, 1879, the ten associated banks placed a first issue of £3,000,000 (part of £5,000,000) authorised by the Railway Loan Act, 1878, in 4 $\frac{1}{2}$ per cent. debentures. The prospectus stated:—

The loan will be issued in debentures of £100, £500, and £1,000 each, bearing interest at 4 $\frac{1}{2}$ per cent., to commence from the 1st January last, and the coupons of the said loan are payable on the 1st January and 1st July in each year, at the London and Westminster Bank and the London Joint-Stock Bank, where also the principal will be payable on the 1st January, 1904. No tender will be accepted at less than £98 for every £100 in debentures, the price including accrued interest from the 1st January last. Of the present loan, £1,043,520 is towards the purchase of the undertaking and property of the Melbourne and Hobson's Bay United Railway Company. The net profits of this line have been gradually increasing for years past, and, according to the last balance-sheet issued, were, in 1877 and 1878, at the rate of £63,000 per annum, or over 6 per cent. upon the amount at which it has been purchased by the Government. By the provisions of the Land Act of 1869 an amount of £200,000 is set apart annually from the general revenue for the re-purchase of debentures or the further construction of lines of railway. The total amount paid to this fund up to the 30th June last was £2,102,207, all of which had, as a matter of fact, been expended on the extension of railways.

Applications amounted to £8,400,000, and the loan was allotted at and above £98 18s. 6d.

In September, 1880, the balance (£2,000,000) of this loan was offered at the minimum of 101 $\frac{1}{4}$, interest accruing from the previous July. Applications reached nearly £11,000,000, and the loan was placed at and above £104 12s.

The signatures for the ten associated Australian banks attached to the last loan were the following :—

D. Larnach—Chairman of Committee.

For the Bank of New South Wales—J. Badcock.

For the Bank of Australasia—P. Selby.

For the Union Bank of Australia, Limited—W. R. Mewburn.

For the Bank of Victoria—Hugh L. Taylor.

For the London Chartered Bank of Australia—J. R. Engledue.

For the Colonial Bank of Australasia—Frederick Rodewald, Director of the London Joint-Stock Bank, as Agents for the Colonial Bank of Australasia.

For the Oriental Bank Corporation—W. M. Anderson.

For the National Bank of Australasia—T. M. Harrington.

For the English, Scottish, and Australian Chartered Bank—Henry Moules.

For the Commercial Bank of Australia—David G. H. Pollock, for the City Bank, Limited, as Agents for the Commercial Bank of Australia.

The general revenue has been returned as follows in the undermentioned years :—

	REVENUE.			EXPENDITURE. Total.
	Customs. £	Land Sales and Rents. £	Total. £	
1850.....	...	...	259,433	196,440
1855.....	...	...	2,723,656	2,612,307
1860.....	...	...	3,032,461	3,315,307
1865.....	...	...	3,076,885	2,983,777
1870.....	...	...	3,261,883	3,423,382
1871 (six months)	...	...	1,691,266	1,754,251
1871-2.....	...	...	3,734,422	3,659,534
1872-3.....	...	...	3,644,135	3,504,953
1873-4.....	1,761,099	754,430	4,106,790	4,177,338
1874-5.....	1,628,235	941,225	4,236,423	4,318,121
1875-6.....	1,657,788	966,845	4,325,156	4,572,844
1876-7.....	1,631,832	992,183	4,723,877	4,353,096
1877-8.....	*1,487,448	943,011	4,504,413	4,634,349
1878-9.....	1,378,384	965,461	4,621,520	4,833,379
1879-80.....	1,377,781	842,315	4,621,282	4,875,029
1880-1.....	1,474,778	...	5,186,011	5,103,577
1881-2.....	...	...	5,563,284	5,680,229

* Four-fifths (£285,000) Melbourne wharfage dues, previously included with Customs transferred to Harbour Trust.

The most improving branch of revenue has been that derived from railways. The statistics under this head are as follows :—

	Miles Open.	Miles under Construction.	Working		Net. £
			Gross Receipts. £	Cost. £	
1870...	274	...	699,273	...	...
1875...	603	...	1,091,937	...	...
1877...	950	193	1,319,638	635,696	633,942
1879...	1,125	74½	1,383,650	742,617	641,033
1880...	1,199	14½	1,492,917	814,075	678,842
1881...	...	...	(81-2) 1,690,996	...	...

The agricultural returns this year present less satisfactory features, owing to the falling off in the area under tillage.

—	Land Occupied.	Area Cultivated.	Wheat.	Oats.	Potatoes.	Hay.
	Acres.	Acres.	Bushels.	Bushels.	Tons.	Tons.
1860-1	8,517,033	419,330	3,459,914	2,633,693	77,258	144,211
1870-1	9,530,638	909,015	2,870,409	2,237,010	127,579	183,708
1875-6	13,084,233	1,126,831	4,978,914	2,719,795	124,310	157,261
1879-80.....	16,620,900	1,688,275	9,398,858	4,023,271	167,943	292,407
1880-1 .....	...	1,997,943	9,727,369	2,362,425	129,262	300,581
1881-2 .....	...	1,813,941	8,714,043	3,611,386	133,882	239,620

The yield per acre of wheat was 9·46 bushels in 1881-2, against 9·95 bushels in the previous year, and 13·29 bushels in 1879-80. Oats, however, gave an exceptionally fine yield, of 24·57 bushels. Potatoes gave 3·43 tons per acre, and hay 1·13 tons, the shortest yield per acre for ten years. The growth of barley, peas, and beans has latterly extended.

The live-stock returns are :—

	Horses. No.	Cattle. No.	Sheep. No.	Pigs. No.
1850	21,219	378,806	6,032,783	9,260
1860	76,536	722,332	5,780,896	61,259
1870	167,220	721,096	10,761,887	130,946
1880	275,446	1,285,613	10,355,232	241,836
1881 .....	.....	.....	.....	.....

The highest number of sheep was 11,749,532 in 1875.

In reality, Victoria has expended a far larger sum upon public works than she has raised money for, large amounts of revenue having been so appropriated. According to Mr. Hayter, the Government expenditure upon public works up to the end of 1880 had been nearly £40,000,000.

Public Works.	Amount Expended.		
	Prior to 1880.	During 1880.	Total.
	£	£	£
Railways	17,739,017	1,988,916*	19,727,933
Roads and bridges	6,906,039	24,945	6,930,984
Melbourne Water Supply (Yan Year)	1,564,423	47,094	1,611,517
Other waterworks	1,791,812	84,413	1,876,225
Other public works	8,521,484	383,751	8,905,235
Total	36,522,775	2,529,119	39,051,894

* Includes the purchase and maintenance of the late Melbourne and Hobson's Bay Company's lines.

The range of market values of Victorian stocks in the following securities is indicated below:—

	6 per Cent., "1885."		5 per Cent., "1894."		4 per Cent., "1889-1901."		4½ per Cent., "1904."	
	Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.
1866.....	108	100	...	...	...	...	...	...
1868.....	115	108½	...	...	...	...	...	...
1870.....	115	106	105	96	...	...	...	...
1871.....	115½	109½	107	101	...	...	...	...
1872.....	116½	109½	108½	104	...	...	...	...
1873.....	115½	110	109	105	...	...	...	...
1874.....	116	110	111	105½	...	...	...	...
1875.....	115	108	110½	105½	97	90½	...	...
1876.....	113½	108½	112	107	100	94	...	...
1877.....	114	107½	112	106	99½	95	...	...
1878.....	113	104	111½	103	99	89	...	...
1879.....	111	103	110	103	99½	87	104½	100
1880.....	110	104	114	105	104	94	108½	101
1881.....	110	104	114	108	105	99	110½	104

CITY, &c., LOANS.

In August, 1878, the Union Bank of Australia, Bankers of the Melbourne Corporation, invited tenders at £102 per £100 debenture, for the "City of Melbourne Loan, 1878—£125,000 at 5 per cent." Interest is payable on the 1st May and 1st November in London or Melbourne, and the principal at the rate of 100 debentures (£10,000) annually on the 1st May from 1896 to 1907—series A to L—and 50 debentures—series M—on 1st November, 1907. The previously existing debts of Melbourne were £170,000.

The Melbourne and Hobson's Bay United Railway capital has now been absorbed by the Victorian Government; but there are £291,500 in five and six per cent. debentures outstanding, which are now Victorian debt. Part of these are repayable in 1895.

The values of the imports and exports are given in the following table:—

	IMPORTS.		EXPORTS.			
	Total.	From United Kingdom.	Total.	Gold Raised.*	Wool.	To United Kingdom.
	£	£	£	£	£	£
1850 ...	744,925	...	1,041,798	...	826,190	...
1855 ...	12,007,639	5,617,149	13,493,338	11,172,260	1,405,659	11,359,145
1860 ...	15,093,730	9,564,098	12,962,704	8,626,800	2,025,066	9,346,619
1865 ...	13,257,537	7,147,216	13,150,748	6,172,752	3,315,109	7,680,339
1870 ...	12,455,758	8,200,706	12,470,014	4,891,192	3,205,106	6,205,455
1871 ...	12,341,995	3,252,617	14,557,820	5,421,908	4,702,164	8,529,603
1872 ...	13,691,322	3,728,457	13,871,195	5,130,084	4,651,665	8,216,074
1873 ...	16,533,856	5,137,189	15,302,454	4,964,820	5,733,638	9,741,608
1874 ...	16,953,985	4,888,725	15,441,109	4,623,868	6,373,676	9,649,397
1875 ...	16,685,874	6,062,226	14,766,974	4,333,143	6,096,958	6,980,983
1876 ...	15,705,354	5,763,533	14,196,487	3,855,040	6,413,754	7,128,841
1877 ...	16,362,304	6,471,780	15,157,687	3,238,612	5,670,371	6,574,848
1878 ...	16,161,880	6,658,623	14,925,707	3,101,088	5,810,148	6,458,484
1879 ...	15,035,538	6,749,519	12,454,170	3,035,788	5,269,634	5,901,351
1880 ...	14,556,894	6,536,661	15,954,559	3,316,484	6,417,466	9,249,873
1881 ...	16,718,521	...	16,252,103	...	5,450,066	...

* In this column the gold raised in Victoria during the year (not the amount exported) has been given, as furnishing a more correct view of the condition of this industry in the years named.

Though the value of the wool exported was as large in 1874 as in 1880, the quantity shipped was 23,820,000 lbs. less. The export in 1880 was 112,486,206 lbs.; but it must be remembered that the wool imported from across the New South Wales border has greatly increased of late years, Melbourne being a nearer port than Sydney. In 1880, this import of wool was set down at 60,723,152 lbs., value £2,977,264. In 1880, the other principal exports were—wheat, £603,158; live stock, £340,426; tallow, £192,394; meat, £157,767; and leather, £318,856.

Statistics Relative to Banks of Issue.

	Notes.	Deposits.	Coin and Bullion.	Discounts, Advances, &c.
	£			
1869 ...	1,287,535	10,350,335	2,354,429	14,330,798
1876 ...	1,335,478	14,850,148	3,519,377	19,138,461
1879 ...	1,090,760	16,426,165	3,475,345	20,717,750
1880 ...	1,236,046	17,972,703	3,854,635	18,039,020
1881 ...	1,359,495	21,151,909	3,008,490	22,783,437

These figures represent the sworn averages for the final

quarter in each year. The banks contributing to these returns issued the following statement for first quarter of 1882 :—

Banks.	Notes in Circulation.	Deposits.	Coin and Bullion.	Discounts, Advances, &c.
	£	£	£	£
Bank of Australasia	189,828	2,770,787	399,278	2,777,052
Union of Australia, Limited	128,917	2,626,520	411,843	2,888,211
New South Wales (Victorian Branch)	153,552	2,109,102	442,730	1,969,298
Bank of Victoria	289,661	3,739,628	359,640	4,046,021
London Chartered of Australia	149,013	1,719,410	234,997	1,560,009
English, Scottish and Australian Chartered	55,636	1,250,824	139,622	1,416,027
Oriental	69,616	1,241,034	141,488	1,602,836
Colonial of Australasia	125,577	1,675,069	197,858	1,982,772
National, of Australasia	157,407	2,351,206	272,517	2,619,469
Commercial of Australia, Limited.....	155,262	1,755,961	201,632	2,029,188
City of Melbourne, Limited.....	15,312	704,920	31,012	802,289
Totals	1,469,786	21,944,466	2,832,586	23,693,177

The area of Victoria is 88,198 square miles. The population being 862,346, the population per square mile is nearly 10, which is much denser than in any other Australasian Colony. In 1881, the population of Melbourne City was 65,860; and within a ten-mile radius, 280,836.

WESTERN AUSTRALIA.

Between 1858 and 1865 the official returns stated the Public Debt of Western Australia at £1,750; and from thence up to 1872 there was no Public Debt. Since then the amount has been returned as under:—

	£
In 1873.....	35,000
1874.....	119,000
1875-76	135,000
1877.....	161,000
1878.....	184,556
1879-80	361,000
1881.....(about)	500,000

Prior to 1879 various railway liabilities had been incurred, and on the 31st December, 1878, there was a deficit upon the revenue account of £30,868.

In April, 1879, tenders were received by the Crown Agents for the Colonies for the first half of the Western Australian Government 4½ per Cent. Loan for £200,000, authorised by Act No. 22 of 1878, as amended by Act No. 32 of 1879, for the construction of certain public works. The prospectus stated:—

The loan is secured on the general revenue and public assets of the Colony, and will be raised on debentures representing £500 and £100 respectively, and bearing interest from the 1st April, 1879, at the rate of 4½ per cent. per annum, payable half-yearly, at the Offices of the Crown Agents for the Colonies in London. The principal will be repaid by annual instalments, commencing in April, 1884, by means of a sinking fund, to be formed on the cumulative principle, into which the Government will pay a sum equal to 1 per cent. per annum on the total amount of debentures issued, and which is calculated to extinguish the debt in about 39 years from the above date. The accumulations in this fund will be applied either to annual drawings by lot, or to the purchase of the bonds in the market, at the option of the Government. The first drawing (if any) will take place in March, 1885, and thenceforward in the same month of every year. The drawn bonds will be paid off, together with the interest falling due, on the 1st of the following month. The debentures will be allotted to the highest bidders, provided the rates offered are not below £96 in money for every £100 in debentures.

This issue realised £98 11s., and upwards, while the second instalment placed in August was allotted at £96 12s., and upwards.

In July, 1881, the Crown Agents for a Western Australian Government Four per Cent. Loan, £150,000, at the minimum of 95½. The security offered and the amounts of the bonds are the same as in the preceding loan, but the coupons are payable on the 15th January and 15th July, and the drawings will not commence until June, 1887, for redemption in July.

BRITISH COLONIAL DEBTS—WESTERN AUSTRALIA. 345

The revenue returns have been as follows:—

	Revenue. £	Expenditure. £
1860.....	69,863	61,745
1865.....	77,943	74,985
1870.....	98,132	113,046
1875.....	157,776	169,230
1879.....	196,315	195,812
1880.....	180,050	204,338

The drop in the revenue in 1880 was owing to there not being the same "refunds" as in 1879. The revenue included an Imperial grant-in-aid of £11,250.

In 1873, 30 miles of railway were opened. In 1877, the length was increased to 68 miles, and in 1879 to 72. At the end of 1880, there were also 20 miles under construction. All these lines are upon the 3 ft. 6 in. gauge. In 1880, the northern line (34 miles) yielded a gross revenue of £2,872, and the report of the Colonial Secretary considers there are "reasonable grounds for believing it will ultimately pay."

The condition of trade is represented by the following figures:—

Year.	IMPORTS.		EXPORTS.	
	Total.	From United Kingdom.	Total.	To United Kingdom.
	£	£	£	£
1860	169,075	133,655	89,247	55,490
1865	168,414	100,075	179,147	104,673
1870	213,259	102,580	200,985	99,583
1875	349,841	196,739	391,217	248,542
1879	407,299	169,668	447,984	222,659
1880	353,669	138,324	499,183	295,129

The wool exports have considerably increased of late years, and in 1880 were 4,342,606 lbs. In addition, there were in 1880 exports of sandalwood, £51,970, and lead ore, £11,388. Copper deposits, stated to be of importance, have been discovered.

In 1881, Western Australia possessed 34,568 horses, 63,719 cattle, 1,231,717 sheep, and 24,232 pigs—all showing a large increase on the figures for 1871. In 1880-1, 27,687 acres gave 413,644 bushels of wheat, or 14·94 bushels per acre.

The area of Western Australia is 975,920 square miles, or larger than that of any other of the Australasian Colonies. The population numbered 5,886 in 1851, 15,691 in 1861, 25,353 in 1871, and 31,000 in 1881. A very large portion of the interior is desert land, and cannot be regarded as habitable.

FOREIGN DEBTS.

The aggregate indebtedness of the Foreign States amounts at the present time to the enormous total of £4,310,623,709, equal to £5 per head upon a total population of 866,369,494; or to £166 per square mile upon a total area of 25,872,294 square miles. This indebtedness at the same time exceeds six years' revenue of the whole of these States combined, and amounts to double the gross imports and exports added together of the countries dealt with in the following pages.

Unlike the debts of our Colonial Possessions, these liabilities have, the greater part of them, been incurred in the prosecution of wars, and in covering revenue deficits.

ARGENTINE CONFEDERATION.

The funded and unfunded debt of the Argentine Confederation stands as follows :—

	Original Issue.	Amount Out- standing.
	£	£
Funded Foreign Debt (July, 1882.)		
6 per Cent. London Loan, 1824 (Old Buenos) ...	1,000,000 ...	614,600
3 per Cent., 1857, for arrears... (Ayres Loans) ...	1,500,000 ...	484,300
6 per Cent., 1866-8, Loan	2,500,000 ...	1,205,000
6 per Cent., 1871, Public Works	6,122,400 ...	3,785,500
Buenos Ayres 6 per Cent., 1870	1,034,700 ...	879,900
Do. 6 per Cent., 1873	2,040,800 ...	1,848,000
6 per Cent. Railway Loan, 1881	2,450,000 ...	2,438,200
Total foreign.....	16,647,900 ...	11,255,500
Funded Internal Debt in 1881 (at 4s. per hard dollar).		
6 per Cent. "Hard Dollar" Bonds (including the London issues).....	4,785,000 ...	3,120,000
9 per Cent. Treasury Bills	1,200,000 ...	1,125,000
8 per Cent. Roads and Bridges Loan of 1863 and 1869	300,000 ...	223,200
6 per Cent., 1858, given to foreigners in compen- sation for losses during civil wars	238,000 ...	144,500
6 per Cent., 1860, "Buscenthal Bonds"	535,000 ...	89,600
1861 Buenos Ayres Loan, guaranteed 1876 by National Government	192,000 ...	79,700
5 per Cent., 1872, "National Bank Loan"	284,000 ...	255,300
Loan of Law 21st October, 1876.....	100,000 ...	96,000
Total internal	7,634,000 ...	5,133,300
Total funded debt	24,281,900 ...	16,388,800
Add—Bank credits (31st December, 1880).....		3,082,700
Bills outstanding ("Letras") (31st December, 1880)		745,700
Floating debt (31st December, 1880).....		1,461,300
Total direct debt.....		21,678,500

The annual charge upon this debt, including heavy sinking funds, is now stated to amount to £1,701,486; and suggestions have recently been made by the Argentine Finance Minister to reduce the sinking funds, and to convert the whole into a stock bearing 5 per cent. interest. This, as the existing loans are above par, might be effected in course of time by a carefully-considered scheme.

The above figures include the old Buenos Ayres loans, taken

over at the time of the confederation, as well as the Buenos Ayres loans of 1870 and 1873, taken over in 1880; but not the paper money issued through the Provincial Bank. This is as follows, and would raise the debt to £25,623,500. But it is still regarded as a Buenos Ayres liability.

	£
Paper Dollars—95,000,000 held by Provincial Bank at 7½ per cent. ....(say)	790,000
„ 46,000,000 in circulation	380,000
„ 260,000,000 owed to Bank	2,170,000
„ 75,000,000, bearing 6 per cent.	625,000
	3,945,000

These, and the other obligations of Buenos Ayres proper, will, by the Loan Act of July 6, 1881, be consolidated into a loan of £4,098,300 (part issued by Messrs Barings in March, 1882), and the total external and internal debt of Buenos Ayres after the consolidation will be £4,459,124, involving an annual charge of £319,550, including 1 per cent. for sinking fund. There are also other provincial debts, as under:—

	£
Entre Rios 7 per Cent., 1872	141,000
Santa Fé 7 per Cent., 1874	214,800

These would raise the indebtedness of the country—of which Buenos Ayres is by far the most important province—to £26,493,400, or per head £10 12s. In addition, there are various railway guarantees, of which the following are the most important:—

Central Argentine Railway, 7 per cent. on £1,643,000.
 East Argentine Railway, 7 per cent. on £960,000.
 Northern of Buenos Ayres Railway, 7 per cent. on £150,000.
 Buenos Ayres Great Southern Railway, guarantee surrendered.
 Buenos Ayres and Campana Railway, net revenue of £28,000 per annum.
 Buenos Ayres and Pacific Railway, 7 per cent. on £2,312,347 for 20 years.

In 1870, the annual charge upon the Argentine debt amounted to £685,556; in 1871, it was about £1,278,000; in 1873, £1,770,740; and in 1874, it was returned as high as £2,177,640, including redemption of floating liabilities. In 1881, the interest and sinking funds were stated at 8,507,432 patacons, or £1,701,486, the reduction being due to the smaller creations and repayments of floating debt.

Taking the different items of the foreign debt, the first two represent a loan raised by the State of Buenos Ayres in 1824 for the nominal sum of £1,000,000, issued at £85 per £100 stock, with sinking fund at ¼ per cent. per annum. No interest was paid on this loan after 1829, and arrears thus

accumulated to the extent of £1,500,000. In 1857, an arrangement was made by which these arrears were capitalised into a separate stock, bearing interest at the rate of 1 per cent. till 1865, 2 per cent. from 1865 to 1870, and 3 per cent. subsequently until the debt is extinguished. Since the date of that arrangement the dividends have been regularly paid, and the sinking fund operations carried out by purchases in the market. When, however, the prices of these loans reach par their redemption will be effected by drawings. It is expected that these loans will be entirely paid off by about 1890. As special security for this debt, Buenos Ayres has handed over her Custom-house and some other revenues to the General Government of the Confederation.

Buenos Ayres was from 1852 to 1862 separated from the thirteen other States which with her, since 1862, now form the Argentine Confederation.

The loan of 1866-68 was brought out by Messrs. Barings, the first half being offered in January, 1866, at the price of 75 per cent., the money being required to defray the cost of the war with Paraguay. Only £550,000 was allotted, however. The prospectus stated:—

Loan for the Argentine Republic of £2,500,000 Stock, bearing 6 per Cent. Interest.—Present Issue, £1,250,000 Stock.—Messrs. Baring Brothers and Co. beg to announce that, in conformity with the Act of the Legislature of the Argentine Republic, dated the 27th May, 1865, and with the full powers issued by the Government of the said Republic to his Excellency Don Norberto de la Riestra, they will receive applications for one-half of the loan of £2,500,000 sterling stock on the following terms:—Bonds to bearer for £500 or £100 each will be delivered, when ready, in exchange for scrip receipts, bearing interest until cancelled at the rate of 6 per cent. per annum from the 1st January, 1866, with dividend warrants payable in London at the counting-house of Messrs. Baring Brothers and Co., and in Amsterdam by Messrs. Hope and Co., at the exchange of 11 guilders 80 cents per pound sterling, on the 1st January and 1st July of each year. A sinking fund of 1 per cent. on the principal will commence on the 1st January, 1868, and be applied annually, together with the interest on all bonds paid off, to the reimbursement of the loan at par. The bonds to be paid off will be annually drawn by lottery. The reimbursement will thus be completed in about 33 years from its commencement. The price of the issue of £1,250,000 is 75 per cent., to be paid as follows:—15 per cent. two days after allotment to Messrs. Martin and Co., 68, Lombard Street; 15 per cent. on the 6th March, 1866; 15 per cent. on the 17th April; 10 per cent. on the 29th May; and 20 per cent. on the 10th July—total, 75 per cent. The half-yearly dividend due on the 1st July, 1866, will be deducted from the instalment payable on the 10th July.

As already stated, this application was only partially successful, and in July, 1868, the balance was issued to the public. The remaining £1,950,000 was subscribed at 72½ per

cent., payable as follows:—15 per cent. on allotment, 15 per cent. on the 2nd September, 15 per cent. on the 5th November, 15 per cent. (less coupon) on the 6th January, 1869, and 12½ per cent. on the 10th March. The amount of the sinking fund was increased, and the following appeared in the new prospectus:—

A sinking fund of 2½ per cent. per annum on the principal of the whole loan of £2,500,000 will commence on the 1st July, 1869, and be applied in equal half-yearly payments, together with the interest on all bonds paid off, to the redemption of the loan at par. The bonds to be paid off will be drawn every half-year by lottery, and will be reimbursed in London at par, without charge or deduction. The reimbursement of the entire loan will thus be completed in about twenty-one years.

The sinking fund for the first portion of the Argentine loan, issued in 1866, was fixed at 1 per cent. per annum, but it is deemed right that the holders of the bonds of that issue should participate in the benefit of the increased rate of 2½ per cent.

The amount outstanding of this loan in July, 1882, is £1,205,000.

In June, 1870, Messrs. C. de Murrieta and Co. invited applications for the Buenos Ayres Six per Cent. State Loan, 1870, the amount thereof being £1,034,700 sterling, and the price of issue 88 per cent., payable over a period of six months. The bonds are to bearer, in sums of £100, £500, or £1,000 each, and bear interest payable in sterling in London on the 1st April and 1st October, the redemption being provided for in thirty-three years from the date of issue (by means of an accumulative sinking fund of 1 per cent. applied annually to drawings at par). The drawings take place in July. The proceeds of the loan were to be applied “exclusively to works of public industry.” In July, 1882, the amount outstanding was £879,900.

In April, 1871, the Argentine Government Six per Cent. Public Works Loan was brought out by Messrs. C. de Murrieta and Co. at the price of 88½ per cent., or net £87 3s. per cent., allowing for discount on the prepayment of instalments, at which price the return to the investor, sinking fund included, was calculated to be 7½ per cent. The amount was £6,122,400 stock, in bonds to bearer of £100, £200, £500, or £1,000 each, with interest payable on the 1st March and 1st December by coupon in London, free from Argentine taxation. The prospectus stated:—

A sinking fund of 2½ per cent. upon the nominal amount of the loan increased by the interest on the bonds from time to time paid off, will be applied to the redemption of the loan at par by half-yearly drawings. The drawings will take place in the months of February and August, the bonds drawn being advertised in the usual way, and being paid on the 1st of the following March and September, when

the interest on the drawn bonds will cease. The first drawing will take place in August (1871), the drawn bonds being paid on the 1st of September.

The Government reserves to itself the right to increase at any time, and from time to time, the amount to be applied in any year to redeem the bonds. The surplus of the amount so applied beyond the sinking fund for the year is to be employed in purchasing bonds in the market.

The law authorising the loan directs that nearly the whole of the proceeds, after repaying to the Provincial Bank of Buenos Ayres their advances, amounting to about £560,000, is to be applied towards the completion of the railway from Villa Neuva to Rio Cuarto (now in course of construction); the extension of the railway from Cordova to Tucuman; the construction of the works of the port and Customs warehouses at the city of Buenos Ayres, and the construction of wharves and Customs warehouse at the City of Rosario.

The amount outstanding of this loan in July, 1882, is £3,785,500.

In December, 1873, Messrs. Baring Brothers and Co. brought out a further loan for £2,040,800 for the Province of Buenos Ayres, at the price of 89½ per cent., with instalments extending over a period of seven months. The 6 per cent. interest commenced from the 1st October, 1873, and is payable on the 1st April and 1st October. The prospectus stated further:—

The bonds will be in amounts of £500 and £100 each.

A sinking fund of 1 per cent. per annum on the principal of the loan will be applied by half-yearly drawings, together with the interest on all bonds paid off, to the redemption of the loan at par. The first drawing will take place so that the bonds drawn will be repaid on the 1st October, 1874.

The Government of Buenos Ayres reserves the right to increase the amount of the sinking fund at any time it may deem expedient.

The bonds and dividends of this loan will be exempt from any present or future taxation in Buenos Ayres.

In July, 1882, the amount outstanding was £1,848,000.

The Six per Cent. Railway Loan of 1881 was brought out in May of that year, by Messrs. Murrieta and Co., of London, and Messrs. L. and R. Cahen d'Anvers and Co., of Paris. The price of issue was £91 per £100 bond, or, taking into account the accrued interest and discount on prepayment of instalments, £90 11s. net, at which price, allowing for the action of the sinking fund, the yield to the investor would be about 6½ per cent. per annum. The following extracts are from the prospectus:—

The object of the loan is to provide funds for the extension of the Central Northern Railway (Cordova to Tucuman) to Jujuy, and the Andino Railway to San Juan and Santiago del Estero; the former line having been constructed and the latter extended out of the proceeds of the 1871 loan, and the bonds now offered being specially guaranteed by the revenues of those lines.

The bonds will be of £20 sterling, or 500 francs gold each. They will be issued in certificates of one and five bonds each, the deliveries on the allotments in England being exclusively of the latter kind. The two kinds will, however, circulate alike in England and France.

The principal and interest are specially exempted from any tax or contribution whatever by the Argentine Government, and will be payable, at the option of the holder, in London in sterling, at the Office of Messrs. C. de Murrieta and Co., or in Paris in francs, at the Office of the Banque de Paris et des Pays-Bas, or the Comptoir d'Escompte de Paris.

In July, 1882, the amount outstanding was £2,438,200.

INTERNAL DEBT.

The Six per Cent. "Hard Dollar" Bonds were floated upon this market by two separate issues. In February, 1872, Messrs. Stern Brothers received subscriptions for \$6,000,000, which at the exchange of 49d. is equal to £1,225,000, in 6 per cent. internal "hard dollar" bonds of \$500 and \$1,000 each, forming part of \$20,809,506 of this description of internal debt. In July, 1874, a further issue of \$1,752,800 (or £357,863 sterling) was brought out here by the same firm. The principal and interest are guaranteed by the Argentine Confederation, the latter being payable quarterly at the commencement of January, April, July, and October, in specie in Buenos Ayres. Coupons are negotiable here. A 1 per cent. accumulative sinking fund is applied to purchases of bonds by tender. The issue price of the portion brought out in 1872 was 76 per cent., or £77 11s. 8d. per \$500, and of that brought out in 1874 it was 80 per cent., or £81 13s. 4d. per \$500. There are further amounts of these bonds which were not formally floated upon the London market, and the total issues of this description of debt have amounted to £4,785,000, which amount has now been reduced to about £3,120,000. For some years after 1874, when the revenue suffered a severe relapse, the interest was no longer paid in specie, but in paper money, and this depressed market prices considerably. But in 1881 there was a rapid advance when a return to "hard dollar" dividends was announced.

No subscriptions were formally invited here for Argentine Nine per Cent. Treasury Bonds, but they have been imported largely of late, and were in 1881 admitted to a quotation on the London Stock Exchange. The amount is \$6,000,000, which at 49d. would represent £1,225,000, and the interest is payable in Buenos Ayres on the 1st January, April, July, and October. With regard to the sinking fund, which was

provided by the Law of the 19th October, 1876, under which they were issued, it was first officially stated here that the bonds were on the same footing as the hard dollar bonds as regards redemption. The expression contained in the said Law as to the bonds being redeemable "*por licitacion*" means by tender. They were consequently redeemable by purchase in the market, and no holder could in accordance with that Law be required to surrender his bonds at par or otherwise. But great consternation was produced here when it was announced that the Government intended redeeming them at par by annual drawings. After negotiation, however, it is now proposed to convert each £100 of Treasury Bonds into £200 Four per Cent. Sterling Bonds. Here coupons have hitherto been sold or entrusted to the River Plate banks for collection.

LOANS OF PROVINCIAL STATES.

Buenos Ayres.—Area, 63,000 square miles; population, 600,000. In March, 1882, the Buenos Ayres Six per Cent. Sterling Loan for £2,049,200 was brought out by Messrs. Baring Brothers and Co., at the price of 92. The prospectus stated—

£2,049,200 (part of a loan of £4,098,300 authorised by an Act of Congress dated 6th July, 1881), in bonds of the Province of Buenos Ayres, bearing interest, at the rate of 6 per cent. per annum, from 1st April, 1882, payable by quarterly dividend warrants at the Counting-house of Messrs. Baring Brothers and Co., in London, on the 1st January, 1st April, 1st July, and 1st October in each year. The bonds will be in amounts of £100, £500, and £1,000 each. A sinking fund of 1 per cent. on the principal of the loan, together with the interest on all bonds paid off, will be applied by yearly drawings to the redemption of the loan at par. The bonds drawn for reimbursement will cease to bear interest from the date when they become payable, and will be paid off at par in London, at the Counting-house of Messrs. Baring Brothers and Co. The first drawing will take place so that the bonds drawn will be repaid on the 1st April, 1883. The Government of Buenos Ayres reserves to itself the right to increase the amount of sinking fund at any time it may deem expedient. The bonds and dividends of this loan will be exempt from any present or future taxation in Buenos Ayres; and by the above Act of Congress the proceeds of the following taxes are specially set aside for its service, in addition to the general revenues of the Province:—

Tax on Judicial Deposits.
 " Patents.
 Stamp Duties.
 Income Tax.

The loan is issued for the purposes named in the memorandum furnished by Don Faustino Jorge (namely, the consolidation of internal debt).

Entre Rios.—This State is 40,000 square miles in extent, has a population of 150,000, and is named from its lying “between the rivers” Parana and Paraguay. In January, 1872, Messrs. C. de Murrieta and Co. brought out the first loan contracted by Entre Rios, the amount of stock issued being £226,800, in bonds to bearer of £100 or £200 each. The 7 per cent. interest is payable in London on the 1st January and the 1st July, and the principal is redeemable at par in twenty years by half-yearly drawings of 2½ per cent. (accumulative). The drawings take place in June and December. Both principal and interest are receivable free of Entre Rios taxes. The price of issue was 90 per cent., reduced to 88½ per cent. net.

Santa Fé.—Area, 18,000 square miles; population, 100,000. In February, 1874, Messrs. C. de Murrieta and Co. placed a Seven per Cent. Loan for £300,000 for this State, in bonds of £100 or £200 each. The interest is payable on the 1st January and 1st July; and a 2½ per cent. per annum sinking fund is applied to half-yearly drawings in June and December, for redemption at par in the following months. The Government may increase the sinking fund. The issue price was 92 per cent., with instalments payable over a period of nearly four months. The prospectus gave the following:—

The proceeds of the loan of £300,000 now proposed to be raised are to be applied exclusively to reproductive undertakings of an industrial and commercial nature. The service of the loan will amount to £28,500 per annum. To secure this there are specially appropriated, in addition to revenues to arise from the undertakings carried out by means of the loan, the direct tax (Contribucion Directa, charged in much the same way as income tax in England upon lands and certain other property), and the proceeds of the sale of the public lands.

Highest and Lowest Market Prices of Argentine Stocks.

—	6 % Loan, 1866-68.		6 %, 1871.		6 % “Hard Dollars,” 1872.		Buenos Ayres Great Southern Railway.		Central Argentine Railway.	
1870	95½	93	...	...	...	...	132½	107½	110	95
1871	101	89	94	87	...	...	137½	118½	105	82½
1872	101½	89	96	89	84½	75	140	110	105	90
1873	101	94	97½	90	87½	80	135	105	105	75
1874	99	86	96	81½	85	68	120	100	102½	75
1875	97	86	95	80	78	58	137½	105	100	85
1876	91	29	85	27½	66	18	139	105	91½	60
1877	74	59	71	47	49	34	132½	105	75	45
1878	82	66	71½	58	49	40	122	102	87½	50
1879	93½	67	88	57½	68	39	132	103	91½	55
1880	98	82	93½	71	78	49	150	128	102½	81½
1881	102½	92	100½	90	92	71	175	146	122½	97½

FOREIGN DEBTS—ARGENTINE CONFEDERATION. 355

The ordinary revenue and expenditure of the Confederation have thus been returned, receipts from and repayment of loans being excluded :—

	Revenue.			Expenditure.
	\$	£		£
1865	8,295,071	= 1,659,014	.....	1,375,235
1868	12,496,126	= 2,499,225	.....	2,927,358
1870	14,833,904	= 2,966,781	.....	3,887,993
1871 (yellow fever)...	12,682,155	= 2,536,431	.....	4,155,077
1872	18,172,379	= 3,634,400	.....	...
1873	20,217,231	= 4,043,446	.....	6,205,014
1874	16,090,661	= 3,218,132	.....	5,318,812
1875	17,206,746	= 3,441,349	.....	4,269,000
1876	13,583,633	= 2,716,726	.....	4,430,609
1877	14,824,096	= 2,964,819	.....	3,984,992
1878	18,651,898	= 3,730,379	.....	...
1879	20,961,893	= 4,192,378	.....	...
1881 (Estimate)	19,898,777	= 3,979,755	.....	3,967,300
1882 (Estimate)	24,632,000	= 4,926,400	.....	4,923,607

Of the revenue estimates in 1882, £2,910,000 was set down as the produce of import duties, £850,000 of export duties, and the balance represented railways, post office, and other receipts. 1873 to 1876 were years of great stagnation in the country.

The imports and exports may thus be contrasted, the trade with the United Kingdom being taken from our own Board of Trade Returns :—

Year.	IMPORTS.		EXPORTS.	
	Total.	From United	Total.	To United
	At 4s. per \$.	Kingdom.	At 4s. per \$.	Kingdom.
	£	£	£	£
1860	5,000,000	1,820,935	4,200,000	1,097,755
1865	6,000,000	1,988,565	5,000,000	1,014,329
1870	9,508,000	2,428,182	5,850,000	1,486,425
1871	8,831,000	2,541,647	*5,231,000	1,988,679
1872	11,920,000	4,031,939	9,149,000	1,902,889
1873	14,213,000	3,810,237	9,174,000	2,604,043
1874	11,190,000	3,192,322	8,620,000	1,271,445
1875	11,150,000	2,490,604	10,060,000	1,359,783
1876	6,980,000	1,597,498	9,300,000	1,664,029
1877	7,860,000	2,184,033	8,660,000	1,699,376
1878	8,460,000	2,393,301	7,260,000	1,099,938
1879	8,970,000	2,137,537	9,550,000	828,365
1880	8,813,000	2,541,215	11,299,000	886,628
1881	10,835,000	...	12,451,000	...

* Reduced, owing to the yellow fever in Buenos Ayres.

France and Belgium receive the bulk of the exports.

The official returns only give the imports and exports of merchandise subject to duty, and in this way a considerable

portion of the foreign trade is unrepresented therein. As far back as 1870, Senor Dominguez estimated the imports at about £2,500,000 above the official return, and the exports at £1,500,000 to £2,000,000 above. The principal exports are hides, wool, and tallow.

The area of the fourteen provinces composing the Confederation is 520,000 square miles, but including a large portion of Patagonia, the Gran-Chaco, the Pampas, &c., the area is returned at 1,619,463 square miles. The white population, which in 1866 numbered 1,465,000, in 1870 was returned at 1,750,000, notwithstanding the depressing effects of the Paraguayan War. In 1876 the number had risen to 2,121,775, and is now supposed to approach 2,500,000, aided by the extensive Italian immigration. In 1870 the inhabitants of the province of Buenos Ayres were about 500,000; of Cordova, 220,000; and of Entre Rios and Santiago about 140,000 each.

The length of railway in operation in 1870 was 458 miles; in 1873, it was 680 miles; and in 1876, 1,369 miles, costing £11,377,217. In 1878, the extent was 1,400 miles, and in 1880, 1,530 miles. The length of telegraph line in operation in the autumn of 1879 was nearly 5,000 miles.

It is proposed to construct a new line of railway, to be named the "Buenos Ayres and Pacific," with an Argentine guarantee of 7 per cent. for 20 years.

The most powerful financial institution in the Argentine Confederation is the Provincial Bank of Buenos Ayres, and the President's Message suggests that it shall be converted into a State bank.

In the Confederation there are stated to be 60,000,000 sheep, 15,000,000 cattle, and 4,000,000 horses.

AUSTRIA—HUNGARY.

The Public Debt of the Austrian Empire (to the charge of which Hungary partly contributes) has thus been stated at various intervals :—

	Florins or Gulden.	At 10fl. = £1. £	
In 1763 about	150,000,000	= 15,000,000	
„ 1781 „	283,000,000	= 28,300,000	
„ 1789 „	349,000,000	= 34,900,000	
„ 1815 „	825,000,000	= 82,500,000	European Wars.
„ 1820 „	987,000,000	= 98,700,000	
„ 1830 „	1,080,000,000	= 108,000,000	
„ 1848 „	1,250,000,000	= 125,000,000	Hungarian Rebellion.
„ 1862.....	2,526,718,641	= 252,671,860	After French War.
„ 1865.....	2,532,083,148	= 253,208,310	
„ 1866.....	2,919,717,689	= 291,971,760	War with Prussia.
„ 1868.....	3,009,804,134	= 300,984,130	
„ 1872.....	3,236,297,655	= 323,629,760	
„ 1874.....	3,277,500,000	= 327,750,000	
„ 1876.....	3,444,826,140	= 344,482,614	
„ 1881.....	3,662,337,267	= 366,233,726	
„ 1882.....	3,695,439,954	= 369,543,954	

The following gives a statement of the debt and the annual charge thereon on the 1st January, 1882 :—

	DEBT.		ANNUAL INTEREST.	
	Florins.	£	Florins.	£
Debt—Bearing interest in paper—redeemable	247,405,022	24,740,502	69,237,967	6,923,797
Irredeemable 5 per Cent. Paper Rente	1,345,463,655	134,546,266		
„ Bearing interest in silver—redeemable	61,394,237	6,139,423	45,123,657	4,512,365
„ Irredeemable 5 per Cent. Silver Rente	995,733,461	99,573,846		
„ Irredeemable 5 per Cent. Austrian Paper Rente	54,347,800	5,434,780	2,717,390	271,739
„ Bearing interest in gold — Irredeemable 4 per Cent. Gold Rente	272,690,160	27,268,016	13,694,008	1,368,401
„ Bearing no interest..	116,166,783	11,616,679	nil.	nil.
Consolidated debt	3,093,195,123	309,319,512	130,713,022*	13,071,302

* Out of this charge, Hungary provided in 1881, 30,169,001 florins for interest, representing about 1/3ths of the charge on the debt at the date of separation in May, 1868. This 1/3ths would, therefore, represent a capital of about 792,500,000 florins, or £68,050,000 at its exchangeable value into sterling. This 1/3ths, together with a like proportion of the paper money, would represent a capital sum of, say, £78,300,000, reducing the purely Austrian debt by that amount.

	DEBT—Continued.		ANNUAL INTEREST—Con.	
	Florins.	£	Florins.	£
Floating debt (paper)	105,036,509	10,503,651	3,330,105	333,010
(Including 3½ per Cent. Exchequer Bills, Treasury Bonds and Caution monies)				
Indemnities (paper).....	12,248,700	1,224,870	469,037	49,904
5 per Cent. Rente payable to Bavaria (silver).....	1,750,000	175,000	87,500	8,750
Redemption of Land Rente..	162,774,675	16,277,467	8,063,923	806,392
	3,375,005,007	337,500,500	143,193,587	14,319,358
Paper money:—				
at 1 fl. 59,737,652	820,434,947	82,043,405	nil.	nil.
" 5 " 109,821,595				
" 50 " 150,875,700				
	3,695,439,954	369,543,995	143,193,587	14,319,358

This statement is rendered at 10 fl. = £1. Since the depreciation in silver, the Gold Rente alone is worth nearly 2s., both the Paper and Silver Rente being exchangeable at little more than 1s. 8d. per florin. At the exchangeable value of paper and silver this debt would represent £312,497,998.

In 1881, the separate funded debt of Hungary was returned as under, the major portion being sterling loans:—

Date of Issue.	Loans.	Redemption.	Amount Outstanding. (At 10fl. = £1.)
			£
1868...	5 per Cent. Railway Loan	within 50 years	7,728,489
1870...	Lottery Loan, not bearing interest...	within 50 years	2,581,000
1871...	Gömcør Railway 5 per Cent. Loan...	...	598,680
1871...	5 per Cent. Loan.....	within 32 years	2,374,400
1872...	5 per Cent. "	" 30 "	4,722,900
1877...	6 per Cent. Gold Rentes } Sterling Loans {	" optional "	25,000,000
1881...	4 per Cent. Gold Rentes }	"	20,000,000
	Eastern Railway Loan	"	8,433,650
1881...	5 per Cent. Paper Rentes.....	"	5,197,760
1881...	Theiss Loan	"	4,355,000
	Add—Redemption of Land Rentes..	"	80,991,870
	Redemption of Vineyard Tithes...	"	21,882,862
			1,657,228
			104,531,960

Reckoning the paper issues at 12 fl. = £1, the total Hungarian debt would be £97,080,930.

Annual charge of the Hungarian debt in 1881:—

	Florins.	Sterling. (At 12 fl. = £1.)
Hungarian debt	54,285,300	4,523,775
Redemption of Land Rentes ...	16,930,254	1,410,855
Contribution to Austrian debt	30,319,000	2,526,583
	101,534,554	8,461,213

The issue of Hungarian Four per Cent. Gold Rente in May, 1881, for redemption of a portion of the Six per Cent. Gold Rente involved a nominal addition to this debt of £5,000,000, though at the same time effecting a saving of interest. The true adjustment of the national burdens stands as under :—

Actual Division of Burdens.		(Gold at 10 fl., silver and paper at 12 fl.=£1.)	
	Austrian Debt. £		Hungarian Debt. £
As already stated.....	312,497,998	.....	97,080,930
Transfer of liabilities...	- 76,300,000	.....	+ 76,300,000
	236,197,998	.....	173,380,930
Separate debts	236,197,998	.....	173,380,930
Population, Dec. 31, 1880	22,130,705	.....	15,610,729
Debt per head	£10 13s. 4d.	.....	£11 2s. 3d.
	£9,786,084	.....	£8,461,213
Annual charge in 1881, including redemptions and administration ...	8s. 10d.	.....	10s. 10d.
Annual charge per head	8s. 10d.	.....	10s. 10d.

Such was the burden of the debt in the year 1881. Whenever, however, Austria-Hungary make the effort necessary for a resumption of specie payments, it must be remembered that the paper currency, at present depreciated, will be raised probably to the gold level, and that the exchangeable value of the Austrian rentes and floating debt will be advanced in like proportion. Hence, we must be prepared for a prospective increase in the sterling equivalents represented by the above totals.

In addition to the foregoing, there are the liabilities under the railway and other guarantees, which may be considered fully to absorb the net profits derived from the State railways.

A description of the "income tax," which since 1868 has reduced the annual charge of the Austrian and joint debts by about £2,150,000 per annum, will be found in the following chronological record since 1849.

In that year, at the close of the Hungarian revolt, the then remaining vestiges of the Hungarian Constitution were declared forfeited, and Austrian, or Cisleithanian, supremacy was acknowledged. The struggle had proved costly, and the paper currency was considerably depreciated. In September, 1851, a subscription loan was contracted in Austria for 85,569,800 florins, to improve the value of the paper money.

In May, 1852, a new 5 per cent. foreign loan was contracted for 35,000,000 florins. Of this amount, £2,250,000 was

offered in London by Messrs. Rothschild and Sons, and £1,250,000 in Frankfort. It was brought out at 90, payable in six alternate monthly instalments, with an allowance of 3 per cent. discount for payment in advance.

In September, 1852, a voluntary national loan of £8,000,000, at 95, bearing 5 per cent., was brought out. The objects for which it was raised were stated to be the payment of the debts due to the National Bank, the appropriation of £2,500,000 to the withdrawal of a further portion of the State paper circulation, to meet the deficiency in the forthcoming Budget, and for the construction of railways.

In March, 1854, a new lottery loan of £5,000,000, at 4 per cent., was brought out at Vienna.

Later in the same year a national loan of £50,000,000 was offered for subscription at 95, bearing 4 per cent. interest in gold or silver, and by this £50,600,000 was realised, although the over-issue of forged bonds by officials, and other circumstances, excluded it from our money market. The object set forth in the patent issued for this national loan was to restore the paper currency to its full value, and for covering the extraordinary expenditure of the State.

In 1855, some new financial arrangements were made by the Government with the Vienna Bank, in order to further diminish the paper currency, and enable the bank to resume cash payments. Crown lands to the value of 155 millions of florins (about £15,500,000) were transferred to the bank to confer value on its notes. This alienation of Crown lands obviated the necessity of an immediate State loan.

In November, 1858, the National Bank resumed for a short period cash payments.

In 1859, during the war with France and Italy, Austria attempted to raise a war loan of £6,000,000; but the attempt having failed, the Government seized the silver in the bank, and authorised an issue of inconvertible paper, but required taxes to be paid in specie. Western Lombardy was severed from Austria in this year.

In March, 1860, a new Austrian 5 per cent. loan of 200,000,000 florins (nominally £20,000,000 sterling) was issued at Vienna. The bonds, of 500 florins each, were to be repaid within fifty-seven years by lottery drawings, to take place every six months. The highest prize in the lottery was to be 300,000 florins (£30,000), the lowest 600 florins (£60). The issue price of the loan was 100 florins. The bonds of the national loan were accepted by the Government at par in payment for one-fifth of the amount subscribed.

In November, 1865, a new 5 per cent. loan, for about

£14,600,000, was contracted for by the Comptoir d'Escompte de Paris and other capitalists. The bonds were 734,694 in number, of £19 17s., or 500f., or 200 fl. each; and the issue price was £13 14s. 4d. per bond, payable by instalments over a period of seven months. The London prospectus stated:—

Coupons will be attached to the bonds, payable the 1st June and 1st December, at the Agra and Masterman's Bank, Limited.

These bonds will be redeemed in thirty-seven years, by half-yearly drawings. At each drawing an equal number, or 9,928 bonds, will be withdrawn and paid off at £19 17s. (or at par), with the half-yearly dividend.

The drawing will take place publicly, at the Austrian Embassy in Paris, on the 1st May and 1st November of each year. The first drawing will take place on the 1st May, 1868.

When, in 1866, at the close of the war with Prussia, Lombardo-Venetia was ceded to Italy, the debt contracted on account of those provinces was likewise relinquished. Nevertheless, the war proved so costly that the total debt was increased.

One of the greatest results of the war of 1866 was the virtual freeing of Hungary from the Austrian yoke. The Emperor Franz Josef was crowned King of Hungary in June, 1867, and that division of the Empire received representative institutions. At the same time, the Constitution, which had nominally been granted to Austria proper after the war of 1859, was modified and brought into effect.

The continuous revenue deficits proved so onerous after 1866, and the Government was compelled to pay such high rates for the new loans, that it was determined in 1868 to reduce the rate of interest on the whole debt by the imposition of an 18 per cent. income tax, which would have the effect of reducing the usual 5 per cent. interest to a trifle above 4 per cent. The measure was appealed against by the foreign bondholders, who argued that, for the credit of Austria, retrenchment should not be inaugurated by a partial repudiation of debts already incurred. The Government replied officially that as Austrian bonds paid a high rate of interest compared with Consols, we could not consider the security as good; that other nations had occasionally proposed to us a reduction in the rate of interest payable on their debts, and that we had definitely accepted the same; that the Government wished to retrieve its position, and that, as the interest was a heavy burden, it must be lightened; and, finally, that as the good sense of this wealthy land was proverbial, it hoped, and indeed expected, to receive our hearty approval and aid. 16 per cent. is still deducted from the half-yearly coupons by way of "income tax," so called, thereby reducing the nominal Five per Cents. to 4.2 per cent. actual.

At the commencement of 1869, the compulsory conversion of all descriptions of internal and external debt was decreed; and Austria refused to acknowledge the injustice done to the foreign bondholders in compelling them to exchange bonds, with interest payable in Paris or London, into an internal 5 per cent. stock bearing interest only in florins in Vienna. Added to this, the action of the sinking funds was stayed, and the Council of Foreign Bondholders took the matter in hand, and issued "Anglo-Austrian Bondholders' Certificates" to the holders of such bonds in England, representing the loss sustained upon conversion. At the same time, the Stock Exchange removed the quotations of Austrian securities from the official list. Matters went on in this unsatisfactory state until the end of 1871, when, upon Hungary's wishing to negotiate a loan here, it found that such an operation would be impossible unless the claims of the ill-used bondholders were first settled. The Hungarian Government therefore undertook, through the medium of Messrs. Raphael and Sons, to pay off the Anglo-Austrian Certificates at £5 each in cash, and at a meeting held on the 11th December, 1871, that offer was accepted, and the expenses of the Council of Foreign Bondholders were provided for by a deduction of 5s. from every £5 received. Since then Austrian Internal Consolidated Bonds have been again admitted to an official quotation in Stock Exchange lists, there being 995,738,461 florins of "Silver Rentes," and 1,345,462,655 florins of "Paper Rentes," upon which latter interest is payable in currency. The interest on the former rente is receivable in Vienna in January and July, and on the latter in May and December. Room was thus made for the introduction of the Hungarian loans on this market, which have all been declared free of "income tax."

Since 1870, silver rente, though more often paper rente, has been sold to cover the revenue deficits constantly recurring, and recently various issues have been made of 4 per cent. gold rente, from which no "income tax" is deducted. The first issue of this description was brought out in 1876, when subscriptions were invited on the Continent for 40,000,000 fl. (4 per cent. rente), at 56 per cent., guaranteed by the Austrian Government solely, not proportionately, like the silver and paper rente. The issue was effected in bonds to bearer of the nominal amount of 10,000, 1,000, or 200 florins each; and the interest was announced to be payable half-yearly, on the 1st April and 1st October, in Vienna, Berlin, Frankfort, Paris, Brussels, or Amsterdam. Later issues of this security, all effected at higher prices, raised the total to £27,268,016 on

the 1st January, 1881. This rente is not redeemable, and has since 1879 been admitted to official quotation by the London Stock Exchange.

In April, 1881, an issue of 54,847,800 fl., in Five per Cent. "Austrian Paper Rente," was made in Vienna at the price of 92 Austrian currency, the actual sum realised being 50,000,000 fl.—say, £5,000,000; and in 1882, a further 37,566,153 fl. of this rente was taken at 92½.

HUNGARIAN LOANS.

On the 20th January, 1868, in Paris, and on the 23rd in London, Amsterdam, and Vienna, the prospectus of the first Hungarian Railway Loan was issued. The number of bonds was 709,380, for 300f. (£12) each, representing a total nominal capital of £8,512,560, at the issue price of 215f. (71½ per cent.), or £8 12s., payable over a period of six months. The loan is redeemable at par, in fifty years from the date of issue, by half-yearly drawings, and the special hypothecation of the railways constructed out of the proceeds of the loan is added to that of the general revenues. The 5 per cent. interest is payable in January and July, here, at the London and County Bank. The loan is principally held abroad, and is not quoted in the London market; but the drawings have regularly been effected early in June and December, and the numbers of this "Emprunt Hongrois" are regularly advertised here. The amount outstanding early in 1882 was £7,728,000.

In January, 1872, another Hungarian loan appeared, for a total of "£3,000,000 sterling (30,000,000 fl. silver), nominal capital 5 per cent. bonds, 1871." The prospectus was short, and specially exempted the loan from taxation.

Messrs. R. Raphael and Sons are authorised to receive subscriptions.

The price of issue is 81 per cent., payable as follows:—£5 on application, £15 on allotment, £20 on the 12th February, £20 on the 11th March, £21 on the 18th April—£81 per cent.

Discount at the rate of 5 per cent. per annum will be allowed on payment in full, in anticipation of the above instalments.

The interest commences from the 15th January. A coupon of £1 0s. 10d. per cent., for interest from the 15th January to the 1st April next, will be attached to the scrip, and the first half-yearly coupon on the bonds will be due the 1st October, 1872.

A n accumulative sinking fund, commencing with about 1½ per cent., will reimburse these bonds at par in thirty-two years by annual drawings.

The drawings will take place on the 1st July of each year, and

reimbursement on the 1st October following. The first drawing will be on the 1st July next.

The payment of the coupons and drawn bonds will be effected at the Office of Messrs. R. Raphael and Sons, in London, and in Pesth and Vienna, at the exchange of 10 fl. silver per £1 sterling; in Berlin, at the exchange of 6 th. 20 sgr. per £1 sterling.

The bonds will be divided as follows:—A 15,000, of £100 each; B 2,000, of £500 each; C 500, of £1,000 each.

In virtue of the Act of Parliament this loan is specially exempt from all existing stamp duty or taxes, also from the income tax, and this immunity is guaranteed for the future.

The amount of this loan outstanding in January, 1882, was £2,498,900.

In January, 1873, a further "issue of £5,400,000 sterling (54,000,000 fl. silver currency) nominal capital 5 per cent. bonds, 1873," was effected by Messrs. R. Raphael and Sons at the price of 80 per cent., payable by instalments over a period of eight months. The prospectus stated:—

This loan, raised by authority of the Hungarian Parliament for the purpose of covering advances to railways on account of State guarantees, and for constructing State railways and other productive works, received the sanction of His Majesty the King on the 21st December, 1872.

Payment in full can be effected at the net price of £78 15s. on allotment.

The interest commences from the 1st January last, and will be payable half-yearly on the 1st January and 1st July.

An accumulative sinking fund, commencing with 1½ per cent., will reimburse these bonds at par, by thirty annual drawings, commencing in 1874.

The drawings will take place on the 1st October in each year, and reimbursement on the 1st January following. The first drawing will be on the 1st October, 1874.

The payment of the coupons and drawn bonds will be effected at the Office of Messrs. R. Raphael and Sons, in London, and in Pesth and Vienna, at the exchange of 10 fl. silver per £1 sterling; in Berlin and Frankfort-on-the-Main at the exchange of 6 th. 20 sgr. per £1 sterling.

The bonds will be divided as follows:—A 34,000, of £100 each, £3,400,000; B 2,000, of £500 each, £1,000,000; C 1,000, of £1,000 each, £1,000,000—total, £5,400,000.

In virtue of the Act of Parliament, this loan is specially exempt from all existing stamp duty or taxes, also from the income tax, and this immunity is guaranteed for the future.

The amount of this loan outstanding in January, 1882, was £4,623,900.

In December, 1873, an issue of "Royal Hungarian Six per Cent. Treasury Bonds for £7,500,000, or 153,000,000 Reichsmarks German currency, or 76,500,000 Austrian silver currency," was allotted—about £6,000,000 in London, Berlin, and Frankfort, and here by Messrs. Rothschilds. The prospectus stated:—"The Hungarian Government engages to repay

the whole of these bonds at par on the 1st December, 1878, reserving, however, to itself the right, by giving six months' notice, to redeem at par, at an earlier period, the whole of the bonds, or one or more series of the same to be drawn by lot. The price of emission is £89 for every £100 bond." This loan was paid off at par on the 1st December, 1878.

In October, 1874, a further issue of Royal Hungarian Six per Cent. Treasury Bonds was made at $91\frac{1}{2}$ per cent. for the same amount as the foregoing loan, Messrs. Rothschilds, as before, being the agents here. This loan was paid off on the 1st August, 1879.

In October, 1877, the Royal Hungarian Six per Cent. Rentes made their appearance, the amount offered here being £8,000,000 nominal capital. The terms of issue were thus set forth in the prospectus:—

These bonds are issued for the purpose of creating a Treasury reserve fund, to provide subsidies to the railway companies, and to commence the redemption of the Six per Cent. Treasury Bonds at present in circulation. Of the present issue a sum of $4\frac{1}{2}$ millions sterling nominal capital is destined for the purpose of redeeming Six per Cent. Treasury Bonds of the 1st emission. Subscription lists will be opened in London, Paris, Vienna, Berlin, Frankfurt-on-the-Maine, &c.

Subscriptions will be received in London, at the Offices of Messrs. N. M. Rothschild and Sons, on Tuesday, the 9th inst., and the list will be closed on or before Wednesday, the 10th inst.

The price of emission is £83 10s. for every £100 stock, payable as follows:—£5 on application, £15 on allotment, £20 on 18th December, £20 on the 15th April, 1878, £23 10s. on 3rd June, 1878—£83 10s.

Subscribers may, on applying for an allotment, engage to give in part payment of the amount allotted to them £50 nominal capital of the Hungarian 1873 Six per Cent. Treasury Bonds for every £110 nominal capital of the present issue allotted to them.

These Treasury bonds will be accepted in payment at the price of £100 12s. 6d. per cent. They must be deposited in payment immediately after the letters of allotment are issued, and must be furnished with all the coupons for and after the 1st December next.

The first half-yearly coupon will be due on the 1st January, 1878.

Subscribers may pay up the remaining instalments under discount at the rate of 6 per cent. per annum. The interest as it falls due is payable in London, at the Offices of Messrs. N. M. Rothschild and Sons, in pounds sterling. In Paris, at the Offices of Messrs. de Rothschild Freres, at the rate of 25 francs per pound sterling. In Berlin, at the Offices of the Direction der Disconto Gesellschaft, or of Mr. S. Bleichroeder, at the rate of 20.25 marks German currency per pound sterling. In Frankfurt-on-the-Maine, at the Office of Messrs. M. A. de Rothschild and Sons, at the rate of 20.25 marks German currency per pound sterling. In Vienna, at the Office of the K. K. priv. Oester. Credit Anstalt fur Handel und Gewerbe, or at the Office of Mr. S. M. de Rothschild, or at the Office of Mr. Moritz Wodianer, at the rate of 10 florins Austrian gold currency per pound sterling. In Buda-Pesth, at the Office of the Konigl. Ungar. Staats Central-Cassa, or at the Office of the Ungarische Allgemeine Credit Bank, at the rate of 10 florins Austrian gold currency per pound sterling.

These bonds will be issued to bearer in sums of:—

£		Francs.		Austrian Gold Currency. Florins.		German Currency. Reichsmarks.
10	or	250	or	100	or	202.50
50	or	1,250	or	500	or	1,012.50
100	or	2,500	or	1,000	or	2,025
1,000	or	25,000	or	10,000	or	20,250

with coupons, payable half-yearly, on the 1st January and the 1st July each year. A coupon for the dividend due 1st January, 1878, will be attached to the scrip. These bonds, both capital and interest, are exempt from all Hungarian taxes.

By further issues subsequently the total was raised to £40,000,000 in 1880; but in 1881, about £15,000,000 was paid off at par out of the proceeds of the following loan, so that the total is about £25,000,000. [Further reduced in 1882.]

In May, 1881, subscription lists were opened in London, Paris, Berlin, Frankfort, Brussels, Amsterdam, Vienna, and Buda-Pesth—here by Messrs. Rothschilds—for an issue of Royal Hungarian Four per Cent. Gold Rentes for £16,000,000, the sole object being, it was stated, to redeem the Six per Cent. Gold Rentes. The price of issue was fixed at £75 10s. per £100 nominal, payable either in cash or in bonds of the Six per Cent. Gold Rentes, and the loan is declared free from all Hungarian taxation. The prospectus contained the following:—

Applications for the above bonds, in exchange for existing Six per Cent. Gold Rentes, will be received on the following conditions:—

Holder of existing Six per Cent. Rentes retain the coupon due the 1st July next, and in subscribing, every £75 10s. nominal value of the old bonds will be equivalent to £100 nominal capital of the new Four per Cent. Bonds; thus, £1,510 old bonds represent £2,000 of the new. The allotment of the new bonds will be made as correspondingly near in amount as the denomination of bonds will permit, and any fractional difference will be regulated by a cash payment by the subscriber.

The application must be accompanied by a deposit, either in cash of £5 for every £100 applied for, or in Six per Cent. Gold Rentes convertible under this operation, approximating to 5 per cent. on the value of the amount applied for. The cash will be returned or the bonds allowed for on completion of the exchange. The date at which the exchange must be effected will be determined in the letter of allotment.

Scrip will be issued, which will be exchanged for the bonds after payment of the last instalment. The bonds will be delivered as soon as they are received from the Royal Hungarian Government.

These bonds will be issued to bearer in sums of—

£10, or 250 francs, or 100 florins Austrian gold currency, or 202.50 reichsmarks (German currency).

£50, or 1,250 francs, or 500 florins Austrian gold currency, or 1,012.50 reichsmarks (German currency).

£100, or 2,500 francs, or 1,000 florins Austrian gold currency, 2,025 reichsmarks (German currency).

£1,000, or 25,000 francs, or 10,000 florins Austrian gold currency, or 20,250 reichsmarks (German currency).

With coupons payable half-yearly, on the 1st of January and the 1st July each year.

The first coupon was due in January, 1882. The amount outstanding in January, 1882, was £20,000,000, and has been since increased. The prospectus did not refer to the redemption of the loan, and provided no sinking fund. The syndicate who undertook the conversion of the Six per Cent. Gold Rentes guaranteed the Hungarian Government a saving of interest to the extent of £200,000 a-year. Further issues of Four per Cent. Gold Rentes are to be expected with the same object.

Highest and Lowest Prices of Securities in London.

	Austrian Silver Rente.	Austrian Paper Rente.	Austrian 4 % Gold Rente.	Hungarian 4 % Gold Rente.	South Austrian Railway.	
1870	} Excluded from {				21½	12½
1871	} Official Quotation. {				17½	14½
1872	67	62	...	...	20	16½
1873	69	61	68½	56	18½	13½
1874	69	64½	66½	60½	14½	11½
1875	69	64	66	59	13½	7½
1876	67	50	62	45	10½	5½
1877	59	45	57	43	7½	5½
1878	60	51	58	48	7½	5½
1879	63	53	61	52	8½	5½
1880	65½	59½	64	58	77	67½
1881	70	61	68½	61	87	74
					79	75
					14½	8½

As may be judged from the record already furnished the revenue accounts of Austria for many years prior to the financial separation of Austria and Hungary showed large deficits. This may be seen from the figures of the years prior to 1863:—

	Net Revenue. Florins.	Expenditure. Florins.
1854	250,094,225	407,253,105
1856	290,189,337	371,212,314
1858	315,188,865	367,052,684
1859 (French War).....	260,829,196	517,467,633
1860	301,589,455	344,554,316
1863	319,653,292	394,612,443

The Austro-German War of 1866, of course, caused additional deficits, adding something like £30,000,000 to the National Debt; and after the separation of the Kingdom of Hungary from Austria there was still a considerable deficit. The Customs were appropriated to the "common Budget," charged with the military, naval, and diplomatic services, and it was arranged that the deficit accruing on the common Budget should be provided about seven-tenths by Austria and three-tenths by Hungary.

The separate Budgets for 1868 were :—

	Revenue. Florins.	Expenditure. Florins.	Deficit. Florins.
Austria	320,230,530	372,233,550	52,003,020
Hungary	99,680,000	100,567,000	887,000
Together	419,910,530	472,800,550	52,890,020

The separate Budgets for 1871, however, gave much better results as far as Austria was concerned :—

	Revenue. Florins.	Expenditure. Florins.	Deficit. Florins.
Austria.....	333,950,000	345,677,000	11,727,000
Hungary	242,262,000	260,804,000	18,542,000
Together	576,212,000	606,481,000	30,269,000

The separate estimates for 1876, however, showed less favourably :—

	Revenue. Florins.	Expenditure. Florins.	Deficit. Florins.
Austria.....	378,941,940	403,869,870	24,927,930
Hungary	225,424,680	240,742,050	15,317,370
Together	604,366,620	644,611,920	40,245,300

The definitive accounts of Hungary for 1880 just issued showed a revenue of 247,374,920 fl.—deficit 41,963,574 fl., due mainly to railway subscriptions.

The separate estimates for 1881 stood as under :—

	Revenue. Florins.	Expenditure. Florins.	Deficit. Florins.
Austria.....	409,645,994	463,112,304	53,466,310
Hungary	264,414,715	287,180,096	22,765,381
Together	674,060,709	750,292,400	76,231,691

These figures do not take into consideration the entire revenue of Austria-Hungary. The "common Budget" only finds place therein to the extent of the deficit which has to be provided from the separate accounts. The following is therefore a more complete statement :—

	REVENUE.		EXPENDITURE.	
	Florins.	(At 12s = £1) £	Florins.	(At 12s = £1) £
Common.....	7,084,148	590,346	122,184,017	10,182,001
Austrian only	409,645,994	34,137,166	379,818,925	*31,651,577
Hungarian only ...	264,414,715	22,034,559	255,477,960	*21,289,830
	681,144,857	56,762,071	757,480,902	63,123,408
Deduct revenue				56,762,071
Combined deficit.....				6,361,337
Austrian deficit, £4,460,000.			Hungarian deficit, £1,900,000	

* Excluding contributions to joint Budget.

The Austrian deficit was partly incurred upon a reduction of the floating debt.

The principal sources of gross revenue are as follows:—

	Austria. Florins.	Hungary. Florins.
Land tax	35,500,000	37,500,000
House tax	25,000,000	8,500,000
Income tax	21,000,000	9,760,000
Beer	21,000,000	[Brandy 7,000,000
Sugar	30,809,000	[Railwaysnet 7,136,000
Salt monopoly	19,283,000	14,272,000
Tobacco monopoly	62,385,000	30,268,000
Fees in Courts of Justice	31,800,000	14,000,000
Lottery	20,222,000	3,730,000

Croatia and Sclavonia, it may be remarked, have a separate provincial Budget, to provide for which Hungary, by the Law of 1873, allows those provinces to retain 45 per cent. of the taxes raised therein.

The separate Budget estimates for 1882 were as follows:—

	Revenue. Florins.	Expenditure. Florins.	Deficit. Florins.
Austria	433,082,858	470,892,393	37,809,535
Hungary	301,445,700	327,111,200	25,665,500
Together	734,528,558	798,003,593	63,475,035

The total imports and exports of merchandise have thus been returned by the Austro-Hungarian "Board of Trade":—

Year.	IMPORTS.		EXPORTS.	
	Total.	From United Kingdom.	Total.	To United Kingdom.
	Florins.	£	Florins.	£
1862	238,000,000	1,170,941	294,600,000	795,280
1869	408,600,000	1,593,265	428,600,000	2,276,806
1870	421,800,000	2,073,920	392,100,000	1,104,662
1871	524,600,000	2,085,143	463,000,000	1,238,428
1872	592,400,000	1,946,077	382,200,000	911,607
1873	583,080,000	1,815,463	423,610,000	869,433
1874	568,700,000	1,435,872	449,270,000	799,544
1875	549,300,000	1,177,350	550,860,000	1,318,889
1876	534,280,000	1,111,377	595,230,000	855,798
1877	555,260,000	1,397,322	666,600,000	1,540,980
1878	552,100,000	1,089,372	654,690,000	1,665,857
1879	551,390,000	1,047,045	675,140,000	1,685,602
1880	607,640,000	828,971	666,360,000	1,430,949
1881 .....	...	892,567	...	1,390,001

The figures for the United Kingdom are taken from our own official statements, and bullion and specie are excluded from both.

The Empire imports raw cotton and cotton yarn in large

quantities, also wool and coffee; and exports, besides corn and flour (value under £10,000,000 in 1875, and over £17,000,000 in 1879), woollen fabrics, timber, beet-root sugar, and fancy wares. The principal trade is with Germany and the Turkish group of States.

Area and Population.

	Austria.	Hungary.	Together.
Area (square miles)	115,874	124,402	240,276
Population, Oct., 1857 (excluding part of Lombardy, ceded in 1859) .....	...	...	35,019,058
Do. Dec. 31, 1869 (excluding Lombardy and Venetia, ceded in 1866)	20,396,630	15,417,327	35,813,957
Do. Dec. 31, 1880	22,130,684	15,706,343	37,837,027
Do. per square mile, 1880	191	126	157

These figures do not include Bosnia and the Herzegovina, occupied in conformity with Art. 23 of the Berlin Treaty during the autumn of 1878; provinces which the recent outbreak would give a pretext for formal annexation. According to the Census taken on June 16, 1879, these provinces contained 1,212,172 inhabitants to an area of 24,247 square miles, or 50 to the square mile. This population comprises nearly 450,000 Mohammedans, nearly 500,000 of the Russian-Greek faith, and 210,000 Roman Catholics. At present these provinces are a source of considerable trouble and outlay to Austria-Hungary. Their forests possess some valuable timber, the flocks and herds are considerable, and they are said to be rich in minerals.

The entire Monarchy comprises many distinct races, with differing languages, customs, and rivalries. The most numerous are the Slavonic and German races, numbering about 13,000,000 each; and the Magyars (almost all confined to Hungary) stand third on the list; to which must be added Mohammedans, Jews, &c.

Hungary grows large quantities of wheat and maize, both crops averaging over 80,000,000 bushels; while in Austria, the leading crops are oats, rye, and potatoes. In 1870, there were 3,543,443 horses, 12,627,865 cattle, 20,103,389 sheep, and 6,995,282 pigs, the cattle most numerous in Austria; the others in Hungary.

In 1860, the combined Empire possessed 2,802 miles of railway; in 1870, 5,906 miles; in 1872, 8,548 miles; and in 1877, there were 11,164 miles. In 1881, the lines opened were 11,557 miles, of which 7,129 miles were in Austria, 177 miles in

Bosnia, and the remainder in Hungary. This system has been constructed principally under Government subvention or guarantee. The Hungarian State railways yield a net profit to the State estimated in 1881 at 7,136,180 fl., though this is a long way from covering the annual charge of the loans raised for railway purposes. But the Austrian Government have parted with some of their most profitable lines; and while the Budget for 1881 included 2,611,346 fl. as receipts of State railways, the working expenses were set down at 2,574,910 fl. In 1881, the traffic receipts of the Austro-Hungarian railways reached 215,951,146 fl., as compared with 159,094,851 fl. in 1871, and with 214,377,280 fl. in 1877. In 1877, the total cost of construction was returned at 2,499,600,085 fl.—say, £240,000,000.

BELGIUM.

The Public Debt of Belgium has thus been officially returned at various dates:—

	£
1861	26,219,442
1865	24,369,449
1866	27,825,296
1868	28,619,442
Jan. 1, 1871	27,381,960
" 1873	38,676,820
" 1876	40,243,686
" 1877	41,877,472
" 1878	45,613,962
" 1879	50,165,342
" 1880	51,289,069
" 1881	56,912,560
" 1882	58,812,440

These figures, however, do not include the railway purchases for which annuities have been granted, as in section B of the statement below. These have been estimated at 5 per cent., and increase the total of the debt to £70,927,630.

Nature and Origin.	ANNUAL CHARGE.		Capital Represented.
	Interest.	Amortisation.	
	£	£	£
(A.) Debt Properly so Called.			
Debt of the Kingdom of the Netherlands.			
Share assumed by Belgium in virtue of the Treaty of 1842, viz., 160,000,000 florins, at 2½ per cent.	219,960	...	8,798,360
Dotation to the Duke of Wellington as Prince of Waterloo	8,220	...	...
Loans and debt at 4 per cent., first series ...	1,124,840	140,600	28,042,620
Loans of 1880 at 4 per cent., second series...	215,560	...	5,388,760
Loan of 1873 and following years, at 3 per cent.	464,240	30,960	15,286,330
Annuities issued by Law of 1873 as compensation for military "servitudes," 3 per cent.	1,690	...	56,360
Carried forward	2,029,510	171,560	57,572,430

Nature and Origin.	ANNUAL CHARGE.		Capital Represented.
	Interest.	Amortisation.	
(B.) Annuities.	£	£	£
Annuity payable to Brussels.....	12,000	...	} At 20 Years' Purchase, to form a Capital.
Annuity created in 1858 for purchase of Mons-Manage Railway	26,880	...	
Annuity created in 1871 for purchase of Spa- Gouvy Railway.....	20,000	...	
Annuity created in 1870 for purchase of rolling-stock	24,480	...	
Annuity created in 1873, expiring in 1929, for the 100 fr. obligations of the Grand Luxembourg Railway	20,480	3,520	
Annuity created in 1873, expiring in 1934, for the 500 fr. obligations of the Grand Luxembourg Railway	112,320	15,400	
Annuity created in 1873, expiring in 1949, for the preference shares of the Grand Luxembourg Railway	10,720	640	
Annuity created in 1877 of 7,000 fr. per kilom. for purchase of 770·167 kilom. of railway	} 338,880	...	
Annuity created in 1877 of 4,000 fr. per kilom. for the same lines.....		...	
Rental payable temporarily for lease of Antwerp-Rotterdam Railway	40,000	...	
	605,760	19,560	12,115,200
(C.) Floating Debt.			
Treasury bonds issued in 1881, 4 per cent....	49,600	...	1,240,000
Total	2,684,870	191,120	70,927,680

The annual charge is, therefore, £2,875,990, or including a small amount paid upon securities upon which there is a minimum interest guaranteed, £2,979,200, against £1,989,680 in 1876, and £1,415,680 in 1873.

A large portion of this liability has been contracted directly for the promotion and acquisition of public works of a reproductive character; and it is at present calculated that the amount expended by the State from time to time on railways, canals, telegraphs, and other works, goes far towards covering the sum total of the debt.

Reproductive Expenditure—1830 to 1881 inclusive.

Railway construction	£ 29,427,057
„ purchases	18,955,365
Telegraphs.....	189,598
Canals.....	5,168,742
Harbours, &c.	2,479,072
Rivers.....	2,836,796

59,056,360

The net revenue derived from the Government railways, including that of the Great Luxembourg Company, purchased at the commencement of 1873, reached in 1880 the sum of £1,134,480 per annum, which deducted from the annual charge for that year left £1,487,120, or 5s. 4d. per head, to be provided from other sources.

There is no sinking fund upon the old 2½ per cent. debt; but the totals of the remaining loans have been considerably reduced by the operation of the half-yearly redemptions. Prior to 1869, a portion of the 4½ per cent. debt bore a 1 per cent. accumulative sinking fund, which was then reduced to a uniform ½ per cent. The redemption is effected by purchases in the open market when below par, and by drawings when above that price. By a Law passed in 1879, all the 4½ per Cents. were converted into Four per Cents., and a saving of interest to the extent of £94,044 per annum was thereby effected.

In 1873, a 3 per cent. loan for 230,000,000 francs was brought out, at 81 per cent. A sinking fund of one-fifth per cent. per annum is employed in the purchase of bonds in the open market, and the dividends are payable half-yearly on the 1st May and 1st November. A syndicate of bankers took 165,000,000 francs of the issue.

The dividends on all the above issues are payable in Belgium only, that of the 2½ per Cents. on the 1st January and 1st July, and that of the 4½ per Cents. (now Four per Cents.) on the 1st May and November.

In March, 1874, Messrs. Baring Brothers and Co. placed in this country a 3 per cent. loan for 36,000,000 francs (£1,440,000), forming part of the loan for 230,000,000 francs described above. This issue price was 75½ per cent., or £151 per bond of 5,000f. The bonds are of 10,000f. (£400), 5,000f. (£200), or 2,000f. (£80) each, with interest payable on the 1st May and 1st November, either in Belgium, or in London, at Messrs. Barings', at the exchange of 25f. 30c.

Three descriptions of debt are quoted in the London Official Daily List, viz., the 2½ per Cents., the 4½ per Cents., and the Three per Cents. of 1874; but dealings are altogether restricted.

The gross revenue and expenditure of the kingdom of Belgium have been returned as under:—

	Revenue.		Expenditure.
	£		£
1860	6,788,369	.....	6,361,015
1865	6,360,513	.....	6,175,011
1870	7,061,943	.....	7,059,127
1871	10,265,756	.....	9,527,648

	Revenue.	Expenditure.
	£	£
1872	9,597,616	10,078,980
1873	13,643,552	14,035,934
1874	12,634,994	12,065,710
1875	11,148,464	11,688,900
1876	13,064,830	11,773,436
1877	13,851,380	15,442,924
1878	14,703,618	13,977,110
1879	12,118,553	13,745,560
1881 (Estimates)... Ord.	11,454,744	11,593,788

Of the revenue, the most considerable item is that of the gross railway and telegraph receipts, yielding in 1880 £4,040,000; after which come registration duties, £1,160,000; the Excise (on beer, wine, spirits, sugar, and salt), £1,200,000; the land tax, £900,000; succession dues, £760,000; Customs, £748,000; assessed taxes, £622,000; and Post Office.

The merchandise imports and exports of Belgium have thus been returned in the undermentioned years, the figures for the United Kingdom being taken from our own Board of Trade Returns:—

Year.	IMPORTS.		EXPORTS.	
	Total (General.)	From United Kingdom.	Total (General.)	To United Kingdom.
	£	£	£	£
1856	37,096,000	4,013,017	34,540,000	2,936,796
1860	36,952,000	3,964,670	35,184,000	4,079,245
1863	42,776,000	5,059,722	39,668,000	5,174,221
1870	70,408,000	8,949,154	60,872,000	11,247,864
1871	97,572,000	12,815,735	82,316,000	13,573,274
1872	92,812,000	13,099,927	84,008,000	13,211,044
1873	96,993,000	14,230,511	86,594,000	13,075,186
1874	90,343,000	12,653,342	82,808,000	15,048,865
1875	92,751,000	13,794,770	84,305,000	14,822,240
1876	98,417,000	12,835,641	83,337,000	13,848,293
1877	94,264,000	11,759,867	80,471,000	12,888,774
1878	95,359,000	11,355,569	80,388,000	12,386,625
1879	98,464,000	11,887,442	85,168,000	10,725,739
1880	108,416,000	12,987,430	89,006,000	11,253,664
1881 .....	...	13,537,445	...	11,510,388

These figures exhibit rapid expansion, both in the value of the imports and of the exports, up to 1873, when Belgian manufactures commanded high prices. The coal and coke

exports in that year were valued at £5,816,000, and the iron and machinery at £4,200,000. The principal trade is with France; and a considerable commerce is likewise conducted with Great Britain, the Netherlands, Germany, the United States, and Russia. One of the principal items of export is coal. The following table gives the amounts and values of coal and coke exported from 1870 to 1880 :—

	COAL.		COKE.		Together. Value. £
	Tons.	Value. £	Tons.	Value. £	
1870...	3,176,000	1,905,480	576,000	507,320	2,412,800
1873...	4,158,000	4,458,360	801,820	1,411,200	5,816,560
1875...	4,064,000	3,251,160	645,787	723,280	3,974,440
1877...	3,515,000	2,109,000	575,632	483,520	2,592,520
1879...	4,236,000	2,372,040	596,064	381,480	2,753,520
1880...	4,525,000	2,606,440	850,346	680,280	3,286,720

The total length of railway in 1881 was 4,123 kilometres, or 2,600 miles, of which 1,810 miles were in the hands of the State. In December, 1880, the total cost of the State railways (including those worked by the State) had been £45,729,073, and that of the lines in the hands of the Companies £16,564,780; and during that year, the gross receipts of the State lines were £4,551,412, and of the Companies £1,547,439.

The area of Belgium is 11,370 square miles, and the population in 1879 was 5,536,654, against 5,336,185 in 1876, and 4,529,560 in 1856. The population per square mile in 1879 was 487. The population of Brussels, with its suburbs, is 400,000; Antwerp, 163,011; Gand, 132,839; and Liège, 121,787. Brussels issued Three per Cent. Loans in 1853, 1856, 1862, 1867, 1872, 1874, 1878, and 1879, the total nominal capital issued being £9,700,000. These loans are all "premium loans."

BOLIVIA.

Prior to 1864, it was stated that this Republic had no foreign debt, while the internal debt did not exceed half-a-million.

In March of that year, however, a prospectus, of which the following are extracts, appeared in London :—

Loan of £1,000,000, March, 1864.—To be issued in bonds of £100, £200, and £500 each, at 88 per cent. The bonds will bear interest at 7 per cent. per annum, payable half-yearly at the London and County Bank. The loan will be redeemed in twenty-five years by an accumulating sinking fund, commencing at 2 per cent. on the 15th March, 1866. The total amount authorised to be raised by the aforesaid decree is £1,500,000 sterling, of which £1,000,000 only will be raised at present. The price of issue is £88 per £100 bond. The bonds will be redeemed at par by a sinking fund, commencing from the 15th March, 1866. The objects of the loan are strictly industrial. The proceeds will be applied to the formation of a credit establishment at Potosi, to assist exclusively the mining interests of the State, to the construction of bridges, roads, and other public works.

This issue does not appear to have been a success.

In January, 1872, Messrs. Lumb, Wanklyn, and Co. invited applications for the "Six per Cent. Government Loan of £1,700,000 nominal capital," in £100 and £500 bonds, bearing interest, payable in London, free of income tax, on the 1st January and 1st July. The issue price was 68 per cent. nominal, but reduced to 66½ per cent. net, reckoning rebate on prepayment of instalments. The prospectus contained the following important provisions :—

An accumulative sinking fund of 2 per cent. on the entire nominal amount will be applied by yearly drawings by lot on the 1st October, so as to redeem the whole loan in twenty-five years. The first drawing will take place on the 1st October, 1873. The bonds drawn will be payable on the 1st January next succeeding each drawing. The general bond will be deposited in the Bank of England. The principal object of the loan is to subsidise the National Bolivian Navigation Company, formed under concessions from Bolivia for the purpose of opening communication between the Republic and the Atlantic Ocean. Its natural outlet, *viâ* the River Amazon, will thereby be secured to

Bolivia, a country of great fertility and vast mineral wealth, but hitherto, by its geographical position, practically shut out from the world's commerce. The new route will be established by means of steamers and a railway about 150 miles in length around the rapids of the river Madeira, for which the Imperial Brazilian Government has granted a concession for fifty years. The Public Works Construction Company, Limited, have entered into a contract for the construction of the railway, and the same is to be completed and equipped within two years. It is calculated that the effect of the new route will be to reduce the distance of the trade centres of Bolivia from Europe to the United States from about 180 days to about 30 days, and the cost of freight from an average of £55 per ton to about £15.

The loan is guaranteed by the general revenues of the Republic, and by a first charge on the entire Customs dues collected on imports into Bolivia *via* the Amazon River. As a further security for the loan, the National Bolivian Navigation Company has executed a deed granting to trustees for the bondholders a first charge over its net revenue from every source. Mr. J. Horacio Lloyd and Mr. J. Bradshaw Wanklyn (Lumb, Wanklyn, and Co.), will act as trustees for the bondholders.

Difficulties arose in completing the terms of the contract within the time specified, which, in 1873, necessitated the substitution of other arrangements. The contractors endeavoured to show that the line could not be constructed for the money agreed upon, nor yet in the time mentioned, and the controversy thus raised caused a serious reduction in the market value of the bonds. Interest on the loan was paid up to and including the coupon of January, 1875, and also 33 $\frac{1}{4}$ per cent. of the principal of the bonds drawn for redemption at that date. The coupons falling due from that time, however, were not met.

Then followed years of wearisome litigation between the Bondholders' Committee and the National Bolivian Navigation Company. The former, sustained by the Bolivian Government, obtained an order in August, 1876, that the balance of the funds deposited in the Bank of England should be brought into Court. Finally, on the 25th March, 1880, it was decided that the bondholders should receive the money lying in the Bank of England. This amount was £793,474, and £47 6s. per bond has since been distributed.

In addition to this loan, there was in 1871 an internal debt amounting to £348,994, and an external debt (held in Chili) of about £200,000. According to later accounts, however, the internal liabilities have increased to upwards of £4,000,000.

The revenue of Bolivia for the year 1871 was estimated at \$2,318,338, and the expenditure at \$2,153,457, showing a surplus, though it was understood that the accounts for 1870 exhibited a deficit. The figures for 1873 were placed at \$2,929,574 revenue, and \$4,505,504 expenditure.

The commerce of the Republic, as explained in the foregoing

prospectus, has always been greatly retarded by its inland position; but while the total imports and exports in 1863 were estimated at £700,000, in 1871 they were stated at—imports, £1,288,000; exports, £1,345,000. They have since dwindled down almost to nothing.

The area has been stated at about 500,000 square miles, and the population, which in 1861 was estimated at 2,000,000, was ten years later stated at about 2,750,000, of which about 1,000,000 were Spanish, and most of the remainder Indians. The war with Chili has left Bolivia minus her coast territory, which has now been ceded to Chili. The present condition of the country's finances is wholly unknown.

BRAZIL.

The total debt of the Brazilian Empire on the 31st March, 1882, amounted to 824,290,237 milreis, which, at the par value of 27d. per milreis, would represent £92,732,652. But owing to the depreciation of the currency, the milreis, in all cases where the internal debt is not based upon gold, has been converted into sterling at 24d.

	Milreis.		Sterling. £
External Debt, at par.....	141,072,000	at 27d.	15,870,600
Internal 6 per Cent. Funded Debt ...	337,513,500	at 24d.	33,751,350
" 6 per Cent. Loan of 1868 ...	23,588,000	at 27d.	2,653,650
" 5 per Cent., Law of 1848 ...	1,540,400	at 24d.	154,040
" 4½ per Cent. Loan of 1879 ...	47,630,500*	...	5,631,437
Debt anterior to 1827.....	143,022	at 24d.	14,302
Estates of deceased and absent persons	3,975,015	"	397,501
Emancipation Fund	4,547,437	"	454,744
5 per Cent. Private Loan	700,000	"	70,000
Loan from Orphans' Estates	15,442,260	"	1,544,226
Savings' Bank deposits	15,292,711	"	1,529,271
Montes de Socorro deposits	669,500	"	66,950
Public deposits	3,345,026	"	334,503
All other deposits	11,735,192	"	1,173,519
Paper currency	188,110,974	"	18,811,097
Treasury bills	28,984,700	"	2,898,470
	824,290,237		85,355,660

* There are 50,235,000 milreis of this loan in circulation. The entry in sterling is the amount quoted in London.

NOTE.—Although the 4½ per Cent. Gold Loan of 1879 is given amongst the internal liabilities, the greater part of the issue is now held here, and it is therefore reproduced in the under-mentioned tabular statement of the foreign debt, as at the commencement of 1882:—

	Originally.	Out-standing.	Interest Payable at Rothschild's.
	£	£	
1852, 4½ per cent.	1,040,600	330,400	1 June and 1 December.
1853, 4½ "	1,526,500	64,300	1 June and 1 December.
1860, 4½ "	1,373,000	355,200	1 June and 1 December.
1863, 4½ "	3,855,300	1,628,400	1 April and 1 October.
1865, 5 "	6,963,600	5,435,100	1 March and 1 September.
1871, 5 "	3,459,600	3,043,900	1 February and 1 August.
1875, 5 "	5,301,200	5,013,300	1 January and 1 July.
1879, 4½ " (Gold Loan)	5,837,062	5,631,437	1 June, 1 April, 1 July, and 1 Oct.
	29,356,862	21,502,037	

All these loans are redeemable by sinking funds, ranging from 1 per cent. in the 1852, 1865, 1871, and 1875 issues, to $1\frac{1}{2}$ in the 1860 and 1863 issues, and $3\frac{1}{2}$ in the 1879 loan, which are applied, except in the cases of the 1865 and 1879 loans, to purchases in the market, when the price is below par. They are now, however, mostly above par. In 1862, the total internal and foreign debt was stated at £21,000,000; in 1865, at £30,762,289; in 1868, at £47,513,518; in 1872, at £63,242,235; and in 1875, at £72,013,434; part of this great increase being expended on reproductive works, including 1,103 $\frac{1}{2}$ kilometres of State railway, but a still larger portion being absorbed in covering the cost of the Paraguayan War and revenue deficits. The actual cost of that war to Brazil has been officially returned at £45,903,600, including, for Ministries of War and Marine, £30,210,243; ditto, excess credits, £2,238,334; and Ministry of Finance and credit operations, £12,774,586.

Debt per head, on a population of 10,000,000, £8 10s. 8d. The annual charge upon the debt in 1879–80, including sinking funds, was 43,657,347 milreis; and this, added to the amount required under the guarantees, gives a total burden of about 48,500,000 milreis annually (over £4,850,000) to cover the debt and guarantee charges. Charge per head about 9s. 9d. Deducting the net earnings of the Don Pedro II. Railway, the charge per head would be about 8s. 4d.

The original loans of the Brazilian Empire were contracted in London at a time when most of the South American States were struggling to throw off the Spanish and Portuguese yoke; and the first Brazilian loan was raised in London a year or two after the Portuguese were expelled from the country, and Don Pedro I. was declared Emperor. The following were the amounts contracted:—

£
1,686,200 in 1824, by Messrs. Rothschild and Thomas Wilson and Co., at 75 per cent. issue price.
2,000,000 in 1825, by Messrs. Rothschild, 85 per cent.
3,686,200

The above loans were contracted at 5 per cent. interest, payable at the Offices of the contractors on the 1st April and the 1st October, free from all deductions. The bonds were issued for amounts ranging from £100 to £1,000 each. These loans were redeemed in 1863.

In addition to the above loans, in consideration of Portugal recognising the independence of Brazil, the Government established under Don Pedro I. undertook to pay the 5 per cent. loan of £1,500,000, contracted by Portugal in 1823 at 87 per cent., with interest.

In 1829, two loans, amounting to £800,000, were contracted

at 54 per cent., to pay off the interest due on the Public Debt, which had fallen into arrears by the war with Buenos Ayres.

In 1839, during the Regency, another 5 per cent. loan of £312,512 was contracted at 78, to meet the deficits in the revenue. Both these loans have been redeemed.

In 1843, new bonds were issued for £732,000, in accordance with a financial treaty concluded between Brazil and Portugal in 1842, when the former engaged to transfer stock to the above amount to the Portuguese agents in liquidation of all claims on the Brazilian Government. This transaction was effected through Sir Isaac Lyon Goldsmid. The price at which those bonds were issued was 85 per cent.; they were redeemed in 1863.

The Portuguese Loan was reduced in 1852 to £954,250, when it was paid off by the creation of a new 4½ per cent. loan to that amount, contracted by Messrs. Rothschild at 95 per cent. This loan for £1,040,600 receives interest in London on 1st June and 1st December, and has been reduced by the operation of a 1 per cent. sinking fund to £447,500. Hitherto, these bonds have been purchased in the market below par, but they have recently risen, and in 1881 drawings in April and October were substituted for market purchases. The amount outstanding in January, 1882, was £330,400.

The operations of the sinking fund under which the loans were originally contracted were suspended in 1828, owing to the increased expenditure of the Government. But after the expiration of the Commercial Treaty with England in 1844 many beneficial changes were effected in the Customs duties, and Brazil again undertook the extinction of her Public Debt.

In 1858, a loan for £1,526,500 was issued at 4½ per cent., its object having been principally the construction of railways. The conditions are very similar to those of the 4½ per cent. loan of 1852, except that the sinking fund being nearly 2 per cent., had reduced the amount outstanding in January, 1882, to £64,300.

In 1859, a 5 per cent. loan for £503,000 was issued, which was entirely paid off by operations of the sinking fund by 1880.

In March, 1860, Messrs. Rothschild issued the following notification of a new Brazilian 4½ per Cent. Loan for £1,373,013, at the issue price of 90, with dividend from the 1st December previous. £400,000 of this amount was for an advance to the Pernambuco Railway Company. The following formed part of the notification:—

Imperial Brazilian Loan of 4½ per cent. for £1,373,013 14s. 5d., in

bonds of £100 each, for advances to be made to the Pernambuco Railway Company, and to promote other industrial undertakings. The interest will commence from the 1st December, 1859, and be payable half-yearly, at the Office of Messrs. N. M. Rothschild and Sons.

A sinking fund at the rate of $1\frac{1}{4}$ per cent. per annum, applied in the same manner as those of the 1852 and 1858 loans, has reduced the amount outstanding at January, 1882, to £355,200.

In October, 1863, the Imperial Brazilian $4\frac{1}{2}$ per Cent. Loan, 1863, for £3,300,000, was floated:—

His Majesty the Emperor of Brazil having authorised a loan of £3,300,000 sterling, for the purpose of redeeming in London the Five per Cent. Loan of 1843, amounting to £362,000, due on the 1st January, 1864; likewise redeeming the Five per Cent. Loans of 1824 and 1825, amounting together to £2,357,900, due on the 1st April, 1864, and of discharging in Brazil with the balance the floating Treasury bonds, N. M. Rothschild and Sons, financial agents of the Imperial Government, have to announce that they are ready to receive at their Office subscriptions for this loan. It will be emitted in bonds to bearer for £100, £500, and £1,000 each, carrying interest at $4\frac{1}{2}$ per cent. per annum, in coupons payable half-yearly in London on the 1st April and 1st October in each year, the first half-year's dividend being due the 1st April, 1864. The bonds are to be issued for thirty years, and will be redeemed by a sinking fund of £1 13s. per cent. per annum, operating half-yearly by purchases on the market when at or under par, and by drawings by lot when above par. The price of emission is £88 for every £100 stock.

This loan, which involved the issue of stock to the amount of £3,855,300, therefore did not increase the debt of Brazil. In January, 1882, the amount outstanding was £1,628,400.

By a decree dated the 6th July, 1865, another loan was issued for £5,000,000 *sterling*, bearing interest at 5 per cent. This was brought out by Messrs. Rothschild, in bonds for £100, £500, and £1,000 each, with coupons attached payable in London and Amsterdam at the exchange of 11 guilders 80 cents per £1 sterling, and the first half-year's interest fell due on 1st March, 1866. The issue price was £74 per £100 stock; and the amount of stock issued to raise five millions was £6,963,600. These bonds were issued for thirty-seven years, and are redeemable by a sinking fund of 1 per cent., together with the interest on all bonds paid off, operating half-yearly in drawings by lot at par. The first drawing took place on 1st March, 1867, and they are now effected half-yearly in January and July, the bonds being repaid in the March and September following. The amount outstanding in January, 1882, was £5,435,100.

In February, 1871, Messrs. Rothschilds brought out the following, involving a stock issue of £3,459,600:—

His Majesty the Emperor of Brazil having, by decree of 16th November, 1870, authorised a loan of £3,000,000 *sterling*, Messrs. N. M. Rothschild and Sons have to announce that they are ready to receive

at their Office subscriptions for this loan. It will be emitted in bonds to bearer for £100, £500, and £1,000 each, carrying interest from the 1st February, 1871, at 5 per cent. per annum, with coupons payable half-yearly in London, on the 1st February and 1st August each year. The price of emission is 89 per cent. The redemption of this loan will be effected by a sinking fund of 1 per cent. per annum, to be applied by purchase of bonds in the market when the price is under par, and when at or above par by drawings by lot. The operations of this sinking fund will commence on the 1st February, 1873.

These drawings take place in February and August; and the amount outstanding in January, 1882, was £3,043,900.

In January, 1875, Messrs. N. M. Rothschild and Sons brought out the Imperial Brazilian Five per Cent. Loan of 1875 for £5,000,000 *sterling*, at the price of 96½ per cent., payable by instalments extending over a period of nearly ten months. Consequently, the stock issued was £301,200, in addition to the £5,000,000.

The bonds will be issued to bearer, in sums of £100, £500, and £1,000 each, bearing interest at 5 per cent. per annum, with coupons payable half-yearly, in London, on the 1st January and 1st July each year. The 1st half-year's dividend will be payable on the 1st July, 1875.

The redemption of this loan will be effected by a sinking fund of 1 per cent. per annum, to be applied by purchase of bonds in the market when the price is under par, and when at or above par, by drawings by lot. The operations of this sinking fund will commence on the 1st January, 1877.

These drawings take place in February and August, and the amount outstanding in January, 1882, was £5,013,300.

In July, 1879, a new 4½ per cent. loan was issued in Brazil for 50,000,000 milreis, at the price of 96¾ per cent. gold. Though apparently an internal issue, holders had the option of receiving interest here, at the rate of 27d. per milreis, through the agency of Messrs. Rothschilds; and the result was, that the bonds were rapidly transferred to London. Principal and interest are also payable at the Bank of Portugal. The amount of stock actually put in circulation was 51,885,000 milreis, or £5,837,062, and by the sinking fund of 3¼ per cent., the total had been redeemed in January, 1882, to £5,631,437. The operation of this sinking fund will, it is calculated, redeem this loan in twenty years. The bonds are redeemable by half-yearly drawings when above par in Brazilian currency, as they are now, or by purchases when below that value, and the interest is payable on the 1st January, April, July, and October.

Besides the interest on these loans, the revenue of the country has to bear heavy charges in connection with the

guaranteed railways, of which the following are known in Europe:—

	Guaranteed Capital Issued.	Annual Amount of Guarantee.	Remarks.
	£	£	
Alagoas Railway	182,000	12,740	7 % for 30 years on a capital not exceeding £512,212.
Bahia and San Francisco.....	1,800,000	90,000	5 % for 90 years from 1858. The Provincial Government guarantees a further 2 % for same period.
Brazilian Imperial Central Bahia Railway	1,462,500	102,375	7 % for 30 years from 1875.
Campos and Carangola Railway	675,000	46,550	7 %.
Compagnie Générale de Chemins de Fer Brésiliens	889,508	...	
Conde d'Eu Railway	260,040	18,838	7 % for 30 years after completion of line upon a capital not exceeding £375,000.
Donna Theresa Christina	500,000	35,000	7 % for 30 years from 1876, on a capital not exceeding £613,238.
Great Western of Brazil	562,500	39,375	7 % for 30 years from 1872.
Imperial Brazilian, Natal, and Nova Cruz Railway.....	618,300	43,281	7 % for 30 years from 1878.
Minas and Rio Railway	816,875	43,181	7 % on a capital not exceeding £1,816,875.
Recife and San Francisco	1,200,000	84,000	7 % for 30 years from 1854.
San Paulo Railway	2,650,000	186,500	7 % for 30 years from 1867.
San Paulo and Rio de Janeiro	1,200,000	84,000	7 % for 30 years from 1875.

The amount of these guarantees has increased very much of late; but the set off in the shape of net revenue is important in some instances, the San Paulo, covering the heaviest guarantee, earning sufficient to provide the £186,500, and to make a return to the State.

According to a recent return, the total railway capital guaranteed in 1882 represents 167,862,572 milreis, of which all but 16,000,000 milreis stands at 7 per cent. This total at 2s. 3d. per milreis would represent £18,884,539. There were to the same date 637 miles of guaranteed line in operation, and a considerable mileage constructing.

Highest and Lowest Market Prices of Brazilian Securities.

	Brazilian 5 per Cent., 1865.		Brazilian 5 per Cent., 1871.		Brazilian 5 per Cent., 1875.		Bahia and San Francisco Railway.		San Paulo Railway.	
	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.
1870	98½	84½	...	...	...	...	18½	15½	22	18½
1871	97½	89½	94½	87½	...	...	21½	18½	23½	20½
1872	100	93	99½	91½	...	...	23	19	24½	20½
1873	100½	93	99	93	...	...	22	18½	24	21
1874	102	95	103½	95	...	...	20½	18	27½	23½
1875	101½	91	101½	90	98	90	23½	19½	30½	24
1876	99	83	98	82	98	81½	21½	18½	30	25
1877	97	88	95	86	95	87	22	19	31	27
1878	99	89	96	84	94	84	24	19½	33	28½
1879	97	86	94	85	94½	83	23	19½	35½	29½
1880	100	94	99	92	99	91	26	22	36	33
1881	104	96	104	95	103½	95½	25½	23	39½	34½

PROVINCIAL LOANS.

The public debts of the provinces of the Empire in 1880 aggregated £3,817,786, exclusive of £1,144,721 due by Pernambuco, Bahia, and San Paulo to the Government on account of their joint railway guarantees. The debts in question are stated as follows:—

Para, £198,600; Maranhao, £83,028; Piahy, £19,112; Rio Grande do Norte, £25,076; Parahyba, £88,611; Pernambuco, £424,786; Alagoas, £34,262; Bahia, £445,631; Sergipe, £81,189; Espirito Santo, £7,700; Rio de Janeiro, £1,564,609; Sao Paulo, £441,933; Parana, £62,480; Santa Catharina, £3,316; Rio Grande do Sul, £241,127; Minas Geraes, £93,400; Goyaz, £7,887. The interest varies from 6 to 10 per cent. Parana pays 8 per cent.; Maranhao, 6 per cent.; Piahy, 10 per cent.; Espirito Santo, 8 per cent.; Pernambuco, 7 and 8 per cent.; Bahia, 6 and 7 per cent., and from 7 to 10 per cent. on her floating debt; Rio Grande do Sul, 6 and 7 per cent.; Sao Paulo, 6½, 7, and 8 per cent.; Goyaz, 6 and 8 per cent.

The revenue and expenditure of Brazil have been as follows during the years named:—

Financial Years Ended June 30.	Ordinary Revenue. £	Total Expenditure.* £
1860	5,295,464	6,075,595
1865	6,410,815	9,380,895
1866	6,512,539	13,301,541
1867	6,477,684	12,088,980
1868	7,120,093	16,598,477
1869	8,754,253	15,089,480
1870	9,484,734	14,159,411
1871	9,588,528	10,007,429
1872	10,106,204	10,146,275
1873	10,918,006	12,167,112
1874	10,139,954	12,146,133
1875	10,355,123	12,579,668
1876	9,933,801	12,624,709
1877	9,739,594	13,580,067
1878	10,752,834	14,934,265
1879	11,001,496	17,196,109
1880	12,036,808	15,024,016
1881	12,613,662	14,251,145

* Including previous deficits not otherwise provided for.

It should be borne in mind that during the Paraguayan War the convertible value of the currency milreis fell to 15d., and that later it recovered to 24d., though it has since slightly relapsed. Par is 27d. Since 1866, the above statement is calculated at the uniform rate of 24d. In 1880-1, £6,726,500 was derived from import duties, and £2,017,800 from export duties; and the new Finance Minister holds out hopes that in 1883-4 part of the export duty on coffee may be remitted.

The imports and exports at 24d. per milreis have thus been returned:—

Years ended June 30.	IMPORTS.		EXPORTS.	
	Total.	From United Kingdom.	Total.	To United Kingdom.
	£	£	£	£
1862	11,053,118	3,860,342	12,071,994	4,414,187
1864	12,304,587	6,369,343	12,947,069	7,021,121
1866	13,809,596	7,358,141	15,701,648	7,237,793
1868	13,825,814	5,489,560	18,175,138	7,455,803
1870	16,824,369	5,543,803	19,706,320	6,127,448
1871	17,020,082	6,536,945	16,801,757	6,693,426
1873	15,846,689	7,876,595	21,492,708	7,399,974
1874	15,274,129	8,046,150	18,969,836	7,003,131
1875	16,754,918	7,172,406	20,849,425	7,418,605
1876	17,246,448	6,236,366	18,581,928	5,178,386
1877	15,627,824	6,405,971	20,440,518	6,344,961
1878	16,450,238	6,199,211	18,601,198	4,650,485
1879	16,392,700	5,986,008	20,645,570	4,749,816
1880	17,364,530	6,915,419	22,235,170	5,260,670
1881	17,966,800	6,914,319	23,096,290	6,340,444

The commerce from and to the United Kingdom is taken from the Board of Trade Returns for the United Kingdom, and are for the years ended the 31st December. The principal trade is with the United Kingdom, and next in order are France, the River Plate, Germany, United States, Portugal, Belgium, and Spain. The principal exports in 1879 were—coffee, £11,348,193; sugar, £2,181,207; and cotton, £990,630.

The area of the Empire of Brazil is 3,100,000 square miles. The total population, according to the Census of 1875, was 9,930,478, of which 1,285,496 were slaves, 386,955 Indians, and 3,801,782 quadroons and half-castes. The official estimate of population in 1867 was 9,858,000, and in 1872, it was placed as high as 10,095,978. It is admitted, however, that all these returns are defective. In 1875, only one-fourth of the free population were able to read.

In 1877, Brazil possessed 1,323½ miles of railway in operation; and in 1882, 2,517 miles, of which 700 miles were Government property; and there were 1,886 miles under construction. The "Don Pedro II." is the most important State line, having cost £9,167,095. In 1881, the gross earnings were £1,311,516, and the working expenses £568,471, leaving the net earnings at £743,045, against £599,416 in 1880, and £257,390 in 1870.

C H I L I .

The foreign Public Debt of this Republic was in the following position in 1882 :—

	Originally Issued. £	Reduced by Sinking Fund to £
1822, 6 per cent.	1,000,000	nil.
1842, 3 "	756,500	174,200
1858, 4½ "	1,554,800	925,000
1866, 6 "	450,000	nil.
1866, 7 "	1,120,920	684,100
1867, 6 "	2,000,000	1,325,300
1870, 5 "	1,012,700	833,900
1873, 5 "	2,276,500	1,992,400
1875, 5 "	1,900,000	1,756,700
	<u>12,071,420</u>	<u>7,691,600</u>

At the end of 1880, the internal liabilities (including paper money) were returned at..... 11,142,400
Add foreign debt..... 7,691,600

Total debt..... 18,834,000

The internal debt consisted of various issues at 3, 6, and 8 per cent., and a large issue of paper money to cover the cost of the war with Bolivia and Peru.

The debt per head is, therefore, £8 2s. 3d.

The growth of the Chilian debt is shown in the following table :—

	Home. \$	Foreign. \$	Total. \$
1856.....	2,026,175	6,250,000	8,276,175
1870.....	14,074,606	23,862,499	37,937,105
1872.....	9,275,175	27,079,500	36,354,675
1874.....	11,331,350	36,918,500	48,149,850
1875.....	10,509,600	40,168,600	50,677,600
1877.....	29,273,050	37,400,500	66,673,550
1878.....	30,972,540	35,894,000	66,866,540
1879.....	27,712,323	35,514,500	63,226,823
1880.....	27,712,048	46,870,000	74,582,048

In 1870, the interest and sinking fund on the debt absorbed £564,928; in 1874, £939,403; and the interest only in 1879, £727,400, the sinking funds having been suspended in that year. It is to be remarked that the paper money has fallen to a discount, and that the interest on the internal debt is payable in paper.

Below is the official text of the notification relative to the suspension of the sinking fund on the debt of Chili:—

“To the Chairman of the Stock Exchange, London.

“Sir,—His Excellency the Chilean Minister has personally communicated to us this morning the following extract from a despatch from the Minister of Finance, dated March 10, 1879, and received by the last mail from Chili:—

“Notwithstanding that the provisions of an increasing income have been realised for the most part; notwithstanding that the commercial condition of the country has changed for the better, because to the abundant last harvest may be added an increasing exportation, and also that the nitrate industry is thriving; and notwithstanding that the Custom duties are augmenting; a considerable and quite unexpected outlay, caused by the armed rupture of our relations with Bolivia, has placed the Government in the painful necessity of stopping from the 1st May next the remittances of funds for the payment of the sinking fund of our debt, and it will only send money for the interest of same. Congress has been convoked for an extraordinary Session, and the Government will submit to its consideration a project of law with the above-mentioned purpose, together with various other measures of economy, and new taxes that may permit the Public Treasury to face the present expenses and to come back as soon as possible to the payment of the sinking fund that is now stopped for the powerful reasons of national honour of which I have previously informed you. Consequently you will proceed in the most prudent manner to inform the Oriental Bank Corporation, Messrs. J. S. Morgan and Co., Messrs. Baring Brothers and Co., and, as much as may be possible, the bondholders, that from the above-mentioned date (the 1st May proximo) my Government will only provide—in consequence of the reasons explained—for the payment of the interest of the National Debt.”

“As Agents for the various Chilean External Loans, we request you to cause this communication to be made public by posting it immediately on the Stock Exchange.—Your obedient servants, Baring Brothers and Co.; J. S. Morgan and Co.”

In 1865, that is prior to the war with Spain in 1866, the nation's liabilities were returned at £2,933,405. Before the issue of the 1873 loan, there had been expended about £4,500,000 on the State railway, and £1,700,000 of that issue was to be “applied exclusively towards the completion of the railway between Curico and Angol.” At present the State railways have cost £7,780,000. The wars have also added considerably to the debt.

The original Chili Loan, known in this country as the Six per Cents., was contracted in London in 1822 with Messrs.

Hullett Brothers, for the sum of £1,000,000. The first two dividends on the original loan were deducted in the contract, and none were paid from September, 1826, to 1842.

In 1842, an arrangement was effected through the Committee of Spanish American Bondholders, by which the Government of Chili consented to resume the payment of the interest on the 6 per cent. debt that was unredeemed, which amounted to about £934,000, and to the capitalisation of the arrears of interest, which were taken at £756,000. The balance of the original loan has since been entirely redeemed, and the 1842 debt has been considerably reduced by the application of the sinking fund to purchases at the market value, when below par. The dividend on this stock is payable on the 31st March and 30th September. The amount outstanding in January, 1882, was £172,400.

In 1856, the final instalment of £213,573 of the old Peruvian debt was paid to Chili.

In November, 1858, a new loan of £1,554,800 nominal was issued in bonds of £100 or £500 each, bearing interest at $4\frac{1}{2}$ per cent. per annum, payable at Messrs. Baring's half-yearly on the 1st June and 1st December, commencing on the 1st December, 1858. The issue price was 92; the sinking fund was fixed at not less than $\frac{1}{2}$ per cent. per annum, with accumulated interest, to be applied in purchase and cancelment of bonds, when the price was below, and in drawings by lot when the price was at or above, par. This fund was first applied on the 1st December, 1859, and the amount outstanding in January, 1882, was £925,000.

In the prospectus the Government reserved to itself the right to pay off all existing bonds after the 1st December, 1873. The purpose for which the loan was raised was the completion of two railways, and the credit, income, and property of the Republic, including the shares held by the State in the said railways, form the security pledged for principal and interest.

In 1860, the notice for tenders for stock of the home debt to be cancelled by the sinking fund to the extent of \$1,747,000 resulted in only \$1,066,000 being offered below par, the prices demanded ranging from 95 to $99\frac{1}{2}$, leaving \$681,000 still to be invested.

In March, 1866, after the war with Spain, the prospectus was issued of a Chilian Six per Cent. Government Loan for £450,000 sterling, through Messrs. Thomson, Bonar, and Co., and Mr. J. Gerstenberg. The issue price was $92\frac{1}{2}$, or 91 net.

The first series of £225,000 was repaid at par on the 15th March, 1867. Second series of £225,000 was repaid at par on the 15th March, 1868.

In January, 1867, Messrs. J. S. Morgan and Co. brought out a Six per Cent. Sterling Government Loan for £2,000,000, at 84 per cent. The payments were spread over a period of ten months, but subscribers had the option of paying up in full at £81 10s. per cent. The bonds are for £1,000, £500, or £100 each; and were partially employed in the redemption of the loan for £450,000 mentioned above. A sinking fund of £40,000 was to be applied annually to the reimbursement of bonds at par, within twenty-three years from the 1st January, 1868; and besides the general revenues of Chili, the entire proceeds of the Customs are hypothecated to meet the interest and sinking fund. The applications for this issue attained a total of £17,000,000. The amount outstanding in January, 1882, was £1,305,300, and the date of final redemption is, of course, deferred.

In July, 1867, the Seven per Cent. Loan, 1866, for £1,120,920 was brought on the market. A great part of this issue appeared to have been subscribed in Chili in 1866, the holders having the option of conversion into sterling. The right was exercised; and Messrs. J. S. Morgan and Co. offered £626,700 of the loan in England, at an issue price of 92 per cent., less coupon. The bonds, for £1,000, £500, or £100 each, like the 6 per cent. loan, have interest and principal payable in London. The interest is payable half-yearly in January and July, and the principal at par within twenty-one years, by drawings (suspended since April, 1879) in April and October in each year. The amount outstanding in January, 1882, was £684,100.

In February, 1870, Messrs. J. S. Morgan and Co. brought out a new loan for £1,012,700, at the price of 83 per cent. The 5 per cent. interest is payable in London on the 1st January and 1st July. The sinking fund was to be at the rate of 2 per cent. per annum for the first five years, and 1 per cent. thereafter, both accumulative, by which the entire loan was to be redeemed on or before 1902. The drawings were effected in May and November, until the suspension referred to above, at which date the amount outstanding was £833,900; and the bonds are divided into sums of £1,000, £500, or £100 each. The loan was raised for railway purposes, and was subscribed for many times over.

In March, 1873, the Oriental Bank Corporation, as Agents for the National Bank of Chili, invited application for the Chilian Government Five per Cent. Loan, 1873, with interest

from March of that year—£2,276,500, in bonds of £1,000, £500, or £100 each.

The loan bears interest at the rate of £5 per cent. per annum from the 1st March, 1873, with coupons attached, payable in London, at the Office of the Oriental Bank Corporation, on the 1st March and 1st September in each year.

An accumulative sinking fund of £2 per cent. on the entire nominal amount of the loan will be applied by means of semi-annual drawings in the months of January and July in each year, the first drawing to take place in January, 1874.

The Government reserves to itself the right of increasing from time to time the sum applicable for redemption of the bonds.

The bonds drawn will be payable on the 1st March and 1st September next after each drawing.

The subscription price is £94 per £100, payable by instalments.

£1,700,000, part of the loan, will be applied exclusively towards the completion of the railway between Curico and Angol, on the southern frontier, in conformity with the Law dated the 26th December, 1872, under which the railway is specially pledged and mortgaged for the due and punctual payment of the principal and interest of the loan, *pro tanto*.

The amount of this loan in January, 1882, was £1,992,400.

In April, 1875, the Oriental Bank Corporation brought out the Five per Cent. Sterling Loan of 1875 for £1,000,000 (part of £1,900,000), its object being the redemption of internal obligations. The issue price was 88½ per cent., payable over a period of four months. The prospectus stated:—

By the Law of the 12th November, 1874, the amount of £1,900,000 is authorised to be raised on the special security of the Government railways from San Fernando to Palmilla, and from San Felipe to Santa Rosa de Los Andes, and of the Great Mole and Bonded Stores at Valparaiso, as well as on the general security of the income and property of the State. The present issue of £1,000,000 is to be applied to the redemption of internal debts for public works, and the balance of £900,000 is to be applied to the redemption of the Seven per Cent. External Loan of 1866. The loan will be represented by bonds to bearer for £1,000, £500, and £100, bearing interest, until repayable under the operation of the sinking fund, at the rate of 5 per cent. per annum from the 1st March, 1875, with coupons attached, payable in London, at the Office of the Oriental Bank Corporation, on the 1st March and the 1st September in each year. An accumulative sinking fund of £2 per cent. on the entire nominal amount of the loan will be applied by means of semi-annual drawings in the months of January and July in each year, the first drawing to take place in January, 1876. The Government reserves to itself the right of increasing from time to time the sum applicable for redemption of the bonds. The bonds drawn will be payable on the 1st March and the 1st September next after each drawing.

It appears that the full amount of these bonds has been issued, yet the 1866 loan remains unredeemed. The amount outstanding in January, 1882, was £1,756,700.

The revenue and expenditure of Chili have thus been returned, at 5 pesos=£1 :—

	Revenue.	Expenditure.
	£	£
1856	1,676,600	1,454,800
1860	1,252,800	1,632,500
1867	1,855,000	1,614,000
1873	3,053,100	2,752,800
1875	3,224,000	4,344,000
1876	3,331,000	3,695,000
1877	3,361,000	3,378,600
1878	2,806,370	3,331,580
1879	3,079,000	*5,724,800
1880 ... (estimated)	3,286,000	3,414,543
1881 ... (estimated)	3,384,000	3,411,544

* War expenditure, £2,057,750.

The Customs duties yield one-half the revenue. In 1858, the receipts from this source were £696,923, in 1868 they increased to £1,207,332, and in 1873 to £1,629,032; while in 1879 they had declined to £1,369,980, owing to depression in trade, caused mainly by the fall in the value in copper in Europe. In the last-named year, the State railways yielded £641,048; the land tax, £208,900; and monopolies, £365,800.

The volume of trade with foreign countries will be understood from the following figures, those for the United Kingdom being taken from our own Board of Trade Returns :—

Year.	IMPORTS.		EXPORTS.	
	Total, Including Specie.	From United Kingdom.	Total, Including Specie.	To United Kingdom.
	£	£	£	£
1850	2,357,000	...	2,485,000	...
1855	3,686,000	1,387,073	3,836,000	1,925,271
1862	3,695,000	979,344	5,234,000	2,863,434
1865	5,226,000	1,626,315	6,173,000	3,798,543
1870	7,940,000	2,767,048	6,720,000	3,828,225
1871	7,007,000	2,149,311	7,645,000	3,798,361
1872	10,039,000	3,368,503	8,660,000	5,591,783
1873	10,221,000	3,310,102	8,929,000	4,764,195
1874	8,696,000	2,892,485	8,346,000	4,700,510
1875	9,116,000	2,343,950	8,332,000	4,196,096
1876	8,170,000	2,065,190	8,676,000	3,584,598
1877	7,409,000	1,611,166	6,941,000	3,279,808
1878	6,009,000	1,292,814	7,315,000	2,199,355
1879	4,979,000	1,048,938	7,871,000	3,738,158
1880	7,016,000	2,165,449	10,424,000	3,436,693
1881 .....	...	2,508,826	...	2,725,570

It is to be remarked that Chilian statistics record a larger export to the United Kingdom than our imports confirm.

Possibly this may be due to cargoes being sent to British ports for orders.

About three-fourths of the export to the United Kingdom is copper, but wheat is also shipped.

The area of Chili before the war was about 250,000 square miles, including Araucania, or 132,000 square miles, exclusive of that territory. Chili has now annexed the Bolivian littoral, and taken Tarapaca from Peru; and has arranged with the Argentine Confederation for the division of Patagonia. Altogether Chilian territory now covers about 350,000 square miles. The population in 1857 numbered 1,558,319; in 1862, it had increased to 1,676,243; in 1865, it was stated at 1,814,218; and in 1869, at 1,938,861, exclusive of the Araucanians, who claimed to form an independent State. In 1875, it had increased to 2,319,266. In 1867, Chili had 330 miles of railway in operation; in 1871, 452 miles; in 1875, 793 miles (more than half State property); and in 1880, 1,078 miles, of which 594 miles were State property, costing 38,953,909 pesos, or £7,780,000.

In 1875, the population of Santiago and the suburbs was 150,367; that of Valparaiso, 97,737; Chillan, 19,044; and Concepcion, 18,277.

C H I N A .

There are no means of ascertaining what the internal debt, if any, of the Celestial Empire may be; but the following loans have been contracted in recent years :—

	Issue Price.	Original Amounts.	Amounts Outstanding, July, 1882.	Final Redemption.
8 per Cent., 1874-6 ...	95&100	£ 627,615	£ 156,900	1884-5
8 „ 1877	98	1,604,276	572,676	1884
8 „ 1878	100	1,949,500 Sh. taels	974,500 Sh. taels	1884
8 „ 1881 .....	...	4,400,000 „	4,400,000 „	1887
Totals*		3,819,266	2,073,201	

* Taking the Shanghai tael at 5s.

The services of these loans have been provided with great punctuality; and, like the Japanese loans, the market values of the sterling loans have risen to considerable premiums.

In January, 1875, the Hong Kong and Shanghai Banking Corporation placed £327,675 (part of £352,700) Chinese Imperial Government Eight per Cent. Loan, 1874, amongst its shareholders at the issue price of 95. The applications reached nearly seven times the amount to be allotted. The bonds were all of £100 each, except one for the odd amount. Interest is payable here on the 19th February and 19th August in sterling, and the drawings are effected in April and October for repayment when the coupons next in order are encashed.

In March, 1876, a further and final issue of £274,915 of this loan was made by the same bank at 100, or a net 99, allowing for interest accrued. The bonds were all of £100 each, except one for £48 18s., and one for £66 2s. The first drawing covered three half-yearly instalments; and with this exception the following statement covers both issues :—

The principal is repayable by half-yearly drawings by lot, within nine years, the first drawing being for 15 per cent. of the entire loan,

payable, at the option of the holders, on the 30th June, 1876, in Hong Kong, or the 19th August, 1876, in London; and the remaining drawings being each for 5 per cent. of the entire loan, payable, at the option of the holders, in Hong Kong on each succeeding 31st December and 30th June, or London on the following 19th February and 19th August, until the loan is extinguished by the last drawing, payable on the 31st December, 1884, in Hong Kong, or the 19th February, 1885, in London. The first and second issues will be drawn separately, according to the table of drawings annexed to the bonds. All the payments in Hong Kong will be in dollars at the exchange of the day. The payments in London will be in sterling. To secure the interest of the bonds, His Imperial Majesty assigned to the Hong Kong and Shanghai Banking Corporation various quarterly payments, making, for the first issue, 43,000 taels of Sycee silver per quarter in all, from the Customs' revenues at the respective ports of Canton, Foochow, Kiukiang, Ningpo, Chingkiang, Shanghai, Neuchwang, Tientsin, and Chefoo; and, for the second issue, 7,000 taels of Sycee silver per quarter in all, from the Customs' revenues at the respective ports of Ningpo, Chingkiang, Shanghai, and Hankow; all which are to be retained and made over to the Banking Corporation by the Provincial Treasurer of Fohkien. By the same agreements His Imperial Majesty, in order to secure any further sums required for the interest on both issues, assigned to the Hong Kong and Shanghai Banking Corporation such a proportion of the quarterly revenues from the Customs at the ports of trade of Fohkien as should be necessary to pay the same. Payments have been duly made in accordance with the agreements.

In December, 1877, the Chinese Imperial Government Loan of 1877 for £1,604,276 0s. 10d. sterling was brought out by the Hong Kong and Shanghai Banking Corporation at the issue price of £98. All the bonds, except one, are of £100 each. The coupons are payable in London in sterling, or in Shanghai at the exchange of the day on the 28th February and 31st August in each year. The prospectus stated:—

The bonds will be redeemed at par within seven years (1884), by thirteen half-yearly drawings of £114,600 each, payable the 28th February and 31st August, the first drawing being payable the 28th February, 1878, and the balance, £114,476 0s. 10d., being paid off the 14th June, 1884. The drawings will take place in London, in December and June in each year, and the drawn bonds will be paid off at par on the succeeding 28th February and 31st August, after which dates interest on the bonds so drawn will cease. The loan has been authorised by an Imperial Edict dated the 8th October, 1877. The principal and interest are specially secured by the hypothecation of the Imperial Maritime Customs' revenue of the ports of Shanghai, Carton, Ningpo, and Hankow—the ports which have the largest Customs' Revenue of the Empire—to the extent necessary for the due payment of interest and repayment of principal of the said loan. The total Customs' revenue at the ports named for the past three years have averaged £2,005,500 per annum, and the total Customs' revenue for the same period at all the ports in China have averaged £3,560,000 per annum.

Early in 1879, the Hong Kong and Shanghai Banking Corporation issued in Shanghai 1,787,000 Shanghai taels of

the "Eight per Cent. Silver Loan of the Chinese Imperial Government—Haiquan taels, 1,750,000 = Shanghai taels, 1,949,500 stock; in bonds of 500 Shanghai taels each," the issue price being par. Principal and interest are paid by the Chinese calendar as follows:—

		Principal. Sh. Taels.	Interest. Sh. Taels.	Total. Sh. Taels.
1st Instalment due	5th October, 1879	162,500 ...	69,326 ...	231,826
2nd	" 30th March, 1880	162,500 ...	69,022 ...	225,522
3rd	" 23rd September, 1880	162,500 ...	66,718 ...	219,218
4th	" 19th March, 1881	162,500 ...	50,413 ...	212,913
5th	" 12th September, 1881	162,500 ...	44,109 ...	206,609
6th	" 8th March, 1882	162,500 ...	37,305 ...	200,305
7th	" 1st September, 1882	162,500 ...	31,501 ...	194,001
8th	" 25th February, 1883	162,500 ...	25,197 ...	187,697
9th	" 21st August, 1883	162,500 ...	18,393 ...	181,393
10th	" 14th February, 1884	162,500 ...	12,589 ...	175,089
11th	" 9th August, 1884	162,000 ...	6,285 ...	168,285
Total		1,787,000	415,853	2,202,853

It was stated at the time that a further sum was borrowed from Chinese merchants.

In July, 1881, another Eight per Cent. Silver Loan of the Chinese Imperial Government was issued in China by the Hong Kong and Shanghai Bank. The amount was for 4,400,000 taels. The first drawing will take place in November, 1883, and the last in April, 1887.

The imports and exports of China have been thus returned by the Imperial Customs, the figures representing only foreign ships, and excluding the junk trade, which is important, with Hong Kong:—

	Sterling Value.	IMPORTS.		EXPORTS.	
		Total.	From British and Colonial Ports.	Total.	To British and Colonial Ports.
		H.T.	H.T.	H.T.	H.T.
1864 ...	...	46,210,000	...	48,655,000	...
1871 ...	6/5	70,103,000	68,749,000	66,853,000	49,555,000
1875 ...	6/2	67,803,000	64,830,000	68,913,000	45,309,000
1876 ...	5/11	70,270,000	66,307,000	80,851,000	52,560,000
1877 ...	6/	73,234,000	68,971,000	67,445,000	46,635,000
1878 ...	5/11	70,804,000	64,944,000	67,172,000	46,022,000
1879 ...	5/7	82,227,000	75,944,000	72,281,000	45,884,000
1880 ...	5/9	79,293,000	74,027,000	77,884,000	48,534,000
1881 ...	5/6½	£27,195,000	...	£19,798,000	...

It is impossible to separate British from British Colonial ports, so much of the trade with the United Kingdom and India passing through Hong Kong. The chief imports in 1880 were—opium, 32,343,000 H.T.; cotton manufactures,

17,369,000 H.T.; and metal manufactures, 4,079,000 H.T. The chief exports were—tea, 35,727,000 H.T.; raw silk, 23,937,000 H.T.; silk manufactures, 5,655,000 H.T.; and sugar, 3,264,000 H.T. It is worthy of remark that the market value of tea has fallen heavily in the past ten years, partly owing to the increased competition of the Indian teas.

One statement places the revenue at 79,500,000 H.T.; but there are no official statistics published.

The area of China proper is about 1,500,000 square miles, with a population variously estimated at from 300,000,000 to 400,000,000. Including territories claimed by the Peking Government (Mongolia, Corea, Thibet, &c.), the area is raised to 4,000,000 square miles, and the population by another 20,000,000 or 25,000,000.

COLOMBIA, OR NEW GRANADA.

In January, 1873, an arrangement was entered into by which the Three per Cents. and Active and Deferred Debts (as explained hereafter) of this South American Republic were replaced by one loan of \$10,000,000, or £2,000,000, to bear interest at the rate of 4½ per cent. per annum up to the end of 1877, and thereafter at the rate of 4¾ per cent., while should the import dues in the year produce \$3,000,000 net, such interest was to be increased to 5 per cent. The above arrangement has not been kept on the part of the Government, recent coupons being paid only after delay, that due in July, 1879, being met in May of the year following, and that of October, 1879, being only paid to the extent of £1 2s. per cent. in December, 1880, though at the same time it should be mentioned that coupons are not considered to mature until three months after date. Since then nothing has been received. In October, 1882, therefore, there was three years' interest in arrear. Negotiations for another arrangement have been in progress, but nothing definite is yet fixed, and at present the position is one of virtual repudiation.

The amount outstanding was reduced in January, 1882, to £1,925,900, first by a special drawing of £48,800 in December, 1874; and secondly, by means of an accumulative sinking fund of \$125,000 per annum, applied quarterly. This was only applied during one year, the last drawing taking place in June, 1879.

In addition to this, there is an internal debt amounting in 1880 to £1,505,000, making the total indebtedness of the country £3,431,000, plus interest in arrear.

In 1865, the foreign debt of New Granada was stated at £7,518,000; and prior to the conversion in 1873, the foreign debt was—

Three per Cents.—2 per cent. prior to 1866.....	£ 777,500
Active Debt—¼ per cent. minimum to 3 per cent. maximum	2,925,000
Deferred Debt (dividend averaging ¾ to 1 per cent.).....	2,885,000
	6,587,500

which was being yearly reduced by purchases of stock in the market. Including the domestic debt, the total liability in 1872 was nominally something over 9¼ millions sterling; but in December, 1873, after the conversion, the totals stood as under:—

Internal Rente and floating debts		\$	10,612,170
The exterior debt, arising:—			
1. From loans and war material raised for the War of Independence (as per agreement made with the creditors, dated the 1st January, 1873) £2,000,000, equal		\$	10,000,000
2. From a loan of £200,000 contracted in 1863, for the purpose of building a road in the south of the Republic			702,500
3. From a contract made in 1865, for the purchase of two steamers			140,000
			10,842,900
Total of the Public Debt of Colombia			*21,454,670 or £4,290,934

Prior to 1834, New Granada formed part of the Republic of Colombia, which consisted of Ecuador, New Granada, and Venezuela. When the separation took place, the debts of the Colombian Republic were apportioned among the three States, one-half, or £3,312,975, being assigned to New Granada, together with a like proportion of the arrears of interest. This sum consists of a portion of loans contracted in England by Colombia in 1822 and 1824.

In 1845, the Committee of Spanish American Bondholders effected a fresh arrangement on the following terms:—1. That new bonds should be issued for the principal of the debt, bearing an interest of 1 per cent. for four years, and at the end of that period to increase the rate ¼ per cent. annually, until it reached 6 per cent. 2. Bonds were to be given for the arrears of interest, so as to form a capital of 100 per cent. on the original debt, to commence bearing interest at the end of sixteen years, at the rate of 1 per cent. per annum, to be increased ½ per cent. per annum, until it reached 3 per cent.; the two descriptions of bonds to be received at par in the purchase of national property. 3. The net revenue derived from the sale of tobacco, and half the proceeds derived from the Customs duties, were hypothecated for the payment of the interest.

This arrangement was not, however, respected by the State.

By the new constitution, the Republic of New Granada ceased to exist in June, 1858, under that name, and a Colombian Confederation was formed, consisting of nine States

—Panama, Bolivar, Magdalena, Santander, Antiogiua, Boyaca, Cundimarca, Tolima, and Cauca—with an aggregate population of 2,250,000 inhabitants.

A new Colombian Loan was contracted in September, 1863, through the agency of the London and County Bank, the nominal capital of which was £200,000, in bonds of £100 or £200 each, bearing 6 per cent. annual interest, payable half-yearly on the 1st April and 1st October, by coupon, at the London and County Bank. This debt has, however, been redeemed, partly by drawings at par, and the balance early in 1881, out of the proceeds of a loan referred to hereafter.

The objects of this loan, as stated in the prospectus, were the construction of roads, the improvement of the navigation of the river Magdalena, and the development of the commerce of the Republic. The special security given was 15 per cent. of the gross revenue accruing from the national salt mines, which were unencumbered. It was reckoned that the whole of this loan would be redeemed by 1874, but the drawings having been very irregular, redemption was not made until 1881. An additional security was given by the hypothecation to the bondholders of the right possessed by the Republic to redeem the Panama Railway, which would become its property by right of redemption, under Art. 2 of the decree of concession granted to the railway company.

This railway originally cost the company £1,600,000; the sum fixed to be paid by the Colombian Government for its redemption was £1,000,000.

The Negotiations for the conversion of the New Granada debts were conducted by the Council of Foreign Bondholders for a lengthened period. In 1871, the sudden suspension by the Panama Railway Company of the yearly subvention of \$250,000, owing to the diminution of receipts, threw the Treasury, already embarrassed, into great difficulties, and the Government applied to the bondholders to lend a portion of the receipt of their charge on the Customs revenues, paying interest thereon at 7 per cent. This proposition was agreed to. In July, 1872, the following appeared from the Council of Foreign Bondholders:—

It will be remembered that the Government of New Granada retained last year a portion of the Customs revenues assigned to the bondholders owing to the non-payment of the subvention of \$250,000 by the Panama Railway. The railway having now made that payment, it is gratifying that the Government have remitted an instalment of £12,000 by the last Mail to the bondholders, and it is expected that the balance will soon follow. Meanwhile the negotiations pending for the unification of the three classes of New Granada Bonds are being continued.

These negotiations ended in May, 1873, when the Committee of New Granada Bondholders were empowered to accept definitively, and to ratify the convention for the conversion of the New Granada External Debt, agreed to at Bogota on the 31st December, 1872, and were authorised to take the necessary steps for carrying out the formation of a Colombian Land Company, Limited, in conformity with the provisions of the convention. The official memorandum stated:—

The Customs duties are specially hypothecated to the new issue of £2,000,000 bonds, bearing $4\frac{1}{2}$ per cent. interest till 1878, $4\frac{3}{4}$ thereafter, and 5 per cent. as soon as the Customs shall produce \$3,000,000. The nominal amount of old bonds given in exchange for each new bond will be specified, and in case of default during one year, the bondholders will re-acquire the original terms. The coupons are payable quarterly, and receivable as cash by all Government offices. By an annual sinking fund of $1\frac{1}{4}$ per cent. from 1878 the bonds will be redeemed by the Government at par, instead of, as at present, by the bondholders themselves, at the low market price of the old bonds. Two million hectares, equal to 5,000,000 English acres, of public lands are given in compensation for the conversion, and a company, with a sufficient capital out of the new bonds, is to be formed to make them available.

The Amsterdam bondholders, however, expressed their disapproval of the terms offered, which were:—Every £100 Active to be entitled to £34, £100 Deferred to £17, and £100 Three per Cents. to £66 of the new bonds. From these amounts 10 per cent. was to have been retained to form the capital of the Colombian Land Company, Limited, enjoying a land grant of 5,000,000 acres, share warrants to bearer to be issued in respect thereof, but owing to the opposition of the Amsterdam bondholders, the Land Company was abandoned, and the 10 per cent. of the stock was therefore distributed.

Payments ceased with 1879, and coupons from and including January, 1880, are attached to the bonds. On the 3rd March, 1881, a provisional agreement was signed by the Council of Foreign Bondholders and the Colombian Minister in London, by which arrears were to be funded into 5 per cent. stock, with $2\frac{1}{4}$ per cent. sinking fund. But the Government never ratified this.

The revenue and expenditure of Colombia for the years ended 31st August are thus stated:—

	Revenue.		Expenditure.
	£		£
1851-52	272,127	.....	...
1860-61	353,800	.....	352,963
1864-65	440,000	.....	540,000
1866-67	470,000	.....	470,200
1869-70	576,751	.....	...
1875-76	749,897	.....	571,706
1879-80	1,130,380	.....	1,154,715

The taxation of the country is light; but deficits usually occur, the population showing the greatest reluctance to any increase in existing imposts. Two-thirds of the revenue are derived from Customs, and most of the balance from the salt mines.

The value of the imports and exports since the end of 1864 is shown in the following table:—

Year.	IMPORTS.		EXPORTS.	
	From United Kingdom.	Total.	To United Kingdom.	Total.
	£	£	£	£
1870 .....	...	1,170,000	906,279	1,656,810
1872 .....	...	...	1,019,235	...
1875	942,097	1,389,800	962,205	1,996,870
1876	802,061	1,465,780	681,913	2,895,570
1877	927,460	1,341,820	472,021	2,009,810
1878	1,048,917	1,741,750	932,936	2,222,130
1879	882,190	2,157,530	926,114	2,742,300
1880	1,039,806	2,077,400	838,025	2,760,990
1881	1,185,553	...	1,388,430	...

Peruvian bark, coffee, tobacco, and gold represent the greater part of the exports, the chief remaining articles being cotton, dye woods, and hides. The trade of the country is chiefly with England, the United States, Germany, and France. The area of Colombia is about 520,000 square miles, and the population is estimated at about 3 millions.

COSTA RICA.

Two loans of this Republic are quoted in the London Stock and Share List, the particulars being represented by the foreign debt below:—

		Gross Debt of Costa Rica, 30th April, 1882.	
Foreign Debt.		Original Amount.	Amount Outstanding.
		£	£
Costa Rica 6 per Cent. Loan, 1871		1,000,000	941,200
„ 7 per Cent. Loan, 1872		2,400,000	1,460,100
Total		3,400,000	2,401,300
Add—Nine years' interest unpaid, 6 per Cents.....			508,248
„ „ 7 per Cents.....			970,966
Foreign debt			3,880,514
Internal Debt.		\$	
Privileged notes		492,047	
Internal debt		30,752	
Ecclesiastical funds		66,186	
University funds		82,140	
Paper currency		249,225	
Bills payable		992,943	
Other liabilities		192,241	
		\$	£
		2,105,534	(at 5½=1) 382,824*
Gross debt			4,263,338

As a set off against the Internal Debt (*) there are various assets, and the recent Commission to Costa Rica state the net internal debt at £364,000. This, of course, does not take into account the unfinished railway from Port Limon, to the capital, 98 miles being in operation, the outlay upon which has been £2,301,688. Thirty miles remain to complete, the estimated cost of which will be £891,000, including a pier at Port Limon. The line, as it stands, has been valued by Mr. Geo. Bush, M.I.C.E., at £1,200,000.

In May, 1871, Messrs. Bischoffsheim and Goldschmidt

received subscriptions for an issue of £500,000 nominal capital of the Costa Rica Government Six per Cent. Loan, at the price of 72 per cent., payable over a period of nearly six months. The bonds were to bearer, in sums of £1,000, £500, or £100 each, and were to carry coupons payable in London on the 1st May and 1st November, and a 2 per cent. per annum accumulative sinking fund was to be applied to their redemption at par, the drawings to take place on the 1st April and 1st October. The prospectus stated—

The loan is secured on the general property and revenues of the Republic of Costa Rica, as well as by the special hypothecation of the Customs dues of the State. The existing duties levied at the Port of Punta Arenas, one of the Custom Houses so hypothecated, amount to double what is required to meet the interest and redemption fund of the loan. The principal and interest are specially exempted from all taxation by the Government of Costa Rica, and the coupons, when due, will be accepted in payment of duties as cash at par at all the Custom Houses of the Republic. The general bond, signed by the Minister, together with the powers he holds, will be deposited at the Bank of England. The Government reserves the right to increase the sinking fund at any time, and to apply such increase in redeeming an additional amount of bonds, either by purchase or by drawings at par. The object of the Government in contracting the loan is the construction of roads, piers, and other works of public utility in the Republic, upon which considerable sums have already been expended. Costa Rica was the first of the Republics of Central America to discharge its proportion of the Central American (English) Debt.

In October, 1871, the Costa Rica Government Six per Cent. Loan, Second Issue, to the amount of £500,000 stock, was brought out by Messrs. Bischoffsheim and Goldschmidt, at the price of 74 per cent., the instalments thereof falling due over a period of more than five months. The further details of this issue are precisely similar to the above.

In May, 1872, the Costa Rica Government Seven per Cent. Loan, 1872, for £2,400,000 nominal capital was advertised by Messrs. Knowles and Foster, in bonds of £100, £200, and £500, at the price of 82 per cent., with instalments payable up until the 16th December following. Principal and interest were to be received by the bondholders in London, free of Costa Rica taxes, the latter by coupon on the 1st April and 1st October, and the former by a 1 per cent. per annum accumulative sinking fund, applied in half-yearly drawings at par, the first to take place in September, 1872, by which the whole was to be paid off in 31 years. Power was reserved to increase the sinking fund by purchase in the open market, or by drawings at par.

The general bond (which, with Senor Don Manuel Alvarado's powers, will be deposited in the Bank of England), guaranteed that the bonds shall be exempt from Costa Rica taxes of all kinds, and declared the loan to be secured, in addition to its being a general charge on

the revenue and assets of the Republic, by way of special hypothecation on the following branches of revenue, viz. :—

	\$		£
Internal dues on spirituous liquors, which			
produced in 1871	800,000	say	160,000
Tax on coffee	125,000	..	25,000
Tobacco monopoly.....	360,000	..	72,000
	1,285,000	..	257,000

In addition to which security is given for the due payment of the principal and interest, by its being declared to be a charge on the works and profits of the railway, for the completion of which the loan is specially made.

On 31st March, 1874, Messrs. Knowles and Foster informed the bondholders of the Costa Rica Loan of 1872, that the Government had not placed in their hands the funds necessary to make the payment of interest and sinking fund due on the following day.

But Messrs. Bischoffsheim and Goldschmidt paid the coupons on the 1871 loan, due 1st May, 1874; and it was not until November in that year that Costa Rica was in default upon the 1871 loan.

The manner in which these loans were raised formed a subject of inquiry some years ago before the Foreign Loans Committee; and it appeared that of the proceeds of the £3,400,000 stock issued, not much over £1,000,000 was actually expended on the railway for which the money was raised. The report showed that out of the two Bischoffsheim loans, the Government received £560,000; while the 1872 loan for £2,400,000 was financed as under :—

The total sum received in cash by Messrs. Erlanger and Co. on account of the loan of 1872, was according to their accounts—

	£
By received from Messrs. Knowles and Foster	1,588,883
.. bonds sold under November agreement	254,000
.. bonds sold under April agreement	92,246
.. coupons cashed, and cashed drawn bonds	68,568
	2,003,697

The accounts furnished by Messrs. Erlanger and Co. indicated that the sum of £2,003,697 cash, which they had received on behalf of the Government, was disposed of as follows :—

	£
To repurchase of £1,426,500 (nominal value), and payment of instalments on same	1,122,839
.. annuities paid to Knowles and Foster, on account of bonds in hand	86,195
.. part of commission, according to contract	20,000
.. the Government of Costa Rica in cash, and by payments made on behalf of that Government	817,808
	2,046,842

Leaving on the face of these accounts a balance due to Messrs. Erlanger and Co. of £43,145, with interest since the origin of the debt. These accounts appear also to show that out of the nominal total of £2,400,000, bonds to the amount of £903,900 were unissued or unsold, while £36,000 had been drawn, and that, therefore, the present indebtedness of Costa Rica in respect of the principal of the loan of 1872 is £1,460,100. From the evidence before the committee it is impossible to arrive at any accurate statement or computation of the disposition of the moneys received. The Government was debited by Messrs. Erlanger and Co., according to their statement, with the above-mentioned sum of £817,808, and also with £118,600, which was paid by Messrs. Knowles and Foster in respect of interest and sinking fund. But from an official report presented to the Constitutional Congress of Costa Rica in 1874 by Don S. Lara, it appeared that that Government estimated the net proceeds of the loan, which it received in cash, at the sum of £515,165 only. It has been already explained that it was understood by Messrs. Knowles and Foster, and expressed in the second contract, that the total charge to the borrowing Government should not exceed 7 per cent., and it was not until the autumn of 1873 that the terms of the third or secret contract between Don Manuel Alvarado and Messrs. Erlanger and Co., by which a margin of 4 per cent. (amounting to £96,000) was allowed to the latter, came to their knowledge. They at once expressed their extreme dissatisfaction that such an agreement should have been made and kept secret from them.

In 1881, proposals were made by the Costa Rica Government for the resumption of an interest payment on the debt, and the raising of money for the completion of the railway. Those proposals included the handing over of completed lines of railway to an English company, from Limon to Rio Sucio, about 70 miles; from San José to Alajuela, 13 miles; and from San José to Cartago, 13 miles, with all the fixed and rolling stock, buildings, &c., together with about 500,000 acres of land adjacent to the lines of railway. In return it was stipulated that the new company should raise a sufficient capital for the construction of the uncompleted portion of the line (about 30 English miles), between Rio Sucio and San José, and for the equipment of the line. Upon agreeing to these proposals, both the 6 and the 7 per cent. bondholders were offered a bond for £128 10s. for each old bond, including principal and interest in arrear, such new bonds to bear interest at the rate of 3 per cent. per annum. In December, 1881, the 7 per cent. bondholders accepted the scheme, but the 6 per cent. bondholders took a different view of the proposal. They contended that the Six per Cents. stood in the position of first mortgages, and in the end the 6 per cent. bondholders rejected the proposed arrangement by a considerable majority. Upon this, the Council of Foreign Bondholders were asked to appoint a deputation to Costa Rica, and Messrs. G. W. Kellner and Geo. Bush proceeded there early

in 1882. These gentlemen suggested that the priority claimed by the 6 per cent. bondholders could be secured as follows:—

By issuing the new 3 per cent. bonds in two series, A and B, for the 6 per cent. and 7 per cent. bondholders respectively; the bonds of series A to have the preferential right to payment of interest out of the funds provided for interest; and the funds provided for amortisation to be applied in equal moieties to the bonds of series A and B, and on extinction of the bonds of either series to be applied wholly to the series outstanding. The effect of this arrangement would be, in view of the smaller amount of the 6 per cent. bonds, to give those bonds a preference in amortisation, as well as priority in payment of interest.

These gentlemen also inspected the line, and received statements of revenue and expenditure from the Government. The ratification of the arrangement by the Grand National Council and the National Assemblies has not yet (August, 1882) been received.

The revenue and expenditure of Costa Rica have thus been returned:—

	REVENUE.			EXPENDITURE.	
	Customs.	Railway.	Total.	Railway (including Construction).	Total.
	\$	\$	\$	\$	\$
1871-2	538,848	nil.	1,663,774	nil.	1,788,385
1875-6	464,916	123,875	2,396,156	580,147	2,677,661
1877-8	846,691	88,019	2,628,856	466,666	3,769,059
1879-80.....	800,957	106,327	2,802,279	1,255,960	3,460,596
1880-1	647,803	86,101	2,345,230	1,181,062	2,825,897

The average revenue in the five years, 1876-81, was £471,260 per annum, and the average expenditure, £546,428.

The exports of Costa Rica in 1873 were estimated at £1,200,000, as against £550,000 in 1872; and the imports in 1873 at £753,000, against £561,000 in 1872. Trade has not prospered latterly.

The area of Costa Rica is given at 26,000 square miles, and the estimates of the population vary from 175,000 to 200,000, and upwards. The races are principally Spanish and Indian.

CUBA.

Two loans of this Spanish Colony have been brought out recently, and are slightly known to this market.

In virtue of the Law of 25th June, 1878, a Six per Cent. Treasury Loan for £5,000,000, in bonds of £20 each, was placed, applications here being received by Messrs. Mildred, Goyeneche, and Co. The loan is secured on the Customs' duties of the island, and interest is payable in Paris, Havana, and London, on the 1st January, April, July, and October. Quarterly drawings also take place, 1893 being fixed for the total redemption of the issue. The amount outstanding in January, 1882, was £4,256,000.

In 1880, subscriptions were invited (here by Messrs. Uthoff and Co.) for Six per Cent. Mortgage Bonds of the Treasury of the Island of Cuba, in order to pay off the loan advanced by the Banco Hispano Colonial, to fund the Cuban floating debt, and to exchange for these bonds the Six per Cent. Obligations of 1878. The special security offered was the hypothecation of the revenues of the Customs, and generally all the other revenues of the island either existing or to be created in the future; also subsidiarily the guarantee of the Spanish nation. The amount of the issue was 375,000,000 pesetas = £15,000,000, in bonds of 500 pesetas, or £20. Interest is payable quarterly in Paris, Madrid, Barcelona, Havana, and (at 25 pesetas per £) in London; while the loan is to be paid off in 20 years by quarterly drawings. The amount outstanding in January, 1882, was £14,385,000.

In 1834, Cuba contracted a loan for £450,450, and in 1837 another for £112,600—together £563,050—bearing 6 per cent. interest, payable in London, but these liabilities have since been liquidated.

In March, 1868, the Spanish Government brought out a Spanish Colonial Loan for £2,335,000, through the agency of Messrs. Bischoffsheim and Goldschmidt, by whom it was offered at 91 per cent. The whole was secured upon the

DENMARK.

The debt of Denmark has thus been returned in the following years :—

	Rix-dalers.	£
1847	105,000,000	11,375,000
1849	(War in Schleswig-Holstein.)	
1851	125,000,000	13,541,000
1860	104,261,400	11,584,600
1863	95,734,757	10,770,158
1864	(War with Prussia and Austria.)	
1866	132,110,802	14,862,475
1870	116,370,350	12,930,039
1872	114,728,300	12,747,589
	Kronor.	
1875	185,835,623	10,324,201
1877	176,248,442	9,791,580
1878	174,423,746	9,690,208
1879	174,759,423	9,708,857
1880	173,326,628	9,629,257
1881		

Statement of Debt as at 31st March, 1880.

External—	£	
3½ per Cent. Loan	35,197	
4 per Cent. Loan	163,928	
4 per Cent. (Anglo-Danish) Loan	244,800	
4 per Cent. Loan, 1850-61	328,500	
Internal—		
	772,425	
Irredeemable Bonds	8,693,880	
Redeemable Bonds	47,717	
Life Interest Debt	115,235	
	8,856,832	
		£
		9,629,257
Against this, however, the country has a reserve fund in shares and obligations of	2,063,499	
Funds from reproductive works	1,839,873	
Various securities	1,544,390	
		5,447,762
Reducing the net amount of the debt to	4,181,495	
Cost of construction of State Railways to the 31st March, 1880	4,006,420	
		175,075
Debt not represented by securities and State railways		175,075

The annual charge on the debt was in 1880-81, £408,388; and in 1877-8, £510,818.

For 1880-81 the charge was stated as follows:—

	Kronor.	
Interest	6,959,700	
Sinking Fund	92,600	
Annuities	289,800	
Administration	8,900	£
	<hr/>	
	7,351,000	= 408,388
Deduct—Railway net receipts	1,130,505	
Interest on advances, &c.	949,080	
" Reserves	1,764,000	
Miscellaneous	24,600	
	<hr/>	
	3,868,185	= 214,888

Net balance to be provided by revenue..... 3,482,815 = 193,500

This £193,500, upon a population of 1,969,039, gives an annual charge of under 2s. per head.

The history of the foreign debt is rather intricate, owing to the numerous instances of absolute redemption and conversion. The first loan raised in the United Kingdom for Denmark was in 1822, when stock was created to the extent of £3,000,000, at 77½ per cent., bearing interest at 5 per cent., redeemable at the option of the King at par. In 1825, a new loan, at 3 per cent., was raised to pay off the unredeemed part of the above loan, amounting to £1,330,000. The original amount of the new loan was £4,840,000, the issue price of which was fixed at 75; nearly one-third of the stock, however, was reserved by the Danish Sovereign to be sold at his pleasure.

The securities given to the bondholders for the repayment of this loan were—the total revenues arising from the Sound dues, the mortgage securities for moneys advanced to the West India proprietors, and the net revenues of several islands belonging to the Danish Government. The bonds which represented this debt were known in London as the Danish Three per Cents., and the final redemption was effected in 1877.

In 1849, another loan was contracted for £800,000, but only a part of it was taken in London by Messrs. C. J. Hambro and Son, to the amount of £150,000. The price at which it was issued was 86 per cent., and the interest 5 per cent. One-half the amount was taken by the Bank of Copenhagen. This loan was repaid in 1860.

In March, 1850, a fresh loan for £800,000 was contracted by Messrs. C. J. Hambro and Son at 90 per cent., with interest at 5 per cent. The object of this loan was to meet the heavy expenses attending the war in Schleswig-Holstein.

The land tax of Denmark was to be specially applied to the payment of the interest and the redemption of this loan. This loan was entirely paid off on the 1st March, 1861, by order of the State; but bondholders were allowed the option of converting their stock into new bonds, bearing 4 per cent. interest, retaining the rights and privileges of the original loan. This is now known as the loan of 1850-61. The amount outstanding in January, 1882, was about £320,000.

The redemption of the Sound dues by foreign nations in 1856 brought a sum equivalent to about £3,324,600 into the Danish exchequer; this was applied to the reduction of the Public Debt. The portion paid by Great Britain was upwards of one million sterling.

Loan of 1862.—This was an issue of £500,000, through Messrs. Hambro and Son, in February, 1863. The bonds are for £100, £500, or £1,000, bearing interest at 4 per cent., and the issue price was 91 per cent. The loan was for the construction and working of certain railways in Denmark, and forms part of the National Debt of Denmark, redeemable at the will of the Government, but not at the option of the bearer. The bonds are provided with interest coupons, payable half-yearly, by Messrs. Hambro and Son, on the 11th June and 11th December; and the loan is quoted in the London Stock Exchange, where the amount outstanding is £244,800.

Loan of 1864.—The stock of this loan, amounting to £1,200,000, was offered for public subscription, through Messrs. C. J. Hambro and Son, at 93 per cent., bearing interest at 5 per cent. per annum. The sinking fund was 1 per cent. The Danish Government reserved to itself the right of redeeming the whole or any part of this loan at par after the 30th June, 1874, six months' notice being previously given, and the loan was repaid on January 1, 1875.

Debenture Loan, 1864.—This loan was announced by Messrs. Raphael and Sons, in November, 1864. It consisted of debentures for £1,000 each, amounting to a total of £728,000 nominal. The price of subscription was 94½ per cent., or, deducting discount and allowances, 93½. The loan was secured upon the Sound dues—funds payable by Russia to Denmark.

The interest, at the rate of 5 per cent., commenced on the 1st November, 1864, and was payable half-yearly, on 1st May and the 1st November, at the Office of Messrs. Raphael and Sons, London. The debentures were redeemable at par, the last amount being paid off in May, 1877.

Only two of these Danish loans are, therefore, at the present time quoted here, and dealings therein are merely nominal, most of the bonds being now held in Denmark.

The public income and expenditure were as follows:—

Years Ended March 31.	Income. £	Expenditure. £
1860	2,964,745	2,452,560
1865	2,520,917	2,701,673
1871	2,602,180	2,433,700
1874	2,689,087	2,594,689
1876	2,860,781	.....
1879	2,559,181	2,339,647
1880	2,640,108	2,453,924
1881 (estimates)	2,624,800	2,315,100

The annexed table exhibits the balance-sheet for 1880-81 in detail:—

Denomination.	Receipts.	Denomination.	Expenses.
	Kronor.		Kronor.
Surplus from domains	881,385	Civil List	1,422,384
Surplus from forests	451,556	Royal Family	200,000
Interest on State values	3,868,185	Council of State	106,616
Indirect taxes	29,357,000	Public Debt	7,351,000
Direct taxes	9,064,100	Ordinary pensions*	2,613,280
Surplus of Post Office	158,579	Military pensions	688,433
Surplus of lottery	800,000	Ministry of Foreign Affairs	377,979
Revenue from Iceland and Farøes	63,341	Ministry of Worship and Instruction	978,372
Miscellaneous receipts	1,149,727	Ministry of Justice	2,465,368
Repayments, &c.	1,537,590	Ministry of the Interior	1,850,212
		Ministry of War	8,737,139
Total	47,331,463	Ministry of Marine	5,125,704
Less excess of cost of tele- graphs over receipts	84,905	Ministry of Finances	2,920,174
		Administration of Iceland	109,600
Net total	47,246,558	Extraordinary expenses	3,190,729
		Public works	3,221,738
		Advances and subventions	513,720
		Total	41,672,448

Previous to 1872, the Danish Government published no tables of values of imports, and only partially so of exports; but the following figures will show the comparative total weight of the imports and exports for the years prior to 1872, and values subsequently:—

	Imports. Tons.	Exports. Tons.
1867	840,770	435,666
1869	1,000,632	363,603
1870	913,979	410,838
1871	988,277	518,754
	£	£
1872	10,777,000	8,122,000
1873	10,955,000	9,687,000
1874	12,955,000	9,994,000
1875	12,650,000	9,561,000
1876	12,716,000	10,037,000
1877	12,521,000	9,127,000
1878	10,567,000	8,511,000
1879	11,058,000	8,881,000

The richness of the soil of Denmark adapts it well for the raising of live-stock and for corn-growing, the principal exports consisting of cattle and pigs, bacon, butter, wheat, and barley.

In 1876, Denmark possessed 1,348,321 cattle, 1,719,249 sheep, and 503,667 pigs, the cattle and pigs showing increase and sheep decrease. An average crop of oats is about 30,000,000 bushels; barley, 21,000,000 bushels; rye, 16,000,000 bushels; and wheat 5,000,000 bushels.

The value of Danish (with Iceland's) exports to and imports from Great Britain is thus shown by our own Board of Trade Returns:—

Year.	Imports from	Exports to
	Great Britain.	Great Britain.
	£	£
1865	1,560,216	2,284,287
1870	2,329,319	3,053,425
1871	2,049,227	2,553,562
1872	2,374,946	3,618,337
1873	3,054,688	3,571,139
1874	2,873,898	3,890,492
1875	2,756,145	4,241,671
1876	2,598,707	4,217,934
1877	2,332,911	3,950,229
1878	1,900,135	4,584,544
1879	1,984,767	4,675,090
1880	2,347,573	5,285,767
1881	2,431,193	4,611,999

The area of Denmark, after the loss of Schleswig-Holstein, is 14,550 square miles, or including the Islands in the Baltic, 21,660 square miles, with a population, in 1860, of 1,608,095; in 1870, of 1,784,741; and in 1880, of 1,969,039. In addition, Iceland contains 72,000 inhabitants, upon a habitable area of about 20,000 square miles, and the Farøe Islands and Greenland 11,221 and 9,531 respectively. In 1880, the Government possessed about 745 miles of railway in operation, besides 125 miles belonging to private companies. In 1872, the Government lines amounted to only 360 miles. In 1881, there were 1,012 miles open in the country.

E C U A D O R .

At present, Ecuador is a defaulter; and the coupon due on the 1st May, 1868, on the 1 per cent. consolidated debt remains unpaid.

In 1877, the debt was stated as under:—

	Pesos.	£
External.....	9,120,000	1,824,000
Internal.....	7,250,000	1,450,000
	<hr/>	<hr/>
	16,370,000	3,274,000
Add overdue interest to end of 1877	912,000	182,400
	<hr/>	<hr/>
	17,282,000	3,456,400

The debt per head may be stated at £3.

Prior to 1834 this State formed a part of the Republic of Colombia, which consisted of Ecuador, New Granada, and Venezuela. When the separation took place, the debts of the Colombian Republic were apportioned among the three States; 21½ per cent. of the whole was assigned to Ecuador, which amounted to £1,424,579 5s.

In 1855, the Ecuador portion of the Colombian debt, including interest for 28 years at 6 per cent., after deducting the amounts cancelled and transferred to consolidated debt, stood at £1,082,120.

The bonds of the converted debt were issued in the following order:—

Class A bonds, of £1,000, 1 to 500	=	£ 500,000
" B " 250, 1 to 4,000	=	1,000,000
" C " 100, 1 to 3,240	=	324,000
		<hr/>
		1,824,000

The arrangement accepted by the creditors, and ratified by the Government, provided that on the above acknowledged sum interest at the rate of 1 per cent. should be paid half-yearly, in May and November, so long as the receipts of the

Custom House at Guayaquil should not exceed \$400,000 per annum; and when they exceeded that sum, one-fourth of the surplus should be appropriated for the benefit of the bondholders until a maximum of 6 per cent. is attained. An agent for the bondholders was appointed at Guayaquil to receive the funds, the Government discharging the necessary expenses. The creditors had also a beneficial interest in the waste lands; and provisional land warrants to the extent of £566,120 were issued, which are negotiable in the market. A period of twenty-five years was allowed to bondholders to apply for, or take possession of, the waste lands hypothecated to them.

In addition to the foreign debt above described of £1,824,000, Ecuador had a recognised home debt of £996,446 at the time of the conversion in 1855, as well as a further interior debt, amounting to £129,253—in all, £2,949,699, besides the land warrants.

In April, 1860, the French agent for this Republic in Paris informed the bondholders that the port of Guayaquil had been blockaded for ten months by the Peruvian squadron, and that political disturbances and the poverty of the Treasury had caused the suspension of the payment of the fourth part of the importation duties, so that there was only £1,580 disposable, instead of £9,120, required for the dividend of the 1st of May, 1860, and that, under these circumstances, the Fiscal Commission of Ecuador, in concurrence with the Ecuador Commission of Agency, deemed it inexpedient to make the distribution of this small amount.

The interest of this debt has since been in arrear. In 1868, Ecuador was visited by earthquake, and the losses then sustained caused further delays in settling with the country's creditors.

In May, 1869, it was announced that the Finance Minister proposed to stay the payment of Customs due to the bondholders, for the alleged reason that the State revenue was insufficient to meet the country's expenses. This was, of course, appealed against; but in December, 1869, advices were received that the President's decree had confirmed this proposition, the National Convention at the same time authorising the Government to take advantage of this act of spoliation by laying out £10,000 in the purchase of bonds at their necessarily depreciated price.

At present $14\frac{1}{2}$ years' coupons remain unpaid, which, at their minimum of 1 per cent., represent £264,480.

The Custom House receipts have considerably increased since the default. In 1870, they amounted to £254,000, and in 1878 to £191,317, thus yielding much in excess of the

\$400,000 before referred to. Hence the bondholders are rightly entitled to more than 1 per cent.

The Council of Foreign Bondholders have recently been carrying on negotiations with the Ecuatorian Government.

At a meeting of bondholders, held on the 20th October, 1881, a resolution was passed to the effect that "the holders of the bonds of the Republic of Ecuador will be prepared to accept an arrangement of the debt of that State, which will adequately secure to them, in lieu of their present bonds and arrears of interest, not less than £950,000 new sterling bonds, with interest payable in sterling in London of not less than 5 per cent., with a sinking fund of 1 per cent. accumulative, to be increased after five years to 2 per cent." The price of the bonds rose rapidly for a time, touching 22; but they have since relapsed.

In 1870, the revenue of the Republic was stated at £363,000, of which £254,000 was received from Customs dues; while the expenditure was announced at £375,000. In 1876, the revenue amounted to £463,400, and the expenditure to £672,000. The Guayaquil Customs then realised \$1,174,058, or £234,810.

The value of the imports and exports have thus been officially returned:—

Year.	IMPORTS.		EXPORTS.	
	Total.	From United Kingdom.	Total.	To United Kingdom.
1855.....	£ 323,265	£ 9,616	£ 358,393	£ 57,457
1860.....	423,840	76,271	1,342,260	107,033
1867.....	434,860	47,719	560,069	107,424
1870.....	760,510	58,979	782,932	138,411
1875.....	...	133,519	...	233,980
1877.....	...	255,618	...	185,791
1879.....	1,500,000	297,343	1,770,000	523,172
1880.....	...	367,655	...	647,331
1881.....	...	260,817	...	290,851

For many years after 1861 the trade was greatly crippled by the disturbed condition of the country. The principal exports are coffee, cocoa, caoutchouc, and bark.

The area of Ecuador is about 250,000 square miles, and the population 1,000,000 to 1,250,000. In 1875, the settled population was stated at 866,137; but there are a large number of Indians, respecting which statistics are quite unreliable.

E G Y P T .

The funded debt of Egypt stood as under on the 1st July, 1882 :—

	Amount Outstanding.	Interest.
	£	£
5 per Cent. Preference stock	22,498,800 ...	1,124,940
4 per Cent. Unified debt	57,015,980 ...	2,280,639
	<hr/>	
Funded debt	79,514,780 ...	3,405,579
Add—		
Secured upon Estates revenues:	£	
4 per Cent. Daira Sanieh	9,223,950	... 368,953
5 per Cent. State Domain Mortgage ...	8,359,120	... 417,956
	<hr/>	
	17,583,070	
Secured upon the Tribute paid direct to loan agents:	£	
5 per Cent. Turkish, 1854	1,750,600	... 87,530
4½ per Cent. Turkish, 1871	5,378,700	... 228,590
5 per Cent. Ottoman Defence	4,789,500	... 239,475
	<hr/>	
	11,918,800	
Secured on Suez Canal shares after 1894 (now payable to England by Egypt).....	... ..	200,000
	<hr/>	
	109,016,650 ...	4,948,093

In addition to the interest charge, there are the regular sinking funds—on the Preference stock at the present time, £64,000; on the Tribute Loan of 1854, £11,000; and on the Defence Loan, £41,000; raising the annual charge to £5,064,000, exclusive of management, and appropriations out of surplus revenues to redeem Unified, Daira Sanieh, and State Domain bonds by purchases in the open market. By these means, in 1881, as much as £752,560 of Unified bonds were cancelled, in addition to £100,000 Daira Sanieh bonds.

The population of Egypt being 5,517,427, the *gross* debt per head may be stated at £19 15s.; and the annual charge at 18s. 4d.

It is very difficult to arrive at even an approximate estimate of the *net burden* of the Egyptian debt. The railway net

revenue is a fair deduction; but to what extent the port dues or the State Domains have been augmented by the outlay of borrowed capital it is impossible to determine. Deducting, however, £650,000 as the railway net receipts, £29,000 for port dues at Alexandria, and the entire charge of the Daira Sanieh and Domain Mortgage loans—together, £1,466,000—there still remains an annual burden upon revenue of £3,598,000, or 13s. per head, and in recent years a larger sum has been provided and remitted to Western Europe. There are some floating debts, and the present crisis will certainly augment them.

The history of the Egyptian Debt is much involved, but the following details show clearly the vast extravagance of the ex-Khedive, and the rapid power of recovery under the honest administration established and hitherto supervised by the Western Powers.

Seven per Cent. 1862 Loans.—In March, 1862, 7 per cent. bonds to the amount of £2,195,200 were issued here, through Messrs. Frühling and Goschen, at the price of 82½. The loan was contracted to extinguish the floating debt of Egypt, and was specially secured on the revenues of the provinces of the Delta.

In August, 1862, another £1,097,600 was placed by the same firm at 84½. This second loan was contracted by the Viceroy of Egypt with the Bank of Saxe-Meiningen, "in order to complete the extinction of the floating debt." The drawings were to redeem these issues by 1892.

Halim Pacha Loan.—There was an inconsiderable addition made to the liabilities of Egypt on 31st March, 1863, in the form of the guarantee accorded to a loan raised by the Egyptian Commercial and Trading Company for £310,000, bearing interest at 8 per cent. This was known as the Halim Pacha Loan, and a considerable sinking fund was applied towards its redemption.

Seven per Cent. 1864 Loan.—This loan was brought out in London at the close of 1864 by Messrs. Frühling and Goschen. The total capital was £5,704,200, in bonds issued at 93. The whole was to be redeemed in fifteen years by an accumulating sinking fund, and paid off at par. The following is an extract from the prospectus issued by the agents:—

This loan has been contracted for by the Viceroy of Egypt with Messrs. H. Oppenheim, Neveu, and Co., of Alexandria, and is secured on the general revenues of Egypt, and specially on those of the three provinces of Dekablieh, Charkieh, and Behera, producing a net annual

sum of about £700,000. £2,000,000 of this loan have already been subscribed for, and Messrs. Frühling and Goschen have been instructed by the contractors to receive applications for the remaining £3,704,200. The Egyptian Government acceptances now in circulation, falling due next year, will be taken in payment of the last two instalments. The Egyptian Trading Company's debentures, falling due on the 1st December next, will also be taken in payment on allotment.

Seven per Cent. Railway Loan, 1866.—This loan, termed the Egyptian Government Railways Debenture Loan, was issued in January, 1866, through Messrs. Frühling and Goschen, in bonds of £100, at 92. The bonds were divided into six series of £500,000 each, and the whole were repaid at par by annual drawings of one series in each year, the last on 1st January, 1874.

Viceroy's Seven per Cent. Loan, 1866.—In March, 1866, this loan was contracted by Ismael Pacha, Viceroy of Egypt, with the Anglo-Egyptian Bank, to the amount of £3,387,300, in bonds at 90, and redeemable at par by an accumulative sinking fund in fifteen years, by half-yearly drawings. Of the total of £3,387,300, £1,693,600 was issuable in England by the Anglo-Egyptian Bank, and in France, through the agency of Messrs. Pastre Brothers. This differed from previous Egyptian loans, in that it was secured on the private property of the Viceroy, and not on the revenues of the State. The prospectus stated—

This loan is guaranteed generally by all the revenues accruing from the immense private property of his Highness Ismael Pacha, Viceroy of Egypt; Specially by the mortgage of 364,930 feddans (about 375,000 English acres) of cultivated lands, hypothecated in due legal form to that effect by his Highness. The real marketable value of these lands is well known in Egypt to represent more than double the amount of the loan. The acceptances or obligations of the Daira (administration of the private domain of his Highness Ismael Pacha) have constantly been taken by capitalists in preference to all other negotiable securities in Egypt, and they are generally discounted at a lower rate than even those of the State. Under the able rule of the Viceroy, large sums have been expended in a most useful and profitable manner, such as the importation of oxen and horses, the purchase of machinery and implements for irrigation and other agricultural purposes, for the cleansing and pressing of cotton, also the building of stores, warehouses, farms, &c. It is for the further improvement and development of the large possessions of the Viceroy, as well as for the repayment of liabilities already incurred on this account, that this loan is chiefly required.

Nine per Cent. Loan, 1867.—In November, 1867, a Nine per Cent. Loan for £2,080,000 was issued. The sum of £2,009,200 of this loan was offered in London, Paris, and Alexandria. The bonds were issued at 90 per cent., and were redeemable at par within fifteen years from the date of issue by fourteen annual drawings, commencing in October, 1868. The loan

was negotiated for the Viceroy by the Imperial Ottoman Bank, and Messrs. Oppenheim and Co., and the special security was the estates purchased by the Viceroy, while the loan was guaranteed by the Egyptian Government.

Seven per Cent. Loan, 1868.—In July, 1868, a Seven per Cent. Loan for £11,890,000 was contracted for by the Imperial Ottoman Bank, the Société Générale, Messrs. H. Oppenheim and Nephew, and Messrs. Oppenheim and Alberti. The issue price was 75 per cent. The redemption in thirty years from the date of issue was secured by an accumulative sinking fund of 1 per cent. A certain proportion of Treasury "Bons" would be received in payment of some of the instalments. The loan was a "Public State Loan," and specially secured on the Customs revenue, lock tolls, salt and fishery revenues, &c., averaging at the time £1,220,000 per annum. The following article of the "General Bond" was of importance:—

XI. In conclusion, his Highness formally undertakes and engages the Egyptian Government shall not, for the space of five years from the 11th July, 1868, issue any public loan whatever, either on the Bourses of Europe, or in Alexandria, or elsewhere.

The Khedive's Seven per Cent. Loan of 1870.—Although the Egyptian Government, as above, agreed not to issue any other public loan till after July, 1873, this did not prevent the introduction in April, 1870, of another "Viceroy's Loan" for a large amount. The Franco-Egyptian Bank were the contractors for this Seven per Cent. Loan for £7,142,860, or 178,571,500 francs, and through their agents, Messrs. Bischoffsheim and Goldschmidt, in London, and the Comptoir d'Escompte in Paris, the loan was brought out. The bonds were allotted at 78½ per cent. Dividends and principal were payable in London, Paris, and Alexandria; the latter by a 2½ per cent. per annum sinking fund. This would complete the redemption in twenty years from the 5th September, 1870. The money was required to carry out "on a large scale the growth of the sugar cane, for which the soil and climate of Egypt are so well adapted." The security offered was "the whole of the free revenues of the Daira Estates," and "150,000 feddans of land free from every encumbrance," upon which the sugar cultivation was to be introduced. Shortly after the introduction of this loan the Turkish Government intimated that its issue was illegal, Egypt not being allowed to borrow without the Sultan's permission; but the difference was smoothed over.

Moukabala.—In 1872, to obtain ready money, this impost was established. Under this Law all landowners could redeem one-half of the land tax to which they were liable by the pay-

ment of six years' tax, either in advance in one sum or in instalments. Those who paid down this contribution in one sum received an immediate reduction of their tax; those who elected to make the payment in instalments received a discount of 8½ per cent. on their advance, and the reduction only took place on the completion of their contribution. This was equivalent to a loan at about 9 per cent., but the concession was afterwards rescinded by the Commission of Liquidation, and bonds granted instead.

Seven per Cent. Loan, 1873.—In July, 1873, the Imperial Ottoman Bank and Messrs. Bischoffsheim and Goldschmidt brought out in this market, in conjunction with the Société Générale in Paris, and other houses in Alexandria, Constantinople, and Amsterdam, the largest public loan ever contracted by the Egyptian Government. The amount was £32,000,000, issued at 84¼ (or 79, reckoning interest accrued and deferred instalments), and the principal was to be redeemable at par in 30 years by half-yearly drawings. The loan was specially secured by:—

A. All the revenues of the railways of Lower Egypt, except the branch of the railway of Upper Egypt which terminates at Tell-el-Barout, now amounting to £750,000 per annum.

B. The proceeds of the personal and indirect taxes, amounting to about £1,000,000 per annum.

C. The proceeds of the salt tax, amounting to about £200,000 per annum.

D. £1,000,000 per annum to be taken from the proceeds of the Moukabala.

Nevertheless, the loan met with but partial success at the hands of the public, though the bonds were afterwards gradually passed into circulation.

Floating Debts.—Before the issue of the last foregoing loan, the floating debt was estimated at £35,043,190, including £6,513,610 by the Daira. In 1873-4, the annual charge on the direct Government debts was stated at £4,313,000, besides the tribute of nearly £700,000; and this charge included a considerable sum for floating debt expenses. Yet during this time the budgets issued showed surpluses.

In 1874, it was estimated there were £15,000,000 of uncovered liabilities, and the annual charge on funded, Daira, unfunded debt, and tribute was something like £8,000,000.

In 1875 the charge on the floating debt was about £1,500,000, and the total principal involved £22,240,000. Such a condition of affairs could not last.

Suez Canal Shares Purchase.—In November, 1875, the Egyptian Government obtained £4,000,000 to cover pressing wants, owing to the purchase by Lord Beaconsfield's Govern-

ment of the 176,602 shares in the Suez Canal, then belonging to the Khedive's Government. Messrs. Rothschilds advanced the requisite sum until a Parliamentary grant could be obtained. At that time, the capital of the company was stated at £18,880,000, including £8,000,000 in 400,000 shares of 500 francs, or £20 each. A statement issued at the time contained the following:—

Of the above 400,000 shares, 176,602 belonged to His Highness the Khedive of Egypt, and are those which Her Majesty's Government have just purchased from him. But the Khedive, by a convention passed in 1869 between himself and the Suez Canal Company, for the settlement of disputed claims and accounts, has alienated all dividends on his 176,602 shares up to 1894, and placed them at the disposal of the company. Against these dividends the company issued 120,000 "Délégations," which are entitled to all sums accruing on the above 176,602 shares up to 1894; the dividends which the "Délégations" receive are, however, lessened by an annual sum sufficient to provide a sinking fund to extinguish them all by 1894. At the end of that year, therefore, the last "Délégation" will have been drawn and paid off, and the 176,602 shares will be entirely free, and will enjoy whatever dividends the company is then in a position to declare. The statutes of the company provide that all net earnings in excess of the 5 per cent. interest on the shares shall be divided as follows:—

1. 15 per cent. to the Egyptian Government.
2. 10 " to the founders' shares.
3. 2 " to form an invalid fund for the *employés* of the company.
4. 71 " as dividend on the 400,000 shares.
5. 2 " to the Managing Directors.

Efforts were afterwards made to induce the British Government to purchase the founders' shares.

Mr. Cave's Mission.—Concurrently with the purchase of the Canal shares, the Khedive requested the British Government to send a special mission to Egypt, with the object of inquiring into the condition of the country's finances. Mr. Stephen Cave, together with Colonel Stokes and Mr. Buckley, Mr. White, and Mr. Taylor, of the Foreign Office, were sent to Cairo with that object. The report was issued on the 23rd March, 1876. It was of great length, and stated:—

The critical state of the finances of Egypt is due to the combination of two opposite causes. She suffers from the ignorance, dishonesty, waste, and extravagance of the East, and at the same time from the vast expense caused by hasty and inconsiderate endeavours to adopt the civilisation of the West. Immense sums are expended on unproductive works after the manner of the East, and on productive works carried out in the wrong way, or too soon. The Khedive has evidently attempted to carry out with a limited revenue in the course of a few years works which ought to be spread over a far longer period, and which would tax the resources of much richer exchequers. It is with great apprehension that we hear of the capital account of the Daira being still open, and of vast schemes of irrigation, costing millions, being under consideration. One of the causes which operates most against

the honesty and efficacy of native officers is the precarious tenure of office. From the Pachas downwards every office is a tenancy at will, and experience shows that while dishonesty goes wholly or partially unpunished, resolution to do one's duty and to resist the speculation and neglect which pervade every department gives rise to intrigues which, sooner or later, bring about the downfall of honest officials. The operation of the law of the Moukabala is itself, perhaps, the most striking instance of the reckless manner in which the means of the future have been sacrificed to meet the pressing needs of the present. Before the Law was enacted the land tax yielded, as nearly as we can judge, £4,793,459 a year. The operation of the Moukabala was to give to the Government £26,363,888, the receipt of which will have been spread over 14 years, in exchange for which the Government has surrendered in perpetuity revenue to the amount of nearly £2,500,000 a year. The immediate pressure arises from the Khedive's inability to take up the bonds of his unfunded floating debt, now falling due at short intervals, and estimated by his Highness at £18,243,076 at least, after deducting the £4,000,000 which have been extinguished by the purchase-money of the Canal shares. This unfortunate position is due in great measure to the *onerous conditions of the Loan of 1873*, which was contracted for the express purpose of clearing off the floating debt, amounting at that time to £28,000,000. By these conditions the nominal amount of £32,000,000 was reduced to an apparent effective of £20,740,077, of which £9,000,000 were paid in the bonds of the floating debt. These bonds, purchased by the contractors at a heavy discount, and sometimes at a price as low as 65 per cent., were paid into the Treasury at 93 per cent., an operation which materially enhanced the profits accruing to the negotiators of the loan. An examination of the contracts of the several loans shows that every available portion of the revenue has been pledged, sometimes more than once. Egypt is well able to bear the charge of the whole of her present indebtedness *at a reasonable rate of interest*; but she cannot go on renewing floating debts at 25 per cent., and raising fresh loans at 12 or 13 per cent. interest to meet these additions to her debt, which do not bring in a single piastre to her Exchequer.

Finally, Mr. Cave recommended the consolidation of the funded and floating debts into a stock of £75,000,000, after paying off the short loans. In February, 1876, Sir (then Mr.) Rivers Wilson was granted permission to quit the National Debt Office here, for service in Egypt, and he was afterwards offered and accepted the post of Finance Minister; but returned to London in 1879.

The May Decrees.—Mr. Cave's recommendation, however, did not suit the French financial houses, which had pandered to the Khedive's extravagance, and owned the floating debt. At their instigation, Ismael issued what were known as the May Decrees. By this the floating creditors were to be treated much more liberally, and the consolidated debt was to be £91,000,000; and the annual charge to be provided by the State would have to be £5,759,189, apart from the Tribute and payment to England, and the Daira charge would be £684,411. But it was seen here that such a consolidation would enable the floating

debt-holders to clear out their portfolios at a profit, and would not give the Exchequer any permanent relief.

The Default.—In 1876, after the default of Turkey, Peru, and other States, the Khedive was powerless to obtain fresh loans; and July, 1876, found his Government a defaulter on the 1868 loan, and the Daira a defaulter on the Viceroy's loan of 1866. By the end of that year, however, interest was found for the 1864, the Viceroy's and the Nine per Cent. loans, and all the rest were in default.

Mr. Goschen's Mission.—In July, 1876, the Council of Foreign Bondholders applied to Mr. Goschen to represent the bondholders' interests in Egypt, and he, after accepting the task, proceeded to Egypt in company with M. Joubert, who represented French interests. The results he set forth at the bondholders' meeting in November. The Khedive was willing to surrender all his estates to the 1870 bondholders. The short loans were to receive the Moukabala, and were to continue as they were, except that they would be redeemed at 80 instead of par. The 1862, 1868, and 1873 loans he referred to as follows:—

The railways, which were a special security, were to be placed under a special international administration, composed of two Englishmen, one Frenchman, and two Egyptians, of which an Englishman was to be president. A 5 per cent. preference stock was to be created upon the security of the railways and of the harbour of Alexandria. The revenues of the railways for the year 1875 amounted to about one million sterling. They stipulated that the £17,000,000 represented by this special security should not only be secured by the proceeds of the railways and the port of Alexandria, but that they should form a first charge upon the whole remaining revenues of Egypt. So that about £850,000 was necessary for paying the interest at 5 per cent. on those bonds; but if they ever should be short by a couple of hundred thousands of pounds, that difference would form a first charge on the whole of the general revenues, and would have to be paid by the Commissioners of the Public Debt. Being strongly impressed with regard to special securities, he had endeavoured to secure to the holders of 1862, 1868, and 1873 stocks a preference over the remaining debt. The £17,000,000 were about two-fifths of the whole amount of those three loans; therefore anyone who had £500 of the stock would be entitled to ask for £200 of the preferential stock, while the £300 would belong to the Unified debt. The remaining debt was the Unified debt, which would stand at £59,000,000, including the floating debt, the bonus on conversion of which they had reduced to 10 per cent. The Unified Bonds would bear an interest of 7 per cent., and a sinking fund which would pay them off at par in 65 years.

The interest, however, on the Unified debt was to be 6 per cent. until 1886. Finally, the British Government were to be asked to name a Commissioner to the Treasury of the Public Debt, an office established in the previous April.

The British Government nominated Captain Evelyn Baring to this post, and the French Government M. de Bliignières. The two Governments also sent Mr. Romaine and Baron de Malaret to Egypt, as Controllers-General of Audit.

The Unification.—This operation was proceeded with rapidly in the early part of 1877, under the conditions above stated. The Comptoir d'Escompte de Paris (London agency) had charge of the conversion here, and holders of the 1862, 1868, and 1873 loans received as follows :—

For each £100	{	$\begin{matrix} \text{£} & \text{s.} \\ 38 & 8 \end{matrix}$	in 5 % Preference stock ...	15th April and October
		$\begin{matrix} 61 & 12 \end{matrix}$	in 7 % Unified stock.....	1st May and November.

Coupons Payable.

Holders of the floating debt were likewise requested to convert.

In August, 1877, the contract in respect to the Daira debt was published. It provided for a debt of £8,815,430, inclusive of £2,906,150 in bills, and the whole of this to be converted into a Unified (Daira Sanieh) debt by the issue of new bonds, bearing a minimum 5 per cent. interest from the 15th of October, 1877, to be raised to 7 per cent. when the capital of the debt was reduced to £5,000,000 by means of the sinking fund. Any surplus was to be employed to raising the interest to 8 per cent., to works of improvement, and to increasing the sinking fund.

In 1877 and 1878 the stipulated 6 per cent. was paid on the Unified debt.

Turkish "Tribute" Loans.—On the 17th September, 1877, the Porte signed agreements with the holders of the Ottoman loans of 1854 and 1871, which virtually rid Turkey of those loans, and enabled her to bring out the Ottoman Defence Loan later in the year. Prior to this, the Egyptian Tribute had been remitted to the Bank of England, but the actual order for distribution had been given by the Turkish representatives. By the new arrangement, however, Egypt was instructed to remit direct to the loan agents specified amounts for the services of the two loans, the bondholders on their part accepting lower rates of interest. The original and revised conditions of these loans are as follows :—

The loan of 1854 was first announced for £5,000,000, but £3,000,000 only was issued, and the amount outstanding is now £1,750,600. The annual rate of interest was 6 per cent., and this, together with the principal, was secured generally upon the revenues of Turkey, but specially by the assignment of 30,000,000 piastres (£282,000) annual tribute, payable by the Pacha of Egypt to the Porte, under a treaty of 1841. The issue price was £80 for £100 stock, and the redemp-

tion was effected at 100 by annual instalments of 1 per cent. per annum. The interest has been paid by coupon by Messrs. Dent, Palmer, and Co., on the 10th April and 10th October; and the drawings are effected annually in July, the drawn bonds being paid off on the 10th October following. The bonds are of £50, £100, £500, or £1,000 each. By the agreement of 1877, the interest was reduced to 5 per cent., and the sinking fund to $\frac{1}{2}$ per cent. on the amount then outstanding.

In September, 1871, the Imperial Ottoman Six per Cent. Egyptian Tribute Loan of 1871 for £5,700,000 nominal capital was issued by Messrs. Dent, Palmer, and Co., at the price of 73 per cent. The bonds, to bearer, in sums of £1,000, £500, £100, or £20 each, carried coupons payable on the 10th April and 10th October, and a sinking fund of 1 per cent. accumulative was applied to yearly drawings, the first taking place in July, 1872. Both principal and interest are receivable in sterling, and, referring to the Egyptian Tribute, the prospectus stated:—

By the Iradé of the 27th May, 1866, this tribute was raised to 150,000 purses, or £705,000. The sum that has annually been paid to the Bank of England since 1855 by the Egyptian Government to meet the requirements of the loan of 1854 and the guaranteed loan of 1855 is £282,872 (the balance for the loan of 1855 being paid out of the other revenues specially pledged to that loan); and the Turkish Government has directed his Highness to pay a further sum of £399,000 to the Bank of England for the purposes of the present loan. This amount, which is of itself sufficient to meet the requirements of the new loan, the Khedive has engaged to remit direct to the Bank of England in the same manner as the remittances of the £282,872 have hitherto been made for the loans of 1854 and 1855.

By the agreement of 1877, the interest on this loan was reduced to $4\frac{1}{4}$ per cent., and the sinking fund suspended until the entire amount of the 1854 loan shall have been redeemed. Then the amount required for the service of the 1854 loan will become the sinking fund of the 1871 loan.

In December, 1877, the Turkish Government, being at war with Russia, the Five per Cent. Ottoman Defence Loan, 1877, for £5,000,000 sterling, was brought out by the Imperial Ottoman Bank. The bonds are to bearer, in sums of £10, £20, £50, £100, £500, or £1,000 each, and interest is payable on the 10th April and 10th October. The issue price was £52.

The security for the payment of the interest on, and the repayment of the principal of, the loan is the absolute assignment (declared by the Imperial Firman to be irrevocable), to Messrs. Glyn, Mills, Currie, and Co., bankers, London, as trustees for the certificate holders, of the annual sum of £280,622 18s. 4d., part of the Tribute payable by the Khedive of Egypt to His Imperial Majesty the Sultan, which Tribute forms the first charge upon the Egyptian revenues. The annuity thus

assigned originally formed part of the security appropriated to the Turkish loans of 1854 and 1871, but has been recently released upon terms agreed between the representatives of the bondholders of those loans and the Imperial Ottoman Government. The assignment of the above amount of £280,622 18s. 4d. has been formally recognised by His Highness the Khedive, who has entered into a written engagement for himself and his successors with Messrs. Glyn, Mills, Currie, and Co. to make due payment to them of the annuity by agreed instalments until the loan is extinguished. The redemption of the loan will be effected by the application every half-year of a sum of £12,500 (part of the annuity of £280,622 18s. 4d.), together with a sum equal to half a year's interest on the stock from time to time redeemed, by purchases by the Imperial Ottoman Bank, when they can be effected under the nominal amount of the certificates, and by half-yearly drawings for repayment at par when such purchases cannot be effected.

The amount outstanding is £4,789,500.

Egyptian State Domain Mortgage Bonds.—In November, 1878, this Five per Cent. Loan for £8,500,000 was issued by Messrs. N. M. Rothschild and Sons, of London, and De Rothschild Brothers, of Paris, the issue price being 73 per cent. The bonds are in sums of £20, £40, £100, £200, or £1,000 each, with coupons payable on the 1st June and 1st December by the above firms, the Paris coupons being paid at 25f. 25c. per £1.

We, the Khedive of Egypt, decree as follows:—

Article 3.—This loan will be secured on the property transferred by our family to the State, and consisting of 425,729 feddans of lands and houses. The net revenue of the said lands and houses amounts altogether to £422,426 sterling per annum, according to the estimate in the lists given to the Committee of Inquiry.

Article 4.—In case the revenue of the said property should not suffice to meet the amount required for the service of the loan, the deficiency will be covered by the general revenues of the Government.

Article 6.—In order further to secure the said loan, a Special Commission will be formed to administer the said property. The Commission will be composed of three members, an Egyptian, an Englishman, and a Frenchman; and it shall be under the direct control of the Council of Ministers.

The two foreign members will be appointed by us on the nomination of their respective Governments.

The functions of the said administrators will be as follows:—

- (a) To manage the property.
- (b) To collect the revenues.
- (c) To remit all the net revenues to the contractors of the loan.

All revenue received from the Commissioners in excess of what may be required for interest will be applied in the redemption of the bonds. The proceeds of any lands which may be sold by the Commissioners are also to be remitted to Messrs. Rothschild, in London, to be applied solely in the redemption of the bonds. The bonds will be redeemed by purchase if under par, otherwise by drawings at par.

Extracts from letters addressed to Messrs. Rothschilds, in London and Paris:—

Foreign Office, October 22nd, 1878.—“I am directed by Lord Salisbury to inform you that the French Minister for Foreign Affairs, after communication with the house of M. M. Rothschild in Paris, has proposed to Her Majesty's Government that the Daira lands recently surrendered by the family of the Viceroy shall be managed by three persons, one of whom shall be an Egyptian, and the other two shall be nominated one by the English and one by the French Government; and that the rents of the said land shall be collected and remitted to Messrs. Rothschild, so far as may be required to keep down the interest and sinking fund on the loan; and I am to say that Her Majesty's Government have assented to this arrangement. The British Government do not accept any liability to pay in any contingency the interest on this loan; but they undertake this nomination in order to provide to the creditors a security that the manager so nominated shall not be divested of his functions without their previous consent.

(Signed)

“JULIAN PAUNCEFOTE.”

Paris, le 28 Octobre, 1878.—“J'ai l'honneur de vous faire savoir que l'accord entre le Gouvernement anglais et nous est complet sur ce point, mais comme lui, nous déclinons toute responsabilité relativement au paiement de l'intérêt et de l'amortissement de l'emprunt projeté. Notre seul but est de fournir aux créanciers de l'Egypte l'assurance que le commissaire désigné par nous ne pourra être relevé de ses fonctions sans notre assentiment préalable.

(Signed)

“WADDINGTON.”

Early in 1878, Mr. Romaine published “Observations sur les Revenus des Provinces de la Basse et de la Haute Egypte en l'Année 1878,” which called forth protests from Captain Baring, as well as from Messrs. Goschen and Joubert. Mr. Romaine contended that the taxes were greatly oppressing the agricultural population, and that modifications had not been made which were necessary—modifications which would, of course, affect the bondholders. At that time, the Egyptian Government ceased paying revenues into the Treasury of the Public Debt, and the Commissioners appealed to the International Tribunals. Matters, however, worked more smoothly when in September a Ministry was formed, with Nubar Pacha at its head, and Mr. Rivers Wilson as Finance Minister. This Ministry was forced to resign in February, and Messrs. Rothschilds temporarily retained the balance of the Domain Mortgage Loan.

On the 22nd April, 1879, the Khedive decreed—

In consequence of the situation of the Treasury of the Public Debt, the interest only of $2\frac{1}{2}$ per cent. will be paid on the 1st May next (5 per cent. per annum). The $\frac{1}{2}$ per cent. destined for the redemption by purchase will be made on the 1st June next. This $\frac{1}{2}$ per cent. will be deducted from the 1st May next out of the first receipts realised by the Treasury of the Public Debt from the provinces and administrations affected.

Only this amount was distributed by means of fresh borrowings. At the same time, the Khedive Ismael dismissed Mr. Rivers Wilson and M. de Blignières. He was then formally advised to abdicate in favour of his son, and his deposition followed in June.

Prince Tewfik was formally invested in August.

In November, the Unified coupon received only 2 per cent. (4 per cent. per annum), and the Unified coupons have ever since been paid at that rate.

On the 22nd December, the two overdue coupons were paid on the Domain Mortgage Loan.

Decree of 10th November, 1879.—By this it was arranged that the entire administration of the country should be supervised by England and France, through Controllers-General. The Decree signed by the Khedive contained the following:—

Art. 1. The Controllers-General have full powers of investigation into every public service of the State, including that of the Public Debt. Ministers and all public officials of every rank are bound to furnish the Controllers, or their agents, with all documents they may think fit to require. The Minister of Finance is bound to furnish them weekly with a statement of receipts and expenditure. Other administrations must furnish the same every month.

Art. 2. The Controllers-General can only be removed from their posts by their own Governments.

Art. 3. The Governments of England and France, having agreed that for the moment the Controllers-General will not take the actual direction of the public service, their duties are limited at present to inquiry, control, and surveillance.

Art. 4. The Controllers-General take the rank of Ministers, and will always have the right to assist and speak at the meetings of the Council of Ministers, but without the power to vote.

Art. 5. When they deem it necessary, the Controllers may unite with the Commissioners of Public Debt to take such measures as they may deem fit.

Art. 6. Whenever they may deem it useful, and at least once a year, the Controllers will draw up a report on all questions for the Khedive and his Ministers.

Art. 7. The Controllers have the power of naming and dismissing all officials whose assistance is of no use to them. They shall prepare a budget; and monthly statements of all salaries and all resources shall be rendered to them.

Under this Decree, Major Baring and M. de Blignières were duly nominated by England and France to be Con-

trollers-General*, and they, in January, 1880, reported that it was certain Egypt could not meet her bonded engagements in full.

The Commission of Liquidation.—After negotiations between the Great Powers, a Decree of the 31st March, 1880, established the International Commission of Liquidation. It was composed of two Commissioners named by each of the Governments of France and Great Britain, and by one Commissioner named by each of the Governments of Germany, Austria-Hungary, and Italy. The Egyptian Government was represented at the Commission by a delegate.

The object was to ascertain—"The resources which can be placed at the disposal of the consolidated and non-consolidated debt, but it shall, in concert with the Council of Ministers, provide for the free disposal by the Government of such sums as are indispensable to the proper and regular working of the public services."

The Law of Liquidation was promulgated on the 17th July. It provided for the permanent reduction in the interest on the Unified debt to 4 per cent., any surplus going to redemptions of bonds in the market. The revenues assigned for the Unified Debt were the Customs, the import duty on tobacco, and the revenues of the province of Garbich, Mónoufieh, Béhéra, and Syout; and these, if insufficient for the payment of interest, were to be supplemented from the Government Treasury on the demand of the Commissioners of the Debt. It arranged that the "short loans" secured on the Moukabala should be converted into Unified debt, at £100 Unified for £60 old bonds, the total thereby being raised to £60,958,240; that the Preference stock should be raised to £22,743,800, to absorb outstanding unconsolidated liabilities, the telegraph receipts being added to the special hypothecation for the Preference debt; that the Daira Sanieh Loan should be increased to £9,512,880, by the absorption of the Daira Khassa (a 10 per cent. bonus granted in 1877 to holders of Daira bills), and that the interest should be reduced to 4 per cent., with a supplementary 1 per cent. to be paid on the 15th April yearly should the properties of the Daira yield sufficiently. As a matter of fact, these coupons have since always been paid at 4 per cent. The Law of Liquidation further provided that the redemption of both the Unified and Daira Sanieh bonds should be effected by market purchases under 75, or by drawings at 80.

Since then the coupons of the Preference and Unified stocks

* The present English Controller-General is Sir Auckland Colvin; Consul-General, Sir Edward Mallet.

have been regularly paid by the Comptoir d'Escompte de Paris, and those of the Daira Sanieh by the Imperial Bank. Monthly statements of receipts have also been regularly transmitted by the Treasury of the Public Debt to the Council of Foreign Bondholders for publication. The redemptions have reduced the Preference stock by £245,000, the Unified by £3,942,260, the Daira Sanieh by £288,930, and the Domain Mortgage by £140,880.

Market Values of Egyptian Securities.

	7 per Cent., 1862.		7 per Cent., 1868.		7 per Cent., 1873.		7 per Cent. Khedive, 1870.		State Domain, 1878.		
	High'st.	Lowest.	High'st.	Lowest.	High'st.	Lowest.	High'st.	Lowest.	High'st.	Low'st.	
In 1866	101	91	...	...	...	...	...	...	...	...
" 1870	88½	76	83½	68½	...	...	...	...	...	...
" 1872	97	89	94	83	...	...	85	75	...	...
" 1874	91	78	85½	71½	79½	63	82½	67	...	...
" 1876	81	34	78	35	72	34	72½	33	...	...
	33½ per Cent. into Preference Stock.				61½ per Cent. into Unified.						
" 1877	73	51	47	30	44½	29½	(Daira Sanieh.)	...	...	...
" 1878	77½	45½	59½	25½	64	32	...	...	...	...
" 1879	81½	54½	5½	38½	70	41	91½	64	...	...
" 1880	96½	82	72	53	78	64	97½	84	...	...
" 1881	100½	90½	81	69	80	68	101	89½	...	...

According to Mr. Cave's report, the revenue and expenditure in the twelve years 1864-1875 were as under:—

	RECEIPTS.	£	EXPENDITURE.	£
Revenue		94,281,401	Administration	48,868,491
Loans		31,718,987	Tribute to the Porte.....	7,592,872
Sale of Suez Canal shares		3,976,583	Works of utility, &c.....	30,240,058
Floating debt		18,243,076	Extraordinary expenses	10,539,545
			Interests and sinking funds	34,898,962
			Suez Canal	16,075,119
		148,215,047		148,215,047

Two striking features stand out in this balance-sheet, namely, that the sum raised by revenue—£94,281,401—is little less than that spent on administration, tribute to the Porte, works of unquestionable utility, and certain expenses of questionable utility or policy, in all amounting to £97,240,966, and that for the present large amount of indebtedness there is absolutely nothing to show but the Suez Canal, the whole proceeds of the loans and floating debt having been absorbed in payment of interest and sinking funds.

The figures for the past three years have been calculated as follows:—

	Receipts.	Expenditure.
	£	£
1880 (Law of Liquidation)...	8,775,662	8,527,274
1881 (actual).....	9,243,087	*7,874,672
1882 (Budget)	8,965,170	†9,228,067

* £562,660 of the surplus employed in purchasing £752,560 Unified stock.
 † Including £350,000 supplementary.

The above figures include the receipts of the Treasury of the

Public Debt, set down at £4,523,433 in 1882, including the land taxes of certain provinces, £2,377,267; railways and telegraphs, £1,150,462; Customs, £729,846; and miscellaneous items. The expenses include £585,875 for working railways and collecting taxes, £146,393 for administration, and £3,469,886 for the actual service of the debt, making in all £4,202,154.

	IMPORTS OF MERCHANDISE.		EXPORTS OF MERCHANDISE.	
	Total.	From United Kingdom.	Total.	To United Kingdom.
	£	£	£	£
1860	2,101,000	...	2,911,000	...
1862-3	3,064,000	...	9,014,000	...
1870	4,512,000	...	10,192,000	...
1874	5,282,000	2,900,000	13,983,000	10,390,000
1875	5,853,000	3,200,000	13,890,000	10,180,000
1876	4,430,000	2,550,000	14,126,000	10,180,000
1877	4,681,000	2,650,000	13,281,000	9,280,000
1878	5,046,000	2,600,000	8,434,000	5,140,000
1879	5,210,000	2,660,000	13,999,000	8,820,000
1880	6,823,000	3,570,000	13,525,000	9,290,000
1881	7,288,000	3,872,000	14,020,000	8,651,000

The great addition to the exports dates from the American War, the staple export to this country being cotton. The growing cheapness of cotton of late years accounts for the recent decline in the value of those exports.

Egypt possessed 948 miles of railway in operation in 1880, almost the whole being State property. In 1871, there were 750 miles.

The principal banks carrying on business in Egypt are the Anglo-Egyptian Bank, the Imperial Ottoman Bank, the Bank of Egypt, and the Banque Franco-Egyptienne; in addition to which various important companies, such as the Credit Foncier Egyptien, the Public Works Company of Egypt, and the Land and Mortgage Company of Egypt, have been established by means of Western capital.

The Suez Canal, which is 90 miles long, and has a depth of 26 feet, has shown a rapid development of traffic of late years.

	Proportion of British Tonnage. Per Cent.	Transit Receipts. £
1870	66.4	206,372
1872	71.9	656,304
1874	73.4	994,374
1876	75.3	1,198,999
1878	79.8	1,251,694
1879	77.4	1,195,054
1880	79.6	1,599,400
1881	82.9	2,048,906

The area of Egypt (proper) is set down at 1,021,354 square kilometres—say, 300,000 square miles; but including Nubia, Darfur, the Soudan and Equatorial provinces, the area claimed is 3,000,000 square kilometres, or 1,100,000 square miles. In 1878, the population of Egypt proper was 5,517,427, including 70,000 foreigners. The cultivated area of Upper and Lower Egypt is 4,714,356 feddans, a feddan being close upon an acre. The population of the Soudan, &c., was estimated at 11,500,000. The population of Cairo was 327,462, and Alexandria, 165,762.

FRANCE.

The position of the French debt at the beginning of 1882 was as under :—

	Principal. (Estimate.) £	Interest. (At 25f. = £1.) £
Consolidated Debt—		
5 per Cent. Rentes	273,951,640	13,697,583
4½ "	36,282,000	1,467,080
4 "	446,096	17,844
3 "	468,593,434	14,507,932
	791,273,160	29,721,068
Floating debt bearing interest	86,988,000	1,817,800
Interest, and redemption of Budget of extra-ordinary resources.....	Redeemable 3 per Cents. (say) £2,300,000 Other items (including not bearing interest)	7,600,000
Annuities to Eastern of France and other railways	2,300,000	1,949,280
" for conversion of Morgan Loan in 3 per Cent. Rente to departments, towns, communes, &c., to cover losses caused by the War	Calculated at 6 per cent. to form a capital	692,000
" and repayments to communes, &c., for expenses of occupation .....	.....	769,210
Société Algérienne annuities .....	.....	358,520
1839 and 1807 annuities .....	.....	199,910
Interest on caution-money	£80,000,000	267,980
Other items .....	.....	394,000
Dette viagère—Life annuities, &c. (annual charge £3,075,340) not included .....	.....	178,290

Total debt	980,503,160	43,338,358

The French system of finance does not recognise capital, but all returns are made in rente; it is, therefore, impossible to obtain an authoritative statement of the principal of the debt. The items which are omitted from the "principal" in the above statement would, if calculated upon the English standard, place the total in advance of £1,000,000,000; and that exclusive of the railway guarantees on the "Nouveau Réseau."

It is very difficult to arrive at any clear knowledge of the amounts which should properly be set off against the annual charge, as above stated, of £43,338,358. The tax of 20 per cent. on railway express fares is, in a measure, a set off against the large advances made to the railways in times past, and in 1882 was estimated to yield £3,369,800; and the State railways were likewise expected to yield £140,000. If we deduct these two items, the annual charge would be written down to about £40,000,000, which upon a population of 37,800,000 is equal to £1 1s. 5d. per head.

The following is a list of the various loans raised since 1815, when the debt stood at something over £50,000,000 :—

Year of Issue.	Price of Issue.	Interest per Cent.	Nominal Capital.	Return on the Issue Price.	Annual Rents.
	f. c.		Francs.		Francs.
1816-17	57 26	5	120,000,000	8-73	6,000,000
1817	52 50	5	181,818,181	9-52	9,090,909
1817	55 50	5	172,413,780	9-01	8,620,687
1817	64 50	5	40,000,000	7-75	2,000,000
1817	61 50	5	180,000,000	8-13	9,000,000
1817-18	67 60	5	25,768,040	7-39	1,288,402
1818	66 50	5	298,510,000	7-52	14,925,500
1818	67 00	5	246,268,660	7-46	12,313,433
1821	85 55	5	191,704,400	5-84	9,585,220
1823	89 55	5	462,290,320	5-58	23,114,516
1830	102 07	4	78,373,750	3-92	3,314,950
1831	84 00	5	142,857,160	5-96	7,142,858
1831	100 00	5	20,438,900	5	1,021,945
1832	98 50	5	152,284,260	5-07	7,614,213
1841	78 52	3	191,021,966	3-83	5,730,659
1844	84 75	3	235,988,200	3-54	7,079,646
1837-45	100 00	4	202,316,175	4	8,092,647
1847	75 25	4	85,647,100	3-99	2,569,413
1848	71 60	5	36,567,740	6-98	1,828,387
1848	75 25	5	262,140,000	6-64	13,107,000
1848	46 40	3	523,145,333	6-45	15,694,360
1848	71 60	5	392,416,160	6-98	19,620,808
1848	69 00	5	8,949,520	7-24	447,476
1848	45 00	3	395,633	6-66	11,869
1848	71 83	5	136,346,972	6-96	6,817,349
1854	92 50	4½	101,125,332	4-86	4,550,646
1854	65 25	3	238,653,000	4-59	7,159,590
1855	92 00	4½	178,936,000	4-89	8,052,120
1855	65 25	3	528,584,333	4-59	15,857,530
1855	92 25	4½	97,550,222	4-87	4,389,760
1855	65 25	3	1,056,658,000	4-59	31,699,740
1857	69 17	3	14,705,867	4-34	44,176
1857	75 00	3	133,333,333	4	4,000,000
1859	90 00	4½	12,749,111	4	573,710
1859	60 50	3	839,988,666	4-95	25,199,660
1857-61	69 10	3	264,743,833	4-34	7,942,315
1862	66 49	3	403,084,000	4-51	12,092,520
1864	66 30	3	474,977,965	4-53	14,249,339
1868	69 25	3	650,477,166	4-33	19,514,315
1870	60 60	3	1,327,670,633	4-95	39,830,219
1870	85 0	6	250,000,000	7-04	15,000,000
1871	82 50	5	2,777,952,800	6-06	138,897,640
1872	84 50	5	4,140,526,200	5-92	207,026,310
1878	...	3	549,850,000	...	16,495,500
1881	83 25	3	1,201,162,000	3-6	36,034,860
			19,639,390,516		

The interest on the 4½ per cent. stock is payable half-yearly at the Treasury, Paris, on the 22nd March and 22nd September, that on the 3 per cent. stock on the 1st January, 1st April, 1st July, and 1st October. The recent issues are described hereafter.

The 3, 4, and 4½ per cent. dividends are payable in Paris, but can be received by an agent possessing a power of attorney from the holder of the Rentes, or by depositing with him the original certificate of inscription. They are generally transmitted to this country by short bills drawn on London, payable at the exchange of the day, after deducting the usual charges for commission and postage.

In making purchases in the French Funds, the practice is to buy the *rente*, or dividend, without expressing the capital stock, as in the English Funds. But the mode of determining the amount of capital represented by each description of *rente* is very simple. For instance, in the *Four-and-a-Half* per Cents., 1 franc of *rente* represents a nominal capital of 22·22 francs; in the *Three* per Cents., 33·33 francs; and in the *Five* per Cents., 20 francs nominal capital. Thus, 207,026,310 francs in 5 per cent. *rente*, the amount of the last great loan, represents a nominal capital in the foregoing table of 4,140,526,200 francs. The conversion of francs into pounds sterling may be exactly effected by dividing the number of francs by 25·22; but in all the above calculations, as well as in those given hereafter, the approximate value of 25 francs to the £1 sterling is employed. Thus, 4,140,526,200 francs is, on page 445, stated at £165,621,048, the actual amount at the par of the exchange being £164,241,500. It may, therefore, be reckoned that by converting at 25 francs = £1, the statement in sterling will be excessive to the extent of about one million in every £120 millions.

The Public Debt of France since the close of the War in 1815 has undergone some very remarkable changes, which, for the sake of clearness, we shall divide into five periods. First, the amount from 1814 to the reign of Louis Philippe in 1830; secondly, from 1830 to the overthrow of the Orleans Dynasty in 1848; thirdly, from the latter year to 1853; fourthly, from 1854 to 1870; and fifthly, from the outbreak of the Franco-Prussian War till now.

FIRST PERIOD—BOURBON DYNASTY.

The amount of the Public Debt of France, inscribed in the Grand Livre, to the 1st April, 1814, was 63,307,637 francs,

of Five per Cent. Rentes, or about £2,532,305 sterling per annum. During this period the following Rentes were created and redeemed—viz., from the 1st April, 1814, to the 31st July, 1830 :—

—	Rentes Created.	Rentes Redeemed.	Increase.
	Francs.	Francs.	Francs.
5 per Cent.	135,632,645	35,177,914	100,454,731
4½ "	1,034,764	7,068	1,027,696
4 "	3,134,950	9,740	3,125,210
3 "	47,505,695	16,003,761	31,501,934
Total	187,308,054	51,198,483	136,109,571
or	£7,492,322 per annum.	£2,047,939 per annum.	£5,444,382 per annum.

Thus, the total amount of debt inscribed in the Great Book at the end of the above period was 199,417,208 francs of Rente, or £7,976,688, when Louis Philippe commenced his reign.

SECOND PERIOD—ORLEANS DYNASTY.

The second period, from the 1st August, 1830, to 23rd February, 1848, when the Revolution broke out in Paris, extends over eighteen years, during which the following changes were made in the French debt :—

—	Rentes Created.	Rentes Redeemed.	Increase.	Decrease.
	Francs.	Francs.	Francs.	Francs.
5 per Cent.	15,794,762	32,807,539	...	17,012,777
4½ " .....	...	1,096	...	1,096
4 "	23,387,067	4,902	23,382,165	...
3 "	38,564,235	62,529	38,501,706	...
Total	77,746,064	32,876,066	61,883,871	17,013,873
or	£3,109,842 per annum.	£1,315,042 per annum.	£2,475,354 per annum.	£680,544 per annum.

THIRD PERIOD—THE SECOND REPUBLIC.

The third period extends over five years, namely, from the 24th February, 1848, to the 1st January, 1853. During this

time the French debt underwent considerable changes, in consequence of the conversion in accordance with the decree of the 14th March, 1852. These changes are shown in the following statement:—

—	Rentes Created.	Rentes Redeemed.	Increase.	Decrease.
	Francs.	Francs.	Francs.	Francs.
5 per Cent.	45,692,191	192,441,782	...	146,749,591
4½ "	159,632,377	4,494,568	155,137,808	...
4½ " .....	...	131,298	...	131,298
4 " .....	...	24,135,464	...	24,135,464
3 "	42,118,988	50,599,164	...	8,480,176
Total	247,443,557	271,802,277	155,137,808	179,496,529
or	£9,897,742	£10,872,091	£6,205,512	£7,179,861
	per annum.	per annum.	per annum.	per annum.

It may be seen by the foregoing statement that the actual decrease in the debt during this period (1848 to 1853) amounted to £974,349.

To make the several amounts more in accordance with the English notions of the debt incurred by France, the following statement represents the *capital* of each stock in French and English currency:—

	Nominal Capital. Francs.	In Sterling. £
4½ per Cent. Rentes	3,467,077,924	138,683,116
4 " "	59,297,775	2,371,911
3 " "	2,050,577,055	82,023,082
Total	5,576,952,754	223,078,109

The conversion of the Five per Cent. Rentes into 4½ per Cents. in 1852, whereby the number of registered proprietors was increased from 200,000 persons to 800,000, resulted in the reimbursement of 73,711,840 francs out of 3,646,363,880 francs of capital, by which the interest on the debt was diminished about 18,000,000 francs, besides 4,803,865 francs reimbursed for portions which could not be inscribed to those who did accept. The reimbursement of these amounts entailed upon the Treasury a heavy deficit, which, added to those of previous years, at the end of 1852 amounted, according to the report of the Finance Minister, to 758,368,336 francs.

FOURTH PERIOD—THE SECOND EMPIRE.

The fourth period, from 1854 to 1870, embraces a series of years when large expenditure was incurred by France for the wars in the Crimea, in Italy, in China, in Cochin-China, and in Mexico.

The first financial consequence to France of the Russian War in 1854 was a determination to provide the whole of the cost by loans, to be raised not by contract, but through the instrumentality of a proclamation by the Government of terms such as would ensure from the general public a full subscription—that is to say, the terms offered by the State should be so liberal to the lender as to enable him to sell his allotment at once for a substantial premium.

In pursuance of this policy no less than 92 millions sterling of debt were contracted by the five loans of March, 1854 (10 millions); December, 1854 (20 millions); July, 1855 (30 millions); May, 1859 (20 millions); and January, 1864 (12 millions).

The first of these—*i.e.*, that raised on the 14th March, 1854, to defray the cost of the Russian War—had a nominal capital of 250,000,000 francs, issued in 3 and 4½ per cent. stock, at 65¼ and 92¼ respectively.

The loans of December, 1854, and July, 1855, were likewise raised to defray the cost of the Crimean War; their nominal capitals were 500,000,000 francs and 750,000,000 francs respectively, in 4½ and 3 per cent. stock. The issue price of both loans was identical with that of 1854—*viz.*, 92¼ for the 4½, and 65¼ for the 3 per cent.

The expenses attendant upon the Italian War entailed a further loan in 1859 of £20,000,000 (500,000,000 francs) actual, which was issued in 3 per cent. and 4½ per cent. stock, the issue price of the former being 60¼, and that of the latter 90.

In 1864, another loan for 300,000,000 francs actual was raised by an issue of 474,977,965 nominal in Three per Cent. Rentes at 60.3. This was for the purpose of consolidating the floating debt.

In August, 1868, a subscription was opened in Paris for 450,000,000 francs (£18,000,000) in New Three per Cent. Rentes, at an issue price of 69¼ per cent., 650,477,166 francs nominal being allotted. It was officially stated that there were 781,292 applicants for a total of £598,400,000—more than the whole of the then existing French debt. This was the last

In addition, France has suffered heavy losses by the destruction of public buildings and war material. Germany lost 127,867 men by the war, and the losses of the French must have been much more considerable. The horrors of the Commune, entailing a second siege of Paris, were likewise a very serious burden. Such may give some idea of the burden entailed by six months of modern war.

The entire indemnity was paid by the 5th September, 1873, and the evacuation of French territory was completed on the 16th September, 1873.

On the outbreak of the war, the French Government opened credits for large amounts, which by the middle of August were authorised to the extent of £40,000,000.

In August, 1870, an issue of 3 per cent. Rentes was effected, at the price of 60½ per cent., by which it would appear some £32,183,000 was raised, so that the amount of nominal capital created reached £53,100,000. At a later date a further £4,500,000 appears to have been raised by sales of Rente.

At the end of October, 1870, the ("Morgan") French Government Six per Cent. Loan was issued by Messrs. J. S. Morgan and Co., under the authority of the Government for the National Defence. The nominal amount of the loan was £10,000,000, and the issue price 85 per cent. The prospectus stated:—

The loan will be issued in England and France. The Government reserve the right to redeem the bonds by paying off the loan at par at any time during its currency, on giving six months' previous notice. If the Government do not exercise the above right of redemption, and until they do so, the loan will be redeemed by lot in 34 years from April, 1873, by means of an accumulative sinking fund.

In June, 1875, it having been determined to redeem the Six per Cent. "Morgan" Loan, the following notice was issued:—

In accordance with instructions received from the Minister of Finance, the undersigned give notice to the holders of bonds who may wish to avail themselves in London of the privilege of conversion, that such conversion can be made in the following manner:—1. The bonds must be deposited with Messrs. Morgan and Co., on Saturday, the 12th, or Monday, the 14th instant. 2. Each bond or £20 is exchangeable for a certificate of Three per Cent. Rente, representing a nominal capital of 1,000*f.*, bearing interest from the 1st April, 1875; but in consideration of such exchange, the depositor of the bond must either at time of deposit, or between the 1st July and 31st August, pay a difference of 12*f.*, the equivalent of which being £4 18*s.* 4*d.* at the exchange of 25.24 (the rate fixed by the Minister).

The amount outstanding of the Six per Cent. Loan was £9,694,520; so that the conversion involved an issue of £19,389,040 Three per Cent. Stock and the payment to the State of £2,383,025. But the amount of the Rente, or annual interest, was unaltered by the transaction, and there was a

saving to the State of the sinking fund exceeding £100,000 per annum.

At the end of June, 1871, the French National Loan for Two Millions (£80,000,000) of Francs in Five per Cent. Rentes made its appearance. It was at once declared to be a great success, and applications in all amounted to more than double the amount to be allotted. The official decree was to the following effect:—

Article 1. The Minister of Finance is authorised to realise the amount of Rentes at 5 per cent. necessary to produce a capital of two millions of francs, as well as such supplementary amount as may be necessary to meet the expenses of the operation, and all charges for discount, exchanges, and negotiation.

Article 2. These Rentes at 5 per cent. will be emitted at the rate of 82f. 50c., with interest from the 1st July, 1871.

Article 3. The dividends of the Five per Cent. Rentes, to be created by virtue of Article 1, will be payable quarterly, at the dates of the 16th February, 16th May, 16th August, and 16th November in each year.

Article 4. The inscriptions of the Five per Cent. Rentes will be at the choice of the parties, either nominative, mixed, or to the bearer.

It was further notified by the Minister of Finance—

The payment of the loan will be effected as follows:—Twelve francs for each five francs Rentes allotted in the distribution. The surplus divided into sixteen monthly instalments, payable on the 21st of each month, from the 21st August, 1871, to 21st November, 1872. The dividend on the Rente, due on the 16th August, 1871 (half of the quarterly coupon), will be received in diminution of the instalment due on the 21st of that month. This will be the case with the dividends on the subsequent quarters. Payments by anticipation made at the time of subscription will only be received for the whole of the capital. They will obtain a discount of 6 per cent. per annum, which will be reckoned from the 30th June, 1871, and will be deducted from the amount of the payment made at the time of subscription.

Subscriptions were received in London by Messrs. Baring Brothers and Co., and by Messrs. N. M. Rothschild and Sons, at the exchange of 25f. 30c. to the £1. The price of issue was £23 14s. 4d. for 250 francs Rente (5,000 francs nominal capital); £47 8s. 8d. for 10,000 francs nominal capital; £94 17s. 3d. for 20,000 francs capital; and £118 11s. 7d. for 25,000 francs nominal capital. Afterwards, these firms established, at 4, Moorgate Street, E.C., the French Financial Agency in London, where the dividends are payable at a fixed rate of 25f. 30c. = £1. The payment of instalments was to a very large extent anticipated under discount. It will be seen that by the terms of this loan power was taken not only to raise two millions, but “supplementary amounts,” and the French Government took advantage of this permission to raise the sum of £90,000,000 cash, the nominal capital of the Five per Cent. Rentes issued being £111,118,112.

On the 27th July, 1872, the prospectus of the second great National Loan appeared, the Minister of Finance having been

duly "authorised to realise the amount of Rentes at 5 per cent. necessary to produce a capital of three milliards of francs, as well as such supplementary amount as may be necessary to cover the interest due thereon in 1872 and 1873, and to meet the expenses of the operation and all charges for discount, exchanges, transport, and negotiation." Except in the price of issue, the details of this loan are similar to those of the previous issue. The nominal price was 84½ per cent., but by the prepayment of the twenty deferred monthly instalments, under discount at the rate of 6 per cent. per annum, the net price was reduced to about 80½ per cent. The deposit was fixed at 14½ per cent. (payable here at the exchange of 25f. 43c.), and therefore amounted to £14 5s. 1d. per 2,500 francs nominal capital, say, £100 stock, and in similar proportions for larger amounts. The remaining instalments of 3½ per cent. each, the last payable on the 11th April, 1874, might be taken at a different rate. The first quarterly coupon fell due on the 16th November, 1872. By this loan, a net £120,000,000 of money was to be raised, plus interest and commission, calculated at another £20,000,000, and the stock issue reached £165,621,040. It appears that the combined amount of these 5 per cent. loans now outstanding is £273,951,640.

In July, 1878, an official decree was published, authorising the Minister of Finance to create Redeemable Three per Cent. Rente, with the object of acquiring and developing certain railways. The issue was divided into 175 series, redeemable by annual drawings on 1st March. The bonds represent Rente of 15, 30, 60, 150, 300, 600, 1,500, or 3,000 francs, and coupons are payable to bearer on the 16th January, April, July, and October. It would appear that about £24,400,000 of these bonds were placed, and some amounts are held here. The following loan is now consolidated with the issues of 1878.

In March, 1881, an issue of Three per Cent. Rentes, amounting to £36,034,860, was effected. The issue price was 83f. 25c., with dividend from the 16th April of that year, subscribers paying 16f. 65c. for each 3f. Rente on application, and the remainder in four equal instalments on the 16th July, 16th October, and 15th January following. The quarterly interest on the instalments paid was deducted as part payment of the instalments remaining.

Turning to the statements of revenue and expenditure, the *last definitive* accounts published are those for the year 1877. The revenue statements, after passing through the usual series of ordinary primitive budgets, extraordinary budgets of special resources, budgets by Ministerial departments, rectified budgets, and definitive accounts, have at last been produced, as follows.

Revenue.

Branches of Revenue.	1866.	1868.	1869.	1870.	1871.	1872.	1873.	1874.	1875.	1876.	1877.	1878.*
Direct taxes:												
Imperial	France 321,385,461	France 328,909,249	France 332,439,230	France 336,073,029	France 333,813,020	France 334,713,118	France 338,932,339	France 379,471,077	France 383,989,354	France 388,417,705	France 393,235,000	France 396,139,000
Local †	214,942,928	232,955,397	243,794,356	250,062,588	237,501,533	269,795,974	283,888,585	289,951,436	300,225,958	309,025,971	304,871,000	309,373,000
Forests and fisheries	40,838,097	10,476,046	10,413,521	8,007,768	51,761,858	45,145,319	36,178,832	84,338,031	38,710,284	41,063,721	54,883,000	38,073,000
Revenue from Crown domains	9,839,430	11,172,139	11,153,178	8,889,058	22,063,023	18,414,613	16,302,746	15,006,705	16,727,315	14,122,413	16,300,000	14,970,000
Registration and stamp duties	429,554,875	449,242,671	456,983,645	391,045,379	419,253,449	571,212,107	561,841,003	532,451,161	607,221,435	621,505,941	625,991,000	616,251,000
Customs	152,007,350	147,349,539	144,612,574	153,552,140	182,069,178	181,571,727	237,206,565	222,611,892	267,979,609	289,665,351	297,643,000	310,769,000
Excise duties on alcoholic liquors, sugar, tobacco, salt, powder, &c.	680,460,619	610,067,905	627,879,376	568,256,063	637,112,964	771,599,737	879,060,462	942,252,206	1,038,029,237	1,061,249,981	1,045,723,000	1,078,750,000
Post Office	62,274,091	89,392,913	94,628,616	72,400,365	91,619,413	108,595,637	110,591,388	113,887,539	119,312,031	114,829,061	119,521,000	102,227,000
Miscellaneous	137,227,336	137,416,379	165,840,989	181,159,232	167,894,362	281,477,187	281,424,053	308,100,379	303,181,185	324,639,299	294,327,000	277,987,000
Total ordinary revenue	2,018,170,187	2,016,878,839	2,087,246,578	1,839,545,649	2,133,140,729	2,532,536,419	2,818,342,961	2,838,261,426	3,095,386,266	3,198,669,261	3,122,714,000	3,173,539,000
Extraordinary receipts other than loans	44,662,482	23,042,945	18,731,616	251,103,459	73,459,305	18,923,763	11,133,443	12,521,476	5,268,135	8,332,496	72,625,000	69,859,000
Loans .....	...	...	...	...	1,321,922,968	264,691,424	239,717,991	1,069,391	2,946,886	...	...	...
Total {	France	2,064,832,669	2,038,971,051	2,105,988,194	2,190,649,071	3,518,923,013	2,966,141,694	3,009,181,315	2,901,872,203	3,108,500,739	3,190,101,760	3,195,393,000
} France	2	62,594,106	31,556,913	84,238,728	87,695,961	141,940,920	114,945,664	122,767,372	116,074,688	124,140,028	127,064,068	127,915,560
} Restitutions (transfers to communes), &c.												1,23,753,920

* These figures are subject to some slight rectification.
 † The amounts collected under this head are partly expended by the Minister of the Interior and partly by the Minister of Finance, the latter under the title of Restitutions (transfers to communes), &c.

FOREIGN DEBTS—FRANCE.

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Expenditure.

Branches of Expenditure.	1866.	1866.	1870.	1871.	1872.	1873.	1874.	1875.	1876.	1877.	1878.*
Ministry of Justice	32,340,888	Francs.	33,116,827	Francs.	34,061,161	Francs.	34,502,262	Francs.	35,005,390	Francs.	35,467,000
Ministry of Foreign Affairs	13,074,638	Francs.	13,049,044	Francs.	11,539,546	Francs.	11,409,647	Francs.	11,986,453	Francs.	12,702,000
Ministry of Finance: Public Debt and Dotations†	516,975,276	Francs.	554,041,323	Francs.	661,584,157	Francs.	1,191,046,757	Francs.	1,220,904,546	Francs.	1,195,547,000
General Expenditure	27,511,401	Francs.	34,394,413	Francs.	122,351,474	Francs.	29,989,742	Francs.	24,267,015	Francs.	20,547,000
Expense of Collection	226,906,030	Francs.	229,732,736	Francs.	217,020,047	Francs.	227,224,689	Francs.	241,040,774	Francs.	250,908,000
Transfers to Com-munes, &c.	111,163,451	Francs.	122,110,219	Francs.	131,060,630	Francs.	137,907,000	Francs.	176,473,897	Francs.	179,293,000
Ministry of War	410,131,931	Francs.	430,869,007	Francs.	463,787,012	Francs.	473,326,636	Francs.	483,356,669	Francs.	511,088,000
Ministry of Marine	192,343,587	Francs.	214,068,744	Francs.	189,477,812	Francs.	158,352,776	Francs.	158,044,935	Francs.	192,504,000
Ministry of Public Instruction and Fine Arts	89,094,448	Francs.	96,072,152	Francs.	42,203,457	Francs.	51,023,518	Francs.	56,378,693	Francs.	69,987,000
Ministry of Public Worship	202,970,705	Francs.	451,035,694	Francs.	302,213,536	Francs.	315,398,834	Francs.	323,775,713	Francs.	33,176,000
Ministry of Interior	77,777,351	Francs.	78,410,616	Francs.	79,049,392	Francs.	83,346,982	Francs.	85,455,702	Francs.	80,551,000
Ministry of Public Works	29,187,455	Francs.	33,143,242	Francs.	27,839,321	Francs.	25,923,233	Francs.	31,727,905	Francs.	30,045,000
Ministry of Agriculture & Commerce	29,187,455	Francs.	33,143,242	Francs.	27,839,321	Francs.	25,923,233	Francs.	31,727,905	Francs.	30,045,000
Ministry of Algeria and the Colonies	29,187,455	Francs.	33,143,242	Francs.	27,839,321	Francs.	25,923,233	Francs.	31,727,905	Francs.	30,045,000
Total ordinary ex-penditure	2,073,000,336	Francs.	2,051,257,575	Francs.	2,145,431,256	Francs.	2,165,831,232	Francs.	2,209,333,619	Francs.	2,278,942,000
Extraordinary (Public Works) ...	130,014,280	Francs.	94,557,716	Francs.	180,291,292	Francs.	53,707,773	Francs.	117,440,469	Francs.	176,011,000
Total { France	2,203,014,616	Francs.	2,145,815,291	Francs.	2,325,722,548	Francs.	2,219,539,005	Francs.	2,326,774,088	Francs.	2,454,953,000
{ Extraordinary (Public Works) ...	130,014,280	Francs.	94,557,716	Francs.	180,291,292	Francs.	53,707,773	Francs.	117,440,469	Francs.	176,011,000
Total	2,333,028,896	Francs.	2,240,372,997	Francs.	2,506,013,840	Francs.	2,273,246,778	Francs.	2,444,214,557	Francs.	2,630,964,000

* These figures are subject to some slight rectification.

† President, Senate, and salaries of the Deputies.

The details of the Budget for 1882 are below :—

RECEIPTS.		EXPENDITURE.	
	£		£
Direct taxes (including land tax, £6,988,000; personal taxes, £2,501,400; doors and windows, £1,723,100; licences, £3,768,900)..	15,005,460	Public debt	49,413,580
Special taxes	994,304	Dotations	987,692
Registration	22,083,840	Legislative	454,996
Stamp duties	5,800,560	Ministry of Justice	1,422,920
Revenues of domains and other property ...	604,700	Ministry of Foreign Affairs	550,332
Produce of forests	1,542,844	Ministry of the Interior and Worship	5,587,924
Customs and salt monopoly	13,274,320	Ministry of Finance ...	782,476
Indirect taxes	41,349,720	Ministry of Postal and Telegraph Service ...	79,832
Postal service	4,556,028	Ministry of War	22,855,965
Telegraphic service ...	1,071,960	Ministry of Marine and Colonies.....	7,881,789
3 per cent. on the revenue of the " Valeurs Mobilieres"	1,617,400	Ministry of Public Instruction and Fine Arts	4,574,157
Surplus revenues from 1877, 1878, and 1879	2,024,640	Ministry of Agriculture and Commerce.....	1,325,276
Other receipts	4,336,132	Ministry of Public Works	5,277,349
		Working of monopolies	12,116,729
		Repayments and restitutions	858,349
			114,169,816
		Extraordinary expenditure.....	18,445,440
	114,261,408		132,614,756

The growth of the foreign trade of France is indicated by the following statement :—

Year.	IMPORTS.		EXPORTS.	
	Total.	From United Kingdom.*	Total.	To United Kingdom.*
	£	£	£	£
1850	31,628,000	...	42,724,000	...
1855	63,764,000	10,421,881	62,316,000	9,146,418
1860	75,892,000	12,701,372	91,094,000	17,774,037
1861	97,692,000	17,427,271	77,052,000	17,826,646
1862	87,944,000	21,765,569	89,708,000	21,675,516
1863	97,056,000	23,294,566	105,702,360	24,025,717
1864	99,208,000	23,825,403	116,966,720	25,640,733
1865	105,672,240	25,355,072	123,535,000	31,625,231
1866	111,739,360	26,597,429	127,235,160	37,016,754
1867	126,227,560	23,022,420	113,036,400	33,734,803
1868	132,148,920	23,514,183	111,596,560	33,896,327
1869	126,126,480	23,277,222	122,997,640	33,527,380
1870	114,697,920	21,982,999	112,093,960	37,607,514
1871	135,729,960	33,388,360	114,624,520	29,848,488

* Extracted from our own Board of Trade Returns. In 1880, French statistics showed imports from United Kingdom, £26,560,000, and exports thereto, £36,440,000.

Year.	IMPORTS—Continued.		EXPORTS—Continued.	
	Total.	From United Kingdom.	Total.	To United Kingdom.
	£	£	£	£
1872	137,898,600	28,292,445	147,160,280	41,803,444
1873	142,192,000	30,196,168	151,492,000	43,339,234
1874	140,308,000	29,389,241	148,044,000	46,518,571
1875	141,468,000	27,292,455	154,904,000	46,720,101
1876	159,536,000	29,000,273	143,024,000	45,304,854
1877	146,792,000	25,663,602	137,452,000	45,823,324
1878	167,048,000	26,595,958	127,188,000	41,378,896
1879	183,808,000	26,558,333	129,252,000	38,459,096
1880	201,328,000	27,990,959	138,716,000	41,970,298
1881	197,857,920	30,085,661	144,497,680	39,984,187

In 1880, the principal imports of France were—grain and flour, £31,540,160; wool, £14,809,560; silk, £12,889,600; wine, £12,555,960; timber, £11,120,000; raw cotton, £8,615,920; meat, coal, hides, oil-seeds, and coffee. The chief exports were—woollens, £14,808,000; silks, £9,372,000; wine, £9,806,000; millinery, £6,736,000; and leather, £6,556,000.

These figures do not include the imports and exports of the precious metals, which are shown beneath:—

	1881.	1880.	1870.
	£	£	£
Imports.....	14,527,900	11,832,600	16,655,000
Exports	12,084,400	18,805,900	10,480,000

In 1881, the gold import was £9,320,000, and the gold export, £8,920,000; while the silver import was £5,200,000, and the silver export, £3,160,000.

At the commencement of 1882, France possessed 25,273 kilometres (15,771 miles) of lines of "general interest," and 2,152 kilometres (1,350 miles) of lines of "local interest," making in all 17,121 miles, as compared with 15,730 miles in January, 1880, and with 12,291 miles in January, 1876. After deducting the duty on express fares, amounting to 86,709,000 francs, the receipts in 1881 were as under:—

Lines of General Interest.	Average Kilometres Open (£ mile).	Total Receipts, 1881. francs.	Receipts per Kilometre, 1881. francs.
Old system (reseau)...	10,357	788,699,866	76,151
New system	10,290	236,004,296	22,935
Special system.....	132	6,599,066	49,993
State lines.....	2,819	24,695,640	8,761
Smaller companies ...	809	14,379,389	17,796
Totals.....	24,407	1,070,378,257	Average 43,899
		-£42,815,130	

The lines of local interest had on the 31st December, 1881, cost the sum of £13,164,000, the gross revenue in that year being £585,740, and the net revenue £127,560.

The "ancien reseau" and the "nouveau reseau," as stated above, are represented almost entirely by the six great companies, the Paris, Lyons, and Mediterranean, with 4,533 kils. "old" and 1,576 kils. "new" on the 1st January, 1882; the Paris and Orleans, with 2,017 kils. old and 2,342 kils. new; the Western, with 900 kils. old and 2,224 kils. new; the Northern, with 1,359 kils. old and 673 kils. new; the Eastern, with 743 kils. old and 2,054 kils. new; and the Southern, with 796 kils. old and 1,518 kils. new. The main arteries were originally planned by the State and conceded to the companies, together with certain subsidies. These now form the Old System, and are by far the most profitable. The New System, forming the branch lines, would, it was recognised, be less profitable; and these lines have been constructed under a 4 per cent. State guarantee for interest and '65 per cent. sinking fund. In years past, considerable sums were advanced by the State, and upon such not repaid amounts 4 per cent. interest accumulates. That debt amounted on the 31st December, 1881, to £26,960,000, of which £6,040,000 was due by the Eastern Company, £1,560,000 by the Southern, £8,520,000 by the Orleans, £8,720,000 by the Western, and £1,600,000 by the Lyons. The Northern alone has no debt to the State, but that of the Lyons Company is exceptional, and only applies to the capital raised for the Mont Cenis Tunnel. With the exception of the Western Company, the guarantee is now quite nominal. The Eastern requires no further aid, and the Southern and Orleans Company have already commenced the reimbursement of their debt, the latter having paid off nearly £400,000 in 1881. It is only when these debts are cleared off that those companies will recover the free disposal of their net earnings, until which time their dividends are limited by conventions with the State, the surplus invariably being applied to the reduction of the debt. The capital expended upon the French railway system to the 1st January, 1880, was £395,255,000. The new State lines are as yet far from profitable, and they are being rapidly extended, the new redeemable Rente being issued for that purpose.

The Bank of France is a State institution, of vast importance to the country. Statistics relative to note circulation, coin and bullion, &c., will be found under the head of "Bullion and Coinage." The capital is £7,300,000, and large dividends are

payable thereon. The shares, with £40 paid, were at one time, in 1881, quoted at above £240. As regards other French banking companies, the Comptoir d'Escompte, the Crédit Lyonnais, and the Société Générale have London branch offices; but the *haute banque* in France is very largely represented by private financial houses of great wealth. In September, 1881, the Bank of France held £34,000,000 of deposits, and the twenty-two largest banking companies a further £81,200,000 between them.

The vintage of 1881 yielded 34,139,000 hectolitres (say, 751,058,000 gallons), against 29,677,000 hectolitres in 1880. The ten years' average was, however, as high as 40,000,000 hectolitres. In the last ten years the production of cider has doubled, and in 1881 reached 17,122,000 hectolitres. The sugar produced from beet-root in the year 1881-2 reached 323,136 tons. The beet-root crops range from 200,000,000 to 270,000,000 cwts.

The wheat crop of 1882 was the largest since 1874, producing 115,702,772 hectolitres (say 318,100,000 bushels), against 273,546,000 bushels in 1880, and 218,228,000 bushels in 1879. An average crop of oats is about 220,000,000 bushels; rye, 70,000,000 bushels; barley, 50,000,000 bushels; and potatoes, 325,000,000 bushels.

In 1877, there were 11,480,812 cattle, 23,375,089 sheep (showing decrease), and 5,789,768 pigs.

In 1878, France raised 16,960,916 tons of coal, and 2,469,953 tons of iron ore.

The area of France before the war was 207,500 square miles; but by the cession of Alsace and part of Lorraine the area has been reduced to 204,031 square miles. The loss of population was over a million and a-half, and allowance must be made for the same in the following statement:—

	Population.	Per Square Mile.
1801	27,349,003	132
1821	30,461,875	147
1831	32,569,223	157
1841	34,230,178	165
1851	35,783,170	172
1861	37,386,161	180
1866	38,067,094	183
1872	36,102,821	179
1876	36,905,788	181
1881	37,321,186	183

The habits of the people tend to check the rapid growth of the population.

DEBT OF THE CITY OF PARIS.

The population of Paris in 1881 was 1,986,748, an increase of 184,956 in nine years.

On the 30th September, 1880, the capital of the debt was £91,800,000, as compared with about £65,000,000 in 1872.

The outstanding loans of the City of Paris are the following : The Three per Cents. Loans of 1855 (75,000,000 francs) and 1860 (143,809,000 francs), maturing in 1897; the Four per Cent. Loan of 1865 (300,000,000 francs), maturing in 1909; the Three per Cent. Loan of 1869 (301,449,200 francs), maturing in 1929; the Three per Cent. Loan of 1871 (518,520,000 francs), maturing in 1946; the Four per Cent. Loan of 1875 (250,000,000 francs), maturing in 1950; and the Four per Cent. Loan of 1876 (129,032,500 francs), maturing in 1950. These loans are, for the greater part, lottery loans, with quarterly or half-yearly drawings.

The money has been mostly raised to effect improvements in the City, and for reproductive works; but the burden of the debt is considerable, the provision made for the annual charge in the Budget of 1883 being £8,960,000.

The ordinary revenue of the City in 1883 is set down at £10,440,000, against £8,105,000 in 1874, of which the octroi is expected to produce £5,745,000. The gas tax and the share in profits yields £730,000; and markets, cemeteries and funerals, vehicles and cafés, are the other chief sources of revenue. The definitive accounts have latterly yielded a surplus. Those for 1880 showed a net surplus of £1,116,996, partly derived from an increase in the receipts above the estimates, and partly from unemployed credit.

LOCAL DEBTS.

There are also very considerable numbers of City and Communal Loans existing in France.

The Marseilles Three per Cent. Obligations of 1877 represented 103,856,800 francs, with lottery drawings. The Bordeaux Three per Cent. Loan of 1863 represented 20,000,000 francs, and the Four per Cent. Loan of 1881, 15,000,000 francs. The Lyons Three per Cent. Debt of 1880 represented 68,507,600 francs. The Lille Three per Cent. Debts of 1860 and 1863, and 4½ per Cent. Loans of 1868 and 1877, together cover another 42,020,000 francs; and Amiens, Havre, Rouen, Versailles, and a large number of other towns and departments, have funded as well as floating liabilities.

COLONIES.

The following is a brief statement respecting the colonial possessions of France:—

	Area. Square Miles.	Population.
Algeria	270,000	3,206,600
Asia	37,840	1,868,851
Africa .....(say)	250,000	500,000
America	77,810	382,233
Oceania	14,680	78,056
	650,330	6,035,740
Add Protectorates—		
Cambogia	52,410	890,000
Tunis (See "Tunis").....	72,720	2,100,000
	775,460	9,025,740

In 1882, the population of Algeria comprised 2,749,000 native Mussulmans, and 234,400 French, besides Jews and foreigners.

By the Decree of 1881 a change was made in the constitution of the Government of Algeria. By this the Home Government has attached each branch of the administration to the corresponding Ministry in France, virtually annexing the Colony to France for all administrative purposes. In 1879, the imports of Algeria were valued at £8,560,000, and the exports at £7,120,000.

GERMANY.

The Empire of Germany dates from January, 1871, when King William of Prussia was installed in the Palace of Versailles. The Empire is comprised of the following States:—

	Population. Dec., 1871.	Population. Dec., 1880.	Area. Square Miles.
Prussia, with Lauenburg.....	24,698,066 ...	27,251,067 ...	134,138
Bavaria	4,861,402 ...	5,271,516 ...	29,283
Saxony.....	2,556,244 ...	2,970,220 ...	5,787
Wurtemberg	1,818,484 ...	1,970,132 ...	7,529
Baden	1,461,428 ...	1,570,189 ...	5,822
Hesse	852,343 ...	936,944 ...	2,864
Mecklenburg-Schwerin	557,897 ...	576,827 ...	4,830
Mecklenburg-Strelitz	96,982 ...	100,269 ...	990
Oldenburg	314,995 ...	337,454 ...	2,400
Saxe-Weimar Eisenach	286,183 ...	309,503 ...	1,400
Brunswick	311,715 ...	349,429 ...	1,520
Anhalt.....	203,354 ...	232,747 ...	860
Saxe-Meiningen.....	187,884 ...	207,147 ...	930
Saxe-Coburg Gotha	174,339 ...	194,479 ...	810
Saxe-Altenburg.....	142,122 ...	155,062 ...	500
Schwarzburg-Rudolstadt	75,523 ...	80,149 ...	340
Schwarzburg-Sondershausen	67,191 ...	71,083 ...	300
Waldeck and Pyrmont	56,218 ...	56,548 ...	460
Reuss (elder branch).....	45,094 ...	50,782 ...	150
Do. (younger).....	69,032 ...	101,265 ...	292
Schaumburg Lippe	32,051 ...	35,332 ...	200
Lippe-Detmold	111,153 ...	120,216 ...	440
Lubeck	52,158 ...	63,571 ...	127
Bremen	122,565 ...	156,229 ...	100
Hamburg.....	338,974 ...	454,041 ...	145
Elsass-Lothringen (Alsace- Lorraine).....	1,597,219 ...	1,571,971 ...	5,600
Total.....	41,085,616 ...	45,194,172 ...	208,338

These States retain, to some extent, their separate forms of internal administration, but have a common political and foreign policy, in which the Government is aided by the Reichstag, elected by the entire German nation. The unification of the German currency was decreed in 1873, and resulted in the adoption of a gold standard. The value of the 20 mark piece is 19s. 7d., and the 10 mark piece 9s. 9½d.

The liabilities of the Empire incurred during the war were

liquidated out of the indemnity. During that struggle, however, the North German Confederation, as it was then called, raised, partly in London, a considerable sum, of which the following are the particulars.

In December, 1870, and January, 1871, two loans for 51,000,000 thalers, or £7,500,000 each, were contracted, partly in Germany and partly in London. These were termed the "North German Confederation Five per Cent. Treasury Bonds, First and Second Emissions," and in each case the London Joint-Stock Bank received subscriptions for £3,000,000, the amount reserved for London. The issue price of the first emission effected in December, 1870, was 96½ per cent., while that of the second emission was 96 per cent.; but in the latter case, although the loan appeared in January, 1871, the first coupon did not fall due till the November following. The whole £15,000,000 was redeemable at par in November, 1875, but the Government availed itself of the option it possessed of giving six months' notice, by which the first emission was paid off on the 1st January, 1872, and the second emission on the 1st February, 1872. These loans are, therefore, no longer in existence.

This opportunity may be taken of giving some details respecting the cost of the Franco-Prussian War to North Germany, and of the changes since effected. The cost of the war to Germany was stated to be £34,100,000, but, in addition, over £30,000,000 of contributions were levied upon France during the war, including the fine paid by Paris upon its capitulation. The indemnity of £200,000,000, with interest, the payment of which was completed by France in 1874, therefore, left every State in the Empire with a very considerable surplus, after covering all expenses that can be traced to the war.

By the Law of the 14th June, 1877, a debt of £3,886,566 was contracted, which has gradually increased, until in May, 1881, the amount was £17,677,000, in addition to which there were Exchequer bills in circulation to a further sum of £7,789,277. The debts in question all bear 4 per cent. interest, and are as under:—

	Marks.	Debt Issued. Marks.
Law June 14, 1877	77,731,321	} 251,000,000
" " 14, 1878	97,484,865	
" " 13, 1879	68,021,071	
" March and May, 1880	102,540,088	..... 102,540,088
Exchequer bills		155,785,540
		<hr/> 509,325,628

On the other hand, there were large funds held for special purposes, including £6,000,000 in the war chest; £1,480,000 for the construction of the Houses of Parliament; £26,800,000 for invalids from the war with France; and £3,240,000 for the construction of fortresses. The debt was partly incurred in the construction of railways, which, according to the Budget of 1881-2, contributed a net £550,000 to the revenue of the Empire, irrespective of the Prussian, Bavarian, and other State lines.

The revenue of the Empire is derived principally from the Customs, plus a portion of the indemnity payments, and the receipts and expenses provided for the common benefit of the numerous kingdoms and principalities were thus estimated for 1872, 1873, and 1881-2:—

	EXPENDITURE. £	REVENUE.	
		Imperial. £	Contributions of Separate States. £
1872.....	16,575,000	11,750,000	4,825,000
1873.....	17,826,100	14,578,900	3,247,200
1881-2.....	29,697,827	24,533,401	5,164,426

Of the estimated expenditure in 1881-2, £19,666,085 was required for the Army, £1,944,594 for the Navy, £328,245 for foreign affairs, £3,657,105 for the Imperial treasury, £530,125 for the service of the Public Debt, and £169,408 for railways (managing expenses).

These figures in no way include the local revenue and expenditure of the various States composing the Empire.

The trade of Germany is very large, though recently checked by Prince Bismarck's protectionist tariff, passed in 1879. The imports and exports since 1871 have been as follow:—

Year.	Imports.		Exports.	
	£	£	£	£
1872.....	163,100,000	116,031,000		
1873.....	187,810,000	115,090,000		
1874.....	180,235,000	117,654,000		
1875.....	176,535,000	124,750,000		
1876.....	190,180,000	127,385,000		
1877.....	188,705,000	133,118,000		
1878.....	175,685,000	144,357,000		
1879.....	188,670,000	133,783,000		
1880.....	141,777,000	152,307,000		
1881.....	.....	.....

Our commercial relations with Germany, as set forth in the Board of Trade Returns, give the following figures:—

	Exports to	Imports from
	United Kingdom.	United Kingdom.
	£	£
1860	15,444,845	18,696,988
1865	16,611,867	28,153,392
1870	15,404,218	28,065,534
1871	19,263,319	38,493,772
1872	19,231,873	43,150,207
1873	19,926,451	36,709,419
1874	19,947,195	35,127,617
1875	21,836,401	34,121,624
1876	21,115,189	29,734,684
1877	26,269,993	28,950,333
1878	23,570,836	29,169,665
1879	21,604,890	29,623,776
1880	24,367,371	29,055,844
1881	23,650,285	29,276,914

These figures do not include bullion and specie. The exports of gold from Great Britain to Germany reached £8,487,948 in 1871, £8,151,902 in 1872, £7,262,584 in 1873, £132,000 only in 1874, £6,405,737 in 1875, £2,222,509 in 1876, £8,343,485 in 1877, £4,484,758 in 1878, and £2,924,215 in 1879; but have since been trifling. This large absorption of gold was in return for the sales of silver in London, upon the adoption of the gold standard.

The railway system of Germany has rapidly increased of late years. In 1870, the total mileage was stated to be 11,457, of which 3,699 miles were double lines. The following tabular statement shows the position as in April, 1881:—

	State Lines.	Companies'	Total
	Miles.*	Miles.*		Miles.*
Prussia	7,270	5,622	12,892
Bavaria	2,640	380	3,020
Saxony	1,271	56	1,327
Wurtemberg	955	11	966
Alsace-Lorraine	636	35	671
Baden	762	65	827
Hesse	140	390	530
Oldenburg	174	25	199
Hamburg	65	...	65
Brunswick .....	...	232	232
Mecklenburg .....	...	237	237
Other States	72	228	300
Total.....	13,985	7,281	21,266

* Kilometre taken as † of a mile.

Emigration has largely increased of late years, rising from 32,262 in 1875 to 116,947 in 1880.

ALSACE-LORRAINE.

On the 1st January, 1881, there were in circulation 4 per cent. obligations of this province to the amount of 25,040,800*f.*, say £1,001,632, incurred immediately after the war, for the purpose of granting indemnities to certain sufferers by that conflict. A further Four per Cent. Loan of £1,219,000 is proposed, for the purpose of aiding local railways and tramways, improving canals, and preventing floods.

The Budget for 1881-2 estimated the revenue at 40,991,937 marks, or £2,049,596, and the expenditure at 41,544,106 marks, or £2,077,205.

ANHALT.

The Public Debt of the Duchy of Anhalt on the 30th June, 1880, was about £400,000.

The revenue and expenditure for 1881-2 were estimated at 16,528,100 marks, or £826,405.

BADEN.

On the 1st January, 1881, the general debt of the Grand Duchy stood as under:—

	Without Interest. £	With Interest. £	Total. £
Debts due on account of domains (part at 4 per cent.)	1,028,571 ...	620,572 ...	1,649,143
State debt	1,144 ...	... ..	1,144
Bath establishments at 3½ per cent. ....	... ..	6,138 ...	6,138
Credit bonds at 3½ per cent. ....	... ..	108,000 ...	108,000
Paper money	3,581 ...	... ..	3,581
Deposits at 2 per cent. ....	... ..	20,807 ...	20,807
Loans at 4 per cent. ....	... ..	107,723 ...	107,723
Loans without interest.	2,943 ...	... ..	2,943
	<hr/> 1,036,239 ...	<hr/> 863,240 ...	<hr/> 1,899,479
From this has to be deducted— Bonds held to the amount of			<hr/> 1,346,801
Reducing the net debt to.....			<hr/> 552,678

The burden of the above debt was as follows:—

	£
Administration	1,061
Interest	34,808
Sinking fund	19,621
	<hr/> 55,490
Deduct interest received on the bonds held by the Duchy	55,488
	<hr/>
Thus reducing the sum to be provided by the State to only	2

Besides this, there is the debt raised for the construction of railways, the amount of which on the 1st January, 1881, was £16,450,390, made up in the following manner:—

	£
Interest-bearing debt, 4 per cent.....	16,339,808
Paper money.....	152,581
Bonds, &c.....	6,123
Debt on which interest is deferred	254,639
	<hr/> 16,753,151
Less bonds held	302,763
	<hr/> 16,450,388

The annual burden for interest on this debt is only £87,500.

The ordinary revenue in 1881 was estimated at £1,961,203, and the expenditure at £1,880,775.

There was in addition the railway budget, yielding receipts £1,872,254, against expenses £1,278,181, the net return being £594,073, leaving £87,500 to be made good out of State taxation upon the annual charge of the railway debt.

BAVARIA.

The Public Debt of Bavaria amounted on the 1st January, 1881, to 1,336,662,657 marks=£66,833,132 sterling, being an increase since 1872 of £31,386,832. The debt is thus represented:—

	Marks.	=	£
General debt	233,941,729	=	11,697,086
4 per cent. railway debt	934,651,212	=	46,732,560
Redemption of ground-rents.....	168,069,716	=	8,403,486
	<hr/> 1,336,662,657	<hr/> =	<hr/> 66,833,132

The railway loans of 1852-54-56 bore 5½ per cent. interest, and the remainder of the debt 4, 4½, and 5 per cent. interest. In 1879-80, the railway debt, which then bore 4½ per cent. interest, was converted into Four per Cents., the operation being

conducted by means of a syndicate. In 1855, the total of the debt was stated at £17,200,000; in 1860, at £26,500,000; in 1867, at £29,669,800; and in 1870, at £35,446,800.

The annual charge upon the above debt is £2,291,331, of which £464,512 is on account of the general debt, £1,791,694 on account of railways, and £35,125 on account of ground-rents. Against this must be set the reproductive nature of the State railways, which in 1881 yielded a gross revenue of £4,079,902, and a net revenue of £1,674,079; thus nearly covering the entire railway debt charge.

The following is the Budget for 1880-81 :—

RECEIPTS.		EXPENDITURE.	
	£		£
Direct taxes.....	1,117,600	Public Debt.....	2,291,331
Indirect taxes.....	3,075,537	Civil List.....	267,319
State works.....	5,093,531	State Council.....	2,340
State property.....	1,695,125	Diet.....	31,626
Interest, rents, and special and extraordinary receipts.....	45,308	Ministry of Foreign Affairs.....	33,116
Receipts for the General Society for Relief.....	14,065	Ministry of Justice.....	633,531
Miscellaneous receipts.....	58,016	Ministry of the Interior.....	399,272
		Ministry of Education.....	961,212
		Ministry of Finance.....	170,024
		Pensions.....	400,930
		Expenses of collecting receipts.....	4,470,200
		Other expenses.....	961,466
	<u>11,067,070</u>		<u>11,067,070</u>

BREMEN.

This free town had on the 1st January, 1880, a Public Debt, bearing $3\frac{1}{2}$ and $4\frac{1}{2}$ per cent. interest, of 81,010,167 marks, or £4,050,508, incurred upon harbour, railway, and other reproductive works.

The revenue in 1879 was slightly under the expenditure, the amounts being respectively £599,055 and £617,505.

The commercial importance of Bremen is considerable, the imports in 1880 being 558,500,000 marks; in 1879, 471,400,000 marks; and in 1878, 441,200,000 marks; while the exports in those years were 511,300,000 marks, 470,100,000 marks, and 431,400,000 marks respectively.

BRUNSWICK.

In 1881, the debt of Brunswick amounted to 84,152,656 marks, or £4,207,632, as compared with £2,305,300 in 1872. Most of this debt is represented by railways.

The Budget for the year 1881 estimated the revenue and expenditure at £426,685.

HAMBURG.

The debt of the free city of Hamburg was returned in 1880 at 124,895,550 marks, or £6,244,777, as against £4,972,896 in 1872, £4,435,227 in 1862, and £4,990,031 in 1852. The debt was to a large extent raised for the construction of public works, a considerable part being devoted, after the great fire in 1842, to the rebuilding of the destroyed portion.

According to the Budget of 1881 the revenue was estimated at £1,532,870, and the expenditure at £1,661,500.

The imports of Hamburg are stated at £98,469,000 for 1880, £87,749,000 for 1879, £86,018,000 for 1878, £88,853,000 for 1877, £85,219,000 for 1876, £85,056,000 for 1875, £84,326,000 for 1874, £85,269,000 for 1873, £85,619,000 for 1872, £77,340,000 for 1871, and £52,281,000 for 1870. As the trade carried on is practically a through trade between Germany and other countries, the exports do not materially differ from the imports.

HESSE.

The public indebtedness of this grand duchy, chiefly contracted for railway purposes, was on the 1st May, 1881, £1,284,593, as against £1,250,000 in 1872. The debt is thus composed:—

Overdue interest	£	2,216
3 per Cent. Debt.....		24,403
4 per Cent. "		12,477
4 per Cent. Obligations		231,985
3½ per Cent. "		28,714
4 per Cent. Railroad Obligations		1,577,257
		<hr/> 1,877,052
Deduct sums lent by the Government, viz.—		
£40,536 at 3½ and 4 per cent.	}	...
118,923 at 3 per cent.		
433,000 Foncier Rents, at 3 per cent.		
		<hr/> 592,459
		<hr/> 1,284,593

The charge of the debt in 1881-2 was, £85,985.

LIPPE.

This principality had a debt at the beginning of 1881 of £58,396. The revenue for 1881 was estimated at £49,212, and the expenditure to rather over that amount, namely £50,856.

LUBECK.

At the commencement of 1879, the debt of the free city of Lubeck amounted to £1,190,245.

The revenue and expenditure for the year 1881 were estimated at £137,118.

MECKLENBURG-SCHWERIN.

The following are the particulars of the indebtedness of this Grand Duchy :—

	Marks.	£
Various loans	10,937,350 =	546,867
Railway debt.....	20,562,900 =	1,028,145
Advances from the Treasury of the Empire ...	646,800 =	32,340
Caution-money, advances, &c.	4,080,400 =	204,020
Balance of the loan of 1843	5,025,250 =	251,263
Ways of communication.....	90,000 =	4,500
Totals	41,342,700 =	2,067,135
<i>Deduct securities in hand—</i>		
Domainal funds	26,169,650 =	1,308,482
French indemnity.....	4,926,700 =	246,335
Sinking fund.....	1,391,250 =	69,562
Railway securities.....	20,562,900 =	1,028,145
	53,050,500 =	2,652,525
Surplus of assets over liabilities	11,707,800 =	585,390

MECKLENBURG-STRELITZ.

Not reckoning the paper money, which is all but withdrawn from circulation, the debt of the Grand Duchy of Mecklenburg-Strelitz may be set down at about 6,000,000 marks, or £300,000.

OLDENBURG.

At the end of 1880 a debt had been created to the amount of 36,811,318 marks, or £1,840,566, part bearing 3 per cent. interest.

The Budget for 1881 estimated the revenue at £313,910, and the expenditure at £334,128.

PRUSSIA.

In 1881 the debt of the kingdom of Prussia was returned as under:—

	Amount.	Amortisation.
	£	£
Loans.		
Exchequer bills	5,728,740	341,435
4½ per Cent. Consolidated Loan	26,030,632	...
Four per Cent. " "	54,086,250	...
Loans not consolidated	4,757,790	336,165
Interest on the loans contracted by virtue of the Laws of 11th June, 1873, &c.....	...	...
Premium Loan of 1855	1,117,500	87,750
War debt of Kurmark and Neumark	105,639	8,003
Shares and obligations of the Lower Silesia, Munster to Hamm, and Taunus Railways	2,115,564	70,900
Treasury bonds	1,500,000	...
General debt	95,442,115	844,253
Provincial Loans.		
Schleswig-Holstein	28,609	1,322
Hanover	217,268	2,327
Electorate of Hesse	1,941,390	88,800
Nassau	1,223,717	41,314
Hesse-Homburg	5,143	857
Frankfort	907,406	28,258
Provincial debt	4,323,533	162,878
Total debt	99,765,648	1,007,131

A very large portion of not only the old Prussian, but the Hanoverian, Nassau, and Frankfort debts have been expended upon State railways, upon which an outlay of approaching 100 millions sterling has been incurred, apart from the further extensive lines purchased from the companies, the capitals of which are duly guaranteed. These lines are largely reproductive, and the burden of the debt is thereby greatly reduced. The annual charge of the Prussian debt is £5,018,050, of which £4,000,000 is interest, and the balance sinking fund. For the financial year, 1881-2 the gross receipts of the railways were estimated at £17,827,100, and the expenses at £13,340,955, leaving as net receipts £4,486,145, whereby the burden of the debt is reduced to £531,905.

The revenue and expenditure of the kingdom of Prussia

have thus been estimated in the budgets from time to time:—

	Revenue.	Expenditure.
	£	£
1850	13,314,800	13,999,000
1855	15,893,000	16,475,300
1860	19,586,900	20,451,300
1864	21,185,100	21,575,000
1866	(North German Confederation established.)	
1868	23,963,500	23,963,500
1870	(Franco-Prussian War.)	
1871	25,987,800	25,937,800
1875	34,724,240	34,724,240
1876-7 (15 months).....	40,403,630	40,403,630
1877-8	32,876,010	32,876,010
1878-9	35,692,880	35,692,880
1879-80	35,575,030	35,575,030
1881-2	45,653,520	45,653,520

Revenue Statement for 1881-82.

REVENUE.		EXPENDITURE.		
	£		£	
Minister of Agriculture—		Ordinary Expenses—		
Domains	3,005,787	Expenses of working and of collecting revenue	20,565,561	
Forests		Supplementary to the funds of the Crown Trust	225,000	
Sale of domains and forests		165,000	Interest and sinking fund of debt Chamber of Lords and Deputies	5,018,050
Administration, &c.		111,950	General Financial Administration	68,452
Horses	87,485			
Minister of Finance—				
Direct taxes	7,474,200	Ministry of State	6,166,691	
Indirect taxes	4,787,505	Ministry of Foreign Affairs	145,536	
Lotteries	301,170	Ministry of Finance	30,622	
Bechandlung (Mercantile Marine Institution)	150,000	Ministry of Public Works	1,527,790	
Bank of Prussia	11,725	Ministry of Commerce and Industry	534,965	
Administration	6,313,064			
Minister of Public Works—				
General Administration	64,525	Ministry of Justice	75,161	
Mines	4,268,657	Ministry of the Interior	3,677,605	
Railways	17,827,100	Ministry of Agriculture, Domains, and Forests	3,008,126	
		Ministry of Education and Public Works	532,624	
		Ministry of War	2,485,548	
			4,330	
Minister of Commerce—		Extraordinary Expenses—		
Ministry of State	31,505	Ministry of State	4,513	
Ministry of Foreign Affairs	225	Ministry of Agriculture, Domains, and Forests	124,380	
Ministry of Commerce and Industry	15,144	Ministry of Finance	50,012	
Ministry of Justice	253,202	Ministry of Commerce	2,171	
Ministry of the Interior	182,712	Ministry of Public Works	1,204,561	
Ministry of Instruction, &c.	115,323	Ministry of Justice	219,267	
Ministry of War	16,800	Ministry of the Interior	59,535	
		Ministry of Education	307,726	
		Ministry of War	14,500	
Total revenue	45,653,519	Total expenditure	45,653,519	

Prussia is rich in mineral deposits, and produces a large amount of coal, iron, lead, and zinc. That of the coal and lignite mines in 1878 was valued at £10,300,000, giving employment to over 160,000 people.

REUSS-SCHLEIZ.

In May, 1881, this principality had a debt amounting to 1,328,894 marks, or £66,444.

The revenue and expenditure for 1881-3 were estimated at £62,758.

SAXE-ALTENBURG.

At the commencement of 1881 this duchy possessed a debt of 1,744,209 marks, or £87,210, against which, however, securities were held to the amount of 6,616,509 marks, or £330,825.

The revenue and expenditure for 1881-3 were estimated at £120,908.

SAXE-COBURG AND GOTHA.

The debt of Saxe-Coburg on the 1st July, 1881, was 4,100,000 marks, equal to £205,000, against which securities to the value of 2,520,580 marks, or £126,029, were held, reducing the net debt to 1,579,420 marks, or £78,971. The debt of Saxe-Gotha at the same date was 7,503,284 marks, or £375,164, against which securities were held to the amount of 9,727,799 marks, or £486,389.

SAXE-MEININGEN.

The net debt on the 1st January, 1881, was 1,802,426 marks, or £90,121, made up as follows:—

	Marks.	£
Loans raised	13,009,404	= 650,470
Less securities in hand	11,206,978	= 560,349
Net debt	1,802,426	= 90,121

SAXE-WEIMAR.

There was a debt at the beginning of 1881 of 6,722,334 marks, or £336,116; but this amount was more than covered by securities held.

The annual revenue for the years 1881-3 was estimated at £302,484, and the expenditure at £298,120.

SAXONY.

On the 1st January, 1881, the debt of Saxony stood at 669,583,425 marks, or £33,479,171, composed as follows:—

	Marks.	£
3 per cent. Obligations of 1830.....	3,572,925 =	178,646
4 per cent. Treasury Bonds, 1847.....	13,849,500 =	692,475
4 per cent. do., 1852 to 1868.....	130,763,400 =	6,538,170
3 per cent. do., 1855.....	11,842,500 =	592,125
Saxony Railway 4 per cent. Shares.....	6,682,800 =	334,140
4 and 5 per cent. Treasury Bonds, 1867.....	32,945,100 =	1,647,255
4 per cent. Treasury Bonds, 1869.....	55,500,000 =	2,775,000
4 per cent. do., 1870 (formerly shares of the Albert Railway).....	3,466,350 =	173,317
4 per cent. Obligations of the late Albert Railway.....	3,036,900 =	151,845
Shares (3½ and 4 per cent.) of the Lösbau to Zittau Railway.....	6,750,000 =	337,500
4½ per cent. Debt of 1874.....	23,624,000 =	1,181,200
Irredeemable Rente of 1876 (bearing 3 per cent.).....	244,575,500 =	12,228,775
Obligations of the late Leipzig to Dresden Railway (bearing 3½, 4, and 4½ per cent.)...	35,092,650 =	1,754,633
3 per cent. Shares of the Greiz to Brünn Railway.....	514,500 =	25,725
3 per cent. do., Gassnitz to Géra Railway ...	1,587,300 =	79,365
Rente of March 1, 1878.....	95,780,000 =	4,789,000
Total.....	669,583,425 =	33,479,171

This compares with £17,438,010 in 1872, being an increase of £16,041,161.

The interest on the debt in 1881 was £1,198,930, and the sinking funds absorbed £305,880, making together £1,504,810. On the other hand, the net receipts of the State railways (costing £29,016,223 to the 31st December, 1881) were £1,326,000, and the profits on the Government mines and porcelain manufactory at Dresden practically wrote off the entire charge on the debt.

The revenue (net) in 1881 was estimated at £3,187,900, and the expenditure at the same amount.

SCHWARZBURG-RUDOLSTADT.

The debt in 1881 amounted to 4,386,500 marks, or £219,325, against which securities to the amount of 2,867,500 marks, or £143,375, were held, reducing the net amount of the debt to 1,519,000 marks, or £75,950.

SCHWARZBURG-SONDRERSHAUSEN.

On the 1st January, 1880, this principality had contracted a debt of 3,498,755 marks, or £174,937.

WURTEMBERG.

The debt of this kingdom on the 19th April, 1879, was returned as under :—

	Marks.	£
Loans bearing interest at 3½ per cent.	24,645,734	= 1,232,287
Do. do. 4 per cent.	49,650,676	= 2,482,534
Do. do. 4½ per cent.	258,702,555	= 12,935,127
Do. do. 5 per cent.	43,757,228	= 2,187,861
Total	376,756,193	= 18,837,809

In 1878, the debt was £17,826,180; in 1872, £14,964,100; in 1866, £7,033,900; and in 1862, £5,861,900. The annual charge upon the above debt in 1882-3 was estimated to be £963,832, against which railways would return as much as £638,230 net.

The following is the revenue statement for 1882-3 :—

RECEIPTS.	£	EXPENDITURE.	£
State receipts	1,071,635	Civil List	91,526
Direct taxes	646,861	Public Debt	963,832
Indirect taxes	669,582	Pensions	90,806
Other receipts	222,102	Ministry of Justice.....	204,320
		Ministry of Foreign Affairs	9,216
		Ministry of the Interior	242,420
		Ministry of Education... ..	405,782
		General and Financial Administration.....	149,123
		Other expenses	444,797
Total	2,610,180	Total	2,601,822

GREECE.

In March, 1881, the debt of the Greek Government was as under:—

	Drachmas.	£
	Outstanding.	(at 28dr. = £1)
External.		
5 per Cent. Independence Loan of 1879 (1824 and 1825 converted)	26,462,326	945,083
Loan of 1833, guaranteed by Great Britain, France, and Russia	93,457,458	3,337,766
Indemnity due to the heirs of King Otho	3,751,792	133,993
Exterior 5 per Cent. Loan of 1879.....	62,543,600	2,233,700
5 per Cent. Loan of 1881 (124,000,000 francs)	134,000,000	4,785,714
Total external.....	320,215,176	11,436,256
Internal.		
Indemnity to the Islands of Hydra, Spezzia, &c.	18,000,000	642,857
6 per Cent. Loan of 1862 (6,000,000 dr.)	4,180,900	149,318
4 per Cent. Treasury Bills	1,853,000	66,179
9 per Cent. Loan of 1867 (28,000,000 dr.)	21,469,840	766,790
8 per Cent. Loan of 1871 (4,000,000 dr.)	3,905,720	139,490
Loan of 1874 (29,000,000 dr.)	28,087,360	1,003,120
Loan of 1876 (10,000,000 dr.)	8,144,060	290,860
National Bank Loan.....	39,831,622	1,422,558
Ionian Bank Loan.....	4,719,611	168,556
Loan of 1880 (62,000,000 dr.), at that date advanced by the National Bank	40,000,000	1,428,572
Total internal.....	170,192,133	6,078,290
Total external and internal...	490,407,309	17,514,546

The paper currency at the close of 1881, amounted to £3,766,000, showing an increase of £894,000 in twelve months.

Besides the above indebtedness there are certain as yet undefined liabilities in connection with the new territory ceded by Turkey. To this extent the Turkish bondholders are creditors of Greece.

According to the Budget of 1881, the charge on the external debt was entered at £45,429, and that on the internal debt at £705,393—together, £750,822. But it is apparent that the sum set apart for the external debt was not even sufficient for the Independence Loan of 1879. Excluding the guaranteed loan of 1833, upon which no interest is provided, the annual charge cannot be set down at less than £1,150,000. This, upon a population of 2,000,000, represents 11s. 6d. per head. There are no reproductive works reducing the burden of the debt.

The 1833 loan was not jointly guaranteed by the three Powers; but one-third of it, or £781,250, separately by each. In the default of the Greek Government providing for the service of this loan, the interest and redemption were regularly met by the guarantors, until about ten years ago, when the whole amount had been liquidated. There are, of course, arrears due by Greece to the Allied Powers, amounting, for payment of capital and interest, to £3,222,671. This guaranteed loan was not quoted in the list of the Stock Exchange, on the ground that Greece was a defaulter at the time of its creation. The sum of £550,000 of this loan was paid over to Turkey in consideration of having ceded a portion of territory on the establishment of the Greece Monarchy. By the terms of the contract all the revenues of Greece were hypothecated as security for the payment of interest, and to provide a sinking fund for the redemption of the loan; but Greece has discharged, notwithstanding, only a small portion of the debt since it was contracted.

Loan of 1824—£800,000, Red Bonds.—These bonds were issued, bearing interest at 5 per cent. per annum, dated 21st February, 1824. Five coupons were paid to the 1st July, 1826, inclusive. The remaining thirty-five coupons to the 1st January, 1844, inclusive, representing £87 10s., were cut off these bonds, and sold separately. The interest due on the 1st July, 1844, to the 1st January, 1879, both inclusive, being for 35 years, equal to £175 per cent., appertained to the bonds.

These bonds represented, therefore, £100 principal, £175 arrears of interest—together, £275.

Loan of 1825—£2,000,000, Blue Bonds.—For this debt bonds were issued, bearing interest at 5 per cent. per annum, dated the 15th February, 1825. Four coupons were paid to the 1st January, 1827, inclusive. The remaining thirty-eight coupons, to the 1st January 1846, inclusive, representing £95, were cut off these bonds, and sold separately. The interest due on the 1st July, 1846, to the 1st January, 1879, both inclusive, being for 33 years, equal to £165 per cent., appertained to the bonds. These bonds consequently represented £100 principal, £165 arrears of interest—together, £265.

These loans were raised under the authority of the Provisional Government in 1824-25, when Greece was struggling for its independence. A proposal of the Greek Government appeared in 1867 for a settlement of these claims for £1,000,000 in a 5 per cent. stock, with $\frac{1}{2}$ per cent. per annum sinking fund. Mr. Hazlewood convened a meeting to consider the proposal, which was accepted conditionally on the Government making a special hypothecation to meet the interest on

the new bonds. It was announced that the proposals had been agreed to, but nothing came of it.

Ten years later, however, negotiations were renewed, and in October, 1878, an agreement was signed for the conversion of the 1824 and 1825 loans into new 5 per cent. bonds, amounting in the aggregate to the sum of £1,200,000. These were issued in 1879 to the holders of the old bonds and coupons. These new bonds were in sums of £100, £150, or £500 each, to be repayable within 33 years of the date of issue, if not previously redeemed by half-yearly drawings. The holders of the 1824 loan received £31 12s. for every £100 nominal of the old bonds, the 1825 bondholders at the rate of £30 10s. for every £100, and the holders of detached coupons £11 12s. for every £100. Interest is payable here half-yearly by the Ionian Bank on the 15th January and 15th July, the first coupon being paid in July, 1879.

By the terms of the convention the amount set aside for the service of the loan is £75,000 per annum, applied half-yearly to the payment of interest and the redemption of the debt, by drawings at par. This amount is specially secured by the hypothecation of the revenues of the Custom House of Corfu, estimated to yield about 2,000,000 drachmas—about £71,400—per annum, and by a second charge on the Stamp Duty raised and collected in the Kingdom of Greece (which yields about 6,000,000 drachmas—say £214,200—per annum, and of which 4,250,000 francs—about £170,000—per annum are affected to the service of another debt). These revenues and duties are not to be varied by way of diminution, until the total discharge of the new bonds.

The Bavarian Government has also a claim upon Greece of about £125,000 and interest, being the balance of loans granted from 1832 to 1836 to King Otho; this claim is, however, disputed.

In June, 1867, an 8 per cent. stock for £1,000,000 nominal was offered at 80 per cent. to the Greek capitalists in Greece, London, Alexandria, and elsewhere. It appeared that £120,000 was taken in Alexandria, but that only a small amount was placed in the other cities.

On the 15th December, 1879, a convention was signed in Athens between the Greek Government and a syndicate of French and Greek bankers for a loan of 120,000,000 drachmas, in 5 per cent. stock, at the price of 68, the bankers to advance 30,000,000 drachmas immediately, and reserving to themselves the right of paying the remainder within eighteen months. Apparently, 62,543,600 drachmas were issued.

The Five per Cent. Greek Loan of 1881 was brought out here on the 13th June, 1881. The following details are from the prospectus :—

For £4,800,000 sterling, or 120,000,000*f.*, in bonds of £20, or 500*f.*, each. Issued in certificates of £20, £100, and £200. Authorised by the

Law of 30th December, 1880 (11th January, 1881), and sanctioned by the King under the same date. The bonds are repayable at par in 40 years by means of drawings, which will take place on 1st June and 1st December of each year, at the Offices of the Comptoir d'Escompte de Paris, in Paris, the first drawing taking place the 1st December, 1881. Messrs. C. I. Hambro and Son are authorised by the Comptoir d'Escompte de Paris, who receive subscriptions in France, to offer for public subscription bonds of the above loan for £3,800,000 nominal capital, £1,000,000 having been taken in Greece, or by Greek firms. These bonds, as well as the interest coupons, are also payable in French money at the exchange of 25f. per £ sterling, and will be furnished with half-yearly coupons, payable on the 1st July and 1st January, at the Office of Messrs. C. I. Hambro and Son, in London, and the Comptoir d'Escompte, in Paris; the first coupon will be payable on the 1st January, 1882. Subscriptions will also be received in Greece, at the Offices of the Banque Nationale de Greece, Banque de Constantinople, and the Banque de Credit Industriel de Greece. The price of subscription is £74 for each £100 stock.

In June, 1882, a Bill was submitted to the Chamber authorising the contraction of a fresh loan for 40,000,000 drachmas, at a rate of interest not exceeding 7 per cent. The money was required for military and naval purposes.

The public revenue and expenditure of the kingdom for the seven years ended 1881 were as follows:—

REVENUE.		EXPENDITURE.	
Drachmas.	£	Drachmas.	£
1875.....	39,644,000 ...	1,415,800	39,791,512 ...
1876.....	38,826,000 ...	1,386,700	39,063,841 ...
1877.....	39,247,000 ...	1,401,700	41,067,825 ...
1878.....	42,789,442 ...	1,528,200	44,834,272 ...
1879.....	45,808,442 ...	1,636,000	60,078,760 ...
1880.....	47,036,457 ...	1,679,900	52,655,454 ...
1881.....	49,051,560 ...	1,751,800	124,155,130 ...

The Budget estimates for 1881 were as under:—

REVENUE.		EXPENDITURE.	
	£		£
Direct taxes	378,429	Exterior debt	45,429
Indirect taxes	885,714	Interior debt.....	705,393
Public establishments...	48,364	Pensions	138,927
Domains	99,299	Civil list.....	40,179
Sale of State property...	147,428	Chamber	20,000
Various items	71,321	Financial Department...	58,207
Ecclesiastical receipts...	14,143	Foreign Affairs	58,546
Arrears	107,143	Justice	107,796
		Interior Department ...	187,495
		Religion and Education	88,478
		War Department	2,547,271
		Marine Department.....	188,667
		Administration expenses	87,611
		Ways of communica- tion, &c.	160,114
	1,751,841		4,434,113

The large deficit shown above is due chiefly to the mobilisation of the Army prior to the ceding of a large part of Thessaly and Epirus by Turkey to Greece. Deducting, however, the whole of the expenditure in the War Department, there is still a deficit for 1881 of £135,000.

The foreign trade of Greece, more than half of which is carried on with the United Kingdom, may be indicated from our Board of Trade Returns :—

	Imports from United Kingdom. £		Exports to United Kingdom. £
1860	*374,211	.....	677,341
1865	1,126,959	.....	1,071,645
1870	1,033,693	.....	1,279,325
1875	1,147,683	.....	1,762,301
1876	1,000,783	.....	1,799,377
1877	985,794	.....	2,454,001
1878	1,130,206	.....	1,763,064
1879	1,081,437	.....	1,861,196
1880	918,088	.....	1,483,462
1881	1,277,570	.....	2,162,566

* Exclusive of Ionian Islands.

There were in 1881 about 10 miles of railway in operation in all Greece.

The area of Greece was increased by the addition of Thessaly and Epirus to 25,200 square miles, the area previous thereto being about 20,200 square miles. According to the census made in 1879, the population was 2,067,775, including the new territory, containing about 388,000 people, and the Ionian and other islands, 484,053.

GUATEMALA.

The foreign debt of Guatemala consists of two loans, as under :—

	Originally.	Outstanding.
	£	£
5 per Cent. Loan	150,000	61,000
6 per Cent. Sterling Loan, 1869...	500,000	468,600
Arrears, &c. ....	... ..	205,030
	<hr/>	<hr/>
Total Foreign	650,000	734,630
The internal debt in 1881 was		693,203
		<hr/>
		1,427,833

There are said to be some other floating liabilities, respecting which details are wanting. In the Budget of 1880, the charge of the debt was set down at \$1,000,382, or, say, £200,000; but no interest was paid on the external debt. Such a charge upon a population of 1,215,000 would represent about 3s. 3d., most of the inhabitants being of Indian descent.

The Internal Consolidated Debt bears various rates of interest, ranging between 4 and 12 per cent.

In 1825, Guatemala offered a Six per Cent. Loan in London for £1,428,571, at 78, of which only £167,000 was taken. No interest was paid upon this from February, 1828.

The Five per Cent. Federal Debt dates from 1856, and the loan then contracted was for £150,000 nominal, of which only £79,217 was outstanding in December, 1871, and at present £61,000. The sinking fund is not now applied. The dividends were payable by Messrs. Isaac and Samuel on the 1st February and 1st August, and all the bonds are of £100 each. The balance of the 1825 loan was converted into these bonds. The last coupon paid was that for August, 1875.

In April, 1869, Messrs. Thomson, Bonar, and Co., and Mr. J. Gerstenberg, invited subscriptions for a Six per Cent. Sterling Loan for £500,000, at the price of 70½ per cent. nominal, or 69¾ per cent. if paid up in full on allotment. The bonds are of £500 or £100 each. The interest is due on the 1st April and 1st October; and the prospectus stipulated that there should be applied a 3 per cent. per annum accumulative sinking fund to half-yearly drawings of bonds for repayment

at par, these drawings to take place in March and September. Both the principal and interest were stated to be receivable in London in sterling, and the import dues of the Republic were specially hypothecated to the service of the loan. The sum of £91,000 outstanding of the former loan of Guatemala was to have been paid off, and the balance of the money raised to be spent on public works. This £91,000, however, was not redeemed. The existing amount of the loan is £468,600; and the last coupon paid was that of October, 1875.

The stipulations of the prospectus were for some time fulfilled; but at the commencement of 1872 the President sent a letter to the Council of Foreign Bondholders questioning the legality of the issue. Of course, such an unwarranted assertion called forth an immediate protest, and the President afterwards recognised the loan.

The following terms were then arranged:—

1. Immediate resumption of payment of the current dividend by means of fortnightly remittances of the Custom duties.
2. Payment of the two half-yearly coupons in arrear in six half-yearly instalments, commencing in April, 1873, with 6 per cent. interest, equally guaranteed by the Custom duties; resumption of the sinking-fund after 1876.

This arrangement has not, however, been carried into effect.

In 1869, the revenue was £145,878, and the expenditure £377,046, leaving a deficit of £231,168. In 1871, the items were respectively £159,563, and £201,992, showing a deficit of £42,429. The Budget of 1879 estimated both the revenue and expenditure at £906,950, the import duties contributing £228,830; export duties, £53,530; and extraordinary resources, £431,800. The gross revenue in 1881, was stated at \$7,479,718, leaving a surplus of \$165,830, after paying \$275,633 upon the Internal Debt.

The trade, principally with the United Kingdom, has thus been returned:—

	Total Imports.	Total Exports.
	£	£
1855.....	241,242	256,578
1860.....	286,933	383,265
1866.....	339,840	411,245
1870.....	334,568	489,385
1875.....	434,750	643,468
1876.....	452,966	753,494
1877.....	514,335	754,636
1878.....	557,470	783,782
1879.....	585,892	921,125
1880.....	729,400	885,000
1881.....	732,934	816,869

The chief exports are coffee, indigo, cochineal, &c. Until within a recent date nearly one-half of the trade was with England; latterly, however, California has taken a large share of the exports. In 1878, the exports to England amounted to £267,348, and in 1879 to £259,008; while to California they were respectively £267,342 and £202,425.

The area of the Republic is about 41,000 square miles. The population, about two-thirds Indian, was stated in 1852 at 970,450, and in 1880 at 1,215,310. The unsettled state of this and the neighbouring Central American Republics has been a material drawback to a naturally prolific locality.

HAITI.

The debt of Haiti, due mostly in Paris, is about £3,000,000; but there is a further liability, consisting of a hitherto greatly depreciated paper currency. The effect of the recently-established National Bank remains to be seen. The history of this country's finances was for many years one of insolvency, due in no small degree to a long succession of revolutions in the Republic.

Port-au-Prince, the capital and chief port, has lately suffered from pestilence, and has a population of about 25,000, the estimates for the entire country ranging from 500,000 up to 800,000, but there are no census statistics. Most of the inhabitants are black. There are, however, some mulattoes, and a very few Europeans. The area is about 14,000 square miles.

There are no recent statistics respecting revenue and trade; but the main export consists of coffee.

HAWAII.

(SANDWICH ISLANDS.)

The debt on the 1st April, 1880, was as under:—

12 per Cent. Loan	£ 8,320
9 " "	60,860
7 " "	8,600
Debt without interest	20
	77,780

There were 8 miles of railway open in 1879.

The area of the inhabited islands (9 in number) is about 10,600 square miles, with a population in 1878 of 57,985, mainly native. Hawaii, Oahou, and Maoui are the most important islands; and their trade, mainly passing through the port of Honolulu, amounted in 1880 to £734,600 imports, and to £993,600 exports. The revenue is about £160,000 per annum.

HONDURAS.

Honduras has contracted four foreign loans, of which the following statement gives the amount issued and outstanding, the rate of interest, and price and date of issue :—

Foreign Debt of Honduras.

Date of Issue.	Description of Loan.	Price of Issue.	Original Amount.	Amount Outstanding.
1867	Conversion Loan, 5 per cent....	...	£ 90,000	£ 78,800
1867	Railway Loan, 10 per cent. ...	80	1,000,000	900,700
1869	Railway Loan, 6½ per cent. ...	75	2,000,000	1,709,000
1870	Railway Loan, 10 per cent. ...	80	2,500,000	2,242,500
1872	Ship Railway Loan, 1½ per cent.	...	Withdrawn	...
Totals			5,590,000	4,922,000

The overdue interest already nearly reaches a similar figure.

In November, 1867, the first 10 per cent. railway loan for £1,000,000 was brought out, with the design of establishing a railway between the Atlantic port of Puerto Caballos and the Bay of Fonseca on the Pacific, which had been favourably reported on in a survey conducted on behalf of Her Majesty's Government. The instalments were payable over 1½ years; the issue price was 80 per cent.; and the whole was to be redeemable by yearly drawings in 17 years. The revenue of the line was specially hypothecated to meet interest, together with the produce of the mahogany forests. The loan was brought out in London and Paris. Messrs. Waring Brothers were the contractors for the line, which was to be 225 miles in length. The bonds were issued respectively in sums of £1,000, £500, and £100 each.

The Five per Cent. Conversion Loan was domiciled with Messrs. Haslewood, Gresham House, and the interest was payable on the 1st April and 1st October. The bonds are of £500, £150, or £100 each, and are, according to contract, redeemable by purchases in the market. The amount outstanding in January, 1882, was £78,800.

In May, 1869, a new railway loan for £2,000,000 nominal was brought out in Paris, the bonds being for 300 f. (£12) each, bearing interest at the rate of 20f. (6½ per cent.) per annum. The price of issue was 225f. (£9) per bond, which bonds were redeemable at par by half-yearly drawings. The money was required for the completion of the Inter-Oceanic

Railway, and it was understood that foreign bankers subscribed largely.

In June, 1870, the London and County Bank received subscriptions for the Honduras Ten per Cent. Railway Loan for £2,500,000, to complete the Inter-Oceanic Railway. It was announced that Messrs. Waring Brothers and McCandlish had contracted to complete the entire line in 1872; and that the railway revenues, in addition to the proceeds of the State domains, would be hypothecated to the service of the loan. The loan consisted of 25,000 bonds, of £100 each, the issue price being £80 per cent., payable by monthly instalments over a period of six months. A 3 per cent. accumulative sinking fund provided for the redemption of the loan at par by yearly drawings in December, by which the whole loan would be redeemed in fifteen years from the end of December, 1870. It was also notified that England, France, and the United States guaranteed the neutrality of the line when completed.

The interest on these Honduras loans was, up to December, 1872, regularly forthcoming, and the sinking fund was increased by two extra drawings of £50,000 each, applied to the loan of 1870.

In May, 1872, a novel proposal was made in the prospectus, then introduced, of the Honduras Ten per Cent. Government Ship Railway Loan, which was to consist of £15,000,000 nominal, in 150,000 bonds of £100 each, provision, however, being made for the optional future conversion of the previously issued Honduras loans. The object of the issue was thus described:—

This loan is raised with a view to the construction of a railway, capable of conveying ships of large tonnage, without disturbing the cargo, between the Atlantic and Pacific Oceans to and from Puerto Caballos on the former, and the Bay of Fonseca on the latter. To effect this, Mr. James Brunlees, M.I.C.E., has prepared designs to be carried out and used in conjunction with the well-known system of hydraulic lifts, whereby vessels may be placed upon and conveyed by the railway with the utmost ease and safety.

The loan was introduced by Senor Don Carlos Gutierrez, Minister at the Honduras Financial Agency, who soon withdrew the loan, stating that subscriptions had not been sufficient to warrant the introduction of the undertaking. It likewise appeared that some of the statements contained in the estimates of traffic to be conveyed were altogether erroneous.

Some sections of the Inter-Oceanic Railway (about 60 miles) have been opened for traffic, though the results of working have not been made known. The works on the remaining sections were delayed by the hostilities between Salvador and Honduras, and were never completed.

January, 1873, found the Government of Honduras a defaulter both with respect to the December drawings and the dividend then due; and it being recognised that, however willing the State might be to provide for its obligations, it was utterly unable to do so, a Committee of Bondholders was appointed to see what was best to be done under the circumstances. In July, 1873, this Committee reported they had entered into direct communication with the Government of Honduras for the transfer to the proposed "Honduras Inter-Oceanic Railway Company, Limited," of that portion of the line of railway, from Santiago to Comayagua, which was then at work, with the plant, rolling-stock, and material thereon, and the land necessary for the completion of the entire line; also for a cession of five miles of land on each side of the line of railway from sea to sea; and a grant of the exclusive right for the company, or its nominees, to explore and work all the mines in Honduras, of every kind, at the disposal of the Government, subject to a small royalty, payable only after a dividend of 10 per cent. had been declared on the entire capital of the company; and the right to cut and export timber on the lands of the company, free of duty, with other valuable privileges.

This agreement, if carried into effect, would have freed Honduras from the greater portion of its debt.

The Council of Foreign Bondholders, in their report for 1881, stated that the President of the Republic had asked the Council to suggest to him an arrangement by which the balance of the Five per Cent. Old Federal Debt should be settled, but that it had not been followed by any action on his part.

It is recently reported that the surplus (quoted at about \$100,000) of the revenue, which has increased during the Administration of President Soto from \$259,000 to \$1,000,000 annually, is to be applied to pay the interest due to the creditors of the State, in fair and equitable proportions according to the priority of their claims, so far as the amount of the surplus will admit. No proposal, however, on the subject has been made by the Government.

There are few reliable statistics at command concerning the foreign trade of this Central American Republic; but it appears that even after the recent improvement, the entire revenue does not amount to one-half the sum required for the service of the foreign debt. It has recently appeared that the revenue in 1878-9 reached £194,000, and the expenditure £171,000. In 1880-1, the revenue was £224,000.

The area of Honduras is about 40,000 square miles, and the population about a quarter of a million, chiefly Indians. It may well be asked how this country found capitalists in Europe willing to lend it five millions of money.

ITALY.

On the 1st January, 1881, the interest on the Italian Debt was returned at £19,748,071, the principal being calculated therefrom at £437,799,922. The details are as under:—

	Principal £	Interest £	Year of Final Redemption.
I.—Consolidated Debt:			
5 per Cent. Rentes	312,057,040 ...	15,602,852	
3 per Cent. Rentes	8,544,000 ...	256,320	
II.—5 per Cent. Permanent Rente due to "St. Siége" (the Holy See)			
	2,580,000 ...	129,000	
	<u>323,181,040</u> ...	<u>15,988,172</u>	
III.—Debts separately inscribed:			
Sardinian—			
Federal Debt of 1851, at 5 per cent. Loan of 1849	2,134,780 ...	106,739 ...	1890
Loan of 1850 .....	...	7,232 ...	1885
Loan of 1850 .....	...	8,396 ...	1887
5 per Cent. Loan of 1859	1,120 ...	56 ...	1881
3 per Cent. Loan of 1855	1,262,938 ...	37,888 ...	1902
Tuscany—5 per Cent. Loan of 1851 ...	398,600 ...	19,930 ...	1881
5 per Cent. Loan of 1861	1,757,860 ...	87,893 ...	1959
Lombardy and Venetia 5 per Cent.			
Loan of 1859	711,040 ...	35,552 ...	1896
Modena—3 per Cent. Loan of 1825 ...	18,600 ...	558 ...	...
Parma—5 per Cent. Loan of 1827 ...	58,440 ...	2,922 ...	1895
Rome—5 per Cent. Loan of 1846 ...	163,880 ...	8,194 ...	1886
5 per Cent. Rothschild Loan of 1857	3,719,000 ...	185,950 ...	1896
5 per Cent. Loans of 1860 and 1864	2,013,880 ...	100,694 ...	1907
5 per Cent. Loan of 1866	1,864,280 ...	93,214 ...	1944
Kingdom of Italy—			
5 per Cent. National Loan, 1866 ...	...	...	1890
5 per Cent. Loans of 1867 and 1870, guaranteed by the Church Property	6,444,100 ...	322,205 ...	1881
5 per Cent. Railway Loans	553,440 ...	27,672 ...	1906 to 1948*
3 per Cent. Railway Loans	5,484,900 ...	164,547 ...	1961-4.
5 per Cent. "Undine-Pontebbe" Loan	1,116,920 ...	55,846 ...	1970
Cavour Canal Loan, at 6 per cent.	2,467,400 ...	148,044 ...	1915
Tiber Obligations, at 5 per cent. ...	441,600 ...	22,060 ...	1923
	<u>30,612,773</u> ...	<u>1,435,614</u>	
IV.—Miscellaneous Debts:			
Assignments of Modena .....	...	56 ...	...
Asciano-Grosseto Railway Debt .....	...	35,887 ...	1934
Loan contracted in 1838 by the Duke of Luques with Messrs. Rothschild	*5,619,900 ...	1,448 ...	1892
Permanent Loan of 1841 .....	...	52,351 ...	...
Communal Debt of Sicily .....	...	44,000 ...	...
Railway Loan of 1876 .....	...	2,972 ...	1881
Obligations issued .....	...	40,000 ...	1883
Tobacco Monopoly Loan .....	...	104,260 ...	1883
Carried forward	5,619,900 ...	280,994	

* Taken at 5 per cent. to form a capital.

	Principal £	Interest £	Year of Final Redemption.
Brought forward (IV.)	5,619,900	280,994	
Annuities due to the South Austrian and Upper Italy Railways	28,042,800	1,326,408	1968
3 per Cent. Rentes assigned to the legal creditors of the Province of Naples	89,500	4,475	...
Advance made by the National Bank, bearing 6½ per cent. interest	1,773,398	119,704	...
Balance of an advance made by the Savings' Bank of Milan in 1875, bearing 6 per cent. interest	342,812	20,569	...
Balance of an advance made by the Savings' Bank of Milan in 1877 at 5½ per cent. interest	219,047	11,500	...
	<u>36,087,457</u>	<u>1,763,650</u>	
V.—Floating Debt:			
Treasury bonds bearing 3 per cent. interest	19,021,170	433,435	
Current accounts bearing interest ...		52,000	
Advance made by the banks of issue		75,200	
VI.—Forced paper currency	37,600,000	...	
Totals	<u>446,502,440</u>	<u>19,748,071†</u>	

† The loan of 1881 will add to the charge; but the object being to redeem paper currency, the addition to the principal will not be large.

Upon a population of 28,452,639, the debt per head would be £15 14s., and the annual interest, 13s. 10d. In addition, there was in the Budget of 1881 a further expenditure of £1,768,000 upon guaranteed railways; but there was a percentage charged on railway receipts and net receipts from State railways, £2,156,000, besides £1,272,000 derived from securities in the hands of the State. The net charge would, therefore, amount to about £18,098,000, or, say, 12s. 8d. per head. (See "Income Tax.")

The Kingdom of Italy dates from the Treaty of Villafranca, in July, 1859; and the rapid growth of the debt since then is indicated by the following figures:—

	PRINCIPAL.			INTEREST.		
	Total Debt.	Less Securities in Hand.	Net Debt.	Gross Interest.	Less Interest on Securities Held.	Net Interest.
	£	£	£	£	£	£
1860...	97,574,080	75,920	97,495,160	4,634,400	3,900	4,630,600
1865...	221,339,040	1,973,720	219,365,320	10,891,680	97,680	10,794,000
1870...	352,611,280	21,142,280	331,469,000	16,555,000	1,056,840	15,498,160
1871...	358,028,960	25,147,240	332,881,720	16,418,600	1,229,280	15,189,320
1872...	384,887,840	46,065,840	338,802,000	17,561,360	2,259,400	15,291,960
1873...	390,304,520	51,250,200	339,054,320	17,838,880	2,497,720	15,341,160
1874...	391,509,720	46,833,520	341,676,200	17,817,440	2,460,440	15,327,000
1875...	397,392,680	59,497,200	337,895,480	17,934,600	2,810,240	15,124,360
1876...	430,767,960	62,900,680	367,867,280	19,687,960	2,916,680	16,771,280
1877...	451,719,600	62,246,840	389,472,760	19,631,710	2,867,360	16,754,350
1878...	451,565,320	61,415,360	390,149,960	19,534,040	2,811,240	16,722,800
1879...	451,054,480	59,969,680	391,084,800	19,558,160	2,736,080	16,822,080
1880...	446,502,440*	...	...	19,748,071	2,832,000	16,916,000

* As calculated in the foregoing table.

Income Tax.—It is to be remarked that the interest here entered is the amount which should rightly be distributed amongst the creditors of Italy. On the other side of the revenue account, however, there is an item which is in reality a deduction from the bondholders' interest. This consists of a tax of 13·2 per cent. upon all coupons, the result being that where Italy contracts to pay £5 interest to her creditors, she, in reality, only pays £4 6s. 9½d. This income tax was imposed in 1868, and was at first 10 per cent.; and deducting this, the net interest of the debt and railway guarantees is below £16,000,000, or, say, 11s. 3d. per head. The following is the present position of the foreign debts of the Italian kingdom now dealt in in the London Stock Exchange :—

	Originally.		Outstanding.
	£		£
Five per Cent. Rente.....	312,057,040	.....	312,057,040
" " " 1881	29,189,803	.....	29,189,800
Anglo-Sardinian Five per Cent. Loan of 1851, guaranteed by State Railway	3,600,000	.....	2,014,780
Five per Cent. Loan, 1862, Maremmana Railway	1,782,000	.....	1,750,100
Five per Cent. State Domain Loan, 1865	8,000,000	.....	redeemed
" " " 1869	5,200,000	.....	redeemed
Six per Cent. Tobacco Loan, 1868.....	9,404,762	.....	1,253,968
Italian Irrigation .....	.....	.....	2,467,400
	.....	.....	348,733,068

The following are the details of the leading Italian Government securities known to the London market :—

In 1851, the Anglo-Sardinian Five per Cent. Loan was placed in this market at 85. It was originally for £3,600,000 stock, bearing interest payable half-yearly on the 1st June and 1st December at Messrs. Hambro and Son's, and redeemable by a one per cent. sinking fund, applied to purchases of bonds when below par, or to drawings above. By these means the amount outstanding has been reduced to £2,014,780. The bonds are of £1,000, £500, £100, or £40 each. The Italian Government have the option of repayment at par at any time, in addition to the sinking fund purchases. The coupons are subject to 13·2 per cent. Italian tax, reducing the interest to £4 6s. 9½d. per cent.

In February, 1862, the "Italian Five per Cent. Loan (Maremmana Railway), 1862," was issued, here through Messrs. Hambro and Sons. The issue was for £1,782,000, in 5 per cent. bonds of £20 each, whereof £444,000 was stated to have been issued to Italian holders. The price of issue was 74 per cent. The loan is guaranteed by the general revenues of the

State, and by the net revenues of the Maremmana Railway, with a mortgage on the line. The bonds are to be redeemed at par in 99 years (that is, prior to 1961), by annual drawings by lot, on 10th December, and are provided with bonus certificates, entitling the holders to a portion of the surplus profits of the line. The interest is payable on the 1st January and 1st July, at Messrs. Hambro and Son's, or at any of the Treasuries of the Italian Government, at the option of the holders. The Italian tax reduces the payment to £4 6s. 9½d. per cent.

Five per Cent. Rente.—In 1861, the newly-consolidated Five per Cent. Rente was augmented by an issue for £20,000,000 at 70½, and further issues have been made from time to time. The "titles" are issued in sums of 1,000 lire rente (£40 interest = £800 bond), 500 lire rente (£20 interest = £400 bond), 200 lire rente (£8 interest = £160 bond), 100 lire rente (£4 interest = £80 bond), 50 lire rente (£2 interest = £40 bond), 25 lire rente (£1 interest = £20 bond), besides rente of 10 lire and 5 lire each, representing £8 and £4 bonds. Interest is payable in London by Messrs. N. M. Rothschild and Sons, at 25 francs = £1, in Paris by de Rothschilds Frères, or at any of the Italian Treasuries, the dates of payment being 1st January and 1st July, and the bonds must be shown with the coupons to entitle holders to receive interest out of Italy. The bonds can, of course, be redeemed by market purchases, but the Budget, apparently, does not provide for such redemptions. The 13·2 per cent. tax reduces interest to £4 6s. 9½d per cent. The amount of this consolidated rente prior to the issue of 1881 was £312,057,040.

In 1863, a further £28,000,000 of this Five per Cent. Rente was issued, Messrs. Rothschilds offering £3,000,000 here at 71. A further £17,000,000 was issued in May, 1865, and £12,440,000 in July, 1866.

In 1881, a Law having been passed for the redemption of the paper currency, an issue of Italian Government Five per Cent. Rente was effected through the National Bank of Italy, the agents here being Messrs. Baring Brothers and Co. and Messrs. C. J. Hambro and Son. The capital sum of this loan was 729,745,000 lire (£29,189,800), the first issue being 365,000,000 lire (or £14,600,000) in July, 1881, at 90, and the second 364,745,000 lire (or £14,589,800) in May, 1882, at 88, the interest in the second case not commencing to accrue until July, 1882. Under the contract for this loan the Italian Government were to be provided with nearly £18,000,000 worth of gold for coinage purposes, besides a further quantity of silver; and the

bulk of these amounts have already (September, 1882) been secured and remitted to Italy. In other respects, the terms and conditions of the 1881 loan are identical with the previous issues of Italian Rente.

State Domain Loans.—Early in 1865 the first of these Five per Cent. State Domain Loans was issued to the amount of £8,000,000 nominal, in bonds to bearer of £20, or 505 francs or lire each, and larger amounts, with half-yearly coupons attached, payable 1st April and 1st October. The Agents here were the General Credit and Finance Company of London, Limited, and the Italian Land Company; in Paris, the Société Générale; in Lyons, the Crédit Lyonnais; and various other companies and firms in Italy. The issue price was 77½ nominal (75 net), and interest was payable here by the Anglo-Italian Bank. The prospectus stated:—

This issue, in terms of the Law, is secured by the deposit with the Société Anonyme, which acts as agent of the Italian Government for the sale of the State domains, and issues the bonds of an identical number of State Treasury bonds of the same amount specially appropriated, giving each bond of the present issue the guarantee of the Government for its principal and interest, which will be certified on the back by a Royal Commissioner; and, in addition, by a special hypothecation on the State domains, and the proceeds of these sales, estimated at about £10,000,000. Each bond further carries with it a free *coupon de jouissance* representing its *pro rata* participation in 10 per cent. of any profit realised by the sale of the domains over their valuation, which, at the average rate at which sales are now making, may be estimated at from £2 to £3 on a £100 bond, receivable over the fifteen years.

This loan was redeemed by fifteen annual drawings, commencing in 1866, and ending in 1880.

In November, 1869, a second Five per Cent. State Domains Loan was brought out for 130,000,000 lire, or £5,200,000, at the price of 72½ per cent. net. Subscriptions were invited in Italy, in Paris (by the Société Générale), in London (by the Anglo-Italian Bank), in Hamburg, Frankfort, and Berlin. This loan formed “a further part of an authorised debt of 400,000,000 lire, secured upon the sale of public domain lands, and the whole is repayable by six equal annual instalments at par, the first instalment falling due in 1876, so that the entire redemption will be effected in 1881.” The bonds were issued in sums ranging from 500 to 50,000 lire, the issue price being £29 5s. per bond of 1,000 lire. The whole loan was readily taken up, mostly on the Continent.

Tobacco Loan.—In October, 1868, Messrs. Stern Brothers received subscriptions in Paris and London for this Six

per Cent. Loan for £9,404,762, or 237,000,000 francs, in bonds of 500 f. (£20) and 2,500 f. (£100) each. The whole are redeemable in fifteen years from January, 1869 (or by the end of 1883), by half-yearly drawings; and the interest is payable in Italy, Paris, London (at the exchange of 25f. 20c.), and Berlin; the whole guaranteed by the Italian Government, and secured upon the tobacco revenues. The bonds are issued by the "Société des Tabacs," which, with a capital of £2,000,000, purchased the monopoly of its manufacture for fifteen years. The yearly revenue derivable from this source was then stated at over 90,000,000 lire (nearly £4,000,000). The Italian income tax on interest was first 8·80 per cent., and is now 13·2 per cent., reducing the interest rate from £6 to £5 4s. 2d. The issue price was £81 7s. per 2,500f. bond, instalments payable up to March, 1869. On the 6th February, 1869, Messrs. Stern gave notice that the holders of these bonds might apply till the 20th February for shares in the above Société, in proportion of one £20 share for every £200 of the 6 per cent. bonds. Good dividends have since been paid on the shares of the Société Anonyme des Tabacs d'Italie, the revenues from the monopoly having increased.

Italian Irrigation Loan.—There were originally three issues by the Italian Irrigation (Canal Cavour) Company, consisting of £1,000,000 in £20 shares; £1,000,000 in 6 per cent. bonds of £100 each, issued at 90, and redeemable in 1870; and £1,200,000 in 6 per cent. "obligations" of 500 f. (£20) each, redeemable within fifty years. In the latter part of the disastrous year 1866, interest ceased on these securities, and it appeared that the Italian guarantee of 6 per cent. did not come into force until the works were completed. An investigation took place, and it was found that there had been much extravagance, and further money was required to complete works. Negotiations followed, extending over years, and in 1870, with the aid of the Italian Government, bond interest was resumed. In 1873, the share capital was exchanged for Italian Rente, and the canal became the property of the State. The terms of the bonds—now directly guaranteed by Italy—are, that the 6 per cent. interest, payable on the 1st January and 1st July by Hambro's, as well as in Paris and Italy, shall be subject to a tax of about 13½ per cent., reducing the interest to £5 1s. 8d., while the principal is redeemable prior to 1915 by yearly accumulative drawings in December, the bonds drawn being paid off at 20 per cent. premium, less "income tax" on the premium. The bonds are 120 or £100 each, and the amount outstanding on 1st January, 1881, was £2,467,400.

Market Values of Italian Securities.

	Italian 5 per Cent. Rente.		Sardinian 5 per Cent., 1851.		Italian Irrigation Bonds.		6 per Cent. Tobacco Loan.		Royal Sardinian Railway £10 Shares.	
	Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.
1865	68½	63	82	72	88	78	...	...	...	...
1866	65½	35	76	68	84	80	...	...	...	...
1868	57½	41½	75	68	65	35	...	...	...	...
1870	60½	43	74	65	69	55	93	77	...	...
1872	69½	64	83	73	84	72	97	90	6	...
1874	68½	58	85	74	83	70	101	91	4½	2
1875	74	65½	92	81	92	79	103	95	3	½
1876	74	66½	91	84	91	84	103	97	2	½
1877	74½	62	91	81	99	81	104	98	3½	1½
1878	77	67½	91	86	95	85	105	99	3½	2
1879	82	72½	98	86	104	90	105	100	4	2½
1880	87½	78½	100	92	109	98	104	99	5	3½
1881	93½	85½	99	91	112	104	105	100	7½	4½

In 1871, there were 3,990 miles of railway in operation in Italy. In 1880, there were 5,340 miles of railway, of which 3,190 miles were State property and 2,150 miles belonged to guaranteed companies. As already explained, these guarantees were estimated in 1880 to involve the Government in an outlay of £1,768,000. The total cost of construction of all Italian railways in that year had amounted to £104,669,512. The gross revenue was £7,124,263, and the working expenses £4,345,514; leaving the net profits at £2,778,749, or 2½ per cent. on the capital. In 1881, the length in operation was 5,449 miles.

In the ten years 1870 to 1880, the leading items of revenue showed expansion as follows:—

	1870.	1880.
	£	£
Tax on real property	5,900,000	7,570,000
„ personal property ..	3,670,000	7,370,000
Customs	2,890,000	4,830,000
Tobacco	2,680,000	4,770,000
Lotteries	3,230,000	3,250,000
Grist tax	1,200,000	2,640,000

The revenue and expenditure have thus been returned:—

	REVENUE.			EXPENDITURE.
	Ordinary.	Extraordinary. (Including Loans, Sales of Property, &c.)	Total.	
	£	£	£	£
1862	18,850,000	...	...	36,840,000
1864	22,612,000	...	...	41,324,000
1866 (war)	24,350,000	...	...	49,226,000
1868 (includ. Venetia)	29,059,461	14,964,159	44,023,620	47,701,664

	REVENUE—Continued.			EXPENDITURE—Continued.
	Ordinary.	Extraordinary. (Including Loans, Sales of Property, &c.)	Total.	
	£	£	£	
1870 (Papal States added)	32,054,089	3,128,243	35,182,332	40,876,200
1871	41,316,145	6,425,775	47,741,920	51,111,228
1872	46,804,711	36,658,687	83,463,398	54,679,076
1873	45,011,167	8,620,243	53,631,410	55,384,720
1874	46,747,488	6,620,725	53,368,213	55,868,968
1875	49,120,976	8,773,154	57,894,130	56,617,908
1876	51,392,272	3,396,060	54,788,342	55,954,070
1877	54,250,514	5,239,159	59,489,673	58,957,256
1878	51,955,125	5,537,130	57,492,155	57,806,784
1879	52,858,144	5,534,680	58,392,824	56,354,263
1880 .....	...	...	57,720,000	56,700,000
1881 (estimates)	51,725,235	5,655,658	57,380,893	57,068,478

The leading exports of Italy are raw silk and silk waste,* valued in 1881 at £14,777,264; wine, £2,643,280; olive oil, £3,889,728; besides eggs, sulphur, animals and animal produce, marble, and fruit. The imports and exports of merchandise have thus been officially returned:—

	Net Imports.	Net Exports.	Transit Trade.	Total.
	£	£	£	£
1862	33,201,172	23,098,732	3,200,820	59,500,724
1865	38,606,946	22,331,423	2,194,047	63,132,416
1868	35,862,764	31,484,059	3,552,565	70,899,388
1870	35,828,707	30,251,076	3,973,057	70,052,840
1871	38,547,937	43,418,382	5,134,005	87,100,324
1872	47,464,453	46,688,044	4,846,896	98,999,392
1873	51,466,118	45,326,445	6,982,116	103,774,680
1874	52,199,773	39,418,341	4,611,102	96,229,216
1875	48,612,354	41,347,284	3,157,124	93,116,762
1876	53,088,892	48,673,792	4,101,915	105,864,599
1877	46,250,609	38,127,506	3,687,316	88,065,432
1878	42,825,489	41,812,052	3,238,015	87,875,556
1879	50,466,056	44,276,771	3,879,449	98,622,276
1880	49,025,766	45,291,567	4,677,727	98,995,060
1881	53,280,464	47,692,901	3,593,471	104,566,836

The imports of Italy are mainly raw cotton, coal, silk and silkworms' eggs, wheat, sugar, wool, iron, and coffee. The wheat imports average some £3,500,000 a year, although the

* The production of cocoons in 1879 was 44,000,000 lbs., value £4,016,000; and in 1880, 96,800,000 lbs., value £8,630,000. The average production of raw silk is stated at about 6,720,000 lbs.

area under wheat in that country averages about 12,000,000 acres, yielding about 150,000,000 bushels in fair years. Maize, beans, olives, rice, and chestnuts are also important crops.

The trade with Great Britain is indicated by the figures below:—

	Imports.	Exports.
	£	£
1879.....	10,243,600	3,780,520
1880.....	10,370,320	2,349,120
1881.....	14,461,680	3,305,240

The banks of issue (forming the "Consoziali") in Italy are the "Banco Nazionale nel Regno d'Italia," the "Banco di Napoli," the "Banco Nazionale Toscana," the "Banco Romana," the "Banco di Sicilia," and the "Banco Toscana di Credito." The combined position of these banks on the 31st December, 1881, was as follows:—

ACTIVE (Creditor).	£	PASSIVE (Debtor).	£
Gold and silver	5,395,120	Capital	10,200,000
Bills and Treasury bonds ...	16,180,890	Notes in circulation	29,423,164
Advances	4,517,670	Deposits at sight and notice	8,706,684
Securities (bonds, &c.)	10,144,780	Other "Passives" (including	
Credits (chiefly to the State)	18,929,064	profits and reserves)	41,536,536
Other "Actives"	34,768,890		
Total	89,916,404	Total.....	89,916,404
			£
Note circulation, as above.....			29,423,164
Add State notes			37,600,000
		Total paper money	67,023,164

In 1871, ten years previously, the circulation of the banks of issue was £23,102,944, while the gold and silver held reached £8,852,000.

There were in addition on the 31st December, 1881, 113 joint-stock banking companies with £8,148,000 paid-up capital and £17,536,000 of deposits and current accounts; 171 "popular banks," with £1,160,000 paid-up capital, and £7,724,000 deposits; and 191 savings' banks with £3,004,000 paid-up capital, and £29,556,000 of deposits. The postal savings' banks had also £2,600,000 deposits.

COMMUNAL AND CITY DEBTS.

The communal debts in 1879 reached the total of £28,300,000, and were heaviest in Tuscany.

In January, 1875, Messrs. Price and Devot brought forward the City of Ancona Five per Cent. Loan for £145,500, the

issue to be effected in 7,275 bonds of £20 each, at the price of £15 8s. per bond, interest payable on the 1st February and the 1st August in London in gold, and the principal at par by annual drawings within fifty years.

In July, 1875, the Anglo-Italian Bank, as agents for the Società Generalé di Credito Mobiliare Italiana, invited applications for the City of Florence Five per Cent. Loan of 1875, the issue consisting of 78,000 bonds of 500 francs (£20) each, and the price of issue being 410 francs, interest payable on the 1st June and the 1st December, and the principal at par by half-yearly drawings within fifty years.

The City of Florence, which for some years prior to 1870 was the capital of the kingdom, incurred a heavy debt upon improvements, which upon the removal of the capital to Rome were found not to be longer required. The State, therefore, had to come to the assistance of the municipality. The arrangement was to pay 49 per cent. in Italian Rente at par, and 51 per cent. in Municipal Three per Cent. Bonds, redeemable in 55 years.

At the commencement of 1878, the debt of Florence was £5,520,000; that of Naples, £2,785,200; that of Milan, £2,330,350; and that of Rome, nearly £2,000,000.

The population of Italy on the 31st December, 1881, was 28,452,639, showing an increase of 1,651,485 in the decade, the total to the 31st December, 1871, having been 26,801,154. The chief rate of expansion was in Sicily, where the growth was 13·11 per cent. on the 10 years, against 6·16 per cent. over the entire kingdom. In 1861, the population, including Venetia and the Papal States, then separated, reached about 25,000,000, the enumeration, excluding those provinces, being 21,777,334. The area of Italy is 296,322 square kilometres, or 114,374 square miles. The population of Rome is 304,402; that of Naples 494,015; that of Milan was 292,524; that of Palermo, 236,579 and that of Turin, 231,636; that of Genoa, 178,006; Florence, 145,207; and Venice, 131,276.

J A P A N .

The National Debt of Japan at the commencement of 1882 was officially stated as under:—

	Yen.	£
External.		
9 per Cent. Customs Loan, 1870	488,000	100,000
7 per Cent. Loan, 1873	9,685,336	1,984,700
Total foreign	10,173,336	2,084,700
Internal.		
New debt, 4 per cent.	11,053,425	(At 5 yen = £1. 2,210,685)
5 per cent. bonds, payable in specie	5,174,200	1,034,840
8 per cent. capitalised pension bonds	9,511,275	1,902,255
Voluntarily capitalised pension bonds (mostly 7 per cent., rest 5, 6, and 10 per cent.).....	173,838,795	34,767,759
8 per cent. bonds for pensions granted to Kin Shinkuwan. (Old Shrine Priests).....	390,225	78,045
6 per cent. loans for public works	12,234,050	2,446,810
5 per cent. money borrowed for subju- gation of the South-Western rebellion }	15,000,000	3,000,000
Domestic debt without interest	8,992,223	1,798,445
Paper money in circulation.....	106,061,439	21,212,288
Total of domestic debt	342,255,632	68,451,127
Grand total	352,428,968	70,535,827

The amount of the internal debt in June, 1878, was as high as 362,630,000 yen, or £72,526,000, and together with the external debt the total was £75,050,070. In 1876, the internal debt was 134,770,000 yen, or £26,954,000; while in 1870 it was returned at as low as 53,350,000 yen, or £10,670,000. The great increase in 1877 was owing to the creation of the pension bonds, and the loans contracted to meet the expenses connected with the suppression of the Satsuma rebellion. The debt per head is £2 1s. 1d.

In 1881-2, the interest on the debt was stated at 15,449,168

yen, or £3,089,833, and the redemption appropriations at 12,022,681 yen, or £2,404,536; making together, £5,494,369. In the same year, the State railways realised a net £146,609, leaving the net charge at £5,247,760, or upon a population of 34,000,000 about 3s. 1d. The sinking funds included in this statement are very high.

FOREIGN DEBT.

In April, 1870, Messrs. J. H. Schröder and Co. brought out the Imperial Government of Japan Customs' Loan. The amount required was £1,000,000 sterling; and the bonds, in sums of £100, £500, or £1,000 each, bore 9 per cent. interest from the 1st August, 1870. The interest was payable in February and August by coupon, and the principal was redeemable in ten annual drawings of £100,000, commencing in 1873. The issue price of the loan was 98 per cent. The object for which the money was required was the construction of three railways in Japan—1st. From Yedo to Hiogo; 2nd. From Yedo to Yokohama; 3rd. From Osaka to Tsuruga. Mr. Horatio Nelson Lay, C.B., the Special Commissioner of the Japanese Government, authorised Messrs. Schröder to negotiate the loan. The Customs dues of the whole of the Empire were hypothecated to the service of the bondholders, to be collected by the Oriental Bank, and remitted to Messrs. Schröder. The railway revenues were also assigned to the bondholders to meet claims for interest and principal. This was described as the first public loan of Japan, and was readily subscribed. The first drawing of £100,000 took place on the 8th May, 1873, and in May, 1882, the £100,000 outstanding was drawn for payment.

In January, 1873, the Oriental Bank Corporation brought forward the Seven per Cent. Sterling Loan of the Imperial Government of Japan for £2,400,000 stock, in bonds of £1,000, £500, or £100 each, bearing interest from the 1st January, 1873. The issue price was 92½ per cent., payable over a period of five months. The prospectus stated:—

The bonds will bear interest, payable on the 1st January and 1st July, at the Office of the Oriental Bank Corporation in London. An accumulative sinking fund of 2 per cent. on the entire nominal amount of the loan will be applied, by annual drawings, on the 1st April, 1875,

and every subsequent 1st April, so as to redeem the whole loan at par within 25 years. The bonds drawn will be payable on the 1st July next succeeding each drawing, and no interest after that date will be paid on the said bonds so drawn. The object of this loan is to redeem certain public charges payable in kind out of the revenues of land, which charges are now enjoyed by pensioners, and are redeemable by the Government. The loan is, therefore, intended to be applied for the increase of the Imperial revenues, and this increase will be effected to an amount largely exceeding the annual charge of the interest and sinking fund on the loan; which excess the Government propose to apply towards various reproductive public works already commenced or in contemplation. The loan and interest are guaranteed by the general revenues of Japan; but the Government also specially hypothecates the charges to be redeemed to the extent of 400,000 kokus of rice per annum. The average price of a koku of rice being four dollars, or 16s. 8d. per koku, the revenue hypothecated is equivalent to £333,000 per annum, while the amount required to meet the interest and sinking fund of the loan will not exceed £216,000. The amount outstanding in January, 1882, was £1,907,600.

Previous to the revolution of 1868 and the re-assumption of power by the family of the Mikado, after centuries of subjection, very little was known of Japanese finance. During recent years, however, information on this subject has been considerably enlarged. The revenue in 1872 was estimated at £10,375,000, showing a surplus, though previously there had been deficits. Public works, including railways, have been pushed forward.

All matters relating to Japanese finance date from the Meiji, or Restoration. The revenue and expenditure has thus been returned in recent years:—

Year.	REVENUE.			EXPENDITURE.
	Land Tax.	Customs.	Total.	
	£	£	£	£
9th (1876-7)	9,311,349	352,509	12,599,128	12,598,769
10th (1877-8)	7,890,110	471,730	10,467,626	9,050,640
11th (1878-9)	8,100,896	470,326	12,510,582	11,244,316
12th (1879-80)	8,461,078	538,240	12,459,990	11,217,908
13th (1880-1)	8,380,288	513,892	11,986,700	11,298,924
14th (estimates) ...	8,512,388	520,066	13,714,799	11,719,988

Prior to 1876 the Land Tax was payable in kind—rice principally.

It will be noticed that all these years show some sort of surplus, and the estimates of 1881-2 a surplus of about £2,000,000. The expenditure, however, does not include the outlay for the establishment of public industries, latterly averaging about £250,000 a year, while the revenue does include extraordinary items, such as sales of Government property, repayment of advances, &c.

The country is stated to be rich in minerals, which are roughly worked to a small extent.

The import and export trade of Japan has increased of late years, as will be seen from the following tabular statement:—

Year.	IMPORTS.		EXPORTS.	
	Total. £	From United Kingdom. £	Total. £	To United Kingdom. £
1865	2,815,387	1,654,028	3,698,046	614,743
1870	6,224,128	1,777,293	3,028,649	96,173
1871	3,549,121	1,746,419	3,836,961	109,224
1872	5,237,688	2,146,518	4,858,906	184,342
1873	5,488,673	1,884,145	4,132,199	561,390
1874	4,845,326	1,364,127	4,032,917	573,136
1875	5,634,839	2,593,862	3,583,569	377,791
1876	4,793,801	2,191,487	5,515,770	657,145
1877	5,180,108	2,460,275	4,573,341	734,399
1878	6,666,878	2,905,943	5,251,884	628,805
1879	6,520,767	2,997,522	5,474,595	450,945
1880	7,324,448	3,813,397	5,483,926	531,621

The leading exports are raw silk and tea.

The year 1872 saw the first railway completed in Japan. The line was opened from Yokohama to Shinagawa in June, and on to Yedo in October, the total length being eighteen miles. The number of passengers in the half-year was 490,970, and the receipts were \$174,686. The Kobé and Osaka line, twenty-two miles long, was opened in 1873, and that from Osaka to Saikio, or Kioto, in February in 1877; while in 1879, a total of over seventy-five miles was in operation, and further extensions are in progress.

In December, 1873, only two banks existed, the capital of which was £600,000, and in 1876 the number was but five, with an aggregate capital of only £510,000. Now there are 148 National banks, having a total capital of about £8,400,000, having numerous branches, with a combined capital of 42,111,000 yen (say, £8,422,000), and notes in circulation in June, 1881, to the amount of 34,527,000 yen, or £6,905,000. Besides these, more than forty private banks are started, with capitals known to exceed 6,000,000 yen, and the Specie Bank of Yokohama, with a capital of 3,000,000 yen. Altogether, banks with capitals to the extent of £10,000,000 have been established in a few years, rapidly adding to the paper-money which the Government had set in motion during the Satsuma rebellion. The *Economist* writes:—

There was a feeble attempt to sustain the price of the yen by basing it upon gold; but so soon as the gold went into circulation it was exported, and the depreciation of the yen, even as compared with

silver, was not stayed. Thus, according to the *Jiji Shimpō*, the average appreciation of the silver yen was—

	Per Cent.
In 1881	69·6
In 1880	47·7
In 1879	21·1
In 1878	9·2
In 1877	3·4

Many of the National banks, instead of lending upon produce, as it was intended they should, have invested both their capital and notes in Government bonds, finding thereby that they can secure a good income without working for it; and the largest of all the National banks, the Fifteenth, has lent the bulk of its notes to the State. What has been wanted has been the creation of powerful middle men, either to buy up the crops, so as to market them afterwards, or to lend upon them at something under the current rate of 2 per cent. per month. Instead of this, masses of notes have been placed in circulation, which the public cannot absorb, and consequently they have fallen to a serious discount. The rice tax is collected one-half in December and January, and the remainder in February, March, and April; while the principal disbursements of the Government are made in the shape of interest on the debt—6,500,000 yen in May and June, and 6,700,000 yen in November. The consequence is, that in November the Government coffers are at a low ebb, while in February, March, and April they are full, and the farmers at their wit's end to find cash buyers for the year's produce. If the Government could let out on loan the money collected on the rice tax as soon as it was paid in; if all the farmers banked with the nearest National bank, and were afforded the facilities which the Imperial Rescript of August, 1877, intended they should have afforded to them, all would perhaps have worked smoothly. But an Eastern nation, however imitative, cannot be awakened to a novel and complex system of currency by an Imperial Rescript, however well intentioned, and under the circumstances, the National bank system has, so far, proved a failure.

In the past few years, 4,000 miles of telegraphs have been constructed and the post established, and education is making rapid strides. In 1878, of high, middle, and primary schools there were altogether 27,600, with 68,000 teachers and 2,319,000 pupils.

The area of Japan is 155,480 square miles, and the population, according to the Census of 1872, was 33,110,825. In 1877, the total was given at 34,338,479. Tokio has 1,140,566 inhabitants; Osaka, 291,086; and Kioto, 229,810.

LIBERIA.

In August, 1871, Messrs. Holderness, Nott, and Co. negotiated the Liberian Government Seven per Cent. Loan for \$500,000, or £100,000, in bonds of £50 or £100 each, the price of issue being £85 per £100 bond, payable by instalments over three months. The loan was to have been redeemable at par in fifteen years. The prospectus stated:—

The present is the first public loan of the Republic of Liberia, and is issued under the Act of Legislature of 1870, and the due payment both of the principal and interest is secured under the Act by an Excise tax, estimated to produce £30,000 per annum, and of one-fifth of the Customs duties, which, in the year ending 30th September, 1870, amounted to \$95,184, or more than £19,000 sterling. The United States Minister, resident in Monrovia, has been nominated by the Commissioners of the Loan to receive the proportions of revenues accruing to the bondholders in respect of the same. The interest upon the bonds is exempt from all Liberian taxes, as stipulated in the general bond. Coupons will be attached to the bonds, payable in London half-yearly, at Messrs. Glyn, Mills, Currie, and Co.'s. The first half-yearly coupon will become payable on 1st February, 1872. The right of redemption of the above bonds, by half-yearly drawings, is reserved by the Commissioners on behalf of the Government.

The money was required for works of improvement, and for liquidating Treasury bonds. The coupons due August, 1874, and since have been unpaid. The amount outstanding in January, 1882, was £100,000.

The population of this West African Republic is estimated at about 1,000,000, practically the whole of them black. The area is about 14,200 square miles. The State revenue is about £20,000 annually, with an excess of expenditure.

Information respecting this Republic is difficult to obtain; but the Corporation of Foreign Bondholders, in their report for 1881, remark that the absence of a resident representative of Great Britain in that Republic, and the brief and infrequent sojourns in this country of a Minister from its Government, render remonstrance difficult, if not impossible, against the determination of Liberia to ignore the engagements of the State.

MEXICO.

Since the re-establishment of the Mexican Republic, the external debt has remained unrecognised. The following was a statement of the debt on the 1st August, 1865, before the deposition and execution of the Emperor Maximilian:—

EXTERNAL DEBT.

	Capital. £	Annual Charge. £
Old English 3 per Cent. Loan, as per settlement of 1851	10,241,650	307,250
3 per Cent. Stock, created 1864, for settlement of overdue coupons of old loan	4,864,800	145,944
6 per Cent. Anglo-French Loan of 1864	12,365,000	741,900
6 per Cent. Lottery Loan of 1865	10,000,000	...
Interest, £600,000; lottery prizes, £120,000; sinking fund, £250,000 .....	...	970,000
Total of European loans	37,471,450	2,165,094

In addition to this total, Mexico at that date had further liabilities, of which the following was an estimate:—

INTERNAL DEBT.

	Capital. £	Annual Charge. £
6 per Cent.	7,000,000	420,000
Admitted claims of foreigners, bearing interest at 6 per cent.	6,000,000	360,000
Amount due to French Government for war expenses at 31st March, 1865	13,000,000	...
Annual payment to France on account of war expenses, as per Paris Convention of 1864 .....	...	1,000,000
Total internal	26,000,000	1,780,000
Together	63,470,000	3,945,100

The last dividends paid were on account of the coupon due July, 1866.

The Empire was, in 1867, succeeded by a Republic, under the presidency of Juarez. The Government immediately announced the total repudiation of all "Imperial" loans; but, in reality, the entire foreign debt has remained unrecognised. The present debt may be roughly estimated as follows:—

	Capital.	Interest.
	£	£
European debt	15,106,450	453,194
Interest accrued, unpaid	(?)	(?)
Internal debt*	15,000,000	800,000
Total.....	30,106,450	1,253,194

* Including an amount due to the United States, upon which interest and instalments of principal are regularly met.

The figures do not, however, include the railway subsidies and guarantees incurred in the past three years, for which purposes the Customs revenues—the special security of the bondholders—have been extensively re-appropriated. Thus, the Mexican Railway receives the Customs dues of Vera Cruz; while the Mexican National Railway bonds, introduced here in July, 1882, were secured on a promised subsidy of \$5,000,000, also based upon Customs revenue.

While French and United States capital is available in Mexico—the recently-established National Bank being a French company, and most of the railroads being prosecuted with United States money—the prospects of the English bondholders can hardly be said to brighten, though market prices have of late risen considerably.

The Government of the Emperor Napoleon, recognising the repudiation of the Imperial loans, in 1868 ordered that holders of bonds raised through their instrumentality should receive 5f. 82c. in French Rentes, and 3f. 50c. in cash, upon each bond; and also on each debenture bearing 6 per cent. interest an instalment of 3f. 88c. in Rentes, and 2f. 40c. in cash.

A Permanent Committee was formed in April, 1868, to take measures for representing the bondholders' claims in Mexico; and they were authorised to raise the necessary funds on the security of the assets, and to appoint an agent in Mexico. No arrangements have yet been effected with the Mexican Republic, though negotiations have from time to time been carried on; and in July, 1870, a proposition emanating from the Mexican Government was submitted to the bondholders, who deemed certain items inadmissible.

In October, 1870, the Permanent Committee of Mexican Bondholders received the sum of 6d. per cent. to cover the cost of negotiations; and in November they made a claim upon the Mexican Railway Company, without result.

The secretary of the Bondholders' Committee is Mr. W. W. Holmes, and the agent in Mexico, Mr. E. J. Perry.

A short recapitulation of the early history of this debt may be of service.

The original loans raised in this country for Mexico, then a Republic, were—

In 1824, 3,200,000	stock, issued at 58,	bearing interest at 5 per cent.
In 1825, 3,200,000	„ „ 89½	„ „ 6 „
6,400,000		

No dividends were remitted on these loans from October, 1827, to April, 1831, inclusive, when the arrears on the Six per Cents. amounted to £22 10s. for every £100, and on the Five per Cents. to £18 15s. The coupons representing these arrears were received in 1831 for Deferred Bonds, to bear interest from the 1st April, 1836. The Six per Cent. Deferred Stock was issued at 75 per cent., and the Five per Cent. at 62½. An acknowledgment was also given at the same time for half the coupons due from the 1st April, 1831, to 1st April, 1836, inclusive, and for the dividend due on the 1st April, 1836; and it was further arranged that bonds bearing interest from that date should be given in exchange for them, on the same terms as the previous bonds. This, however, was not fulfilled, so that the actual state of the debt on the 1st April, 1836, was as follows:—

Active 5 per Cent. Loan, 1824	£ 3,200,000
Deferred Stock to 1836	1,600,000
Active 6 per Cent. Loan, 1825	3,200,000
Deferred Stock to 1836	1,600,000
	9,600,000
Arrears of interest not funded to 1st April, 1836	800,000
	10,400,000
Total	

In 1846, fresh proposals were accepted by the bondholders, viz., to create a New Consolidated Debt, amounting to £10,241,650 sterling, into which the previous Active and Deferred Bonds and Debentures, which constituted the entire foreign debt, should be converted, and the sum of \$500,000 to be remitted to London in monthly payments for the redemption of the debt, which was to bear interest at 5 per cent. per annum, commencing from 1st July, 1846.

As a guarantee for the fulfilment of the above conditions, certain Mexican revenues (the chief of which arose from tobacco) were hypothecated, from which the sum of \$117,708 was to be delivered every month to the agent of the bondholders in Mexico. If this resource fell short of the amount, then one-fifth part of the Customs duties of Vera Cruz and Tampico, and the duty on silver exported from the Pacific, should be appropriated.

The Active Bonds were to be converted into the New Consolidated Debt at the rate of £90 for every £100 of Active Bonds, including arrears of interest to the 1st July in that year. The Deferred Bonds and Debentures to be converted into the New Consolidated Debt at the rate of £60 for every £100 of Deferred Bonds and Debentures.

The debt created under this arrangement then stood as follows in 1846 :—

	£
Active Bonds	5,032,685
Deferred Bonds and Debentures	3,074,000
Redemption of part of the Internal Bonds of Mexico secured on the tobacco and other revenues, and the furnishing the Government with funds...	2,134,965
	10,241,650

This arrangement was soon terminated by war breaking out between Mexico and the United States, the latter taking possession of the ports of Vera Cruz and Tampico, the result of which was a suspension of dividends.

The war having terminated in 1848, on the conditions that Mexico should cede a portion of her territory to the United States, and receive the sum of \$15,000,000 from that Government as an indemnity, Mr. W. P. Robertson was sent by the Committee of Bondholders to urge the necessity of appropriating a portion of the above sum to the liquidation of the claims of the bondholders. Mr. Robertson accordingly entered into a Convention with the Finance Minister, Don Francisco de Arrangois, to reduce the interest to 3½ per cent. for ten years—namely, from July, 1849, to 1859, and to satisfy the arrears of interest due from July, 1846, to the same date in 1849, at 3½ per cent., by devoting \$4,000,000 of the American indemnity. By the 7th Article of this Convention, the difference in the rate of interest from July, 1846, to 1859—viz., 1½ per cent. per annum, or 19½ per cent. altogether—was to be ceded to Mexico entirely. But if during this period the dividends were not paid at the rate of 3½ per cent., the bondholders would be at liberty to annul the contracts.

Ultimately, the amount of the American indemnity money,

appropriated to the payment of the interest on the Five per Cent. Debt was \$2,500,000.

The management of the Mexican debt was subsequently withdrawn from the Committee of Spanish American Bondholders, and a separate committee established, and Mr. Falconnet was appointed as commissioner to effect a speedy settlement. In 1850 a Decree was passed, which formed the basis of the last conversion of the Mexican debt, reducing the interest to 3 per cent., and was accepted by the bondholders in December of that year. This Decree was as follows:—

Art. I. If the creditors of the debt contracted in London, and converted in 1846, agree to the conditions expressed in the following articles, the Mexican Government will give them a draft on the United States, payable out of the indemnity, for \$2,500,000.

II. The conditions are as follows:—

1. The interest of the debt shall remain indefinitely reduced to an annual interest of 3 per cent. on the capital of £10,241,650, the amount acknowledged by Mexico.

2. That, with the said \$2,500,000, with what the creditors have already received up to the date of this Law, and with what they may receive to the time of the approbation of this regulation, there shall be considered as paid all the interest due up to the date of said regulation.

3. For the payment of the interest of the new fund of 3 per cent., 25 per cent. of the importation duties of the maritime and frontier Custom houses shall be especially assigned, together with 75 per cent. of the exportation duties of the ports of the Pacific, and 5 per cent. of those of the Gulf; completing the amount of dividends with other revenues when the above-mentioned assignments are insufficient for the full payment.

4. During the first six years after this regulation there shall not be assigned for the extinction of the debt any more than the amount which may remain from the appropriation for the interest, should there be any; after that time there shall be annually remitted to London \$250,000 for the extinction of the debt, which shall be done at the market price, when this is not above par.

III. The bondholders may, if they choose, name agents in the ports; but from the moment the said agents receive the funds all responsibility on the part of the Government of Mexico ceases; the said Government to pay the cost of embarkation, insurance, and freight, as is customary.

These conditions now form the basis of the claims preferred by the Mexican bondholders.

No interest was paid on the Three per Cent. debt from the 1st July, 1854, to 1st July, 1863, the half-yearly dividend due in January, 1854, not being paid until 1859.

These arrears amounted to the sum of £2,918,870, being 28½ per cent. (*i.e.*, 9½ years' interest at 3 per cent.) on a capital debt of £10,241,650. They were funded in June, 1864, by the Empire, into a New Mexican Three per Cent. Stock, issued at the rate of £100 stock per £60 arrears; the total stock, therefore, amounted to £4,864,800, which was accordingly created.

It was also arranged that the half-yearly dividend, due 1st January, 1864, should be paid in cash, and that two years' dividend on the original Three per Cent. Bonds, as well as on the New Mexican Stock then issued, should be retained out of the New Mexican Six per Cent. Loan of April, 1864.

British Convention Debt.—The position of this internal 6 per cent. debt was thus described in 1865:—

	\$
The original amount of the British Convention, as specified in the bonds, was	4,984,915
The amount of capital paid off, according to the statements of Messrs. Martinez del Rio Brothers, is.....	810,635
Remainder, represented by existing bonds	4,174,280

The interest upon the remaining capital is paid at the rate of 6 per cent. per annum, in six-monthly dividends, which become due on the 4th June and 4th December.

The sinking fund, by the second article of the Convention of the 4th December, 1851, bore a rate of 5 per cent. during the first five years, which was, however, increased to 6 per cent. per annum, by the fifth article of the same Convention, from and after the 4th December, 1856.

The *de facto* assignments actually set apart by the Imperial Government for the payment of the British Convention Fund consist in 16 per cent. of the import duties collected at all the ports of the Empire which are opened to foreign commerce.

The capitals of the British Convention, and that known as the Padre Moran Convention, being respectively \$4,174,280 and \$825,720, the distribution made of the funds proceeding from the 16 per cent. assignment is—

To the British Convention	83·4856 per cent., and
To the Padre Moran Convention.....	16·5144 „

The bonds are of the following amounts:—

	\$	£	\$	£
20,000 each (say).....	4,000	4,000	5,000 each (say).....	1,000
10,000 „	2,000	2,000	1,000 „	200

The Spanish Convention Debt, together with arrears, amounted to nearly £1,500,000.

Loan of April, 1864.—This loan was brought out by Messrs. Glyn, Mills, and Co., and the International Financial Society. It was an Anglo-French loan of £7,790,000 sterling, representing a nominal amount of £12,365,000, bearing interest at the rate of 6 per cent., payable half-yearly on the 1st April and 1st October, by coupon in London and Paris. In Paris this loan was brought out by the *Crédit Mobilier*. The following is an extract from the prospectus:—

Decrees of the Emperor Maximilian, dated 10th and 11th April, 1864, and conventions entered into with Messrs. Glyn, Mills, and Co., authorise the issue of bonds of the Mexican Empire to the extent of £12,365,000 sterling, bearing interest at 6 per cent. per annum, payable half-yearly in London or Paris. Of this amount £8,000,000 bonds will

be negotiated on account of the Mexican Government, and the remaining £4,365,000 on account of the French Government, by whom these bonds have been accepted in payment of expenses incurred in Mexico.

The issue price was 63 per cent., and a 1 per cent. sinking fund was to have been provided in 1869.

The public revenue of the country, at different periods, amounted to the following sums:—

Year.	Mexican Dollars.	Year.	Mexican Dollars.
1700	3,000,000	1851 { Republic under	10,148,563
1763	5,705,876	Arista. }	
1802	20,200,000	1861 { Republic under	11,350,002
1820 { Last year of	21,100,000	Juarez. }	
Spanish rule. }		1865 { Empire under	16,500,000
1825	10,690,608	Maximilian. }	
1827	13,494,299	1868 { Republic under	18,219,708
1830	18,923,299	Juarez. }	
1844 { Republic under	19,421,863	1881 { Republic under	25,725,000
Santa Ana. }		Gonzales. }	

In the last-named year, the expenditure was placed at \$25,221,696. The Mexican dollar has, however, latterly receded in market value with the price of silver, and is now worth about 3s. 10d.

The trade of Great Britain with Mexico has thus been returned by the Board of Trade:—

	Imports of Merchandise from United Kingdom.	Exports of Merchandise to United Kingdom.	Silver Exports of Central America to United Kingdom.
	£	£	£
1860.....	538,949	491,221	4,518,097
1865.....	1,967,389	3,216,924	4,931,855
1869.....	685,122	350,570	2,533,107
1870.....	1,058,128	299,813	3,647,418
1871.....	1,218,026	397,334	3,379,923
1872.....	899,538	443,524	2,724,537
1873.....	1,379,873	499,532	2,999,316
1874.....	1,322,876	546,651	3,931,823
1875.....	980,716	721,907	3,362,666
1876.....	576,814	662,132	3,079,318
1877.....	1,071,715	798,857	3,352,674
1878.....	859,948	507,082	3,519,847
1879.....	765,259	582,759	3,581,272
1880.....	1,283,080	628,071	2,382,492
1881.....	1,685,451	591,435	1,965,615

The increased merchandise imports in 1880-1 have occurred entirely under the head of railway materials, while the diminished shipments of silver from Central America have of late years been very marked, and are traceable in no small degree to the reduced price, operating first to reduce the values of the quantities shipped, and then to restrict the production.

The total imports of Mexico in 1870 were valued at \$23,478,000, or £4,695,600, and the exports at \$24,135,000, or £4,827,000. The chief article of export was silver, of the value of \$17,210,000, or £3,442,000.

In 1875, the total imports were \$27,478,000, nearly one-half from Great Britain (thus widely differing from our own Board of Trade Returns); while the exports were \$33,161,000, of which \$13,481,000 were to this country. These exports included silver, \$17,226,000, and gold, \$2,905,000.

In 1882, Mexico possessed 1,640 miles of railway and tramway in operation, and the mileage is growing rapidly, aided by United States capital. The Mexican Railway Company's line was opened throughout from Vera Cruz to the City of Mexico in 1873. The main line is 293 miles, and the Jalapa branch 61½ miles additional. The capital expended of the company is £8,346,322, and the prosperity attained of late years has been remarkable. The offices are at 45, New Broad Street.

The London Bank of Mexico and South America, Limited, has branches at Mexico (City) and Vera Cruz.

The area of Mexico is now stated at 2,001,715 square kilometres (say, 760,000 square miles); and the population, calculated at 8,300,000 in 1862, was in 1873 stated at 9,343,470. Still more recent figures place it at 9,656,668. A large portion are Indians.

MONTENEGRO.

This principality was virtually independent of Turkey prior to the declaration of 1879. The territories were, however, enlarged at that date, and now cover some 9,300 square kilometres, or about 3,500 square miles, with a population of about 250,000.

Montenegro had no Public Debt until 1881, when a loan for 1,000,000 florins was obtained from the Länderbank, Vienna. The State revenues are understood to reach about £40,000 a year. The Port of Dulcigno has been obtained from Turkey, and there are some exports of animal and vegetable produce.

MOROCCO.

The foreign debt of the Moorish Empire has now ceased to exist, the outstanding balance of a 5 per cent. loan for £501,200 nominal, brought out in 1862, being paid off in June, 1882. The price of issue was 85 per cent., the actual amount received being thus £426,000. The loan was redeemed by a sinking fund of 5 per cent. per annum, not accumulative, and the bonds were drawn by lot half-yearly, and paid off at par.

The contractors for this loan were Messrs. Robinson and Fleming and Mr. Philip P. Blyth. The amount of the indemnity then payable to Spain by Morocco after the war was 400,000,000 of reals, or about £4,200,000; and it was for the purpose of in part discharging this obligation that this loan was raised. As the British Government were concerned in the loan, we give the following extracts from the prospectus:—

1. In virtue of a convention between His Majesty the Emperor of Morocco and Her Majesty the Queen of Great Britain, concluded at Tangier, the 24th October, 1861, having for object to assist His Imperial Majesty in the fulfilment of his obligations to Her Catholic

Majesty the Queen of Spain, and thereby to secure the prompt evacuation of Tetuan, it is proposed to raise a loan of £426,000 sterling, in bonds amounting to £501,200.

2. By the stipulations of the said convention the Emperor of Morocco, on his part, binds himself to hypothecate, as security for the due payment of the interest and sinking fund on this loan, 50 per cent. of the Customs revenues of all the ports of the Moorish Empire; and Her Britannic Majesty, on her part, undertakes to appoint special commissioners charged to receive the Customs duties so hypothecated.

3. Her Britannic Majesty's Government will, each half-year, pay in Morocco, to the agents of the contractors of the loan, out of the funds to be received by the said special commissioners, a sum sufficient to meet the interest and sinking fund six weeks before the same become payable in London. When the loan has been extinguished, any funds which may remain in the hands of the commissioners are to be transferred to His Majesty the Emperor of Morocco.

No statements with respect to revenue and expenditure are available. The trade with Great Britain from 1865 is shown in the following table:—

Years.	Imports from Great	Exports to Great
	Britain.	Britain.
	£	£
1865	320,383	412,889
1870	373,888	238,769
1875	420,832	711,294
1876	469,101	627,453
1877	465,258	811,954
1878	364,506	391,369
1879	314,598	154,270
1880	300,738	350,564
1881	326,039	246,051

The average value of foreign goods imported into Morocco during the eleven years from 1845 to 1855, inclusive, amounted to £315,709, of which £240,910 represented the value of goods imported from Great Britain and Gibraltar. The average yearly value of produce exported during the same period was £400,878, of which produce to the value of £203,188 was exported to Great Britain and Gibraltar. The average yearly value of foreign goods imported into Morocco during the eleven years from 1861 to 1871 amounted to £811,805, of which £656,443 was from Great Britain and Gibraltar; and the average yearly value of the exported produce was £767,741, of which £469,552 was to Great Britain and Gibraltar.

In 1880, the total imports were stated at £705,120, and the exports at £602,920.

The area of Morocco is stated at about 250,000 square miles, but the boundaries on the side of the great desert are not defined. The population has been estimated as low as 2,500,000, and as high as 12,000,000. The mean between these extremes (say 7,000,000) is about the total usually assigned.

THE NETHERLANDS.

In proportion to its population, Holland has still one of the largest Public Debts in Europe, and the country is heavily taxed. Its liabilities have, however, always been met with entire regularity; and the debt, which has tended more and more to become exclusively a home debt, commands a high market value.

The operation of large funds set apart in years past to pay off the National Debt may clearly be traced in the table below:—

	DEBT.		ANNUAL CHARGE.	
	Guilders or florins.	£ (at 12 = £1.)	Guilders or florins.	£ (at 12 = £1.)
In 1851	1,229,518,580	102,459,882	...	...
„ 1855	1,192,110,830	99,842,569	35,793,187	2,982,765
„ 1859	1,086,343,830	90,523,652	32,133,938	2,677,828
„ 1863	1,023,018,982	85,251,581	30,696,589	2,558,049
„ 1868	969,450,913	80,787,576	27,635,375	2,302,948
„ 1872	966,137,326	80,511,443	26,981,271	2,248,439
„ 1878	954,571,852	79,547,654	28,435,920	2,369,660
„ 1880	952,584,550	79,382,046	28,767,822	2,397,318
„ 1881	942,271,250	78,522,604	28,167,812	2,347,318

On the 31st December, 1880, the Public Debt of the Netherlands stood as under:—

	DEBT.		ANNUAL CHARGE.	
	Guilders.	£	Guilders.	£
2½ % Debt	632,079,400	= 52,673,283	15,801,985	= 1,316,832
3 % „	91,322,550	= 7,610,213	2,739,676	= 228,806
3½ % „ (redeemable) ...	10,692,000	= 891,000	366,345	= 30,529
4 % „	184,387,000	= 15,366,583	7,375,480	= 614,623
4 % „ redeemable In- scriptions of 1878	34,103,600	= 2,841,967	1,359,844	= 113,320
Interest on Treasury notes authorised to be issued in 1881, on deposits with Government annuities, &c.	Capital liabilities on annuities not estimated, but are not large.		155,392	= 12,949
Sinking fund and redemption of annuities issued by the Domain Department.			969,100	= 80,759
	952,584,550	= 79,382,046	28,767,822	= 2,397,318

The population being 4,020,000, it follows that the debt per head was £19 14s. 8d., and the annual charge 11s. 11d. Deducting the net revenue from State railways, the annual charge remaining would be £2,020,000, or, say, 10s. 1d. per head.

The Dutch public securities dealt in in London are the 2½ per Cents. (See also "Belgian 2½ per Cents.") and the Four per Cents. The interest of the former is payable on the 1st January and the 1st July, and of the latter on the 1st April and the 1st October, in Holland; but the coupons are saleable here at the current rate of exchange.

By a Law passed the 26th April, 1852, the Public Debt of Holland comprehends a capital of 10,000,000 florins, not bearing interest, but the vouchers for which are issued in paper money, guaranteed by a deposit of silver coin, of inscribed debt, or of Treasury bonds.

The precautions necessary during the events of 1870, and the outbreak of a Colonial war with the Achinese, which followed soon after, have had the effect of lately reducing the surplus available for the repayment of the debt. Indeed, the disappearance of the surplus on the budget of the Dutch East Indies has told somewhat heavily upon the finances of Holland.

In May, 1882, the Dutch Government announced particulars of a proposed Three per Cent. Loan for 83,000,000 florins (say, £6,900,000), the proceeds to be applied as follows:—£2,500,000 to the purchase of the Dutch section of the Antwerp and Rotterdam Railway, £415,000 for a canal between Amsterdam and the Merwede, a further amount for National defence, and £2,500,000 to covering the deficits of the Dutch East Indies.

The revenue and expenditure of Holland since 1851 are as follows:—

	Revenue.	Expenditure.
	£	£
1851.....	6,145,870	6,292,935
1855.....	6,108,272	6,145,055
1860.....	7,556,768	6,651,272
1865.....	8,973,563	8,837,876
1870.....	7,377,236	8,019,076
1873.....	9,125,599	9,002,794
1875.....	9,986,464	9,909,270
1876.....	9,140,021	9,449,734
1877.....	8,866,027	9,827,307
1878.....	8,539,530	9,849,941
1879.....	9,651,892	9,650,983
1880 } Budget {	9,000,000	9,500,000
1881 } estimates. {	8,800,000	10,300,000

The expenditure in these years includes appropriations for redemption of debt. With respect to the years 1880 and 1881, it may be remarked that it is customary to estimate the revenue below the actual yield. Still, an issue of Treasury bills was contemplated at the date of the last Budget, as the expenditure included a proposed outlay of £1,100,000 upon State railways.

In 1880, there were 743 miles of State railway in Holland, the revenue from which was £797,962, and the working expenditure £421,882, leaving a net £376,080. Besides these lines, there were 697 miles constructed by companies with gross earnings, £1,067,004, and working expenses, £510,330; net, £556,674. In all, therefore, there were 1,440 miles of railway in operation. The capital expenditure upon the State lines had been £12,702,409 to the same date, and that by the companies £8,952,084.

But a small fraction of the State revenue is derived from Customs. The Excise on spirits and succession dues each yield about £2,000,000, and land and personal taxes each nearly £1,000,000.

The special imports and exports of merchandise (excluding the transit trade) have been as follows:—

	IMPORTS.		EXPORTS.	
	Total.	From United Kingdom.	Total.	To United Kingdom.
	£	£	£	£
1850	23,701,000	...	19,166,000	...
1870	38,825,000	14,500,000	31,831,000	8,833,000
1872	50,088,000	18,330,000	38,782,000	9,083,000
1874	54,284,000	19,000,000	42,248,000	9,750,000
1876	57,999,000	18,750,000	44,100,000	10,330,000
1877	61,333,000	17,148,000	44,151,000	10,960,000
1878	66,327,000	18,045,000	46,243,000	10,920,000
1879	68,145,000	18,417,000	48,217,000	10,754,000
1880	68,997,000	17,691,000	52,062,000	12,220,000

In 1880, the imports of the precious metals were £980,000, and the exports £416,000, exclusive of transit.

In the same year, the imports from Prussia were valued at £19,467,000, and the exports thereto at £20,978,000. The principal exports were grain, ironwares, coffee, butter, Peruvian bark, refined sugar, cotton goods, hides, rice, and tin; but it is apparent that reshipments of Dutch colonial goods figure largely therein.

The area of the Netherlands, exclusive of the Grand Duchy of Luxembourg (the returns for which are not included in any of the foregoing statistics), is 12,735 square miles; and the

population, which in 1838 was 2,583,396, in 1862 was 3,416,146, and in 1869 was 3,579,529, had increased at the end of 1879 to 4,012,693.

The area of the Grand Duchy of Luxembourg is about 1,000 square miles, and the population in 1880 was 209,570. The finances of this neutral State are wholly separated from Holland. In 1881, the revenue receipts were calculated at £292,000.

City Loans.—The loans raised by Amsterdam and Rotterdam are slightly known in this country. In 1874, Amsterdam issued a 3 per cent. loan of 210,000 obligations, of 100 florins each at 87½. Interest is payable in January and July at the Banque de Paris et des Pays-Bas, and the total is to be redeemed by lottery drawings by 1942.

In 1868, Rotterdam issued a 3 per cent. loan, consisting of 72,000 obligations, of 100 florins each, which is to be paid off by 1930. In July, 1882, Messrs. Samuel, Montagu, and Co. announced that they were prepared to receive subscriptions here towards a Rotterdam 4 per cent. loan for 5,000,000 florins (about £415,000) at the price of 98½.

COLONIES.

These possessions consist of the Dutch East Indies (Java, part of Sumatra, Celebes, parts of Borneo and New Guinea, Timor, the Moluccas, &c.), estimated to cover 600,000 square miles, and to contain 24,711,996 inhabitants), the Dutch West Indies (principally Curaçao), and Surinam (with about 50,000 square miles, and 69,000 inhabitants). These Colonies have separate budgets of their own, and pay into the Treasury of the Home Government any surplus which may exist at the close of their financial year. In like manner, should a deficit appear instead of a surplus, application is made to the same quarter for means to meet it. It is, therefore, evident that the contributions from, and the charges on account of, the Colonies may not only be very variable, but that both items may amount to a considerable sum in the same year, should circumstances cause one colony to show a great surplus and another a corresponding deficit.

The most important by far of the Colonial possessions of Holland is Java (with Madura), which covers 131,733 square kilometres (50,000 square miles), and contained (in 1880) 19,797,077 inhabitants. The Budget of the Dutch East Indies for 1881 showed receipts £11,883,500, and expenses, £12,056,000, and Surinam and Curaçoa were both expected to show small deficits. Ten years ago Java was paying from £500,000 to £1,500,000 annually into the Home Exchequer.

For the construction of railways in Java, three "Dutch-Indian Railway Loans" were raised in this country in 1867-69-71. All were guaranteed by the Home Government; and the 4½ per Cent., 1867, Loan for £339,000 was brought out by Messrs. Horstman and Co., at 89 per cent., or £75 8s. 6d. per £84 15s. bond. This loan was redeemable in thirty-eight years, by yearly drawings in July, unless previously paid off by the State, which it has since elected to do. The 1869 loan for £398,300 carries 4½ per cent. interest, and was issued by Messrs. Samuel, Montagu, and Co. at £77 11s. per £84 15s. bond. This loan was redeemable in thirty-five years by annual drawings in January. The 1871 loan for £189,000 was also brought out by Messrs. Samuel, Montagu, and Co., and this time the rate of interest was fixed at 5 per cent., and the bonds were issued in sums of £100 each. The redemption at par is secured upon annual drawings, terminating in 1906. The price of issue was £90 10s. per bond. While the previous issue receives interest in January and July, the payments upon these bonds are effected in April and October.

In 1882, Messrs. Samuel, Montagu, and Co. announced that they were prepared to transmit applications for a Three per Cent. Dutch-Indian Railway Loan for 9,000,000 florins, in 1,000 florin bonds, at 840 florins.

In December, 1880, there were 257 miles in operation, and a further mileage was opened in 1881.

In 1878, the exports of the Dutch East Indies were £14,989,000, and the imports, £11,704,000. In 1880-1, the shipments from Java were 1,121,000 cwts. coffee, 4,041,500 cwts. sugar, 146,400 cwts. tin, 961,770 lbs. indigo, and 189,800 cwts. tobacco.

ORANGE FREE STATE.

The area of this Dutch Republic is about 45,000 square miles, and the population is stated to be 133,518, more than one-half black.

There is no Public Debt, and the revenue, reported to exceed the expenditure, amounted to £155,207 in 1880.

The trade of the Free State passes almost wholly through the Cape and Natal, mainly through Port Elizabeth, and the exports consist of wool and some diamonds.

At Bloemfontein, there is established the National Bank of the Orange Free State, Limited, the Standard Bank of British South Africa being their London agents. The Bank of Africa also has a branch at Bloemfontein.

PARAGUAY.

Two loans of this Republic have been floated here, of which the particulars may thus be summarised :—

	Amount Authorised.		Amount Outstanding, Jan., 1882.
	£		£
8 per Cent. Loan, 1871	1,000,000	.....	957,100
8 " " 1872	2,000,000	.....	548,300
	<hr/>		<hr/>
Total	3,000,000	.....	1,505,400

There is also a nominally heavy debt to Brazil and the Argentine Confederation as the result of the war.

There was an internal debt, to provide for which various public properties were appropriated.

The first of the sterling loans was brought out in November, 1871, by Messrs. Robinson, Fleming, and Co., who invited subscriptions for a "Public Works Loan" for £1,000,000 stock, in bonds of £1,000, £500, or £100 each, at the issue price of 80 per cent., less two months' interest accrued, and discount on deferred instalments. The prospectus contained the following :—

The bonds will bear interest at the rate of 8 per cent. per annum, payable quarterly, on the 15th March, 15th June, 15th September, and 15th December, at the Counting-house of Messrs. Robinson, Fleming, and Co. The first quarter's interest will fall due on the 15th December, 1871. A cumulative sinking fund of 2 per cent. per annum on the entire nominal amount of the loan is to be applied by quarterly drawings by lot, on the 15th February, 15th May, 15th August, and 15th November, so as to redeem the whole loan at par in about twenty-one years. The bonds drawn will be payable on the 15th March, 15th June, 15th September, and 15th December next succeeding the drawing. The first drawing will take place on the 15th May, 1872. The Government reserves the right of increasing the sinking fund whenever convenient, or of redeeming at par any additional number of bonds. By the general bond, this loan, which is the first public loan of Paraguay, is secured as a first charge by special hypothecation of the Customs and general revenues of the Republic, and on the whole property of the State, including its public lands, which alone are valued

in the official reports at £35,000,000; its public buildings, and likewise the State railway, now completed and at work for 72 kilometres.

The general bond further provides that any coupons of this issue shall, when due, always be receivable as cash in payment for any Customs or duties at the Custom Houses of the Republic.

The principal objects proposed to be effected by this loan are to liquidate the floating debt of about £213,000, and to complete the State railway from Asuncion to Villa Rica, and aid generally in the restoration of roads and public works and the development of the resources of the country. In order to afford what is considered ample time for this, under the present system of Free Trade and Constitutional Government, the requisite funds to meet the interest coupons and sinking fund for two years, up to the 15th September, 1873, will be set aside and retained in England.

The last coupon paid was that of March, 1874, since which date both interest and sinking fund operations have ceased.

In May, 1872, Messrs. Robinson, Fleming, and Co. were authorised to contract a further "Public Works Loan" for £2,000,000 stock, at the price of 85 per cent., or 82½ per cent. making all allowances. The 8 per cent. interest was payable quarterly on the 1st January, 1st April, 1st July, and 1st October, and the drawings for the sinking fund (2 per cent. per annum accumulative) were to take place on the 1st March, 1st June, 1st September, and 1st December. The interest was declared free of Paraguayan tax, and the first drawing took place on the 1st March, 1873. The Government may increase the sinking fund.

The Law authorising this loan provides:—

The moiety of the net proceeds of this loan shall be appropriated to the construction of local railways, roads, canals, and bridges, in promoting the immigration and colonisation of the fiscal lands, and in establishing lines of steamers. The other moiety of the proceeds of this loan shall be appropriated to encouraging the development of the general interests of the country, by promoting the construction of general railways, public roads, ports, and Custom Houses, and in founding banks.

Let the executive power be also authorised to name a committee in London to promote the sale of the Treasury lands.

The total proceeds of the sale that may be made by the committee in London of public lands shall be appropriated to the amortisation and payment of interest on this loan.

The last coupon paid was in March, 1874, and the sinking fund has not been operative since that date.

The following are extracts from the Report of the Select Committee on Foreign Loans in 1875. Treating the 1871 loan first—

Messrs. Mullens, Marshall, and Co., brokers to the loan, made an application to the Committee of the Stock Exchange for a settlement on the 1st December, 1871, accompanied by the following certificate:—
"We hereby certify that the whole amount of the Eight per Cent. Public Works Loan of the Republic of Paraguay, for the nominal amount of

£1,000,000 sterling, issued by us, has been fully subscribed for by, and allotted unconditionally to, the public, and the 20 per cent. deposits paid thereon; further, that the scrip is ready for delivery; and that there is no impediment to the settlement of the account.—ROBINSON, FLEMING, AND CO.”

Upon this certificate a special settling-day was granted.

Messrs. Robinson, Fleming, and Co., who continued to receive the instalments for the loan, and to account for the same to Messrs. Waring Brothers, were aware of the existence of the private arrangement between Messrs. Waring Brothers and Mr. Samuel Laing and Mr. Albert Grant, though Mr. George Fleming stated that they had no knowledge of its terms.

Messrs. Robinson, Fleming, and Co. accounted to Messrs. Waring Brothers for the gross sum of £800,000 received from the public, being the amount of the loan of £1,000,000 issued at 80 per cent., less £40,000 deducted in respect of interest, according to the prospectus.

In truth, however, between the time of the original issue of the loan to the public on the 21st November, and the special settling-day on the 8th December, Messrs. Waring Brothers, Mr. Albert Grant, and Mr. Samuel Laing bought on the Stock Exchange £570,500 nominal amount of the loan, and on the settling-day £429,500 (nominal value) was in the hands of the public, making with what had been bought as aforesaid the whole £1,000,000.

Messrs. Waring Brothers would, however, have to account to the Paraguayan Government for £640,000, being the whole amount of the loan at the contract price of 64 per cent., and, accordingly, on the 27th April, 1872, and the 26th September, 1872, two several statements of account were rendered by them to Don Maximo Terrero, accounting, in the manner stated below, for the whole sum; the final balance of £7,489 18s. being paid by Messrs. Waring on the 30th September, 1872, and so the transaction was closed.

The following is a summary of the account between the Government and Messrs. Waring Brothers:—

The Government of Paraguay in Account with Waring Brothers.

DEBTOR.		£	£
To deposited by the Government to meet two years' interest and sinking fund, as per prospectus:—			
Interest	160,000		
Sinking fund	40,000		
			200,000
Paid to the order of Don Maximo Terrero			37,000
Remitted in sovereigns to Paraguay			403,000
			640,000
CREDITOR.		£	
By amount of loan, £1,000,000 at 64 per cent., as per contract between ourselves and his Excellency Don Maximo Terrero, Consul-General in London for the Republic of Paraguay, dated the 21st November, 1871			640,000
			640,000

After the day of allotment, Messrs. Waring Brothers, Mr. Albert Grant, and Mr. Samuel Laing proceeded to sell the £570,500 of stock held by them, and gradually disposed of the whole amount.

The price at which this stock was sold varied, but it was always at a premium, and in April, 1872, when the operation was complete, it stood at $17\frac{1}{2}$ premium.

It appears that the 1872 loan was subscribed for to the extent of nearly £3,800,000. Continuing their report, the Foreign Loans Committee state with regard to the 1872 loan :—

An arrangement was made between Messrs. Waring Brothers, Mr. Albert Grant, and Mr. Samuel Laing similar to that entered into in relation to the 1871 loan, but the profit or loss arising out of these transactions was to be apportioned as follows:—Messrs. Waring Brothers, 40 per cent. ; Mr. Albert Grant, 40 per cent. ; and Mr. Laing, 20 per cent. ; and accordingly a certificate by Messrs. Robinson, Fleming, and Co. was sent in, to the effect that the whole amount of the loan “for the nominal amount of £2,000,000 sterling, issued by us, has been fully subscribed for by, and allotted unconditionally to, the public, and 15 per cent. deposits paid thereon ; further, that the scrip is ready for delivery, and that there is no impediment to the settlement of the account.” Upon this certificate a special settling-day was granted for the 21st June, 1872.

Between the issue of the prospectus and the settling-day, Messrs. Waring Brothers, acting upon the above authority, received from Messrs. Robinson, Fleming, and Co., dated 31st May, purchased on the Stock Exchange £1,308,000 of the loan, and there remained on the last-mentioned day in the hands of the public £562,200 of the loan, which two sums, together with a sum of £129,800 allotted to Messrs. Robinson, Fleming, and Co., upon their original subscription, make up the total amount of the £2,000,000 stock. Very shortly after the settling-day there was a general and great depreciation in South American securities, and there were few or no further dealings in this loan. On the 27th June, 1872, Messrs. Robinson, Fleming, and Co. having expressed a wish to Don Maximo Terrero not to continue to hold the £129,800 allotted to them as aforesaid, he addressed a letter to them requesting them to resell the same to the Paraguayan Government at the par issue price, which was accordingly done.

On the 4th July, Messrs. Robinson, Fleming, and Co. addressed the following letter to Maximo Terrero :—

“London, 21, Austinfriars, 4th July, 1872.

“Dear Sir,—We have now to declare that which you already know—viz., that £562,200 only of the new loan has been definitely placed under our contract with you as acting on behalf of the Republic of Paraguay. You have already approved of what we have done, but it would be satisfactory to us to have your confirmation in writing. It has been a pleasure to us to have had the benefit of your personal advice and assistance in all that we have done.—ROBINSON, FLEMING, AND CO.”

To which Don Maximo Terrero replied as follows :—

“London, 6th July, 1872.

“Dear Sirs,—I have received your formal communication to me of the fact that £562,200 of the Paraguayan Public Works Loan, 1872, has been permanently placed within the meaning of your contract. This amount I consider satisfactory, having regard to the difficulties which have presented themselves.”

Thus, bonds to the amount of £1,437,800 found their way back into the hands of the agents of the Paraguayan Government, leaving the nominal amount of £562,200, which was accounted for on the 31st March, 1873, as follows:—

The Government and Republic of Paraguay Account Current with Robinson, Fleming, and Co., in respect of the Eight per Cent. Public Works Loan, 1872.

DEBTOR.

	£
To cash paid for stamp duty on bonds	2,500
Ditto, discount on prepayment of instalments	2,551
Ditto, paid to, or by order of, M. Terrero, on account of the Government	25,166
Emigration account	40,873
To liabilities, including interest and sinking fund to April, 1874	105,224
To balance due to the Government	239,687
	416,001

CREDITOR.

By amount of stock already permanently placed on account of the Government of the Republic of Paraguay, £562,200, at £73 per cent. in terms of contract, 31st May, 1872	£ 410,406
By cash received from Wainwright, repayment passage money	15
By interest on investments to 31st March, 1873, as per separate statement	5,580
	416,001
By balance due to the Government brought down	239,687

This account was certified as correct by Senor Gregorio Benitez, the Special Commissioner who was sent over to this country by the Government of Paraguay to settle the affairs of this loan; and on the 10th April, 1873, Messrs. Robinson, Fleming, and Co. paid to him the sum of £242,889. No part of the payments on account of interest and sinking fund was provided by the Government of Paraguay, but the whole was derived from the proceeds of the loans themselves. Since these funds so set apart have been exhausted, no payment on account of interest or sinking fund has been made by the Government of Paraguay.

It appears strange that a country in the hands of conquering armies, and with the male population well-nigh exterminated, could have raised loans on any terms. But the British public were altogether ignorant on these points.

In 1876, a proposition was communicated to the bondholders through the Council of Foreign Bondholders for the establishment of a National Bank of Paraguay, which should have large privileges, and should take over the debt. Messrs. Robinson, Fleming, and Co. would be willing to bear a part of the cost of first establishment. The bondholders formally approved of the proposed concession, but the scheme afterwards fell through.

Respecting this Republic, the Corporation of Foreign Bondholders, in their report for 1881, stated that no further active step has been taken since the issue of the last report to effect an arrangement of the claims of the bondholders. "The state of affairs in Paraguay did not encourage any well-founded hope that effective efforts could now be made for the restoration of the credit of the State."

After the war, it was stated that the women were four times as numerous as the men. In 1876, the population had risen to 298,844, but this compared with about a million before the war. The area is now about 60,000 square miles. It is stated that in 1879 the Customs realised 216,000 pesos (say, £42,000), and in 1880, 320,000 pesos (say, £64,000), and that the imports in 1880 were £206,000, and the exports, £232,000.

As stated in the prospectus of the 1881 loan, there is a railway of 72 kilometres (45 miles), but it is understood to have passed out of the hands of the Government.

PERSIA.

Persia has as yet no Public Debt.

In 1872, it was reported that in order to improve the trade of the country and the revenue, the Shah Nasser-ed-Din had entered into an agreement of a novel, but very important, description with Baron Reuter, whereby the whole of the Customs revenues were to be handed over to him for a number of years. Baron Reuter also undertook, it was said, the establishment of railways, roads, and other improvements, and received in return extensive rights and privileges. This arrangement, however, does not appear to have been carried into effect. It was also said that the Shah's visit to Europe was undertaken with the object of raising a loan.

The area of the country may be stated at 640,000 square miles, with a population, including the nomad tribes, of about 6,000,000.* Previous to 1872, five successive years of drought brought about a wide-spread famine, and caused great destruction of life. An absence of roads rendered it difficult or impossible to relieve the sufferers. The revenue is collected chiefly by means of contributions levied on the various provinces, and was estimated in 1868 at something under £2,000,000. In 1876, the revenue was stated at £1,380,000 silver, and £250,000 received in kind, mostly grain. The Shah is stated to derive a large personal income from the State.

The trade of Persia is in an unsatisfactory condition; and the imports, estimated at over £2,000,000, considerably exceed the exports.

* In 1868 the British Secretary of Legation estimated the population at 4,400,000; and it has since been stated at 7,653,000.

P E R U.

From January, 1876, Peru joined the list of defaulting Governments. From that date up to January, 1882, the foreign debt has stood as under:—

Loan.	Originally. £	Outstanding. £
6 per Cent. Railway Loan, 1870	11,920,000	11,141,580
5 per Cent. Consolidated Loan, 1872	23,215,000	20,437,500
Pisco to Yca 5 per Cent. Loan	290,000	261,140
	<u>35,425,000</u>	<u>31,840,220</u>

To which seven years' overdue interest should by right be added, amounting to £11,924,000, which would raise the total foreign indebtedness up to £43,764,202.

In 1878, the internal debt was stated as follows:—

Consolidated debt.....	4,128,300	=	825,660
Meigg's bonds	4,375,000	=	875,000
Miscellaneous liabilities	8,220,282	=	1,644,056
	<u>16,723,582</u>	=	<u>3,344,716</u>
Additional (deposited for security).....	8,000,000	=	1,600,000
	<u>24,723,582</u>	=	<u>4,944,716</u>

This would raise the total to £48,708,918. But during 1878 advices were received of further extensive public works loans having been contracted for, and certain French financial institutions are large creditors of Peru. At the present time, with accrued interest in default, the liabilities of this State probably exceed £55,000,000. There are, however, no late official statistics obtainable.

The interest on the above loans being dependent on the proceeds of the guano deposits, and Chili, after the termination of the war, having annexed the most valuable of these deposits, an arrangement was made in 1881 with the Chilian Government, whereby the creditors of Peru were to participate in the proceeds of the guano sales. The following historical record will show more in detail the manner in which Peru has treated her creditors.

DEBT BEFORE THE DISCOVERIES OF GUANO.

The active debt of Peru before the guano discoveries amounted to between £1,600,000 and £1,700,000.

The deferred debt, or arrears of interest on the active debt, amounted to about £1,800,000.

Without going back to the times when these debts were created, or the periods of difficulty when Peru could not pay the interest on her foreign debt, we may state briefly that in 1849 and 1850, after the guano discoveries, arrangements were made whereby 4 per cent. interest was paid on the active debt, increased to $4\frac{1}{2}$ per cent. from 1st April, 1850, and advanced gradually, at the rate of $\frac{1}{2}$ per cent. per annum, until it obtained a maximum of 6 per cent. in 1853.

Upon the deferred debt, at the same time, it was arranged that a first dividend, at the rate of 1 per cent. per annum, should accrue from 1st April, 1852, increasing yearly, at the rate of $\frac{1}{2}$ per cent., until it reached 3 per cent. in 1856.

As security for the fulfilment of these arrangements, a contract was entered into between the Peruvian Government and the Committee of Bondholders then existing, whereby the entire shipments of Peruvian guano to Great Britain were consigned to parties authorised to apply half the net proceeds to the liquidation of the principal and interest of the Peruvian debt then existing. The estimate put forth at the time these arrangements were made was—

	£
100,000 tons of guano per annum, at £9 10s. per ton	950,000
Expenses, about £4 10s. per ton	450,000
	<hr/>
Net proceeds	500,000
Half for the Peruvian Government.....	250,000
	<hr/>
Half to the bondholders.....	250,000
Interest then payable	72,000
	<hr/>
For redemption of principal, three-fourths active, one-fourth deferred	178,000

The Debt of 1852.—A Law of Congress, dated 5th February, 1852, authorised the issue of a loan of £2,600,000, to redeem the remainder of the 6 per cent. active debt contracted in England, amounting to £1,535,850, and to pay off a home debt, amounting to about £600,000, bearing higher rates of interest.

This loan bore interest at the rate of $4\frac{1}{2}$ per cent., and was issued at £85 for every £100 stock.

The interest commenced from 1st March, 1853, and was payable half-yearly, on the 1st March and 1st September, at the Peruvian Financial Agency.

Bonds in like manner remaining in circulation, will be accepted in reduction of payments to be made by subscribers to this loan, and for such amount of these bonds as shall not be presented a corresponding amount of this loan will be set aside, so that the aggregate amount of bonds ranking as a first charge on guano shall be limited to £10,000,000.

J. Thomson, T. Bonar, and Co., the agents and actual consignees for the sale of guano in Great Britain and its dependencies, hereby declare, that the stocks of guano now deposited in this country and on the way, at their present market value, guarantee the punctual payment of the interest and the redemption fund of this loan up to the 1st April, 1867, inclusively.

Notice published in May, 1865—Consolidated Five per Cent. Peruvian Loan.—In lieu of the application of this sinking fund to the purchase of bonds in the market, as previously proposed, it is to be applied half-yearly, on the 1st July and the 1st January, to the redemption of the bonds by drawing them by lot, and by the payment of the nominal amount in full, with interest, on the 1st October and 1st April following the drawings respectively. £2,000,000 of this loan, hitherto unapplied for, the undersigned are authorised to place at the price of the original issue of 83½ per £100, the purchaser to be entitled to the dividend due on the 1st July of £2 10s. per £100.

Pisco to Yca Railway Loan.—In August, 1869, Messrs. Thomson, Bonar, and Co. brought out the National Pisco-Yca Railway Five per Cent. Loan, with the unconditional guarantee of the Peruvian Government attached.

The loan was for £290,000, the issue price being £71 nominal per £100 bond, or £70 allowing for the usual deductions. The interest was payable at Messrs. Thomson, Bonar's, in January and July, and a 2 per cent. per annum accumulative sinking fund was stipulated to be applied to the redemption of bonds at par between 1871 and 1896. The line and rolling-stock suffered heavy damage at the hands of the Peruvian forces during their retreat from the Chilians in 1880. The coupons due January, 1876, and since have remained unpaid. The amount of this loan outstanding in January, 1882, was £261,140, and the bondholders claim that they hold a first charge over the proceeds of the guano sales.

Six per Cent. Railway Loan, 1870.—In June, 1870, Messrs. J. H. Schröder and Co. offered the Peruvian Six per Cent. Railway Loan for £11,920,000, in bonds of £1,000, £500, £200, £100, £50, or £20 each, for public subscription, at an issue price of 82½ per cent., payable by instalments, or at 81½ per cent. if paid up in full at once. The money was required—£5,520,000 for a line between Callao and La Oroya, and £6,400,000 for a line between Arequipa and Puno. The coupons were to be payable in London, Paris, or Amsterdam, on the 1st January and 1st July; and the loan was to have been redeemable at par by half-yearly drawings, through the operation of an accumulative sinking fund of 2 per cent. per

annum, commencing on the 1st April, 1880. In this manner the whole would be redeemed, had the terms been kept, by the year 1905. The subscription was a success. The coupon due July, 1875, was the last paid. The amount outstanding in January, 1882, was £11,141,580.

Five per Cent. Consolidated Loan, 1872.—In March, 1872, Messrs. J. H. Schröder and Co. and Messrs. Stern Brothers invited applications for the Peruvian Government Five per Cent. Consolidated Loan, 1872. The nominal amount was £36,800,000, of which £21,800,000 was reserved for the extinction of the previously existing bonded debt, and £15,000,000 in sterling bonds to bearer, in sums of £1,000, £500, £200, £100, or £20 each, was issued for the carrying out of extensive railroads and other public works. The 5 per cent. interest, exempt from all Peruvian taxes, was to be payable in London on the 1st January and 1st July, or at the exchange of 25f. in Paris, or at the exchange of the day in Amsterdam. The redemption of the entire loan was to be effected by a sinking fund of 2 per cent. per annum accumulative, to be applied to half-yearly drawings at par, by which the whole would be paid off in twenty-six years from the 1st July, 1872, the date of the first drawing. The allotment of the £15,000,000 offered to the public was effected at the price of 77½ per cent., but as instalments were payable over a period of nine months, and as three months' interest accrued at the date of allotment, the actual price was about 75 per cent. With respect to the £21,800,000 in bonds reserved for the conversion of existing issues, the following official details were given in the prospectus:—

The right of redemption of the Five per Cent. Consolidated Loan of 1865, which was reserved to the Government in the bonds representing that loan, has been officially announced by Messrs. Dreyfus Frères and Co., the financial agents of the Government of Peru, but holders of those bonds will have the option, before the close of the subscription for this loan, of exchanging them at the rate of £132 nominal capital fully-paid scrip of this loan for each £100 nominal of the above existing loan.

Holders of Chili-Peru Seven per Cent. Loan, 1866, will likewise have the option, before the close of the subscription for this loan, of exchanging their bonds (calculated for that purpose at 49 pence per dollar) at the same rate of £132 nominal capital fully-paid scrip of this loan for each £100 nominal of that loan.

Holders of the Six per Cent. Loan of 1870 will also have the right, before the close of the subscription for this loan, to exchange their bonds at the rate of £105 nominal capital fully paid-up scrip of this loan for each £100 of the existing loan.

The conversion of the bonds of the Chili-Peru Seven per Cent. Loan, 1866, and of the Six per Cent. Loan of 1870 being optional with the holders, an amount of bonds of the present loan corresponding to the amount of the bonds of those loans remaining in circulation will be

retained. The same provision applies to the Five per Cent. Consolidated Bonds of 1865, until they are presented for redemption.

All rights and privileges at present secured to the Chili-Peru Loan, 1866, and to the Six per Cent. Loan of 1870 will still attach, as a matter of course, to any portion of the bonds of these loans which may not be presented for conversion.

The hypothecations for the service of this consolidated loan were—the net receipts from guano sales, stated to average £4,000,000 per annum; all the guano deposits in localities named; the Customs revenues, which in 1871 were stated at £1,200,000; the whole system of State railways, and the national credit of the Republic. The rights of the 1870 bondholders who did not accept the conversion were to be respected, whilst those of the 1865 bonds lapsed on the redemption being effected. Not much of the “1870” loan was converted at the price named above, there being a loss of $\frac{3}{4}$ per cent. per annum in interest by the transaction, which it was not shown would be counterbalanced by the increased sinking fund.

In August, 1873, Messrs. J. H. Schröder and Co. and Stern Brothers announced that the limitation of the issue of this 5 per cent. loan to £15,000,000 was then removed, the issue of the entire amount of £36,800,000 having been sanctioned by an Act of Congress, dated the 25th January, 1873. They also stated that £13,585,000 of the bonds were reserved, and deposited at the Bank of England, and would only be issued against a withdrawal of the corresponding amount of Peruvian Six per Cent. Bonds of 1870, and bonds of the Chili-Peruvian debt of 1865. The amount outstanding in January, 1882, was £20,437,500; and coupons since (and including) January, 1876, remain unpaid.

Market Prices of Peruvian Stocks.

	Peruvian 6 per Cent., 1870.		Peruvian 5 per Cent., 1872.		Pisco to Yca Railway.	
	Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.
1870 ...	84	75	...	...	...	...
1871 ...	79	72	...	...	80	72
1872 ...	85	73½	79½	69	90	77
1873 ...	80	58½	72	49½	88	78
1874 ...	74½	59	62½	46½	88	77½
1875 ...	78½	30½	57½	24½	83	60
1876 ...	37	13½	28	10½	...	27
1877 ...	19	11	16½	9½	...	...
1878 ...	17½	11	15½	9	40	23
1879 ...	15½	12	13½	9½	32	20
1880 ...	21½	15	18½	13	43	24
1881 ...	26½	16½	22½	13½	60	35

It will be seen from the foregoing details that Peru has frequently consolidated her various debts, and effected redemp-

tions to the advantage of her creditors, and that the major portion of the liability has been incurred in the establishment of so-called reproductive works. Still, in 1873, the market quotations of the bonds suffered, partly owing to conflicting statements with respect to the remaining guano deposits, partly to the rapid demands made upon the public for new loans, and to the fact that a portion of the 1872 loan remained to be placed. Official statistics, furnished with the prospectus of the 1872 loan, stated that there were 365 miles of railway open, 893 miles under construction, and 546 miles for which concessions had been obtained. With respect to the guano deposits, the layers were still "very considerable on different islands and on different points of the coast." The export of saltpetre in 1871 was 4,000,000 cwts., the production of the silver mines was £650,000; the export of cotton was 80,997 bales in 1871, and sugar was being cultivated with success.

The history of the negotiations which preceded the suspension of interest by the Peruvian Government in 1876 is as follows:—

As far back as May, 1875, it was announced officially that the Société Générale had concluded a contract to advance 30 million francs to the Peruvian Government to ensure the payment of the coupons in 1876. For some months afterwards negotiations were in progress for the substitution of a more permanent contract for the provisional one, and at the commencement of November the terms were made public. These terms, negotiated between the Peruvian Commissioners and the Société Générale, were for the establishment of a company with £4,800,000 capital, and for the sale of 1,900,000 tons of guano to that institution, the produce of which was calculated as under:—

Sale of 1,900,000 tons at £12 10s.		£ 23,750,000
	£	
Deduct all expenses except loading, £5 10s. per ton	10,450,000	
Loading (say) 7s. per ton	665,000	
	<hr/>	11,115,000
Net product		12,635,000
	£	
Advance of 10s. per ton to Peru	950,000	
3 coupons and 3 drawings, entire debt	3,900,000	
Interest on advances at 9 per cent., up to January, 1877	217,500	
	<hr/>	5,067,500
Balance on 1st January, 1877, after paying the coupons and drawings due that day.....		7,567,500

The mystery which for a long time shrouded the signing of this contract, and the contradictory statements circulated in French financial circles, caused a rapid fall in Peruvian bonds in the autumn of 1875. But at length it was averred that a definitive contract had been signed, though as the selling of bonds increased from France upon this notification, no rally in the price occurred. Finally, it appeared that a definitive contract had not been signed, the Peruvian Commissioner stating that his Government "approved the contract with this one modification—£1 extra per ton, as loaded, for home expenses. The delay in the answer of the Government was probably owing to discussions in Lima. The Société Générale does not accept the modification, and gives up the contract." It is said that this information was known in certain quarters in Paris six days before it was known here.

From that time it became certain that the coupons due January 1st, 1876, would not be paid, and though the Peruvian Minister in Paris termed it a "momentary interruption of punctuality," no payment has ever since been forthcoming. The Peruvian Government had been spending money most recklessly upon railways which did not pay, and wishing to grasp a larger share of the guano revenue than was provided by the terms of the above contract, rendered its ratification impossible. It must not, however, be supposed that the Société Générale had the faintest chance of selling 1,900,000 tons at £12 10s. in one, or even two years, and the bondholders would still have had to face defalcation in 1877, and a yet more exhausted state of the guano deposits had such a contract been carried out.

In January, 1877, a committee of bondholders, with Sir Charles Russell at its head, were appointed to negotiate with the Peruvian Government. It was announced in the following April that another contract had been entered into with the Société Générale upon the terms that in 1876 and 1877 sums of £600,000 should be paid to the Government, and thereafter £700,000 per annum; that the Société should repay themselves all charges, commissions, and interest on advances, no limits, apparently, being named, and that the surplus should be paid to the bondholders, who were to accept a 3 per cent. stock in lieu of their existing rights; but it was fast becoming apparent there would be no surplus for the bondholders. This contract was within three months abandoned by the Société Générale, and in June, 1876, the "Raphael Contract" was entered into, with the sanction of the Bondholders' Committee.

Messrs. Raphael, Candamo, and Heeren, on behalf of the Peruvian Guano Company, then to be formed, with them as directors, arranged to pay the Government £700,000 per annum, and, after deducting £5 5s. per ton for loading, freights, and other charges, and 5 per cent. interest on advances, the surplus was to be paid into the Bank of England for the external debt; the Peruvian Guano Company to have the right of selling in all markets except the United States, Mauritius, West Indies, China, and Japan. There were likewise some matters in dispute with Messrs. Dreyfus, which might affect results temporarily. An action against that firm was, however, in 1877, decided in Messrs. Dreyfus' favour by the Court of Appeal in Paris. This prevented sales by the Peruvian Guano Company for some time. The "Raphael Contract," therefore, caused fresh dismay to the bondholders; and a rival committee was established by Mr. James Croyle, who dispatched agents to Peru, and protested against the contract with the Guano Company. At the same time, it was said that Messrs. Dreyfus had received 200,000 or 300,000 tons more than they were entitled to, though this was denied. In October, 1877, the Guano Company addressed Sir Charles Russell's committee in the following terms: "Owing to circumstances which were chiefly uncontrollable, the payment to the bondholders may be postponed beyond the period originally fixed," and at the same time complaints were heard to the effect that the quality of the guano in the company's hands was much of it inferior.

In 1878, matters were drifting into a state of entire chaos. There were two antagonistic English committees, a Dutch committee, and the French interests, and the Guano Company had to meet a period of great commercial stagnation and agricultural depression. The accounts of that company showed that to the 31st December, 1878, there had been advanced to Peru £1,105,775, and that the "fixed charges" on 203,481 tons received, together with interest on advances, had raised the expenses to £2,215,822. On the other hand, only 73,587 tons had been sold, realising £493,448, leaving a deficit of £1,722,374. In June, 1879, the advances to Peru having reached £1,722,374, the deficit was as much as £2,190,242. Mr. Croyle continued to point out, however, that the £5 5s. per ton for "fixed charges" left a considerable profit at the then existing low freights. Up to the end of 1880, the Peruvian Guano Company's transactions may be summarised as follows.

	Guano Sales. Tons.	Gross Sum Realised. £	Stocks in Hand Unsold. Tons.
Half-year ended June, 1877.....	21,044 ...	199,730 ...	100,216
" " Dec., "	20,650 ...	198,888 ...	150,578
" " June, 1878.....	106,135 ...	981,434 ...	232,794
" " Dec., "	73,587 ...	696,410 ...	362,605
" " June, 1879.....	84,140 ...	820,121 ...	461,103
" " Dec., "	58,002 ...	485,707 ...	518,826
" " June, 1880.....	136,114 ...	1,142,606 ...	488,766
" " Dec., "	62,051 ...	519,927 ...	431,522

In August, 1881, Messrs. Lindsay, Jamieson, and Haldane, the accountants for the bondholders, reported—

We have examined the "Expenses Account" and "General Account" for the half-year to 31st December, 1880, kept by the company. These accounts, as rendered to the Government of Peru, show a balance due to the company at 31st December, 1880, of £4,382,586. The accounts, as now certified by us, and of which summaries are annexed, exhibit a balance, which amounts to £3,387,888. The difference arises from the company having included in the accounts rendered to the Government certain items which we are not at present prepared to allow, as the questions from which this difference results are under litigation.

This is sufficient to show the hopeless nature of this contract.

But other events had occurred. In November, 1879, the Guano Company refused some drafts of the Peruvian Government; and that Government made arrangements with Messrs. Dreyfus and the Société Générale, involving an immediate advance of £800,000 upon guano and nitrates, coupled, however, with the acknowledgment of some £3,000,000 claimed by Messrs. Dreyfus, and 42,000,000 francs claimed by the Société Générale, for the construction of the Mole at Callao. Peru was in great need of money. Prior to this arrangement, the Peruvians had joined the Bolivians in the war against Chili, and the latter having been successful, in December, 1879, the Chilians notified their occupation of the districts containing the guano and nitrates, and that as long as they remained in possession they would recognise no contracts entered into since the outbreak of hostilities. Thereupon, in January, 1880, the Peruvians offered, through the Credit Industriel, of Paris, terms of a settlement to the bondholders based upon a transfer of the guano, which had in reality been hypothecated to them when the loans were first issued; which terms were immediately followed by counter-proposals from Chili, to the effect that upon payment of a royalty of £1 per ton, with an additional 10s. when the guano sold for as much as £11 a ton, that country would place the bondholders in possession of the guano, and would regard their interests when peace was concluded. These latter proposals were carried at the

bondholders' meeting on 2nd February by acclamation, and as the meeting was summoned both by Sir Charles Russell and Mr. Croyle, the rivalry between the committees ceased to exist. A joint committee was then formed, which early in 1880 actually invited tenders for tonnage to ship guano. But this was not persevered in; and there followed many months of dreary waiting. Chili found her war expenditure exceeding all her estimates, and she had been compelled to suspend sinking funds upon her own debt. There can be little doubt that, under the circumstances, it was in Chili considered desirable that a larger share of this valuable asset should remain to the State; and the decree of 22nd February, 1880, was in the end cancelled by the Santiago Government as far as the Tarapaca deposits were concerned, these henceforward being sold entirely on Chilian account, while the royalty was raised to 30s. a ton all round.

In London, at the beginning of 1881, the registration was at length successfully carried into effect, through the medium of Messrs. Martins' Bank, £23,000,000 bonds being registered here out of a total £33,000,000. It was then regarded that difficulties were finally removed; and in March the Six per Cents. rose to above 26. Then followed another period of waiting. When Messrs. Antony Gibbs and Sons were appointed agents for the sale of the guano, the committee asked that the terms should be made public. This the Chilian representative in Paris practically refused to comply with, and there followed an angry discussion, which further depreciated Peruvian stocks. The terms upon which the guano agency was established have not since been formally notified to the bondholders; but the figures published in reply to an application from the committee enable us to form some fairly accurate estimate of the result. Altogether, out of the sale of 16,442 tons effected by Messrs. Gibbs up to November, 1881—in about eight months—sales which realised in gross about £120,000—there remained, after covering all charges, £17,829 for distribution amongst the bondholders, whereas it requires £330,000 to pay 1 per cent. upon the external debt.

In the following three months, Messrs. Antony Gibbs and Sons sold a further 31,372 tons, producing a surplus for the bondholders of £23,512, making, with the previous surplus, a total of over £40,341. Respecting this, the firm were without instructions as to its disposal, but stated that the Chilian Government had ordered the suspension of all chartering for six months, of which they received advice by telegraph on the 19th January.

But the representations made by the Bondholders' Committee in Chili as to the inequities of these arrangements have induced the Chilian Government to vary them, by dividing all net proceeds with the bondholders, thus unifying the interests of each. Further than this, Messrs. Gibbs have been instructed to liquidate the account; and by the decree of 9th February, 1882, the Chilian Government have resolved:—

Art. 1. One hundred and eighty days after date of this decree there shall be sold by sealed tenders to the highest bidder one million tons of guano, of one thousand kilograms each ton, or in default of that quantity as much as may exist in the deposits known to exist, and to be in actual working in the territory of Peru dominated at present by our arms.

Art. 9. The price of the guano shall be paid in pounds sterling, or in bills of exchange drawn upon London, at 90 days' sight, to the entire satisfaction of the Government.

Art. 10. The minimum of monthly export is fixed at 25,000 tons, which the buyers must comply with within two months of the date of the acceptance of their tenders.

Art. 11. The Government will designate the deposits from which the guano is to be extracted, opportunely advising the buyer for freighting and distributing the ships.

Art. 12. A fortnight after the date of this decree the actual exportation of guano of the various deposits of Tarapaca shall be suspended: the vessels freighted up to the date of the notice given to the same effect to Messrs. Gibbs and Co. and Messrs. MacKellar and Co., will only be allowed to complete their cargoes.

Art. 13. The net price of the guano, after deducting all expenses of extraction, analysis, weighing, loading, salary of *employés* who superintend these operations, as all other expenses to the time that the guano is alongside the vessels loading it, shall be divided in equal parts between the Government of Chili and those creditors of the Peruvian Government whose titles of credit are guaranteed by that article.

Art. 14. In order that the creditors of the Peruvian Government may exercise the right given them by the preceding article, they should constitute by a previous accord of all those who accept the benefit of this concession a tribunal of arbiters, who shall resolve the various difficulties which may arise from the settlement, legitimacy, or validity of their titles, and the priority with which their respective credits should be paid.

Art. 15. A term of 180 days, counting from the date of this decree, is given, that the afore-mentioned creditors of the Peruvian Government inform the Finance Department of the Chilian Government of the nomination.

(If passing that term they are not agreed in the nomination of the said tribunal of arbiters the Chilian Government will designate them.)

Art. 16. The Government of Chili will deposit in the Bank of England the sum amounting to 50 per cent. of the net product destined to the creditors of Peru.

This decree, therefore, deals with the question of the priorities, the Pisco to Yca bondholders claiming priority upon all receipts, and the 1870 bondholders priority over those of 1872.

The Peruvian Bondholders' Committee is presided over by Sir Henry Tyler, and the Secretary is Mr. Sydney J. Smithers, 30A, Moorgate Street.

The revenue and expenditure have thus been stated :—

	Revenue. £	Expenditure. £
1861.....	3,275,400	3,306,300
1866.....	2,567,300	2,435,100
1871 } two years.....	11,796,600	11,582,800
1872 }		
1873 } two years.....	12,550,780	13,100,200
1874 }		
1875 } two years.....	13,320,300	13,012,600
1876 }		
1877.....	2,708,295	2,616,558

These figures would indicate a surplus, but it may be remarked that the ordinary revenue in 1875 and 1876 was under £6,000,000, the balance being made up from extraordinary sources. The ordinary expenditure in these two years reached about £11,000,000.

The Budget for the two years 1875 and 1876 combined, therefore, showed an average annual ordinary revenue of about £3,000,000, and an average expenditure of £5,500,000. Deficits had previously been the rule.

The exports in 1865 were valued at £6,245,000 (including £1,000,000 treasure). The merchandise imported into Callao in 1870, and on which duties were levied, was estimated at £3,401,320, and the duty levied thereon was £760,000. The export of guano in 1869 was 585,189 tons; in 1870, it was 482,299 tons, of an aggregate value of £3,599,520; and in 1877, it was 279,984 tons, valued at £1,615,185.

The imports of Peru in 1877 were officially returned at £4,835,819, and the exports at £7,942,040, including guano. The bulk of this trade (£4,640,000) was with the United Kingdom. As returned by our own Board of Trade, the trade has been as follows :—

	Imports from United Kingdom. £	Exports to United Kingdom. £
1855	1,345,438	3,484,288
1860	1,428,172	2,581,142
1865	1,205,876	4,002,150
1870	1,853,706	4,881,075
1873	2,741,255	5,219,572
1875	1,817,981	4,884,181
1878	1,591,006	5,232,305
1879	909,011	3,388,532
1880	379,795	2,652,623
1881	945,304	2,189,098

The area of Peru was about 500,000 square miles, and the population, which in 1862 was 2,487,916, has since been estimated at over 3,000,000, of which rather over one-half consist of Indians, about 20 per cent. of Mestizoes, and under 20 per cent. of Blancos. Chili, however, has now annexed Tarapaca.

1,756 miles of railway were open in 1878, of which 1,200 miles were State property, while the telegraphic system extended over about 1,374 miles. It is understood that the railways are to a large extent carried through districts not likely to yield anything like a fair return, and that in reality the Government lines have been profitless.

Chili-Peruvian War.—The extent to which Chili has made Peru bear the cost of the war and occupation will be seen from the following statement of expenditure by Chili to the 30th April, 1882 :—

<i>Borne by Peru.</i>	£	<i>Borne by Chili.</i>	\$
Guano—Procter	201,013	Profits on reduced standard coinage	1,620,263
North and Jameson ...	85,869	Paper money	28,000,000
Gibbs and Sons	10,923	Loan of 1880	2,000,000
	297,805	Redemption of annuities	3,214,551
	\$		
= at 32d.	2,285,537		
Customs, &c.	19,151,504		
Sale of nitrates	2,759,785		
	24,196,826		34,834,814

PORTUGAL.

At the end of 1881, the debt of the Kingdom of Portugal was as follows :—

	Capital.	Interest.
	£	£
External 3 per Cents.	43,530,000	1,305,900
Internal 3 per Cents.	46,986,000	1,409,580
5 per Cent., 1876	305,000	15,255
5 per Cent., 1879	1,502,000	75,100
5 per Cent., 1881	5,189,000	259,450
	<u>97,512,000</u>	<u>3,065,285</u>

In the Budget for 1881-2, the appropriation for the service of the Public Debt was 13,089,011 milreis, or £2,908,670. The Budget of the expenditure also included an item "Interest and sinking fund in charge of the Treasury," 2,241,414 milreis, or £498,092, which represented the amount required for the service of the floating debt.

The following table will show the growth of the debt since the year 1855 :—

	Debt.	Interest.
	£	£
1855, 30th June.....	20,736,000	622,000
1860 "	27,834,000	835,000
1865 "	42,454,000	1,262,000
1870 "	66,205,000	1,986,000
1875 "	77,402,000	2,300,000
1881, 31st December.....	97,512,000	3,065,000

The net revenue of the State railways in 1881-2 was estimated at 469,076 milreis, or £104,240, which may be allowed as in part a set off against the charge of the floating debt. Hence, the debt per head upon a population of 4,745,024 may be stated at £20 11s., and the annual charge per head at 13s.

In the five-and-twenty years prior to 1880, it was stated that the Portuguese Government had expended about £6,000,000 on road-making, and £8,000,000 on State railways.

The debt of 1855 was composed of loans contracted from

time to time, which had long ceased to exist in their original form in consequence of various conversions and deductions. The last conversion of the Portuguese debt was into a Three per Cent. Stock, under a Decree of the 18th December, 1852. Against this measure, the Bank of Portugal and the Portuguese bondholders in this country protested ineffectually; somewhat more favourable terms than those originally offered were, however, ultimately obtained. The amount converted up to the close of 1855 was £5,951,898, and remaining to be converted £3,831,003. At the present date the amount of the old debt outstanding is merely nominal.

As most of the foreign debt bears interest at 3 per cent., payable on the 1st January and 1st July, such loans raised here subsequent to the conversion in December, 1852, are quoted *en masse* in the London market. They were issued, however, in 1856-57-59-60-62-63-67-69-73-77-78, and 1880, at prices ranging from 32½ up to 50½. Details from the prospectuses since 1860 will be found below.

The Portuguese Three per Cent. Loan, 1862, was for £5,000,000 sterling, in bonds of £100, £200, or £500 each, at 3 per cent., the issuing price of which was 44 per cent. The loan was for the construction of certain lines of railway. The interest is payable at the Portuguese Financial Agency in London and Paris. It was stated that on the issue of this loan, bonds of the years 1857, 1859, and 1860, to the extent of £985,000 not issued, would be cancelled. The contractors were Messrs. Knowles and Foster, London.

The Portuguese Three per Cent. Loan of 1863 was authorised by the Laws of the Cortes of the 5th and 29th May, 1860, and the 3rd July, 1863, "to raise the funds required for the construction of the different railways and public works therein mentioned, which are to be completed by the end of June, 1864." Messrs. Stern Brothers contracted for the issue of £2,500,000 of stock.

£1,000,000 of this loan are already subscribed for, £250,000 are reserved for Portugal, and Messrs. Stern Brothers are now prepared to receive applications for the remaining £1,250,000. The bonds for this loan will be to "bearer," in amounts of £100 and £500, and will bear interest, payable half-yearly, at the Portuguese Financial Agency in London, in pounds sterling, and in Paris at the exchange of 25f. 25c. per pound sterling. The bonds will be countersigned by Messrs. Stern Brothers, and will be provided with coupons, which will be renewed, when exhausted, free of expense. The price of issue is £48, with interest from 1st July, 1863.

The Three per Cent. Loan of 1867, for £5,500,000, was brought out by Messrs. Stern Brothers; but as a portion had been subscribed in Lisbon, only £3,750,000 was offered

here, and in Amsterdam and Paris, at fixed rates of exchange. The issue price was $38\frac{1}{2}$ per cent., less $1\frac{1}{2}$ per cent. coupon deducted from the January instalment. These instalments were payable over half a year, and the bonds were "to bearer," and convertible, at the option of the holder, into Internal stock, until 1870.

In 1868, the good faith of Portugal was called in question both for annulling the agreement with the South-Eastern Railway of Portugal, and in the misappropriation of the 1867 loan. These differences were, however, set right on the introduction of the 1869 loan.

The Three per Cent. Loan of 1869, for £12,000,000, was brought out by Messrs. Stern Brothers, in November, 1869, at the price of $32\frac{1}{2}$ per cent., with instalments payable over six months. The particulars relating to dividends are the same as those of the previously existing Three per Cents. The bonds, in sums of £100 and £500, were issued to bearer, and £1,850,000 was reserved for the South-Eastern of Portugal Railway, the liability upon which was at length recognised.

In March, 1871, the holders of Portuguese Three per Cents. were offered their interest quarterly, but the proposal was not accepted.

Partly with the view of paying off the floating debt, a loan for 38,000 contos (£8,444,444 in Three per Cent. Stock) was offered in September, 1873, and was all taken up in Portugal itself. This increased the capital of the consolidated debt to £74,500,000, and the annual charge to £2,240,000.

In 1876, the first of the existing Five per Cent. Loans was brought out, consisting of £306,400, in 15,320 obligations of 9,000 reis, 500f., £20, or 240 Dutch florins each. The issue price was $417\frac{1}{4}$ f., and the loan is quoted on the Paris Bourse. Here interest is payable by the Portuguese Financial Agency on the 1st April and 1st October. The issue is redeemable at par within 85 years from the date of issue by half-yearly drawings.

In 1877, the "Portuguese Three per Cent Loan of 1877 for £6,500,000 stock in bonds of £500, £100, and £20 each" was brought out at 50 by Messrs. Baring Brothers and Co. The object was to consolidate the floating debt, and the bonds were issued "to bearer," with interest payable on the 1st January and 1st July by the Portuguese Financial Commission, and in Paris at 25f. 25c. per £. The prospectus stated:—"The bonds will be exempt from all Government taxes of every kind, and will be similar in tenor to the Portuguese Three per Cent. Bonds at present in existence." Only £4,000,000 were allotted at the time.

In July, 1878, Messrs. Stern Brothers placed the "Portuguese Three per Cent. Loan of 1878 for £2,500,000 stock, in bonds of £100 or £500 each, being the balance of £6,500,000 stock, of which the creation was authorised by the Law of the Cortes of the 7th April, 1877." The bonds, as usual, were to bearer, and the issue price was 50. In other respects, the terms were similar to those of the previous issue.

In 1879, a further issue of Five per Cent. Obligations was made in Paris, the bonds being of 90 milreis, or £20, or 505f., or 240 Dutch florins each. The number of obligations was 75,100, representing £1,502,000, the issue price being 465f. per obligation. The money was required for Colonial purposes, and interest is payable on the 1st January and the 1st July in Paris by the Comptoir d'Escompte, and the principal, prior to 1962, by half-yearly drawings in April and October.

In December, 1880, the Portuguese Three per Cent. Loan of 1880, for £8,700,000, stock was brought out by Messrs. Stern Brothers in London, as well as in Paris, Brussels, Amsterdam, and Lisbon. The issue price was 50½ (or 50 net), and £3,480,000 was reserved for issue in Portugal, £2,610,000 for France and Belgium, and £2,610,000 for England and Holland. In other respects, the terms were the same as those of the previous 3 per cent loans, except that the bonds were issued in sums of £500, £100, or £20 each.

The Minho and Douro State Railway Six per Cent. Loans consisted of six issues of obligations (all of £20, or 505f., each). The respective amounts were as under:—

	Amount. £	Issue Price. Francs.	Interest payable	Date of Final Redemption.
1873...	452,000	373½	January and July	1929
1874...	390,000	423½	" "	1930
1875...	466,000	473	" "	1931
1876...	827,600	478½	" "	1932
1877...	790,800	478½	" "	1933
1878...	407,140	475½	" "	1934
	<hr/> 3,333,540			

There was also another Six per Cent. Loan for £392,760, raised for the purchase of ships of war. But in all these loans the State took power to anticipate redemption; and in 1881-2 the following issue was effected for this purpose, holders being offered the new bonds in exchange, as well as repayment at par.

The total amount of the Portuguese Five per Cent. Bonds of 1881 is £5,189,000, bearing dividends payable on the 1st April and 1st October—here at the Portuguese Financial

Agency, but also in Paris, Amsterdam, and Lisbon. The bonds are of 90 milreis = £20 = 505f. = 240 Dutch florins each, and a sinking fund provides for their redemption at par by 1961.

Internal Debt.—Dividends on the Internal Three per Cent. Debt can be received in London at the Financial Agency, at the exchange of 53d. The bonds are of 100 milreis (£22 4s. 5d.), 500 milreis (£111 2s. 3d.), and 1,000 milreis (£222 4s. 5d.) each.

The revenue and expenditure of Portugal have thus been rendered in the Budgets from time to time:—

	Ordinary Revenue.	Expenditure.
	£	£
1854-55.....	2,753,601	2,756,292
1859-60.....	2,884,485	3,025,582
1864-65.....	3,734,453	4,467,517
1871-72.....	4,103,421	4,851,640
1879-80.....	5,570,428	6,542,616
1881-2.....	6,350,224	6,796,699
1882-3 (first estimate) ...	6,340,000	6,853,000

In the foregoing return the revenue derived from loans is excluded, and also the outlay upon extraordinary public works. The latter in the year 1881-2 amounted to £865,111, and adding this item, the expenditure was raised to £7,661,810.

The principal sources of revenue for the year ended June, 1882, were, according to the estimates—import duties, £1,580,890; tobacco duty, £762,444; and land tax, £700,444.

With respect to 1882-3, the Financial Agency have recently published the following:—

The Portuguese Cortes have just approved some modifications and increase of duties upon certain articles of consumption proposed by the Government, which will bring an increase of revenue of over 600,000 milreis (£133,333), and further measures are under discussion which will bring a further increase of 1,000,000 milreis (£222,222). The remainder of the measures proposed by the Government, and which have all been well received by the country, will result in the extinction of the actual deficit.

The foreign trade of Portugal has thus been returned:—

Year.	IMPORTS FOR CONSUMPTION.		EXPORTS OF PORTUGUESE PRODUCTS.	
	From United Kingdom.	Total.	To United Kingdom.	Total.
	£	£	£	£
1842.....	...	2,063,560	...	1,462,340
1851.....	...	3,055,400	...	1,828,550
1856.....	...	4,544,846	...	3,622,008
1861.....	...	5,918,870	...	3,196,264

Year.	IMPORTS FOR CONSUMPTION.		EXPORTS OF PORTUGUESE PRODUCTS.	
	From United Kingdom.	Total.	To United Kingdom.	Total.
	£	£	£	£
1865 .....	...	5,516,120	...	4,468,588
1870	2,780,400	5,631,388	2,770,882	4,509,657
1875	4,091,222	8,114,000	3,091,733	5,436,000
1876	3,898,066	7,776,000	2,630,111	5,102,000
1877	3,055,022	7,195,000	2,774,644	5,532,000
1878	3,348,378	7,248,000	2,432,866	4,523,000
1879	2,817,311	7,660,000	2,343,244	4,612,000
1880 .....	...	7,766,000	...	5,493,000

In 1879, the export of wine was valued at £1,618,000, of which £1,040,000 was shipped to the United Kingdom. The principal imports are cotton goods, colonial produce, and metal work.

In 1880, Portugal possessed 780 miles of railway in operation, and a further 280 miles under construction, either State property, or aided by the State.

The area of continental Portugal is 34,499 square miles, with a population on the 1st January, 1878, of 4,348,551. Including the outlying provinces of the Azores and Madeira, the area is 36,500 square miles, and the population, 4,745,024. Lisbon had a population of 203,681, and Oporto of 108,346. The previous census of 1868 showed a total of 4,363,436, including the islands, and that of 1858 a total of 3,923,410.

The Portuguese possessions in Asia, consisting of Goa and various islands, cover about 7,000 square miles, and contain 1,000,000 inhabitants, while those in Africa (Benguela, Angola, Mozambique, Cape de Verde Islands, &c.) extend to about 700,000 square miles, with 2,500,000 of inhabitants. Recently the colonial budgets have, combined, shown a slight deficit, which has been charged in the Budget of Portugal.

ROUMANIA.

(DANUBIAN PRINCIPALITIES.)

The independence of Roumania, which had been proclaimed on the 22nd May, 1877, was recognised by the Powers at the Berlin Congress, on the 13th June, 1878, and on the 26th March, 1881, the title of Principality was changed to that of Kingdom.

The Public Debt, largely raised on account of reproductive works, railways, bridges, &c., was returned on the 1st January, 1881, at 505,019,925 francs = £20,200,797, made up as under :—

Loan.	Date of Repayment.	Original Amount.	Out-standing.
7 per Cent., 1864	1888	£ 915,577	£ 405,200
8 per Cent., 1867	1889	1,264,420	761,580
8 per Cent. Domainal Bonds, 1871...	1891	3,120,000	2,240,880
5 per Cent., 1872, "Caisse des Depots"	} ...	399,413	399,413
5 per Cent. State Rente, 1875.....			
6 per Cent. Rural Obligations, converted, 1880.....	} 1924	1,264,000	1,260,960
9 per Cent. Iron Bridges Annuity...			
7½ per Cent. Suceava-Jassy Roman Railway Loan.....	} 1968	2,061,425	2,058,161
8 per Cent. Jassy-Ungheny Railway Loan.....			
6 per Cent. Verciorova Rouman Railway Loan, 1880.....	} 1929	9,500,000	9,482,600
6 per Cent. Bonds.....			
		1,901,280	1,848,670
		22,842,015	20,200,797

On the 1st January, 1880, the debt was returned at 555,502,841 francs, or £22,220,112; while in 1873, the amount

was £12,477,000, exclusive of the internal liability of about £1,000,000.

The annual charge of the debt in 1881 was £1,642,953. Upon a population of 5,376,000, the debt represents £3 15s. 2d. per head, and the annual charge 6s. 2d.

The first foreign loan of Moldo-Wallachia—the Danubian Principalities Seven per Cent. Loan of 1864—was brought out in November of that year through the Imperial Ottoman Bank and Messrs. Stern Brothers, at the nominal issue price of 86 per cent., payable by instalments extending over five months, or at about 83 per cent. net. The bonds are of £100 or £500 each. The prospectus stated—

The loan will bear interest at the rate of 7 per cent. per annum, payable half-yearly, on the 1st March and 1st September in each year, at the Agency of the Imperial Ottoman Bank, in London. The loan will be entirely redeemed in 22½ years from 1st March, 1865, by means of a sinking fund of 2 per cent. per annum, together with the interest on the portions from time to time redeemed. The bonds will be redeemed at £100, by means of drawings by lot, in the month of January in each year, in the usual manner, in the presence of a Notary Public, at the agency of the Imperial Ottoman Bank. The first drawing will take place in January, 1866. The interest and sinking fund of this loan are specially guaranteed by a first charge upon the Customs revenues of the United Principalities. The Customs revenues, to the amount necessary for the payment of the interest and sinking fund of the loan, will be paid into the hands of the Imperial Ottoman Bank, at Bucharest, by monthly instalments, and will be remitted to the London agency of the said bank for payment to bondholders. The Customs revenues amounted in the year 1861 to £258,700. The annual amount required for the interest and sinking fund of this loan is £82,440. Taking into consideration the reimbursement of the bonds at par by means of the sinking fund, the calculated return for money to the bondholder will be about 10 per cent. per annum. The principal object of the Government of the United Principalities in making the present loan is to provide for the indemnity to be paid for the secularisation of the Convent property.

The amount outstanding in July, 1882, was £351,300.

In February, 1867, a Danubian Principalities Eight per Cent. Loan for £1,264,420 stock was issued through Messrs. Frühling and Göschen; and at the same time by Messrs. Oppenheim and Co. in Paris, the Bank of Saxo Meiningen in Berlin and Frankfort, and at Bucharest. The bonds are for £1,000, £500, £100, £20, or £10 each, and are to be redeemed by an annual sinking fund at par within twenty-three years from December, 1867. The issue price was 71 per cent., payable in instalments up to July, 1867; the 4 per cent. coupons fall due on the 1st July and 1st January, and are paid at 12, Austinfriars. The interest and sinking fund for the loan require an annuity of £121,910, which is secured by a first mortgage on the yearly revenues of certain specified State domains, yielding in 1867

an annual income, according to official returns, of about £152,000, and also by an assignment of about £90,000 out of the Customs revenues, producing about £270,000, on which, however, the Seven per Cent. Loan of 1864 has a prior hypothecation. The amount outstanding in July, 1882, was £700,630.

In 1875, Roumanian Five per Cent. Rente, to the capital amount of £1,784,000, was issued in Paris, in rentes of 25f., 50f., 100f., 500f., and 1,000f. The issue price was 71½ per cent., and interest is payable on 1st April and 1st October by the Société Générale. Coupons are also encashed at the London Agency of that society.

In 1880, a further issue of £9,500,000 was effected in Paris, through the Banque de Paris et des Pays-Bas, in 6 per cent. bonds of 500f. (£20 each). Interest is payable on 1st January and 1st July, and the principal is redeemable before 1929 by half-yearly drawings at par. The object was to purchase the guaranteed railways.

The following were also Government loans:—

In December, 1869, Messrs. C. Devaux and Co. invited applications for the Bucharest and Giurgevo State Railway Seven per Cent. Bonds, for the sum of 10,975,123 francs, or £435,521, in bonds of £100 each, at the nominal price of £90 per bond, payable by instalments. Interest was regularly paid, and the entire loan was redeemed by fourteen half-yearly drawings at par.

In June, 1870, Messrs. C. Devaux and Co. contracted for the issue of the Roumanian Government Iron Bridges Annuity. It appeared that in 1864 the Government had granted an annuity of 1,443,274 francs for 16 years, by which means money was forthcoming for the construction of numerous important bridges. This annuity, which in 1870 had eleven years to run, was sold by Messrs. Devaux to the public for £434,332 nominal, in £100 certificates, which were issued to the public at the price of 86 per cent. These certificates carried interest at the rate of 7 per cent. per annum, and were redeemable by an accumulative sinking fund at par within eleven years. A delay occurred at the last, but the loan has now been liquidated.

The "Strousberg" Railway Loans were, for the most part, issued in Germany.

In April, 1869, however, the Anglo-Austrian Bank announced an issue of £1,500,000 7½ per Cent. Roumanian

Railway Bonds, at the price of $71\frac{1}{2}$ per cent. The issue formed part of £6,000,000 then authorised, and the Government guaranteed that the money should be exclusively applied on the railway from Galatz to Bucharest. The bonds were for £15, £60, £120, £150, or £300 each, and subscriptions were likewise invited in Germany and in the principalities.

In June, 1870, another of these railway loans was brought out, representing £600,000, in £15 bonds, being the balance of £4,800,000 issued in Berlin under a Decree of Prince Charles of Roumania, the object being the construction of a line from Galatz to Rouman. The issue price was 72 per cent., less the half-yearly coupon of $3\frac{1}{2}$ per cent. due on the 1st of the following month. The interest was stated to be payable in London at Messrs. Glyn's and the Anglo-Austrian Bank, or in Paris, Berlin, or Bucharest, and a yearly accumulative sinking fund was to be applied to the redemption of the principal at par.

The nominal liability proposed to be incurred upon the 908 kilometres of line which M. Strousberg contracted to construct was £10,798,400, in bonds bearing a $7\frac{1}{2}$ per cent. State guarantee. Most of these bonds were issued to the public, and about one-half of the proposed lines were roughly completed and opened, although the Government refused to accept the works so executed. In the meantime, the contractor failed on the 1st January, 1871, to pay the stipulated interest during construction, and the bondholders, of course, looked to the State, from whence no redress was obtained. After considerable litigation and arbitrations, during which, it is understood, representations were made from Berlin, arrangements were effected towards the end of 1871, by which all these $7\frac{1}{2}$ per cent. obligations were to be converted into 5 per cent. guaranteed shares of a newly-constructed railway company, the Anglo-Hungarian Bank acting in London as agents for the conversion. The coupon due in July, 1871, was paid on the 12th June, 1872, by the above bank, when it was notified that the new shares were ready for delivery. In this way the matter was, for the time, settled.

In explanation why the interest was paid at the rate of 3 3-5ths per cent. for 1872, whilst the Roumanian Government guaranteed 5 per cent., it appeared that the guarantee of the Government only became effective after the date of completion of the respective lines. At the end of 1872, 648 kilometres had been completed and at work during 110 days only. The remaining 217 were to be finished in 1873, and from the date of total completion the full guarantee of 5 per cent. would be paid.

In November, 1872, the Anglo-Hungarian Bank invited applications for £2,992,000, in 136,000 8 per cent. preference shares of this new company, the shares being of 150 thalers (£22 0s. 6d.) each. These shares were entitled to one-fourth of the surplus dividend above 5 per cent. declared on the ordinary capital, and were redeemable by annual drawings at 33½ per cent. premium, within 71 years from 1874. It did not appear that this issue added to the liability of the State.

In 1880, the Roumanian Government announced their intention of purchasing these guaranteed railways, and after considerable negotiation terms were arranged, and £9,500,000 of bonds were issued with that object. These are shown in the statement of the debt on page 538.

The revenue and expenditure of Roumania have thus been returned :—

	Revenue.	Expenditure.
	£	£
1870	2,689,200	3,160,100
1873	3,506,968	3,799,904
1875	3,528,340	4,223,995
1877	3,240,170	3,451,664
1880 { Budget }	4,701,838	4,689,839
1882 { estimates }	4,830,648	4,830,648

In 1880, the Customs dues realised £497,843, the chief sources of revenue, however, being direct and internal indirect taxes, and revenues from State domains.

The imports and exports since 1871 are shown in the following table :—

Year.	IMPORTS.		EXPORTS.	
	Total.	From United Kingdom.	Total.	To United Kingdom.
	£	£	£	£
1871	3,317,088	797,877	7,107,308	1,151,291
1872	4,373,108	925,380	6,662,284	1,044,406
1873	3,914,684	1,171,393	6,302,828	1,024,334
1874	4,911,764	1,365,228	5,388,552	661,745
1875	4,033,364	1,163,231	5,798,480	594,158
1876	6,637,340	786,838	9,012,024	1,238,091
1877	13,421,956	237,423	5,643,252	247,317
1878 .....	...	1,000,475	...	970,555
1879	10,179,304	1,097,432	9,546,000	1,373,002
1880	10,213,456	1,199,262	8,756,755	1,461,836
1881 .....	...	1,426,524	...	2,758,822

The figures for the United Kingdom are from our own Board of Trade Returns. The growth of trade in recent years has been in no small degree due to the railways. Grain forms the main article of export, and in 1880, these shipments were

valued at £6,712,000. The chief trade is with Austria-Hungary, to which merchandise valued at £3,320,000 was sent in 1880, while to Great Britain (according to Roumanian returns) the exports were £2,256,000. These figures materially differ from our own Board of Trade Returns.

In 1881, there were 854 miles of State railway in operation in Roumania, and 38 miles in the Dobrudja, belonging to the Danube and Black Sea and Kustendje Harbour Company. The latter has in 1882 been sold to the State for £670,000. These railways have in all cost about £15,000,000.

The area of Roumania is, after the rectification under the Berlin Treaty, about 48,700 square miles, and the population is 5,376,000, or 110 per square mile.

RUSSIA.

The Public Debt of Russia being composed of loans raised in pounds sterling, Dutch florins, metallic roubles, and paper roubles, and the exchangeable value of the paper rouble having fluctuated largely from year to year, the statements put forth at different times of the debt of Russia have differed very materially, according to the rates of conversion adopted. In 1814, Russian coin was quoted at 320 per cent. as compared with the paper assignat, making the paper rouble worth not more than 1s. By 1825, however, after the retirement of large amounts of currency, the exchangeable value rose to about 1s. 6d., and prior to the Crimean War the currency rouble was worth 38½d., or par. In 1854, however, it fell to 29d. In 1857, it had recovered to 37½d.; in 1870, it fell to 28d.; in 1872, it rose to 33d., and since the Turkish War it has fluctuated between 21½d. and 26d. In the calculations on the following pages the Dutch florin has been converted at 12 florins = £1; the metallic rouble at 6½ r. m. = £1, and the paper rouble prior to the Turkish War at 8 r. p. = £1 (say 30d.), and subsequently at 10 r. p. = £1 (say 24d.), though it must be borne in mind that any prospect of a return towards specie payments, or an improved financial condition of the Empire, would at once advance the exchangeable value of the paper rouble, and increase the sterling equivalent of the debt.

The movements of the debt since the fall of the first French Empire may thus be summarised:—

	Foreign Debt.*	Internal Debt.	Total Funded.	Unfunded, and Railway Fund Loans.	Total Debt.
	Roubles.	Roubles.	Roubles.	Roubles.	Roubles.
1817 ...	28,842,000	64,764,265	93,606,265	258,857,000	352,463,265
1827 ...	96,972,180	84,767,148	181,739,328	194,221,828	375,961,156
1837 ...	151,239,970	115,198,738	266,438,708	309,008,799	575,447,507
1847 ...	197,660,121	127,623,726	325,283,847	483,214,918	808,498,765
1857 ...	350,000,000	168,334,007	518,334,007	1,025,458,889	1,543,792,896
1867 ...	490,054,660	412,993,385	903,048,045	1,296,831,387	2,199,879,432
1875 ...	660,891,130	600,922,381	1,261,813,511	1,973,446,213	3,235,259,724
1880 ...	672,468,519	1,367,385,206	2,039,873,725	2,440,938,974	4,480,812,699
1881 ...	...	...	...	...	...

* Excluding Railway Loans.

On the 1st January, 1880, the Public Debt of Russia stood as follows:—

REDEEMABLE INSCRIBED DEBT.			£	
External	5 per Cent. Loans	Dutch florins	84,507,000 =	7,042,250
"	5 " "	" " " "	" " " "	19,061,200
"	5 " "	paper roubles	15,500 =	1,500
"	4½ " "	" " " "	" " " "	7,080,000
"	4 " "	paper roubles	10,225,000 =	1,022,500
Internal	4 " "	" " " "	1,101,665,750 =	110,166,575
"	5 " "	metallic roubles	45,081,900 =	7,213,104
Redeemable.....				151,567,129

PERPETUAL INSCRIBED DEBT.			£	
External	5 per Cent. Loan	" " " "	sterling	15,000,000
"	5 per Cent. Loans	metallic roubles	75,583,470 =	12,093,355
"	5 " "	paper roubles	43,620,115 =	4,362,012
"	3 " " "	Loan	sterling	4,005,800
Internal	6 " " Loans	paper roubles	43,643,343 =	4,364,835
"	5 " " "	" " " "	288,377 =	28,838
"	4 " " "	" " " "	153,857,614 =	15,385,761
				55,740,601
Total inscribed debt				207,307,730

DEBT NOT INSCRIBED.			£	
4½ per Cent. Treasury Bonds (72 series of 3,000,000 roubles each).....	=			21,800,000
4 per Cent. Treasury Obligations at short date		paper roubles	50,000,000 =	5,000,000
4 per Cent. Obligations of the Kingdom of Poland.....		paper roubles	19,818,066 =	1,981,809
Miscellaneous debts in Poland.....		" " " "	2,346,021 =	234,602
4 per Cent. Nicolas Railway Loans of 1867-69		sterling		22,554,300
5 per Cent. Consolidated Railway Obligations of 1870, 1871, 1872, 1873, and 4½ per Cent., 1875.....				68,473,300
Old Certificates of Liquidation.....		paper roubles	56,261 =	5,626
Letters of Liquidation of Poland (given to landed proprietors when the peasants were freed).....		paper rbls.	50,053,702 =	5,005,370
				124,855,007

BANK OF RUSSIA (ACCOUNT WITH THE TREASURY).

	p. r.	£
Bank notes in circulation, p. r. 1,162,515,125 (less cash and public funds in the bank, p. r. 173,168,041).....	969,347,084 =	98,984,708
Deposits held of the "caisses de dépôt".....	10,435,453 =	1,435,453
5 per Cent. Bank bills (issued to replace certificates of old credit establishments)	189,594,450 =	18,959,445
5 per Cent. Bank bills, 2nd emission.....	321,902,900	
5 per Cent. "Certificates de Rachat," not converted ...	1,769,350	
5½ per Cent. Certificates of Rente.....	74,923,400	
	398,595,650 =	39,859,565
		159,189,171
— Grand total, January 1, 1880		491,351,908
Add—Issued in 1880, Four per Cent. Railway Loan		24,000,000
Issued in 1881, 50,000,000 roubles of Four per Cent. Treasury Bonds		5,000,000

Present debt about..... 520,000,000

Were the entire rouble debts calculated at "par" the total would represent £750,000,000.

In the year 1880, the sum required for the service of this debt was 173,473,627 roubles, which, at 24d., equalled £17,347,363. In 1881, the charge was further raised to 193,338,684 roubles, or, say, £19,333,868.

Partly included in the above debt (and not in the interest) are the Government guarantees accorded to the securities issued by the "Institution Superieure de Rachat," an institution established in 1861 at the time of the freeing of the peasantry to enable them to purchase their lands. Altogether 7,853,748 peasants have availed themselves of the powers thus obtained, and the purchases of land effected have reached 735,920,888 roubles, which at the time they were mainly created must have represented over £90,000,000; but the depreciation of the rouble has reduced them to, say, £73,592,000. On this sum, £30,134,869 has been retained in the shape of mortgages, and the balance is covered by 5½ per cent. certificates, by 5 per cent. bank bills, and by certificates of purchase.

In addition, there are the guaranteed railway securities, of which the following are the names, with the amounts required to be made good by the State in 1880:—

	Required to be Made Good by Treasury under its Guarantee.
	£
Grand Society of Russian Railways	nil.
Dunaburg-Vitebsk	nil.
Kozloff-Voronege-Rostoff	nil.
Kharkow-Nicolaïew	41,149
Koursk-Kiew	nil.
Moscow-Riazan	nil.
Moscow-Jaroslaw	nil.
Riazan-Kozloff	nil.
Riga-Dunaburg	36,063
Griazi-Tsaritsyne	13,181
Riajsk-Morschansk	20,177
Lodzi	nil.
Warsaw-Bromberg	39,040
Warsaw-Terespol	nil.
Mitau	16,000
Orel-Griazi	126,038
Orel-Vitebsk	247,512
Schouia-Iranovo	5,000
Carried forward	544,160

	Required to be Made Good by Treasury under its Guarantee.
	£
Brought forward	544,160
Koursk-Kharkhow-Azow	406,687
Poti-Tiflis	nil.
Moscow-Brest	178,686
Baltic	95,995
Riajsk-Viazma	55,878
Lozowo-Sevastopol	62,220
Morschansk-Syzran	44,915
Rostoff-Vladikavkaz	44,079
Fastovo	11,613
Orenberg	19,477
Vistula	12,052
Oural	28,160
Donetz	63,392
Trans-caucasian	124,505
South-Western	256,081
	1,949,900

The result, therefore, in 1880, was that the State had to provide for the charge on the debt, £17,347,363; guaranteed interest, £1,949,900; together, £19,297,263; or upon a population, exclusive of Finland, of 98,000,000, nearly 4s. per head. In 1881, taking the guaranteed interest at about the same figure, the gross charge would be £21,280,000, or 4s. 4d.

As a set off against this debt, there is the "Railway Fund," which, at the end of December, 1881, stood as follows:—

Receipts Placed to Credit of Railway Fund.

1. Obligations of the Nicolas Railway—	Roubles.	Roubles.
1st emission	49,699,117	
2nd emission	56,167,818	
	105,866,935	
2. Consolidated obligations of Russian Railways—		
1st emission, 1870	73,371,146	
2nd emission, 1871	67,466,072	
3rd emission, 1872	96,177,179	
4th emission, 1873	90,106,530	
5th emission, 1875	103,427,966	
6th emission, 1880 (5 millions yet to be added)	158,540,865	
	589,099,758	
3. Indemity paid by the United States for the cession of Russian America		11,510,125
4. Product of sale of railway obligations belonging to the State		64,498,197
5. Repayments made by railway companies		28,621,030
6. Advances made by the Treasury		86,230,822
		885,826,867
Total		

This sum has been employed as follows :—

	Roubles.
1. Creation of railway capital obligations	675,200,218
2. Increase of means of railway transport	38,540,830
3. Railway material	144,912,327
4. Harbour works	13,615,221
5. Surveys, loans, and other expenses in connection with railways	13,558,271
Total	885,826,867
= (at 8 roubles)	£110,728,358

The bulk of this money was raised and expended before the Turkish War, and when the rouble was worth more than 2s. 6d. Official returns make a deduction from the gross total of the public debt of all securities, &c., held by the State. These deductions on the 1st January, 1880, were thus returned :—

	£
Credits: Capital and interest advanced to railway and industrial companies and corporations (metallic roubles).....	106,801,184
Do. (paper roubles)	35,445,586
	<u>142,246,770</u>

But it is apparent that a large portion of these "actifs" must be regarded as irrecoverable. The following contributions alone are made to current revenue upon these and other securities :—

	£
1880—Receipts applicable to the service of railway } obligations	1,116,739
" Interests accrued to the State	315,941
" Repayment of loans	311,031
	<u>1,743,711</u>

Excluding the last item, these receipts would be sufficient only to pay the 5 per cent. interest, £28,600,000 of capital, leaving £113,600,000 of the above securities, a merely nominal asset. The net burden of the debt may therefore be estimated at 4s. 1d. per head.

The details of the many important Russian Government loans known to, or dealt in, in this country claim attention.

Five per Cent. First Dutch Loan of 1815.—This was originally 51,000,000 florins; but on the 1st January, 1880, had been reduced to 19,600,000 florins. The Agents are Messrs. Hope and Co., of Amsterdam.

Five per Cent. Loan of 1822.—This, the first item known to the London market, consists of a loan of £6,400,000, issued at 82 per cent., with a sinking fund of 1 per cent. originally, but its operation remained in abeyance for many years. [It would appear that considerable purchases have

lately been made for redemption. This loan is domiciled at Messrs. Rothschilds, and bears interest on the 1st March and 1st September. The outstanding amount in 1875 was returned at 35,208,010 roubles, or £4,400,000, and it is now understood to represent a much smaller amount. The bonds are in sums of £1,036, £518, £148, or £111 each.

Four per Cent. Loans of 1840, 1842, 1843, 1844, and 1847.—The first of these loans (25,000,000 roubles) was raised for the purpose of strengthening the Treasury, and the second (8,000,000 roubles), third (8,000,000 roubles), fourth (12,000,000 roubles), and fifth (14,000,000 roubles) issues for the construction of the Nicolas Railway, from St. Petersburg to Moscow. All bear 4 per cent., but payable in paper. They were negotiated in Amsterdam through Messrs. Hope and Co., where they are now quoted as “Certificaten Hope and Co.” The amounts now outstanding are very small.

4½ per Cent. Loan of 1850.—This issue was for £5,500,000, at 93 per cent., contracted with Messrs. Baring Brothers, with a sinking fund of 2 per cent. (not accumulative), the drawings taking place in August or September. The interest is payable on the 1st January and 1st July, and the amount of the loan outstanding in 1882 is £1,990,000. The entire repayment will therefore be effected by the year 1900. The bonds are of £100, £500, or £1,000 each, and the object was for the St. Petersburg and Moscow Railway.

Five per Cent. Loans of 1854 and 1855.—These loans, for 50,000,000 roubles each, were issued during the Crimean War, and are largely held in Holland. At the end of twenty years the Government possessed the right of repaying these loans at their nominal value in roubles, and considerable amounts have been redeemed.

Three per Cent. Loan of 1859.—The Three per Cent. Loan of 1859 was negotiated by Messrs. Thomson, Bonar, and Co., in St. Petersburg, and by Mr. F. Mart Magnus, in Berlin. The interest coupons are paid in London on the 1st May and 1st November, at the Office of the former. The redemption of this debt is optional with the State, for which reason it is termed “perpetual.” The bonds are of £100 or £1,000 each. Although this loan was offered at 68 (66½ net) per cent., only about £4,000,000 is said to have been subscribed for by English capitalists, and a portion unissued was cancelled on the introduction of the loan of 1860. The total amount issued appears to have been £6,468,900, and there is outstanding in 1882 £3,641,300.

Russian Loan of 1860 for £8,000,000 Stock, bearing 4½ per Cent. Annual Interest.—Messrs. Baring Brothers and Co. and

Hope and Co. received applications for the above loan on the following terms :—

Bonds in due form executed in St. Petersburg will be issued in sums of £100 sterling, or 1,180 fl.; £500 sterling, or 5,900 fl.; and £1,000 sterling, or 11,800 fl., respectively, with twenty half-yearly dividend warrants, payable on the 1st June and 1st December (new style) of each year, at the Counting-house of Messrs. Baring Brothers and Co., in London, or Messrs. Hope and Co., in Amsterdam, and with an authorisation to claim fresh dividend warrants without charge. The amount of the bonds will be also reimbursed, without charge or deduction, either at the Counting-house of Messrs. Baring Brothers and Co., in London, in pounds sterling, or Messrs. Hope and Co., in Amsterdam, in florins, at the choice of the holders; and an annual sinking fund of one and half of one per cent. ($1\frac{1}{2}$ per cent.) on the principal will be applied to their repayment at par. The bonds to be reimbursed will be annually drawn by lottery in St. Petersburg, and the first reimbursement will take place at par in London or Amsterdam on the 1st June, 1862 (new style), when bonds to the amount of £120,000 sterling, or 1,416,000 fl., will be repaid at par, and a like amount will be reimbursed annually. The subscription price is £92 sterling for every £100 stock in London, or in Amsterdam at the rate of 90 per cent., at the exchange of 12 florins per £1 sterling.

The terms offered were not sufficiently attractive to cause the whole of the loan to be taken up, and there was also a want of confidence, arising from the application of the previous loan. The following communication was addressed early in July to the Stock Exchange by Messrs. Baring Brothers and Co. :—

Messrs. Baring Brothers and Co. beg to announce that the allotments of the new Russian Loan of eight million pounds sterling amount in all, conjointly in London and Amsterdam, to five millions, and also to state that they and Messrs. Hope and Co. have orders from the Minister of Finance to engage not to sell or offer for sale any portion of the remaining three millions stocks before the 1st of January, 1861, nor after that period to sell any part of the above-mentioned stock at prices or conditions below those of the subscriptions just closed.

A further portion was issued subsequently, and drawings in March have now reduced the total to £4,460,000. The drawings vary between £90,000 and £100,000.

Russian (Imperial) Five per Cent. Loan, 1862.—This loan was for £15,000,000 sterling, issued through Messrs. Rothschild and Sons, in bonds of £50, £100, £500, or £1,000 sterling, bearing interest at 5 per cent. per annum, with coupons payable half-yearly, on the 1st May and 1st November, in London, at Messrs. Rothschilds'. The Russian Government reserves to itself the right, after 1st May, 1882, of redeeming this loan at par. The price of emission was 94 for every £100 stock. The object of the loan was to strengthen the specie fund in the State Bank.

Russian Anglo-Dutch Five per Cent. Loan for £6,000,000, or 70,800,000 Florins Stock.—There was a remarkably large deficit in the statement of the revenue and expenditure of the Empire for 1864. To meet this in part a new loan (known as the Anglo-Dutch Loan, from the fact of its being negotiated in London and Amsterdam by Messrs. Barings and Messrs. Hope and Co. respectively) of £6,000,000 was raised. The stock of this loan was issued at 85; and the prospectus stated—

Bonds in due form, executed in St. Petersburg, will be issued in sums of £100 sterling, or 1,180 fl., and £84 15s. sterling, or 1,000 fl., with twenty half-yearly dividend warrants, payable the 1st April and 1st October (new style) of each year, at the Counting-houses of Messrs. Baring Brothers and Co., London, and of Messrs. Hope and Co., Amsterdam, and with an authorisation to claim fresh dividend warrants without charge. The half-yearly dividend warrants will be respectively for £2 10s., or 29.50 fl., on each bond of £100, or 1,180 fl.; and for £2 2s. 6d., or 25 fl., on each bond of £84 15s., or 1,000 fl. The amount of the bonds will be also reimbursed without charge or deduction, either in London in pounds sterling or in Amsterdam in florins, at the Offices of the above-mentioned firms, at the choice of the holder. A sinking fund of 1 per cent. on the principal will commence on the 1st April, 1866, and be applied annually (together with the interest on all bonds paid off) towards the reimbursement of this loan at par. This reimbursement will thus be completed in 37 years from its commencement, and the bonds thus destined to be paid off at par will be annually drawn by lottery [in January], and the amount can be received on the 1st April of each year either in London or Amsterdam. The subscription in London will be as follows:—On £100 bonds, £85; on £84 15s. bonds, £72.

The amount of this loan outstanding is £4,450,000.

Anglo-Dutch Five per Cent. Loan of 1866.—In November, 1866, the Russian Government issued a new Anglo-Dutch Loan of £6,000,000, through Messrs. Barings in London, and Messrs. Hope in Amsterdam. The object, the amounts of bonds, the dates of payment, and the amounts of coupons were precisely the same as in the previous loan. Subjoined are extracts from the official notice:—

The amount of the bonds will be also reimbursed without charge or deduction, either in London in pounds sterling or in Amsterdam in florins, at the Offices of the above-mentioned firms, at the choice of the holder. A sinking fund of 1 per cent. on the principal will commence on the 1st October, 1868, and be applied annually (together with the interest on all bonds paid off) towards the reimbursement of this loan at par. This reimbursement will thus be completed in 37 years from its commencement, and the bonds thus destined to be paid off at par will be annually drawn by lottery [in May], and the amount can be received on the 1st October of each year, either in London or Amsterdam. The subscription in London will be as follows:—On £100 bonds, £86; on £84 15s. bonds, £72 17s. 6d.

The subscriptions for this loan in London alone amounted

to upwards of £20,000,000. The amount outstanding is £4,705,000, after deducting the bonds drawn in May, 1882.

Four per Cent. Nicolai Railway Loans of 1867 and 1869.—In August, 1867, the first of these Four per Cent. Government Loans for £12,000,000 was issued. The prospectus ran as follows:—

Messrs. Baring Brothers will receive applications for bonds to the extent of £12,000,000 sterling, for 300,000,000 francs, or 141,600,000 florins, nominal capital, on the following conditions:—Bonds to bearer, executed in St. Petersburg, and bearing 4 per cent. interest, will be issued for £20, or 500 francs, or florins of Holland 236, with twenty half-yearly dividend warrants, payable on the 1st May and 1st November of each year (new style), at the Offices of Messrs. Baring Brothers, in London; of Messrs. Hope and Co., in Amsterdam; and of the Comptoir d'Escompte, and of Messrs. Hottinguer and Co., in Paris. A sinking fund will reimburse these bonds at par in 84 years by annual drawings, of which the first will take place the 1st October, 1868 [the drawings now take place in August], and the reimbursement be made on the 1st November following, either in London, Paris, or Amsterdam, at the option of the holder. The instalments payable on bonds of £20 = £12 4s.

This loan was not at first successful, but was afterwards subscribed for, and, combined with the following, is now known as the Nicolai Railway Loan.

In April, 1869, Messrs. Baring Brothers issued a second instalment of 4 per cent. bonds, the particulars of which are nearly identical with those just described. The amount of the loan was £11,110,000, and the issue price of the £20 bonds was £12 12s. Messrs. Hope were the Agents in Amsterdam, and Messrs. Hottinguer in Paris. The combined amount was, therefore, £23,110,000, and the amount outstanding (after deducting the drawing of August, 1882) is £22,433,230.

Five per Cent. Consolidated Railway Loan of 1870.—In January, 1870, Messrs. Rothschilds, of London and Paris, contracted for and brought out the first of a series of consolidated railway emissions, consisting of a 5 per cent. loan for £12,000,000 nominal, the object of which was to reinforce the "Railway Fund." The bonds are for sums of £50, £100, £500, or £1,000 each, with coupons payable on the 1st August and 1st February, in London, Paris, Frankfort, Amsterdam, or Berlin. The issue price was £80 per cent., payable over nine months. The whole might be paid up at once, a discount of 4 per cent. per annum being allowed. The bonds are reimbursable at par by 81 annual accumulative drawings (that is, by 1952), the first of which took place on the 1st February, 1871, for repayment in August. The amount outstanding is £11,812,900.

Five per Cent. Consolidated Bonds of 1871.—In March,

1871, Messrs. Rothschilds, of London and Paris, issued a second emission for £12,000,000 of Five per Cent. Consolidated Bonds, at the nominal price of $81\frac{1}{2}$ per cent., with instalments payable during six months. The object was to reinforce the "Railway Fund." The prospectus stated—

The bonds will be issued to bearer in sums of £50, £100, £500, and £1,000 each, with coupons payable half-yearly, on the 1st September and 1st March (new style), each year, at the Office of Messrs. N. M. Rothschild in London, in pounds sterling; of Messrs. De Rothschild Brothers, Paris; of Messrs. M. A. De Rothschild and Sons, Frankfort-on-the-Main; at Berlin and Amsterdam at the houses to be designated hereafter; and in St. Petersburg, at the State Bank, at the exchange of the day. A sinking fund will reimburse these bonds at par in 81 years [by 1953], by annual drawings. The first drawing will take place on the 1st March, 1873, and the reimbursements six months later.

The amount outstanding is £11,833,000.

Five per Cent. Consolidated Bonds of 1872.—In April, 1872, the same firms in London and Paris negotiated the third emission of Five per Cent. Consolidated Bonds, for the sum of £15,000,000 nominal, the price of emission being 89 per cent., with instalments falling due over a period of seven months. The prospectus notified that this issue was likewise for railway purposes, and stated—

The bonds will be issued to bearer in sums of £50, £100, £500, and £1,000 each, with coupons payable half-yearly, on the 1st April and 1st October (new style), each year, at London, Paris, Frankfort-on-the-Main, and in St. Petersburg, at the State Bank, at the exchange of the day. A sinking fund will reimburse these bonds at par in 81 years [by 1953], by annual drawings. The first drawing will take place on the 1st April, 1873, and the reimbursements six months later, at London, in pounds sterling, and at other places where the coupons may be payable, at the exchange of the day.

The amount outstanding, less bonds drawn in April, 1882, is £14,815,200.

Five per Cent. Consolidated Bonds of 1873.—In December, 1873, the same firms in London and Paris allotted a further £8,000,000 (part of a total of £15,000,000, representing the fourth emission of these railway bonds), the price of issue being 93 per cent., payable by instalments extending over six months. The prospectus stated—

Messrs. N. M. Rothschild and Son, of London, and De Rothschild Brothers, of Paris, are authorised by the Russian Government to negotiate the sale of eight millions of the said bonds. Four millions will be offered to the public at St. Petersburg by the Finance Minister, and the remaining three millions have already been placed. The bonds will be issued to bearer in sums of £50, £100, £500, and £1,000 each, with coupons payable half-yearly, on the 1st June and the 1st December (new style), each year, at the Offices of Messrs. N. M. Rothschild and Sons, London, in pounds sterling; of Messrs. De Rothschild Brothers, Paris; of Messrs. M. A. De Rothschild and

Sons, Frankfort-on-the-Main; at Berlin and Amsterdam, at the houses to be designated hereafter; and in St. Petersburg at the State Bank, at the exchange of the day. A sinking fund will reimburse these Bonds at par in 81 years [by 1954], by annual drawings. The first drawing will take place on the 1st December, 1874, and the reimbursement six months later, at London, in pounds sterling, and at other places where the coupons may be payable, at the exchange of the day.

The amount outstanding in 1882 is £14,859,700.

4½ per Cent. Consolidated Bonds of 1875.—The fifth emission in April, 1875, was brought out at a reduced rate of interest, being an "issue of £15,000,000 nominal capital 4½ per cent. Consolidated Bonds, 1875," the Rothschilds offering a further £8,000,000 in London and Paris, £5,000,000 being reserved for St. Petersburg and £2,000,000 having been previously placed. The bonds are of the same nominal amounts as those of the preceding loans, and interest is payable on the 1st April and 1st October. The issue price was 92, and the redemption is to be entirely effected by 1957, by annual drawings in April for repayment in October. The amount outstanding, excluding the bonds drawn in April, 1882, is £14,842,650.

Five per Cent. Loan of 1877.—In November, 1877, just before the fall of Plevna, a Five per Cent. Loan for 307,500,000 marks = 375,000,000 francs = 180,000,000 Dutch florins = £15,000,000, was subscribed for on the Continent—in Berlin through Messrs. Mendelsohn and Co.; in Amsterdam, through Messrs. Lippmann and Rosenthal; and in Paris through the Comptoir d'Escompte. The issue price was 76½ per cent., and a 1 per cent. accumulative sinking fund provides for the redemption within thirty seven years—that is, before the year 1915. The bonds are drawn in April, and the numbers duly published in London, and the amount now outstanding is £14,171,160.

Four per Cent. Consolidated Railway Obligations, Sixth Issue, 1880.—In June, 1880, another railway emission was made, but Messrs. Rothschilds were no longer the contractors. The amount of the loan was 150,000,000 metallic roubles, or, say, £24,000,000, reckoning the 125 rouble bonds as of £20 each and the 625 rouble bonds as £100. In reality, however, an exchange of 628 roubles was adopted, which would make the 625 rouble bond £99 10s. 6d. The prospectus issued here by the Russian Bank for Foreign Trade contained the following:—

The bonds will be issued to bearer in sums of 125 and 625 metallic roubles, with coupons, payable in gold half-yearly on the (1) 13th May and the (1) 13th November, in St. Petersburg, at the Imperial State Bank in London, at the Russian Bank for Foreign Trade, 40, Lombard Street. The first coupon will be payable on 13th November, 1880. The bonds will be redeemed by annual drawings at par in eighty-one

years. The first drawing will take place on the 13th May [1881]. Price of issue 75 per cent., or for every 100 roubles £11 18s. 11½d. The instalments may be made in billets de crédit at the rate of 150 kopecks for one metallic rouble; in francs at the rate of four francs for one rouble; in German Reichsmark at 325 pfennige for one rouble; and in London at £100 for 628 metallic roubles. Subscribers have the option of paying up in full under discount at 4 per cent. per annum.

● In October, 1882, Messrs. Barings brought out the "Imperial Russian Guarantee Three per Cent. Loan" for £8,904,200, at 55 per cent., or £11 per £20 bond of the Trans-Caucasian Railroad. The bonds also represent 500f., 125 m. roubles, 408 marks, or 236 Dutch florins. Half-yearly drawings will redeem the loan in 70 years.

INTERNAL DEBT.

The following is an enumeration of the leading internal debts, with the dates of issue:—

Year.	Object.	Original Issue. Roubles.	Outstanding 1st January, 1880. Roubles.	
6 per Cent., 1817.....	Withdrawal of assignats	94,639,727 ...	43,646,348	
5 per Cent., 1831.....	Extraordinary expenses	20,000,000 ...	redeemed.	
5 per Cent., 1832.....	To strengthen the Treasury ...	20,000,000 ...	redeemed.	
4 per Cent., 1859.....	To consolidate bills	154,138,801 ...	153,857,614	
5 per Cent., 1860.....	Perpetual deposits	288,377 ...	288,377	
4 per Cent., 1860.....	Bank bills (metallic)	60,000,000 ...	45,081,900	
5 per Cent., 1863.....	.....	10,000,000 ...	Total internal 5 per Cent. inscribed.
5 per Cent., 1864.....	} "Lottery" Loans, mainly for	100,000,000 ...		
5 per Cent., 1866.....	} public works	100,000,000 ...	1,101,665,750	
5 per Cent., 1869.....	} Bank bills	15,000,000 ...		
5 per Cent., 1877.....	} 1st, 2nd, and 3rd Oriental Loans	200,000,000 ...	}	
5 per Cent., 1878.....		} to cover cost of war with		300,000,000 ...
5 per Cent., 1879.....				} Turkey .....	300,000,000 ...
Debt of Poland .....	.....	95,000,000 ...	50,053,702
Treasury bills .....	.....	216,000,000 ...	216,000,000
Banknotes .....	.....	variable. ...	1,162,515,125
"Titres de rachat" .....	.....	.....	398,595,650

Of these loans it is only necessary to mention a few. In 1814, the depreciation of Russian paper was so great that a premium of 320 per cent. was then quoted for coin, and a number of the earlier loans were raised for the purpose of withdrawing the assignats. During the Crimean War, apart from a couple of foreign loans, the entire expenditure had to be provided by issues of paper money (which was increased from under 200,000,000 roubles up to 600,000,000) roubles, and by other unfunded liabilities. In 1859, however, there was an important funding of bank debts into stock at 4 per cent., and in 1864 and 1866 two internal Lottery loans were placed for 100,000,000 roubles each.

These Lottery loans bear 5 per cent. interest, and consist of bonds of 100 roubles each. The mode determined upon for the liquidation partakes about equally of the nature of a sinking fund and of a lottery. The whole of the bonds are to be redeemed in sixty years from the dates of issue, by means of prize drawings, the total value of the prizes at each drawing

to be 600,000 roubles. Two such drawings will take place in each of the first thirty years, and one in each of the succeeding thirty, at the close of which period the whole debt is to be liquidated. The minimum value of any prize drawn is fixed at 120 roubles per bond of 100 roubles.

The three "Oriental" or Eastern loans issued during and after the Turkish War were also demands of considerable importance.

In May, 1867, the first Oriental Five per Cent. Loan was contracted for 200,000,000 roubles, the issue price being 90 per cent. in paper, and the redemption being provided for within 49 years by $\frac{1}{4}$ per cent. accumulative sinking fund.

In September, 1878, the second Oriental Five per Cent. Loan was placed, the amount being 300,000,000 roubles, and the issue price 93 per cent. The bonds are of 100 or 1,000 roubles each, and carry interest payable in St. Petersburg in January and July. The redemption is also provided for within 49 years by $\frac{1}{4}$ per cent. sinking fund applied to purchases below par, or by drawings above.

In June, 1879, the third Five per Cent. Oriental Loan was issued for 300,000,000 roubles at the price of 92 $\frac{1}{2}$ per cent. paper, instalments being payable over 11 months. The certificates are of 100 or 1,000 roubles, with interest payable on the 1st May and 1st November, and the redemption is provided for within 49 years. Interest and principal are repayable at the State Bank, St. Petersburg.

RAILWAY GUARANTEES.

A great number of these guaranteed railway loans are held in Germany, and no new loans of this class have been brought out in London for some years. The following were, however, brought out in this market between 1867 and 1872:—

Charkof-Azof (Charkow-Asow) Railway Five per Cent. Guaranteed Loan for £4,349,280 Sterling.—In November, 1868, Messrs. Raphael and Sons invited subscriptions in England for £2,000,000 of this loan, the remainder being offered in Berlin, Amsterdam, and Frankfort. The issue price was 80 per cent. The loan bears the unconditional guarantee of the Russian Government. The railway in question was stated to be the last link between the Sea of Azof and the Baltic; it is 373 miles long. The interest is payable on the 1st March and 1st September, and the whole bonds are to be paid off within 85 years from 1870, by a sinking fund of one-twelfth per cent. accumulative applied annually to drawings in December. The amount outstanding is about £4,300,000.

Charkow-Krementschug (now Charkow-Nicolaiew) Railroad Guaranteed Loan.—In December, 1868, the Russian Government, through the office of Messrs. Schröder and Co., borrowed £1,716,000 for this railway company, and have guaranteed 5 per cent. per annum on the loan. £1,300,000 was reserved for London, and the subscription was in excess of that amount. The interest is payable in London on the 1st March and 1st September, and the whole is redeemable at par in 81 years by annual drawings from July, 1870. The issue price was 80 per cent. The line is 175 miles long, and lies between Moscow and Odessa. The amount outstanding is £1,685,840.

Jeletz-Orel Railway Loan.—In June, 1868, an issue of 17,000,000 Dutch florins in obligations was made for the construction of a railway from Jeletz to Orel. A Government guarantee of 5 per cent. is affixed to the bonds. The issue price was $74\frac{1}{2}$ per cent. The bonds are of £29 8s. 3d. and £84 15s. each, and Messrs. Barings pay interest on the 1st May and 1st November.

Kursk-Charkow-Azow Railway Guaranteed Bonds.—In February, 1872, subscriptions were invited by Messrs. Hambro and Son for £1,760,000, in 5 per cent. bonds of this railway, both principal and interest on which is guaranteed by a deposit of 11,000,000 roubles (about £1,850,000) *Métallique* Five per Cent. Kursk-Charkow-Azow Railway shares, bearing the guarantee of the Russian Government, already in force, and will continue until entire repayment in the course of 83 years by one-twelfth per cent. annual drawings, effected in December. Lists were opened in London, Moscow, St. Petersburg, Amsterdam, and Berlin; the issue price being $87\frac{1}{2}$ per cent. Interest is payable on the 1st January and 1st July. The amount outstanding is £1,737,000.

In 1868, subscriptions were invited on the Continent for the issue of 11,730,000 roubles (£1,876,800), Kursk-Charkow Railway bonds, bearing 5 per cent. interest. The issue price was $77\frac{1}{2}$, and the loan was successful.

Moscow-Jaroslavl Railroad Five per Cent. Guaranteed Loan for £1,920,000.—In September, 1868, Messrs. Barings brought out this Five per Cent. Loan, which bears the unconditional guarantee of the Russian Government, at 78 per cent. The length of the line is 175 miles. The bonds, of £100 each, are redeemable by an accumulating sinking fund in 75 years. The dividends are payable on the 1st June and the 1st December, in London, Amsterdam, and Berlin, and the drawings take place in February. The present amount outstanding is £1,871,300.

Orel-Vitebsk Railway Five per Cent. Guaranteed Loan for £4,500,000.—In 1867, Messrs. Thomson, Bonar, and Co. placed £2,000,000 of these bonds, bearing the unconditional guarantee of Russia, at the price of 77½ per cent.; and in 1868, the balance, £2,500,000, at 75. The coupons are payable here on the 17th April and 17th October; and the principal is repayable by one-twelfth per cent. accumulative sinking fund before 1953 by annual drawings in October. The bonds are of £100 each, and the amount outstanding is £4,436,000.

There are also £1,500,000 in £20 shares, guaranteed 5 per cent., with interest payable by the same firm on the same days. Principal and interest are also payable in Germany or Amsterdam at the holder's option.

Poti-à-Tiflis Railway Guaranteed Obligations.—In 1867, this loan for £1,694,400 was placed, chiefly abroad; but Messrs. Barings pay the interest in London on the 1st April and 1st October. The drawings (one-tenth per cent. per annum accumulative) are effected in January.

This company has also issued £1,129,600 in 5 per cent. shares.

Tamboff-Kozloff Five per Cent. Loan for £320,000.—This loan, issued by Messrs. Thomson, Bonar, and Co., in 1868, does not bear the guarantee of Russia, but of the Provincial Estates of Tamboff and Kozloff. The issue price was 74½ per cent.

The following statistics are available in respect to Russian railways:—

	Versts.	Miles.	Gross Receipts. Roubles.	Working Expenses. Roubles.	Net Receipts. Roubles.
1850	468 =	312	...	...	...
1860	1,490 =	993	...	...	...
1870	10,510 =	7,011	...	...	...
1875	17,716 =	11,746	141,870,727	93,307,556	48,563,171
1878 (war)	20,512 =	13,600	221,444,573	144,947,784	76,496,790
1879	20,808 =	13,792	212,771,418	151,175,558	61,595,860
1880	21,226 =	14,074	187,477,361	...	...
1881 .....	...	...	...	...	...

LAND MORTGAGE BONDS.

The second and third series of these bonds of the "Central Bank for Land Mortgages of Russia" were issued in 1874 by Messrs. Thomson, Bonar, and Co., at the price of 87½. The bonds are of £100 each, or 625 metallic roubles, and bear 5½ per cent. interest, and the second series represented £480,000, and the third, £1,000,000. The former is redeemable in 27½ years, by half-yearly drawings, in June and December for repayment at the same time as the coupons, on the 13th February and August; and the latter is redeemable in 43½ years, by half-yearly drawings, in February and August, while the coupons are payable on 13th April and 13th October.

The first issue, £2, 400,000, was effected in Paris and Berlin in July, 1873, and the fourth and fifth issues, for £1,600,000 each, in Paris in 1875. The first issue consists of bonds of 500f. (£20) each, with 5 per cent. interest, payable by the Comptoir d'Escompte, in January and July, and redeemable by drawings in November by the year 1917. The fourth and fifth issues are also in 500 f. bonds, with 5 per cent. interest, payable by the Société Générale in February and August, and with drawings in June and December, arranged so as to redeem the loan by the year 1917.

That the State exercises control over these Land Mortgage Bank issues will be seen from the provisions of the Statutes of the Central Bank for Land Mortgages:—

1. No series of bonds of the Central Bank can be issued without the special authorisation of the Minister of Finance, and before the deposit at the State Bank as security for such series of bonds—first, of an amount of mortgage bonds of the Provincial Land Mortgage Banks, bearing such an annual interest and sinking fund as shall be equivalent to the sum required annually by the Central Bank for the interest and sinking fund of the bonds it shall itself issue; and, second, of such an amount of Russian Government stock as shall be equivalent in value to one-twentieth of the nominal capital of the series of bonds to be issued.

2. In addition to the above, the interest and amortisation of the bonds of the Central Bank are guaranteed by the capital, the reserve fund, and the property of the bank.

3. The amount of bonds issued by the Central Bank cannot in any case exceed ten times the amount of its capital and reserve fund.

4. Every bond of the Central Bank, besides the signature of the Direction, must bear the signature of a delegate of the Ministry of Finance.

5. The drawing of the bonds takes place two months before the date of their payment, and is effected, as is also the cancelment of bonds paid off, in public, and in the presence of a delegate of the Ministry of Finance, at the Offices of the Bank, St. Petersburg.

6. The bonds of the Central Bank are received as caution money in all contracts with the Russian Government.

The Provincial Land Mortgage Banks, whose mortgage bonds have to be deposited, as above mentioned, in the State Bank of Russia, as a special guarantee of each series of bonds issued by the Central Bank, are ten in number, and are constituted and controlled by the Russian Government. The statutes of all these banks are nearly identical, and contain the following regulations:—

The operations of these provincial banks are confined to the granting of advances in mortgage bonds, deliverable to the borrower at their nominal value, against mortgage of real property, in the absolute possession of the borrower, free from debt, and yielding a regular revenue.

The said advances can in no case exceed 60 per cent. of the value of the property.

The valuation is conducted as follows:—The detailed inventory of the value of a property offered for mortgage must be verified on the spot by a committee of valuation, chosen at the general meeting of the bank, consisting of seven shareholders.

The valuation so made is further submitted to the Board of Direction for its approval before the advance is granted, and in the terms of the statutes of the Provincial Banks, must be communicated to the Imperial Russian Minister of Finance to obtain the requisite authority to issue the bonds.

The amount of mortgage bonds thus put into circulation by a Provincial Land Mortgage Bank cannot exceed ten times the amount of its capital and reserve fund.

The payment of the interest and sinking fund of the mortgage bonds of each Provincial Bank is guaranteed by its capital and property, in addition to the mortgages, the interest and sinking fund whereof are payable half-yearly.

The operations of the Provincial Land Mortgage Banks are subject to the control of the Ministry of Finance.

Highest and Lowest Prices of Russian Securities.

—	3 per Cent., 1859.		5 per Cent., 1862.		5 per Cent. Anglo- Dutch.	
	Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.
1865	57½	52½	93½	86½	97	87½
1867	55	50	89	83	92	84
1869	56	51½	89½	83	94½	87
1870	56	50	89	79	94½	83½
1871	60½	53	92½	83	97½	88
1872	65½	57½	96	89	100	95
1873	69	64	100	91½	100½	96
1874	75	64	103	96	103	97
1875	74	64	105½	94	104½	95
1876	71	47	101	72	100½	74
1877	63	45	89	68	93	71
1878	64	52	84½	69	90	74
1879	68	56	88	78	93	84
1880	68	60	91	82	96	86
1881	72	65	92½	85½	97	90

—	4 per Cent. Nicolas Railway.		5 per Cent., 1873.		Oral Vitebak Bonds.	
	Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.
1865 .....	...	...	...	...	...	...
1867 .....	...	...	...	...	78	72½
1869	69	62½	...	...	85½	76½
1870	70½	60	...	...	89	78
1871	75	66	...	...	91	82
1872	77½	72½	...	...	95½	89
1873	82	74½	...	...	99	91
1874	86	75½	102	94½	103	94
1875	88	79	104	97	104	93
1876	85	63	100½	74	99	69
1877	78	64	89	68	86	65
1878	76	64	87½	73	86	71
1879	79	70	90½	81½	90	79
1880	80	72	91½	84	93	84
1881	82	74	95	88½	95	87

In dealing with the revenue and expenditure of the Empire the difficulties in respect to the depreciation of the paper rouble again present themselves. There can be no doubt that part of the increase in the expenditure in recent years has been due solely to this depreciation, and in the following table the totals are given in roubles, and the rates of conversion into sterling:—

	Rate of Conversion.		REVENUE.		EXPENDITURE.		
	s.	d.	Roubles.	£	Roubles.	Roubles.	£
1840 ...	3	0	165,190,240	24,778,536	187,979,637	Extraordi-	28,196,945
1850 ...	3	0	224,640,573	33,696,085	287,186,494	nary Ex-	43,077,974
1860 ...	3	0	386,916,431	58,037,464	438,239,223	penditure	64,735,883
1870 ...	2	6	480,558,827	60,069,853	485,482,081	upon the	60,685,260
1873 ...	2	6	537,942,323	67,242,790	539,140,337	War with	67,392,542
1874 ...	2	6	557,738,591	69,716,699	543,317,034	Turkey.	67,914,629
1875 ...	2	6	576,498,152	72,061,644	543,221,521		67,902,690
1876 ...	2	6	559,262,692	69,907,837	573,107,058	50,998,114	78,013,147
1877 ...	2	2½	548,830,831	60,981,203	585,044,811	429,328,089	112,708,100
1878 ...	2	0	625,972,735	62,597,274	600,510,612	408,142,970	100,865,358
1879 ...	2	0	661,954,191	66,195,419	643,892,258	128,109,317	77,200,157
1880 ...	2	0	651,016,683	65,101,668	694,505,313	58,818,163	75,832,347
1881* ...	2	0	658,322,526	65,332,253	703,679,191	...	70,367,919

* Estimates.

The principal sources of revenue are:—

	1875.	1880.	1881 (Estimates).
	Roubles.	Roubles.	Roubles.
Land and personal tax...	120,229,334	110,597,330	118,752,350
Customs	62,383,113	95,209,408	96,524,000
Excise on spirits.....	197,494,184	222,385,734	222,843,880
" salt	11,283,527	13,598,265	...
" tobacco	10,617,020	13,035,004	13,052,000
Post Office	10,727,477	13,496,800	14,060,263
Trading licences.....	14,751,094	14,734,167	19,257,400
Receipts from railway advances	17,069,210	11,167,388	11,435,207
Loans repaid.....	7,908,270	3,110,308	3,482,367
Forests	9,870,098	14,280,970	13,336,704
Revenues of the Caucasus	6,539,646	7,953,725	8,599,069

The export trade of Russia in Europe, excluding Finland, has shown rapid development, owing to the introduction of railways, even though it has recently been checked by bad harvests and heavy additions to the Customs tariff. The

returns, being made in silver roubles, may be converted direct into sterling:—

Year.	IMPORTS.		EXPORTS.	
	Total.	From United Kingdom.	Total.	To United Kingdom.
	£	£	£	£
1860	19,754,000	5,437,000	24,005,000	16,202,000
1865	22,556,000	6,180,000	30,611,000	19,469,000
1870	50,431,000	17,101,000	54,285,000	27,265,000
1871	56,403,000	15,665,000	55,853,000	27,444,000
1872	65,499,000	19,211,000	49,329,000	22,939,000
1873	65,861,000	20,573,000	54,761,000	20,668,000
1874	69,242,000	20,538,000	65,108,000	21,834,000
1875	81,090,000	21,392,000	57,095,000	20,921,000
1876	66,581,000	16,709,000	60,049,000	21,167,000
1877	50,275,000	14,849,000	80,478,000	23,752,000
1878	89,508,000	25,851,000	94,453,000	30,577,000
1879	87,294,000	23,406,000	96,015,000	29,498,000
1880 .....	...	...	...	...
1881 .....	...	...	...	...

The imports of Russia in Asia in 1879 were £4,848,000, and the exports £1,680,000.

The chief imports are raw cotton, cotton yarn, wool, machinery, iron and iron manufactures, other metal wares, oils, raw silk, coal, and wine, in the order named. The principal exports are named below:—

	1870. Silver Roubles.	1879. Silver Roubles.
Wheat	96,497,280	185,768,316
Rye	20,534,142	96,251,725
Flax	57,097,968	69,669,073
Linseed	27,142,380	41,076,592
Oats	16,693,228	39,880,452
Timber	13,145,568	25,240,795
Hemp	11,005,160	18,078,018

The area and population of Russia are as follows:—

	Area. Square Miles.	Population	
		1858.	1870-2. 1881.
Russia in Europe	1,894,949	59,330,752	65,704,559
Poland	49,144	4,764,446	6,528,017
Finland	144,181	1,636,549	1,912,647
Europe	2,088,274	65,731,747	74,145,223
Caucasia	172,790	...	4,893,332
Siberia	4,825,032	...	3,428,867
Central Asia	1,276,874	...	3,800,628
Asia	6,274,696	...	12,122,827
Grand total	8,362,970	...	86,263,050
			100,038,348

The population of St. Petersburg in 1869 was 667,963; Moscow, in 1871, 601,969; Warsaw, in 1878, 336,703; Odessa, in 1873, 184,819; and Kieff, Riga, Kichineff, and Kharkoff, all possessed upwards of 100,000.

FINLAND.

The area and population of the Grand Duchy of Finland are given above. The population is mainly Scandinavian, and they virtually enjoy administrative independence. The currency consists of marcs, which are equivalent to the franc; and the revenue in 1880 was £1,296,380, of which £366,300 was derived from Customs, and £67,830 the net revenue of the State railway. The expenditure was £1,398,134.

On the 1st January, 1881, the debt stood as under:—

	£
Internal debt	376,963
External „	2,119,257
	2,496,220

Almost the whole of this bears 4½ per cent. interest, and the two principal loans were contracted with Messrs. Rothschilds of Frankfort. The loan of 1874 was negotiated by that firm for the Bank of Finland, and amounted to 15,298,800 German marcs. Debt per head, £1 5s.; annual charge (interest and sinking funds, £170,540), 1s. 4d. Deducting the lien of Russia upon the railway earnings, the net burden may be estimated at about 1s. per head.

The imports of Finland in 1880 were valued at £5,548,000, and the exports at £4,924,000. The exports were mainly to Russia, Great Britain, and France.

SALVADOR.

The "Annual Exhibit" of the Treasury for the year 1881 thus states the debt of the Republic:—

	£
Foreign debt	none
Internal debt (\$1,668,124).....	333,624
	<hr/>
Together	333,624

This internal debt partly consists of Six per Cent. Consolidated bonds; but rumour speaks of further floating liabilities, though there are no figures at command, and it is stated that in the past few years some burdens have been liquidated.

Within the past twenty years, the population has been variously estimated at 390,000, 450,000, 554,785, 600,000, and the "Exhibit" above referred to mentions 800,000. This appears to be an exaggeration, and probably 600,000 is nearer the truth. The area is about 10,000 square miles, thus showing a population of 60 per square mile. The debt per head, as above stated, would be 11s. 2d., and the annual charge would probably be under 1s. per head.

The revenue in 1881 was stated at \$3,272,740, or £654,548; and the estimates for 1882 are \$3,951,670, or £790,334, including a balance of £30,000 in hand from 1881. The import duty was taken at the level of 1881, namely, £357,569, and the liquor monopoly was to realise a gross £212,176. The expenditure was estimated at £765,327, including £168,817 for principal and interest of debt.

The trade of San Salvador has thus been stated:—

	Imports.		Exports.
	£		£
1870.....	839,800	.....	778,700
1880.....	458,908	.....	854,617

The exports in 1880 included £488,017 coffee and £234,734 indigo.

In March, and again in May, 1863, Mr. Lewes H. Haslewood offered here an Eight per Cent. Loan of San Salvador for £400,000, at the price of 85, the objects being to establish a bank, to build piers, bridges, &c. But troubles in Central America at the time were sufficient to prevent the issue being successful. In 1872, the country was at war with Honduras, which for the time increased the debt.

SAN DOMINGO.

In July, 1869, San Domingo contracted a Six per Cent. Loan in this country. This issue, for £757,700 nominal, was announced at the price of 70 per cent. The bonds, of £500 or £100 each, were redeemable at par, within twenty-five years, from January, 1870, by half-yearly drawings. Messrs. Peter Lawson and Son, of London and Edinburgh, were the agents, who issued the bonds to bearer. The special hypothesized securities were the proceeds of guano sales and Customs, said to be worth £120,000 a year. The dividends were made payable in January and July, the drawings to take place on the 15th June and 15th December. The money was required for the construction of roads and railways.

The drawing due December, 1872, and the dividend due January, 1873, remain unpaid, the San Dominican Government having repudiated the loan in the latter part of 1872. The contractors for the loan soon afterwards failed. The amount outstanding in January, 1882, was £728,500.

There are also internal liabilities. There are no reliable returns available with respect to the revenue and expenditure, though the Budget for 1882 placed the receipts at some £300,000, and the expenditure rather less.

In 1875, the imports were stated at £359,000, and the exports at £318,000. In 1879, the imports were £236,000, and the exports £196,000. The exports are principally sugar, tobacco, and coffee.

The island comprises the Republics of Haiti and San Domingo. The latter possesses an area of nearly 20,000 square miles, with a population of about 250,000.

In 1875, the Foreign Loans Committee reported upon the financing of the "Hartmont Loan" as follows:—

On the 1st May, 1869, the Government of Santo Domingo entered

into an agreement with Mr. Edward Herzberg Hartmont, who also became the Consul-General for that Republic in London. He contracted to provide a sum of £420,000, of which £50,000 was to be paid on the day of the signing of the agreement, £270,000 more during the last half-year of the year 1869, and £100,000 was to be retained by him as compensation for his "outlays, risks, and commission." He was authorised to fix the nominal amount of the loan to be issued in London. The Government on their part undertook to pay, for the interest and sinking fund of their debt, an annuity of £58,900 in half-yearly instalments for a period of twenty-five years.

By this agreement the regular payment of the annuity was declared to be guaranteed by the entire assets of the State of Santo Domingo, its Customs, its revenue, and its domains, the State having no other debt. As a special guarantee, the Government pledged the import and export duties of the ports of Santo Domingo and Puerto Plata. And as a supplementary guarantee, the Government further granted to the bondholders of this loan a first mortgage on the coal and other mines, and the forests belonging to the Government in the Peninsula of Samana, to east of Grand Estero, as also on the revenues accruing to the Treasury from the export of guanos or guanitos from the island of Alta Vela.

In July, 1869, the prospectus of the loan was issued in London by Messrs. Peter Lawson and Co., acting for Mr. Hartmont. It was for a nominal sum of £750,700, at the issue price of 70 per cent. The loan was badly received by the public, and though several attempts were made in the summer of 1869 to form a syndicate for the purpose of placing it, they were unsuccessful, and in October, 1869, the certificate to the Stock Exchange, signed by Peter Lawson and Son, stated that the amount of £178,700 (nominal value) only had been duly allotted to the public. But the evidence before your Committee seems to show that even of this sum £91,000 (nominal value) was taken by Messrs. Peter Lawson and Son themselves (at 55 per cent.), and only £15,000 (nominal value) was really subscribed for by the public at 70 per cent. About December, 1869, or January, 1870, Mr. Sharp, the solicitor to Messrs. Peter Lawson and Son, applied to Messrs. Cazenove and Co., in their capacity of brokers, to effect an arrangement for the disposal of about half-a-million (nominal value) of Santo Domingo bonds. They looked into the matter, several meetings were held at the office of Messrs. J. S. Morgan and Co., and negotiations for the purpose of accomplishing this object continued until the end of January.

Upon that day an agreement was entered into, by which Messrs. Bischoffsheim and Goldschmidt and Messrs. J. S. Morgan and Co. (acting on their own behalf and on that of Messrs. C. Morrison, Julius Beer, and Morton, Rose, and Co.) became the purchasers of the whole loan (less the £178,700 previously allotted) at the reduced price of 55 per cent. This contract was subject to the condition that £100,000 was to be paid in cash on the 30th April.

This agreement appears only to have been carried out to the extent of about £100,000 in cash, and the remainder of the bonds (except a few which were devoted to the payment of Messrs. Cazenove's commission, and of law and other expenses) were disposed of to Mr. Hartmont, Messrs. Bischoffsheim and Goldschmidt, and Messrs. J. S. Morgan and Co., at an average price of 50 per cent., the total receipts in cash being stated by Mr. Hartmont as £372,009. These bonds were afterwards sold to the public by Messrs. Bischoffsheim and Goldschmidt, and by Mr. Hartmont.

The only sum which the Government of Santo Domingo acknowledges that it has ever received is £33,000, being the balance of the £50,000 to be paid in May, 1869, after deducting Mr. Hartmont's proportion of the commission due to him. From Mr. Hartmont's evidence it would appear that he claims to have paid the full sum of £50,000. It is admitted on both sides that no other payment has been made.

In July, 1870, the Senate of the Republic of Santo Domingo passed a resolution altogether repudiating the loan. But there is no evidence before your Committee to show that this fact was communicated to the English public or to Mr. Hartmont until September, 1872. From the balance of £211,100, with which he credits the Government at that time, he deducted the half-yearly annuities of £29,450, payable during 1871 and 1872, having thus still in his possession in August, 1872, when all authority was withdrawn from him, the sum of £93,000. Against this, however, he claimed to set off certain alleged damage in respect of the Samana concession, although about that time he stated his willingness to pay over this balance to the Council of Foreign Bondholders in London, if Colonel Mendez would confirm the loan. This not being done, he has retained it himself, and invested it in his business.

In 1874, it was proposed to work the Alta Vela guano for the benefit of the bondholders, and to establish relations with the proposed "Banco Nacional Dominicano," but they ended in nothing.

In their report for the year 1881, the Council of Foreign Bondholders referred to the inaction of the Republic in the following terms:—

Although the bonds of this loan have been the subject of market inquiry during the past year, there does not appear to be any solid reason for their value being enhanced; unless it be the rumour, often current before, that the Government of the United States, desiring to acquire the Bay of Samana, would pay a sum for it sufficient to extinguish the claims of the creditors of the Republic. But so far from there being any official corroboration of this report, it has been authoritatively denied by the Dominican Minister in Paris.

S E R V I A .

The youngest kingdom in Europe has not been slow to contract a public debt.

In 1877, a small foreign loan was raised.

In 1881, the Union Générale brought out a Three per Cent. Lottery Loan for 33,000,000 francs, to realise 27,000,000 francs cash. The issue price was 92, and the whole is to be redeemed by 1931. One-third of the proceeds was to be applied towards the construction of the Belgrade-Wranja Railway, and the balance to the liquidation of the Servian Internal debt.

Also in 1881, there appeared in Brussels the Servian Five per Cent. State Railway Loan of 100,000,000 francs nominal, consisting of bonds of 500f. (£20) each. The Union Générale had in the early part of the year taken this loan *firm* at the price of 357f. per bond, and the Servian Government were to provide an annuity of 6,000,000 francs for fifty years, to cover interest and redemption. The loan was declared free of Servian tax, and the interest payable in Paris, Brussels, Vienna, or Belgrade; and the special securities offered were the net revenues of the railways when completed, and the Customs. In Brussels, the subscriptions were invited by the Union Générale at 427f. per bond. But only a portion of these bonds were placed with the public, and in January, 1882, the Union Générale failed. Recently, the Comptoir d'Escompte de Paris has taken over the contract. By this, the Servian Government, it is stated, effects a saving of 600,000 francs in the annuity.

In these two loans, therefore, Servia has contracted a foreign debt as follows :—

	Francs.	£
3 per Cent. Lottery	33,000,000	= 1,320,000
5 per Cent. Railway Loan	100,000,000	= 4,000,000
	<hr/>	<hr/>
	133,000,000	= 5,320,000

The annual charge will be about 6,500,000 francs, or £260,000; but a considerable portion is not yet publicly issued, and the accounts with the Union Générale are much

involved. Altogether, including other liabilities not retired, the Public Debt of Servia has been estimated to exceed £4,000,000, with an annual charge of about £200,000. In the Budget of 1881, however, the charge was set down at only £108,000.

The population being 1,700,000, the present Public Debt per head would represent £2 7s., and the annual charge, say, 2s. 4d. Part of the liability has been incurred for railway purposes not yet reproductive, and part in the recent struggles with Turkey.

The Budget of 1881 showed—receipts, £1,037,040, and expenses, £1,028,580. The revenue included £281,440 from extraordinary sources, besides direct taxes, £420,000, and Customs, £116,000.

The imports and exports are each supposed to reach about £1,000,000 sterling in value; but no official figures have appeared since the war. The exports mainly consist of animal produce.

As a result of that conflict, the area of Servia was enlarged to 48,657 square kilometres (say, 18,500 square miles), and the population was, by the enumeration of December, 1878, returned at 1,669,337.

S I A M.

The area of this Kingdom has been estimated at 726,850 square kilometres (say, 270,000 square miles), and the population variously from 6,000,000 up to 10,000,000.

The collection of taxes is reported to be very corrupt.

Great Britain carries on an important trade through the capital, Bangkok, a town with a population of about half a million. In 1881, the invoice values of the cargoes entered at that port reached 6,233,640 Mexican dollars, of which \$5,248,808 arrived in British or Colonial vessels, while the exports were \$9,727,640, of which \$6,120,256 was cleared in British vessels. The exports in 1879 were \$10,200,000 and in 1876 \$8,300,000. The staple export is rice, but pepper, tilseed, sugar, teak, and sapan wood also furnish articles of export.

S P A I N.

The history of the Spanish debt is a very remarkable one. According to the latest consolidation arrangements, the debt, it may be calculated, will stand not very far from the £338,000,000 indicated below (converting Internal debts at pesetas 25 = £1) :—

	Debt, Jan. 1, 1881. £		After Con- version. £	
5 per Cent. Consolidated (due to the United States).....	130,000	.....	130,000
3 per Cent. Consolidated (due to Denmark).....	130,000	.....	130,000
3 per Cent. External Debt.....	} 1 per cent. in 1881. {	} 174,841,047	} New External 4 per Cents.	} 79,000,000
3 per Cent. Internal Debt.....					} 130,854,992
2 per Cent. State Obligations issued for subvention to rail-ways.....	24,881,200	} New Internal 4 per Cents.	} 80,000,000	
Old debts convertible into Internal 3 per Cents.....	8,168,527			
Inconvertible Inscribed Rentés in favour of Corporations (1 per cent.).....	20,784,433	} New Redeemable 4 per Cents. ...	} 72,000,000	
Ditto in favour of the clergy.....	14,332,003			
Shares issued for public works (2 per cent.).....	922,580			
2 per Cent. External Redeemable Debt.....	} redeem-able at 50. {	} 10,534,920		
2 per Cent. Internal Redeemable Debt.....			} 19,154,580	
Arrears.....	446,182			
Bills carrying 1 per cent. interest	9,025			
Securities of Guarantees at 3 per cent.	107,419,350	..... (?)	107,000,000
	512,093,781		(say) 338,000,000	

The annual charge upon the debt after conversion will be about £9,500,000; or upon a population of 16,700,000, represents 11s. 4d. per head. The provision for the Public Debt in 1880 was £11,666,000.

The aggregate of the Spanish debt from time to time, as affected by the constant revenue deficits and numerous conversions, has presented great variations. Adopting the information most worthy of credit, it appears that when, in 1700, the House of Bourbon ascended the throne under Philip V., the capital of the debt was calculated to be about £20,000,000, and the revenue deficit at about £2,800,000 a year.

In the reign of Ferdinand VI., by a Decree of the 15th July, 1748, it was proposed that all the debts against the State

should be liquidated, and a sum of 60 million reales (£600,000) was assigned for their redemption. Those contracted by the kings of the Austrian dynasty from Carlos I. to Carlos II. were not included, but left to be dealt with in another form.

The first funded stock issued, by the Decree, 30th August, 1780, in the reign of Carlos III., was the Vales Reales, the amount of which began to increase rapidly, and continued increasing during the time of Carlos IV.

From that time to 1818, owing to the expenses of the several wars, some financial operations were entered into with Holland and France (a debt was also incurred with the British Government for supplies during the Peninsular War), all of which were afterwards liquidated and settled by various treaties.

The introduction of foreign loans may be said to have begun with the 5 per cent. bonds contracted by the Constitutional Government of the Cortes from 1820 to 1823 with Messrs. Laffitte, Ardoin, and Co., of Paris, and Bernales, Lubbock, Campbell, and Co., of London.

The terms on which those loans of 1820 to 1823 were negotiated in some cases were not kept by the contractors. Serious controversies arose between them and the Government, some of which remained unsettled for half-a-century. However, the coupons due to 1823 were paid in cash.

In October, 1823, the Constitutional Government was upset by French bayonets, and King Ferdinand VII. was no sooner restored to absolute power than he repudiated the capital and interest of those foreign loans, which remained as a dead letter till his death in 1833.

In 1823 the debt stood as under :—

	Capital Bearing Interest. Reales Vellon.	Capital Not Bearing Interest. Reales Vellon.
Total <i>Internal</i> Debt	6,918,618,603 ...	7,677,285,737
<i>Foreign.</i>		
Debt due to Holland, 5 per cent.	174,000,000 ...	...
Loan of 1820, Laffitte and Co., Paris, 5 per cent.	300,000,000 ...	...
Drawn bonds of ditto .....	...	87,000,000
National Loan, 1821, 6 per cent.	103,425,000 ...	...
Loans—Ardoin, Ounrad, and Co., at 5 per cent.	1,561,010,000 ...	...
Loans—Bernales, Campbell, Lubbock, and Co., 5 per cent.	291,600,000 ...	...
Total foreign reales vellon	<u>2,430,035,000 ...</u>	<u>87,000,000</u>
Together at 51d. = 20 reales	£98,646,500 ...	£81,737,900

Between 1824 and 1833, the King sought assistance from this country, but he met with an absolute negative without a previous recognition of the repudiated loans. Subsequently he applied to France, where, through the intervention of M. Aguado, Messrs. Guebbard, and others, he was able to effect several loans, although being obliged to accept as part of payment some of the bonds and overdue coupons that had been repudiated in 1823.

Debt on the 31st December, 1833, excluding the Loans contracted from 1820 to 1823, repudiated by King Ferdinand VII.

	Capital. Reales Vellon.	Interest and Sinking Fund. Reales Vellon.
Interior debt—Various denominations ...	4,560,710,643 ...	58,715,863
Floating Debt.....	1,828,315,886 ...	...
Foreign Debt—Loans contracted from 1824 to 1832 in Paris and Amsterdam, in Obligations Guebbard, Rentes 5 per Cent. and 3 per Cent. in 1831; Debt to Holland, settled by Treaty of 1830, and to England and France by Treaties of the 28th October and 30th December, 1828.....	2,555,207,990 ...	134,045,586
Reales vellon	8,944,234,519 ...	182,761,449
At 51d = 20 reales.....	£94,113,000 ...	£2,029,000

On the death of the King, a Government under the regency of Queen Maria Christina was established. The Cortes were convoked, and by a Law of the 16th November, 1834, they recognised the legality of the loans of 1820 to 1823, as well as of all others contracted by the King in France and Holland, with their respective arrears of interest, which were settled as follows:—

Capital.

66½ per cent. converted into Active Bonds, 5 per cent.
33½ per cent. into Passive Stock, bearing no interest.

For the operations of the conversion and of the new loan, the following respective bonds of the foreign debt were issued in 1834:—

	Reales Vellon.	
For the conversion	2,484,520,000	
For the loan	701,752,000	
		£
	3,186,272,000	= 33,322,900 Active 5 per Cent.
	1,194,960,000	= 12,696,500 Passive.
	1,248,828,000	= 13,215,700 Deferred.

Total reales vellon 5,575,060,000 = 69,235,100

representing the amount of the foreign debt in 1835.

The three coupons of the Active, 1834, as well as of the bonds of the above-mentioned loan, May to November, 1835, and May, 1836, were paid in cash.

The coupon, November, 1836, could not be paid at maturity; the Government issued Treasury Bonds, which, after having been due for a long time, were redeemed with interest.

Arrears of Interest.

The twenty-two overdue coupons of May, 1824, to November, 1834, both inclusive, total 55 per cent., were converted into a Deferred Stock, bearing no immediate interest, which were to be reconverted into Active Five per Cent. Stock by twelve annual drawings, from May, 1838, to November, 1849.

Simultaneously with this arrangement a loan of £4,000,000 effective was contracted with Messrs. Ardoin and Ricardo, of Paris and London, in 5 per cent. bonds, at 60 per cent.

In May, 1837, a stoppage of payments took place; the Civil War, which broke out in 1833, was then at its height. Some 500,000 combatants on both sides were carrying misery and desolation all over the country. At the end of 1840 peace was apparently restored; and the attention of the Spanish Government was devoted to rendering some degree of justice to its creditors, establishing at the same time the foundation on which the debt and credit of Spain were to be consolidated.

The coupons, 1837 to 1840 inclusive, upon the £680 Active debt of 1834, = £136, as well as those upon the loan of the same debt, by a Decree of the 21st January, 1841, were converted at par into 3 per cent. bonds, 62 coupons on which, from the 30th June, 1841, to 1st December, 1872, inclusive, were punctually paid.

The provisions of this Decree also authorised the capitalisation into Three per Cent. Stock of the interest due on the Interior debt at 4 and 5 per cent. during the same period, and subsequently there was added to them the conversion of bills on the Treasury by contract; and of Treasury Bonds on Havana (Law of the 14th February, 1845); the capital held by the lay holders of tithes (Law of the 2nd September, 1841, and 20th March, 1846); the capital created for the amortisation or redemption of the 60,000,000 reales, or £600,000, English claims at 5 per cent. (recognised by the Convention of the 28th October, 1828); the capital given to the Church in compensation for the property sold, as well as to the several towns for the *Propios*, waste lands, and other loans made in Spain, and representing Internal debt.

The drawings of the Deferred Stock, created in 1834, were effected from 1838 to 1849, as directed, and the whole was reconverted into Active Five per Cent.; but as their coupons could not be paid in cash during the suspension, they were dealt with thereafter as the other portions of the debt.

The amount of the Public Debt on the 1st January, 1851, was as follows:—

	Reales Vellon.	CONSOLIDATED DEBT.	
		With Interest.	Without Interest.
		Reales Vellon.	Reales Vellon.
INTERIOR.			
Consolidated 3 per Cent.	2,297,106,884		
Debt, 4 per Cent.	624,597,866		
„ 5 per Cent.	1,004,747,877		
Claims of lay holders of tithes to be converted in 3 per Cents.	53,034,633		
		3,979,489,260	
Amount of Passive bonds, Provisional debts, interest payable in paper, and other claims, Vales Reales, &c.	2,251,507,058	}	3,995,742,763
Debt liquidated pending emis- sion	17,983,187		
Floating Debt.....	1,726,252,523		
FOREIGN.			
Consolidated 3 per Cent.	621,371,513		
Active 5 per Cent.	3,065,568,000		
Passive debt			1,038,408,000
Amount of debt to France	278,268,123		
Amount of English claims	60,000,000		
Debt to the United States	12,000,000		
		4,087,207,636	
		£84,386,000	£52,980,000
Sterling (at 51d. = 20 reales)			

By a Law of the 1st August, 1851, a general settlement of

the Spanish debt (the Three per Cent., 1841, only excepted) was carried into effect.

The whole of the capital of the Active Five per Cent. Bonds, as well as one-half of the arrears of coupons unpaid from 1841 (the other half to be confiscated), was converted into a New Deferred Stock, with an ascending scale of interest from 1 to 3 per cent., which maximum was reached on the 1st January, 1870, and, to the end of 1872, was paid with regularity.

The conversion was effected as follows, taking a £1,020 bond as a basis to establish the demonstration:—

Capital.

	£	s.	d.
Two-thirds of the original £1,020 bond converted into Active in 1834.....	680	0	0
Fifty-five per cent. arrears of coupons to 1834 on the original bond £1,020, converted then into Deferred, and subsequently into Active, by the drawings from 1838 to 1849.....	561	0	0
	1,241	0	0

Arrears of Interest.

	£	s.	d.
The 21½ coupons (May, 1841, to the 30th June, 1851), 53½ per cent. on £680 Active	362	8	0
To calculate the corresponding coupons on £561 Deferred, 1834, which were to become Active, with interest, by the drawings, by fixing interest on the whole, from May, 1844, to the 30th June, 1851: 15½ coupons = 38½ per cent.....	215	1	0
Total of interest.....	577	9	0
Of which the Government converted only one-half into the New Deferred Stock.....	288	14	6
Total of New Deferred received.....	1,529	14	6

The interest on this stock was likewise regularly paid from the 1st January, 1852, to 1st January, 1870, inclusive, in the ascending proportions, as stipulated, being afterwards converted into Three per Cent. Consolidated Stock.

The Passive, without interest, created in 1834 out of one-third of the capital of the Cortes Bonds, had been partly absorbed in payment for the purchases of National property; by the said settlement of 1851, a monthly sum was assigned for its cancelment by public auctions, which from that period till 1862 reduced the amount to a considerable extent.

In consequence of the confiscation of the half of the arrears of coupons from 1841 to 1851, amounting to £288 14s. 6d., the Committee of the Stock Exchange interdicted the

negotiation or quotation of any new Spanish security in this market.

In 1856, the Spanish Government, duly authorised by the Cortes to issue Three per Cent. Bonds, negotiated a part of them with Mr. Mires, of Paris, which, owing to the above-mentioned prohibition, have never been brought into this market.

The controversy which arose between the Government and the holders of Certificates, which were issued for the said £288 14s. 6d. confiscated coupons by a committee expressly formed for that purpose, raged without intermission until 1867, when the Government by a Law of the 11th July, 1867, directed that the Passive should be converted into Three per Cent. Stock, with interest from the 30th June of that year inclusive, upon the following terms:—

For every £100 Passive, and £28 in cash, the holders were to receive £150 Three per Cent. Stock.

Say—£510 Three per Cent. Bonds in exchange for the £340 Passive, and £95 4s. in cash, which the holder had to pay to the Government.

By the same Law the half of the arrears of coupons confiscated in 1851, represented by the Certificates, were converted into Three per Cent. Stock, with interest to the 30th December of that year inclusive, at the rate of £55 11s. 4d., in Three per Cent. Stock, for each £100 of the claims, = total, £160 8s. 3d. in Three per Cent. for the £288 14s. 6d. of coupons.

Conjointly with this operation, the Cortes authorised the Government to issue Three per Cent. Bonds to raise £4,000,000 effective, which were admitted to the London market, and negotiated by Messrs. Rothschild.

In March, 1868, an Eight per Cent. Spanish Colonial Loan for £2,335,000 was contracted with Messrs. Bischoffsheim and Goldschmidt, and subscribed for in London at 91 per cent., the whole being redeemable in 15 years at par, specially secured on the Colonial revenue. A discussion arose as to the authority of the Government, and the contractors not being satisfied with the legality of the hypothecations, returned the subscriptions and refused to fulfil the contract, whereupon the Spanish Government confiscated the £100,000 caution money deposited with them by the contractors, which sum, however, was given back to them in 1869.

In September, 1868, a revolution took place, that resulted in the flight of Queen Isabel II. to France, and the downfall of the Bourbon dynasty, and she was replaced by a Provisional Government under Marshal Prim.

The finances of the country were left in the most deplorable

condition, and in order to be able to appreciate the state of things that follow, it is convenient to present here—

“Statement of the Public Debt in circulation and ‘pending liquidation’ on the 30th September, 1868,” without including the debt and engagements of the Treasury :—

	Reales Vellon.	CONSOLIDATED DEBT.	
		With Interest.	Without Interest.
	Reales Vellon.	Reales Vellon.	Reales Vellon.
INTERIOR.			
Consolidated 3 per Cent. ...	6,060,597,500		
Held to guarantee contracts	2,442,578,000		
Inscriptions for the clergy and civil corporations ...	2,579,592,928		
		11,082,758,428	
Deferred Stock convertible in 3 per Cents.		2,598,312,708	
Redeemable debt		2,072,738,290	
Passive 1st and 2nd class not yet converted	64,755,334		
Amount of debt liquidated not yet issued.....	1,064,125,738		
		1,128,881,072	
Floating debt (pending liquidation).....			741,645,477
Reales vellon		16,882,690,498	741,645,477
Or, in sterling		£175,861,360	£7,725,470
FOREIGN.			
Consolidated 3 per Cent. ...	3,074,322,000		
Deferred convertible into 3 per Cents.	2,298,192,000		
Debt to the United States and English claims	12,010,000		
Amount of Passive not yet converted.....	15,056,000		
		5,399,580,000	
Or, in sterling.....		£56,370,529	
Total Interior and Foreign		£239,957,359	

The new Government seemed animated by a desire for retrenchment, but it was seen at once that party feeling and jealousy were an insuperable obstacle to any real reformation. In order to please the multitude, the best taxes were abandoned, and the deficits of the Budgets continued to increase in an alarming manner, introducing thereby an entire disorganisation into the National finances. The Government was obliged to have recourse to the system of contracting loans, regardless of price or future consequences.

(On the 1st April, 1869, authority was granted by the Cortes

to issue Three per Cent. Bonds to produce £10,000,000, of which a fourth was taken by the Bank of Paris, which undertook likewise to negotiate the rest on account of the nation. In order to realise this sum, Spain was forced to issue bonds for £32,640,000 foreign debt, and 1,015,403,000 reales vellon (£10,788,000) internal—total, £43,428,000 stock, being at the rate of 24·46 per cent.

In October, 1869, came another revolution, and the country remained in a most disturbed condition.

On the 23rd March, 1870, the Provisional Government was authorised to enter into a monetary transaction upon the produce of the Almaden Quicksilver Mines, by virtue of which a contract was signed with Messrs. Rothschild, of London, to issue £2,318,100 in 5 per cent. bonds at 80 per cent. = £1,854,480 effective. Principal and interest are payable in London on the 1st January and 1st July. The prospectus stated—

The Spanish Government engages to consign for 30 years all the produce of the Almaden Quicksilver Mines to Messrs. N. M. Rothschild and Sons in London, who are exclusively charged with the sale of it; the minimum estimated annual production being 32,000 bottles, while a larger quantity may be expected. An annuity of £150,000 is granted by the said contract to meet the interest on the bonds, and to redeem them at par in 30 years by half-yearly drawings in June and December. This annuity will be payable out of proceeds of the quicksilver annually consigned to and sold by Messrs. N. M. Rothschild and Sons, and is secured by a mortgage deed.

In the first days of July, 1870, came the news that the Spanish Crown had been offered to Prince Leopold of Hohenzollern, and though he at once retired, the Franco-Prussian War followed immediately. In November, 1870, Prince Amadeus of Savoy was elected King, and he arrived in the country in January, 1871, his arrival being marked by the assassination of Marshal Prim.

In May, 1871, another financial operation was brought into the market by Messrs. Stern Brothers and Co. under the name of the "Spanish National Lands Mortgage," which, although quoted in the Official List of the Stock Exchange, was an affair in which the Government had nothing to do, and therefore this liability was never included in the Budgets or statements concerning the debt. It was based upon an operation in 1870, when the Spanish Government negotiated, through the Bank of Paris, a large amount of Treasury Bonds, redeemable with the produce of the sales of National property, in representation of which they were issued. As these Six per Cent. National Lands Mortgage Certificates for 493,700,000 reales vellon have now all been paid off, there is no necessity to give the terms of the issue.

In September, 1871, the Government was likewise authorised by a Royal Decree, 22nd August, to issue by public and direct subscription, a loan in bonds of the foreign debt at the price of 31 per cent., to produce 150,000,000 pesetas, = say, £6,375,000.

The subscription was opened simultaneously in Madrid, the provinces, Lisbon, Paris, London, and Amsterdam, and applications reached no less than £167,795,000, upon which an allotment or distribution was made at the rate of 12·267 per cent. of the subscription, and £20,907,025 Three per Cent. Bonds were issued.

A change of Ministers took place almost immediately; and in the following October the bondholders were surprised to hear that Senor Angulo, the new Minister of Finance, had proposed to the Cortes the imposition of a tax of 18 per cent. upon the interest of all the debt. interior and foreign. An outburst of indignation was called forth on all sides. Another change of Ministry took place, and the measure was abandoned by his successor.

In March, 1872, Senor Camacho replaced Senor Angulo, and presented to the Cortes a Budget, showing a desire to cover the enormous deficit by an increase of taxation, and by proposing to the creditors a friendly and temporary settlement, "leaving them the responsibility of what at no distant future might occur if they refused him their co-operation."

The negotiation for a settlement was confided by Senor Camacho to Senor Don Manuel de Rances-y-Villanueva, Spanish Minister in London, who, aided by Senor Alvarez, brought the negotiations to a termination, the terms being accepted at a public meeting held in London on the 27th May, where a congratulatory resolution and vote of thanks were passed to H.E. Senor de Rances and Mr. Alvarez.

The terms agreed to were:—

That the 14 coupons from June, 1872, to 31st December, 1879, should be paid, two-thirds in cash, and one-third in bonds, with 5 per cent. interest, and 1 per cent. sinking fund for their redemption by drawings at par. That the amount of interest during the same period should be guaranteed by the produce of the land tax, the collection of which is made throughout the country by the *Banco de Espana* and its agents in the provinces.

On the very day this settlement was approved in London Senor Camacho was replaced by Senor Elduayen, who, however, telegraphed approving the terms. A fortnight later another change of Ministry took place, and the new Finance Minister,

Senor Ruiz Gomez materially modified the arrangement.* He stipulated "that the ten coupons on the debt from the 31st December, 1872, inclusive, are to be paid, two-thirds in cash and one-third in Three per Cent. Stock at the price of 50 per cent." But the coupons due on the 30th June and 31st December, 1873, and 30th June, 1874, remained, however, unpaid, and attached to the bonds.

In December, 1872, another loan was offered to the markets of Europe in bonds of the foreign debt, at the price of 28½ per cent. in London and Amsterdam, 29 per cent. in Paris, and 30½ per cent. in Madrid, to raise the sum of 250,000,000 of pesetas (£10,625,000) by public and direct subscription, the result of which, although it covered with excess the sum demanded, was short of that expected, and the allotment was made at the rate of 81 per cent. The emission of bonds was £35,025,265.

In February, 1873, King Amadeus voluntarily abdicated, and a week later a Republic was proclaimed. A Carlist rebellion at once followed, and civil dissensions did not cease until Alfonso XII. was proclaimed King on the last day of 1874.

At this time the foreign debt stood as under:—

	£
1867. For the conversion of Passive Certificates and amount sold by Messrs. Rothschild	34,595,000
1869. For loan sold by Bank of Paris	32,640,000
1870. For conversion of old 3 per Cent. Spanish of 1841 and 1856, and Deferred 1851	34,900,000
1871. For loan subscribed	20,907,025
1872. Do. do.	35,029,265
Total foreign 3 per Cent. Stock	157,471,290

Negotiations with the bondholders were resumed in 1874, and in January, 1875, Alfonso signed a Decree, whereby three overdue coupons to June, 1874, were to be liquidated in the following manner: the bondholders were to accept 40 per cent. in *pagares* of the Rio Tinto Company, and the balance in Spanish Three per Cent. Stock, at 40. Allowing for cancelled coupons, it was expected that the three coupons would have required about £6,250,000; but it was found afterwards they would

* From 1834 to 1868, during the minority and reign of Isabel II., there were in Spain seventy-four Ministers of Finance, and from the Revolution, September, 1868, up to 1874 there were fourteen—each one with a new plan. The Budget presented to the Cortes by one was immediately withdrawn to be altered and modified by his successor, and the variations made in them were at times so striking as to make anybody suppose that instead of days there had been a lapse of many years between them. Indeed, the respective Ministers of Finance arranged their Budgets generally to suit political objects of the moment

require over £7,000,000. A different division became necessary, in which holders received 80 per cent. of these overdue coupons in Rio Tinto Five per Cent. Bonds, with interest from the 1st January, 1875, and 70 per cent. Spanish External Bonds, at 40 (say, £170 nominal = 70 per cent. actual), and this distribution was made in July, 1875. This transaction added about £13,000,000 to the Three per Cent. External debt. At the same time the coupons due the 31st December, 1874, and 30th June, 1875, remained unprovided for.

The Rio Tinto Company, Limited.—The position of this undertaking calls for passing notice here. Having obtained possession of the Government Copper and Sulphur Mines, near Huelva, the company agreed to pay annually £176,000 to the Spanish Government for twenty years from 1875, and these annual payments constitute the *pagares* above referred to. The Spanish Government nominated the holders thereof to receive the money, and consequently £1,819,878 “Rio Tinto Five per Cent. Mortgage Debentures (Spanish Coupon Bonds)” were quoted in the Stock Exchange Official List until their redemption in 1881. These bonds had no State guarantee; but the interest was regularly paid, and they formed the first charge upon the company. In addition, the Rio Tinto Company has a share capital of £3,250,000, in £10 shares, and £2,436,740, in Five per Cent. Mortgage Bonds of £100 each. For some years the company did not appear to prosper; but it has recently made great strides, so that at the close of 1881 the £10 shares were dealt in at £30.

The Arrangement of 1876.—Negotiations were continued through the Council of Foreign Bondholders, and the Finance Minister in May, in submitting his Budget, propounded an arrangement, whereby holders of Three per Cent. Consolidated Internal and External debt and other State debts would receive from the 1st January, 1877, a third of their interest. £1,000,000 would be devoted to the redemption of the debt from the 1st July, 1879, and this sum would be successively increased by the interest on the capital redeemed. From the 1st July, 1880, the Three per Cent. debt would be credited with half interest, namely, $1\frac{1}{2}$ per cent., and the other State debts with 3 per cent. The railway bonds would be liquidated by an agreement with the companies at 50 per cent. of their nominal value. The interest on the Public Debt would be paid in full when by the process of redemption the capital of the debt would be reduced to such proportions that £7,200,000 yearly should suffice for all payments required. This scheme, however, was modified in June, when the Council of Foreign Bondholders

were duly empowered at a public meeting here to accept the following provisional arrangements :—

1. The rate of interest on the External debt now outstanding to be reduced, and after the 1st January, 1877, the coupons to be paid on the following scale :—Coupons payable the 30th June, 1877, at $\frac{1}{2}$ per cent. ; coupons payable the 31st December, 1877, to 30th June, 1881, inclusive, 1 per cent. per annum ; coupons payable the 31st December, 1881, to 30th June, 1882, inclusive, $1\frac{1}{2}$ per cent. per annum. During the year 1881 to 1882, the period and rate of interest to be determined by a new arrangement to be made between the Government and the bondholders.

2. All interest and drawn bonds to be paid in London, Paris, and Madrid, at the same rate of exchange and in the same manner as heretofore.

3. The five half-yearly coupons due on the 31st December, 1874, 30th June and 31st December, 1875, and 30th June and 31st December, 1876, to be discharged by the issue of new External Bonds for the like nominal value, bearing 2 per cent. interest from the 31st December, 1876, and redeemable in 15 years at 50 per cent., by half-yearly drawings, to take place in London or Madrid, in accordance with the following scale :—

1st Quinquennium	{	2 per cent. at 50 per cent. 3 per cent. at 50 per cent. 4 per cent. at 50 per cent. 5 per cent. at 50 per cent. 6 per cent. at 50 per cent.
		—
		20 per cent. at 50 per cent.
2nd Quinquennium	{	6 per cent. at 50 per cent. 7 per cent. at 50 per cent. 7 per cent. at 50 per cent. 8 per cent. at 50 per cent. 8 per cent. at 50 per cent.
		—
		36 per cent. at 50 per cent.
3rd Quinquennium	{	8 per cent. at 50 per cent. 8 per cent. at 50 per cent. 9 per cent. at 50 per cent. 9 per cent. at 50 per cent. 10 per cent. at 50 per cent.
		—
		44 per cent. at 50 per cent.
1st Quinquennium		20 per cent. at 50 per cent.
2nd Quinquennium		36 per cent. at 50 per cent.
3rd Quinquennium		44 per cent. at 50 per cent.
		—
		100 per cent. at 50 per cent.

4. A commission of half per cent. on the nominal value of the five coupons to be converted shall be paid to the Corporation for their services in carrying this arrangement into effect, such commission to be payable in the form of part of the new bonds to be issued under Article 3.

6. No tax or imposition of any description whatsoever to be levied on any interest or drawn bonds.

7. Should the Government of Spain enter into any agreement more favourable to creditors of any class than is stipulated in this Convention, the External creditors shall be placed in the same favourable condition.

9. Should the Government have at its disposal a larger sum than is necessary for the fulfilment of what is agreed in this Convention, such sum may be applied to a sinking fund for the redemption of the general debt.

10. This Convention is subject to the condition of being approved by the Cortes of Spain.

(Signed)

LOPE GIBBERT.
F. BENNOCH.

London, 15th June, 1876.

This agreement was ratified by the Cortes, with one or two modifications as under :—

Madrid Gazette, 22nd July, 1876.

LAW OF THE DEBT.

Article 1. The Three per Cent. Consolidated debt, Interior and Exterior, as also the Amortisable Six per Cent. debt arising from highways, public works, and obligations for subvention to railways, shall receive from the 1st January, 1877, the third part of their present annual interest.

From the 1st January, 1882, the Interior and Exterior Consolidated debt shall receive $1\frac{1}{2}$ per cent. annually, and the Six per Cent. Consolidated debt $2\frac{1}{2}$ per cent.

This interest shall be thenceforward a minimum the State shall guarantee, and during the said year 1882 the Government shall negotiate with the holders of both classes of debt as to augmentation of interest, in periods to be fixed until there shall be a return to the *integral interest of 3 per cent.** and 6 per cent. respectively.

This arrangement was not interfered with, and one-third interest has been regularly paid; while small sums have been purchased for redemption by the Spanish Financial Commission.

In 1881, Senor Camacho returned to office as Minister of Finance; and he at once took up the question of the conversion and consolidation of the National Debt. It was reported that he favoured an "Active" and "Passive" arrangement; but when his proposals assumed a definite shape they were as follows :—

Consolidation and Conversion of 1881-2.—In October, 1881, Senor Camacho disclosed his plans for the conversion of the onerous floating debt through the medium of the Bank of Spain. This floating indebtedness at that time absorbed fully £8,000,000 annually in interest and redemption, and by its conversion into £72,000,000 of Four per Cent. Stock, redeemable at par in 42 years—which the Bank in question had arranged to place at 85—a saving of something like £3,000,000 a year could be made. The only interest of English bondholders in this conversion was that the 2 per cent. redeemable debts were

* Italics not in original.

offered immediate repayment, and it is understood that a considerable redemption has been effected, though as far as they are concerned the change is optional.

In January, 1882, came the intelligence that Senor Camacho had induced the holders of the Internal Three per Cent. Debt to accept the basis of $1\frac{3}{4}$ per cent. interest from 1884, with conversion into a Four per Cent. Stock. It was further stated that the London Committee advised the rejection of such terms. At the meeting on the 17th March the following terms were rejected as not offering "any equivalent commensurate with the suggested sacrifice of principal" :—

1. The present Three per Cent. Exterior Consolidated Debt will be at once converted into a Perpetual Debt, bearing interest at the rate of 4 per cent. per annum, payable as may be agreed, either at the end of each quarter, on the 1st January, 1st April, 1st July, and 1st October, or at the end of each half-year, on the 1st January and 1st July.

2. The conversion or exchange will be so made that the yearly 4 per cent. interest on the new stock may be equivalent to 1.75 per cent. on the Three per Cent. Consolidated Debt.

3. The capital of this Three per Cent. debt will be recognised as the basis of the conversion, and the actual English holders of the said Three per Cent. Exterior Debt will therefore receive £43 15s. capital of the new Four per Cent. Stock against each £100 of the old Three per Cent. debt.

4. The bonds of the new stock will express an equivalent capital in Spanish, English, and French money, and the coupons of these bonds will also express their equivalent value in the said three currencies.

5. The interest at 4 per cent. per annum will commence to accrue on the new stock from the 1st July, 1883, and in order that the new emission and conversion may be carried out at once, the new bonds will have attached to them three half-yearly coupons, payable on the 1st July, 1882, and the 1st January and 1st July, 1883, calculated at the present rate of 1.25 per cent. due on the Three per Cent. Exterior Consolidated Debt, and the other coupons, payable quarterly or half-yearly, as may be agreed, will represent the interest at 4 per cent. which is to accrue on the new debt from the 1st July, 1883.

6. The payment of the interest on the new debt will, as is the case with the Four per Cent. Redeemable (Amortisable), be confided to the Bank of Spain, which will retain each quarter or half-year, as may be agreed, from the produce of the direct taxes (*contribuciones directas**) a sufficient sum for the punctual payment of the said interest.

7. The interest will be payable in Madrid, London, or Paris, at the option of the holders.

8. The creditors of the Spanish Treasury, as holders of the External debt, will renounce all further claims, and declare all their rights wholly satisfied by the foregoing conditions.

It is understood that the bonds of the new stock will, as is the case with the old debt, enjoy immunity from all taxation.

This rejection did not prevent Senor Camacho assuring the Senate in May that the operation would work smoothly; and

* Amounting to about £12,000,000 per annum.

on the 13th of June, at another bondholders' meeting in London, the following resolution was adopted:—

That this meeting assents to the recommendation of the Council of Foreign Bondholders and the Committee of Spanish Bondholders to the holders of Consolidated Spanish External Stock, to convert their bonds into a Four per Cent. Stock, on the terms of £43 15s. per cent. of such Four per Cent. Stock for each £100 of Three per Cent. Stock, plus a commission of $\frac{1}{4}$ per cent., or 17s. 6d., per £100 Three per Cent. Stock in the new Four per Cent. Stock, to such holders of the External Consolidated Debt as shall seek conversion within two months from the publication by the Financial Commission abroad of the announcement of the conversion in the respective foreign capitals, making, together with such commission, £44 12s. 6d. new Four per Cent. Stock, provided that the Council and Committee shall secure that the coupons of the new Four per Cent. Bonds shall be exempt from all taxation.

Thus, for a commission of $\frac{1}{4}$ per cent., the Spanish Government secured the immediate conversion of the debt, and in fact, by the 15th August—the date when the commission expired—it was officially notified that nearly 94 per cent. of the entire External debt had been tendered for conversion.

That this complicated operation has been conducted with remarkable ability on the part of the Spanish Minister there can be no doubt whatever. Yet on some points the conversion caused friction here. To understand this, it will be necessary to contrast the old and new bonds, as follows:—

OLD 3 PER CENT. BONDS.				NEW 4 PER CENT. BONDS.			
Series.	\$	£ s.	Francs.	Series.	Pesetas.	£ s. d.	Francs.
A	200	= 42 10	= 1,080	A	1,000	= 39 13 7	= 1,000
B	400	= 83 0	= 2,160	B	2,000	= 79 7 2	= 2,000
C	800	= 170 0	= 4,320	C	4,000	= 153 14 4	= 4,000
D	1,200	= 255 0	= 6,480	D	6,000	= 233 1 6	= 6,000
E	2,400	= 510 0	= 12,960	E	12,000	= 476 3 0	= 12,000
F	4,800	= 1,020 0	= 25,920	F	24,000	= 952 6 0	= 24,000

It must be understood that a dollar of 20 reales (par 51d.) was in Spain understood at one time to be the equivalent of 5 pesetas, but now the peseta has been assimilated to the franc the 5 pesetas do not represent 51d., but 47 $\frac{1}{2}$ d. Hence, though in Spanish money all these series are supposed to cover the same amounts, in sterling and francs they are far from doing so. Further than this, taking series "A" as an example, the relation of the £42 10s. to 1,080 francs represented an exchange of 25f. 41c. per £1; whereas on the new bonds the relation of the £39 13s. 7d. to 1,000 francs is 25f. 20c. Par being 25f. 22c., under the old bonds sterling was unduly appreciated, and hence the practice had grown up here of sending our coupons to Paris for encashment, where we obtained 25f. 41c., and could pocket nearly 20 centimes in the pound by remitting back at anywhere near par. The holders of the bonds, however, did not obtain so much of this advantage as the financial houses which purchased the coupons. The new rate

of exchange will be certainly preferable to the English holders. Besides this, as fractions were not admitted, many holders were compelled to sell portions of their stock.

The New Four per Cents. bear interest payable quarterly on the 1st January, 1st April, 1st July, and 1st October in each year by the Bank of Spain (through the Spanish Financial Commission), and the amount of the New External Stock—allowing that “an additional issue of Four per Cent. debt is authorised sufficient to cover the cost of the preparation of the new bonds, commissions, and other charges”—may be set down at £79,000,000. The Stock Exchange Committee have decided that in dealings in the new Spanish Four per Cent. Bonds, £1,000 of the stock shall be taken to represent, nominally, £952 6s. sterling, or 24,000f. The price of, say, 65, only covering £95½ of stock, and the true £100 would represent 68.

Résumé of the Total Amount of the Public Debt of Spain, Internal and Foreign, in the following Periods.

Debt under the Following Reign.	Debt with Interest, Consolidated.	Debt, without Interest, and Pending Liquidation.	Total of Capitals, with and without Interest.	Amount of Interest and Sinking Fund.
	£	£	£	£
Carlos III., 1780.....	21,962,370	...	21,962,370	578,800
“ IV.	63,663,180	19,985,400	77,598,580	2,146,750
Ferdinand VII., 1814...	67,193,200	55,882,730	123,075,930	2,260,700
“ 1818...	78,873,477	59,580,872	138,454,349	2,727,460
Constitutional Period, 1823.....	98,646,500	81,737,700	180,384,400	3,119,000
Ferdinand VII., 1830...	21,888,300	95,647,540	127,535,840	954,684
Isabel II., 1840.....	71,528,270	102,551,600	174,074,870	2,965,425
“ ” 1850.....	84,386,000	52,960,000	137,366,000	3,570,789
“ ” 1868.....	232,231,889	7,725,470	239,957,359	6,751,913
Amadeo, July, 1871 ...	275,946,114	12,369,840	288,215,954	8,355,380*
Alfonso, 1881.....	...	...	512,093,721	11,666,172
“ 1882.....	...	... (say)	338,000,000	...

* Without the debt of the Treasury.

The fluctuations in Spanish stocks have been very considerable in past years, as the following record respecting the External Three per Cents. will show:—

	Highest.	Lowest.		Highest.	Lowest.		Highest.	Lowest.
	1849.....	39		26	1870.....		32	23	1876.....	20½	12½
1865.....	49½	43½	1871.....	35	28½	1877.....	15	10
1866.....	44½	34½	1872.....	34½	28½	1878.....	15½	12
1867.....	39	32	1873.....	29	16½	1879.....	15½	13½
1868.....	39	31½	1874.....	20½	16½	1880.....	22½	15
1869.....	34½	27	1875.....	24½	17½	1881.....	32	20½

In the year 1872-3, the charge of the debt was £12,692,400.

Senor Camacho in his Budget held out hopes that an equilibrium between the revenue and expenditure might before long be established. In modern times, at any rate, the deficits of Spain have been incessant. Senor Camacho, when Finance Minister, in 1872, presented the following document to the Cortes (94 reales vellon = £1):—

Revenue Deficits, 1850 to 1871.

Budgets.	Deficits.	Surplus.	Produce of Several Emissions.	Denominations of Debt Issued.
	Reales Vellon.	Rl's Vellon.	Reales Vellon.	
1850.....	9,958,811	...	...	...
1851.....	139,738,913	...	...	...
1852.....	53,521,966	...	...	...
1853.....	35,333,849	...	8,527,539	{ Shares, Common Bonds, and 3 per Cent. Bonds.
1854 Ordinary.	32,590,592	...	49,516,468	{ Advance by Law, 19th May, 1854.
" Extraord.	25,898,311	...	...	...
1855 Ordinary.	190,334,483	...	231,339,525	{ Issue 230 millions. Law, 14th July, 1855, and Shares for Public Works.
" Extraord.	1,911,909	...	...	...
1856 Ordinary.	340,579,755	...	287,239,898	{ Negotiation 3 per Cent. Bonds and Shares for Public Works. Law, 23rd Feb., 1855, and 14th March, 1856.
" Extraord.	37,426,978	...	...	...
1857 Ordinary.	210,350,211	...	240,000,000	{ Negotiation 3 per Cent. Bonds with Mr. Mires.
" Extraord.	30,286,107	...	...	...
1858 Ordinary.	166,584,503	...	58,800,061	{ Negotiation Shares for Public Works.
" Extraord.	7,231,756	...	...	...
1859 Ordinary.	39,005,870	...	...	...
" Extraord.	63,920,111	...	63,920,111	Treasury Bonds.
1860 Ordinary.	76,754,451	...	...	...
" Extraord.	149,330,177	...	132,079,888	Treasury Bonds.
1861 Ordinary.	87,148,456	...	...	...
" Extraord.	369,992,197	...	197,298,002	Treasury Bonds.
1862-3 Ordinary.	258,769,329	...	...	...
" Extraord.	523,767,057	...	...	...
1863-4 Ordinary.	168,266,955	...	...	...
" Extraord.	164,302,910	...	...	...
1864-5 Ordinary.	187,029,590	...	600,000,098	{ Negotiation 3 per Cent. Bonds. Law, 26th June, 1864.
" Extraord.	485,214,368	...	847,275,015	{ Hypothecated Treasury Bonds.
1865-6 Ordinary.	248,680,471	...	...	...
" Extraord.	291,504,860	...	123,837,133	{ Hypothecated Treasury Bonds.
1866-7 Ordinary.	138,710,120	...	...	...
" Extraord.	...	33,553,319	...	...

Revenue Deficits, 1850 to 1871.—(Continued).

Budgets.	Deficits.	Surplus.	Produce of Several Emissions.	Denominations of Debt Issued.
1867-8.....	Reales Vellon. 396,011,878	Rfs Vellon. ...	Reales Vellon. 434,299,070	{ Hypothecated Treasury Bonds, 2nd Series. { Treasury Bonds under the guarantee of the Banco de Espana—Negotiations 3 per Cent. Bonds. { Negotiation 3 per Cent. Bonds. { Negotiation 3 per Cent. Bonds.
1868-9.....	706,768,616	...	2,341,583,732	
1869-70.....	722,638,461	...	1,000,000,000	
1870-71.....	906,848,858	...	600,000,000	
1850-4, Result of operation of Budgets previous to 1850.....	106,209,716	...	...
	7,276,672,545	33,553,319	7,215,716,598	
	7,243,119,226 = £76,243,400			

Since then, though Budget estimates have regularly appeared, it has been well nigh impossible to obtain actual results. But the fact that the debt has increased considerably sufficiently proves that the deficits have been continuous. The revenue for 1874-5 was £21,792,000; and the expenditure (the country being then wholly in default) was returned at £20,821,000. The deficit for 1880-1 was £3,308,568, upon an expenditure of £33,050,704; and even with the rearrangement of the debt and fresh taxes imposed, it appears to be a bold stroke to foreshadow an actual surplus in 1882-3:—

	£	
1882-3—Revenue (at 25 pesetas)	31,319,809	
Expenditure	31,305,968	
Surplus	13,841	(Senor Camacho.)

The expenditure is to include an additional $\frac{1}{4}$ per cent. on the foreign debt, so that to obtain an equilibrium it was necessary to provide for a deficit of over £4,000,000; and the new taxes have met with a good deal of opposition. In no country in Europe is there a more systematic evasion of taxation, and one of the largest sources of revenue consists of the National Monopolies, which in 1879-80 were calculated to yield £8,613,000. Customs, at the same time, were to yield £4,682,000; direct taxes, £9,777,000; and indirect taxes, £4,668,000.

The imports and exports of Spain have been returned at various dates as under :—

	IMPORTS.		EXPORTS.	
	Total.	From United Kingdom.	Total.	To United Kingdom.
	£	£	£	£
1850	7,074,000	...	5,142,000	...
1860	15,614,000	...	11,560,000	...
1870	20,876,000	...	15,982,000	...
1871	27,065,000	8,259,000	18,036,000	7,095,000
1872	25,313,000	5,939,000	20,155,000	8,706,000
1873	25,500,000	8,624,000	23,782,000	9,212,000
1875	26,501,000	7,787,000	18,254,000	6,257,000
1876	22,626,000	5,740,000	17,983,000	7,151,000
1877	23,474,000	6,726,000	20,720,000	8,390,000
1878 .....	...	5,643,000	21,647,000	6,988,000
1880	28,582,000	5,402,000	25,999,000	8,431,000

The above includes bullion and specie. Incomplete returns of later years have also been published respecting the movements in the principal trades. The chief items of export have thus been returned :—

	1870.	1877.	1879.	1880.
	£	£	£	£
Wine	5,044,000	5,196,000	3,126,000	9,611,000
Ores (mainly iron and pyrites)	855,000	2,566,000	...	...
Lead	716,000	2,399,000	2,022,000	1,807,000
Copper	64,000	38,000	690,000	819,000
Quicksilver	417,000	426,000	511,000	242,000
Raisins	1,074,000	1,057,000	848,000	800,000
Oranges	137,000	433,000	396,000	573,000
Cork	507,000	353,000	590,000	381,000

The chief trade is with Great Britain, and then with France, Cuba, and the United States. Spain is now engaged in enforcing a differential tariff against English goods, with a view to making us reduce the duties on strong wines.

It should be remarked that the above are Spanish statistics, which are not very reliable. Our own Board of Trade Returns in 1881 indicated imports of merchandise from Spain to Great Britain, £10,027,505, and exports to Spain, £4,393,821.

In 1870, Spain possessed 3,300 miles of railway, and in 1876, 3,830 miles, the gross revenue receipts of which in that year amounted to £4,927,000. In 1881, the length in operation had increased to 4,860 miles, and there were under construction 1,210 miles. Most of these railways were constructed by companies, with State aid.

Spain in 1880 possessed 22,100,000 sheep, 3,000,000 cattle, 5,000,000 goats, and 5,000,000 pigs.

The area of Spain proper is 495,625 square kilometres (say, 190,000 square miles), or, including the Balearic and Canary Islands, 195,000 square miles. The operation of a Census has always been very difficult in Spain, but, adopting the official information that appears most reliable, the population in the following years may be thus stated :—

1768.....	9,308,804	1857.....	15,454,340
1787.....	10,260,000	1860.....	15,673,536
1797.....	10,341,000	1863.....	15,945,000
1822.....	11,661,880	1866.....	16,410,908
1831.....	11,207,630	1869.....	16,673,481
1836.....	12,222,870	1871.....	16,796,925
1846.....	13,162,872	1877.....	16,623,384

According to this, the population in recent years would not appear to have increased. The population of Madrid is 397,690; Barcelona, 249,106; Valencia, 143,856; Seville, 133,938; Malaga, 115,882.

THE SPANISH COLONIES.

The chief Spanish Colony (Cuba) has been dealt with separately. It possesses a considerable debt and revenue apart from the mother country.

The areas and populations of these dependencies have thus been estimated :—

	Area.	Population.
Cuba	45,000 square miles	1,424,649 (1879)
Porto Rico	3,500 " "	661,494 (1877)
Philippine, &c., Islands.....	100,000 " " (say)	5,000,000
Fernando Po, and other		
West African possessions	750 " " (say)	35,000
	<hr/> 150,000 " "	<hr/> 7,121,000*

* The *Almanach de Gotha* makes this total 8,443,000, the addition being to the Philippine Islands.

The trade of the Philippine Islands is very considerable, the exports amounting in 1879 to £3,762,000, and the imports to £3,606,000. More than half the exports consist of sugar. Manila also sends large quantities of hemp and tobacco to this country. Porto Rico also exports a large amount of sugar, and in 1878 the exports of this island were valued at £2,084,000.

As remarked by a Spaniard of eminence—"The various vicissitudes, repudiations, conversions, and settlements to which the Spanish debt has been subjected since the middle of the last century, but more particularly from 1820 to the present day, presents, on the whole, an amount of change unparalleled in the history of any other country."

SWEDEN AND NORWAY.

The kingdoms of Sweden and Norway, though ruled by the same sovereign, employing the same money, and represented by the same Diplomatic and Consular Agents, may be considered as separated in respect to legislation and administration as well as in all matters of finance. Happily, the credit of both is equally high.

SWEDEN.

The debt of Sweden at the commencement of 1881 was returned as follows:—

	Rate of Interest.	Form of Original Issue.	Amount Outstanding in Kronor.	= in Sterling (at 1/14)
1853 Railway Loan	4½	Thlr. 8,190,500	13,942,400	766,883
1860 " { 4½ per Cent. Obligations	4½	" 8,000,000	14,270,133	784,857
1861 " { Premium Obligations	4½	" 2,400,000	2,466,667	135,666
1864 "	4½	Kr. 3,000,000	1,802,800	99,154
1866 "	4½	£ stg. 2,225,000	8,853,000	486,915
1868 "	5	Thlr. 9,932,300	25,263,467	1,389,491
1870 "	5	£ stg. 1,150,000	20,052,272	1,102,874
1872 "	5	Kr. 40,000,000	14,150,700	778,288
1874 "	4	" 24,000,000	18,356,300	1,009,596
1875 "	4½	K. mk. 56,250,000	36,309,333	1,997,013
1876 "	4½	£ stg. 2,000,000	35,539,120	1,954,651
1878 "	4	" 1,500,000	26,332,000	1,448,260
1879 Unfunded Obligations, repayable by Nov. 1, 1885	4½	Kr. 9,000,000	9,000,000	495,000
1880 Funded Loan (in course of issue)	4	£ stg. 2,200,000	4,018,047	220,992
		Kr. 365,787,812	230,356,238	12,669,590

The gross interest and sinking fund on this debt for 1882 was calculated at 12,399,795 kr., or £681,989, the debt being £2 14s. per head, and the annual charge 2s. 11d. per head, upon a population of 4,600,000.

As a set off against the annual charge of	Kronor.	12,399,795
Deduct—	Kronor.	
Interest, &c., receivable	2,404,595	
Railway net receipts	5,500,000	
Profits of Bank of Sweden	1,250,000	
	<u>9,154,595</u>	
Net burden of the debt	3,244,200	

This net burden is equal to £178,431, or 9d. per head. Apparently, the foregoing net railway receipts (£302,500) were estimated at a modest figure, as the following statement of actual results indicates:—

	1872.		1880.
	£		£
State Railway gross revenue.....	506,615	.....	906,950
" " working expenses	253,643	.....	549,076
" " net revenue	252,972	.....	357,874

Practically, the whole of the debt has been raised for railway purposes; which had, in 1880, involved a capital outlay of £10,526,431 (in addition to the subscriptions to railway companies, £2,690,000); so that the net income derived was at the rate of 3·42 per cent. upon the capital outlay. In 1873, a year of commercial prosperity, the State railways earned 4·83 per cent. on the capital; in 1878, a year of depression, the earnings were only 2·40 per cent.

The entire Swedish debt, as it existed after the Treaty of Kiel, in 1814—when Norway ceased to belong to Denmark—was liquidated prior to the introduction of the Four per Cent. Loan of 1841. That loan, as well as the 3½ and Four per Cent. Railway Loans of 1855, and the Five per Cent. Loans of 1867 and 1869, as shown in the preceding table, had disappeared from the National Debt statement in 1880; and since then the entire outstanding balance of the 4½ per Cent. Loan of 1864 has been repaid out of the proceeds of the Four per Cent. Loan of 1880.

The Swedish 4½ per Cent. Loan of £1,228,575 was contracted early in 1858 for railway purposes. It was first brought forward through Messrs. Ricardo and Co., but eventually concluded abroad, only a small portion being taken here, and the remainder raised at Frankfort (through Erlangers), at Hamburg, and Amsterdam. The bonds to bearer, bearing interest in January and July, were issued at the rate of 94½ per cent., reimbursable at par within 40 years, by means of half-yearly drawings, in April and October. The amount outstanding in 1880 was £766,833.

In March, 1860, the following announcement of a Swedish Government loan of 25,000,000 rixdollars was issued:—

Whereas the Commissioners of the National Debt Office, in pursuance of a resolution passed by the Estates of the Realm now assembled, with the approval and sanction of His Majesty the King, and for the purpose of continuing the lines of railway in course of con-

struction by the State, are about to contract a funded redeemable loan, for an amount corresponding to the sum of 25,000,000 rixdollars riksmünt, with addition to the expenses incident to the transaction, against an issue of Swedish State bonds in any foreign currency and language; and whereas the Commissioners aforesaid have consequently had entrusted to them the duty of negotiating this loan (in which the Bank of Sweden will participate in a sum equal to 4,000,000 rixdollars riksmünt), in such a manner, and on such conditions, as may be found most appropriate and advantageous for the Swedish State as borrower, the said Commissioners have deemed it proper hereby to give information to that effect, and to make publicly known that tenders, containing positive offers for contracting the loan in question, will be received by them without delay.—National Debt Office, Stockholm, 13th March, 1860.

This loan was taken to the extent of 8,000,000 thalers by Erlangers, of Frankfort, in the shape of $4\frac{1}{2}$ per Cent. Bonds, with interest payable in May and November, and drawings to redeem the loan by the year 1899; while another 2,400,000 thalers was taken in the form of a Lottery Loan, bearing no interest, but redeemable by premium half-yearly drawings by 1898.

In 1861, a small $4\frac{1}{2}$ per Cent. Loan for 3,000,000 kr. was issued at 98, and forms part of the internal debt, though a portion is held in Germany.

In April, 1864, the $4\frac{1}{2}$ per Cent. Swedish Government Loan of 1864 for £2,223,000 sterling was raised, by virtue of an Act passed on the 23rd October, 1863, and contracted for by the Reichschulden Comptoir (Public Debt Office) with Messrs. J. Henry Schröder and Co., of London, and other associated capitalists. The prospectus stated—

It is enacted that the proceeds of this loan shall be applied exclusively to the extension and construction of railroads in the kingdom of Sweden.

Bonds will be issued in sums of £1,000, £500, £200, and £100, with coupons, payable in sterling half-yearly in London, on the 15th April and 15th October, at the Counting-house of Messrs. J. Henry Schröder and Co.

The subscription price is $92\frac{1}{2}$ per cent.

A sinking fund is provided for, whereby the loan will be redeemed at par in the course of 54 years, by half-yearly drawings, the first of which will take effect on the 15th October next.

The Swedish Government, however, reserves the right to repay the whole loan at par after the expiration of 15 years from this time.

Under the terms of this loan, bonds representing £1,663,100 were redeemed in 1871, and the balance was repaid in 1881.

In January, 1866, a Five per Cent. Loan for 9,000,000 Prussian thalers was concluded with German banks. The amount of bonds issued to obtain this sum was 9,932,300 thalers, or about £1,500,000. The amount outstanding in 1880 was £1,389,491, and this was paid off in 1881 out of the proceeds of the loan of 1880.

In July, 1868, Messrs. R. Raphael and Sons brought forward the new Swedish Government Five per Cent. Loan of 1868, for £1,150,000, which was fully taken up at 90 per cent., instalments payable 20 per cent. on allotment, 25 per cent. in September, 25 per cent. in December, and 20 per cent. in March, 1869. The issue price, if paid up in full, was 88½. The sinking fund was fixed at ¼ per cent., accumulative, to be applied to the purchase of bonds under par, or to drawings (in May) when the price is above par, and the dividends are payable on the 1st January and 1st July, either in London or Stockholm. The bonds are of £100 or £500 each. The Government reserve the right to increase the sinking fund. The amount outstanding in July, 1882, is £1,098,600.

In 1870, the Government brought out a Five per Cent. Internal Loan for 40,000,000 kr., of which only 14,150,700 kr. were outstanding in 1880, and in 1872, another internal loan for 24,000,000 kr. was placed, bearing 4 per cent. interest.

In June, 1875, Messrs. Emile Erlanger and Co. offered here part of the Royal Swedish Funded State 4½ per Cent. Loan, consisting of 20,250,000 German reichsmarks, in bonds of 3,000, 1,500, 600, or 300 marks each; the issue price was 98½, or, say, £95 15s. 9d. per 2,000 mark bond. Subsequent issues* raised this loan to a total of 56,250,000 marks, and at the end of 1880 the amount outstanding was £1,997,013. The interest is payable on the 1st February and 1st August here by Messrs. Erlanger and Co., at the exchange of the day, and an accumulative sinking fund provides for the redemption 60 years from the date of issue. The drawings are effected in April, and the Government may increase the sinking fund in 1890.

In June, 1876, the Swedish Government Loan for £2,000,000, bearing 4½ per cent. interest, was issued through Messrs. C. J. Hambro and Sons at 96½. Dividends are payable on the 15th June and 15th December, and a sinking fund of ½ per cent. per annum, accumulative, is applied to purchases of bonds, if under par, but recently to drawings at the end of February for repayment in June. By this sinking fund the loan will be redeemed at latest in 52 years from the date of issue. The bonds are of £1,000, £500, or £100 each, and the sinking fund may be increased after May, 1886. The amount outstanding in 1882 is £1,932,500.

In June, 1878, the Swedish Government Four per Cent. Loan of 1878 was brought out at 88. The amount was

* 7,000,000 marks were offered in London in January, 1876, at 97½.

£1,000,000 (a further £500,000 being taken by the Public Debt Office in Sweden), and Messrs C. J. Hambro and Son, the London agents, while in Paris the Société des Dépôts et des Comptes Courants, pay the coupons at the exchange 25f. 10c. = £1. The loan was announced to be redeemable in 56 years, or less, by means of a sinking fund, commencing in 1882, to be applied to purchases under par, or to drawings above. The first drawing took place on the 28th February last, when £10,290 bonds were taken for redemption on the 15th June. The coupons are payable by Messrs. Hambros on the 15th June and 15th December, and the bonds are of £1,000, £500, £100, £50, or £20. The official statement of the debt placed the amount outstanding at the commencement of 1881 at £1,448,260.

In June, 1880, the Four per Cent. Swedish Government Loan of 1880 for £2,200,000 was issued through Messrs. C. J. Hambro and Son, in London; the Banque de Paris et des Pays-Bas, in Paris; and the Norddeutsche Bank, in Hamburg. The bonds were of £1,000, £500, £100, or £20, and the issue price 97½; while the rate of exchange for francs was fixed at 25f. 20c., and that for marks at 20m. 40pf.

The prospectus stated—

This loan is chiefly raised for the purpose of redeeming the loans bearing 4½ and 5 per cent. interest, issued in 1864 and 1866, the total amount of which now in circulation is about £1,885,300.

The bonds will be drawn and paid off at par within 50 years by means of an accumulative sinking fund, commencing in April, 1882, the Government reserving to itself the right, after the 1st April, 1895, of increasing the sinking fund, or of paying off the whole balance of the loan then outstanding on giving six months' notice.

In May, 1881, a second issue of the Four per Cent. Loan of 1880 was effected through the same agents. The amount was again £2,200,000, of which, it was stated, £1,000,000 had already been accepted in Germany in exchange for 4½ per Cents., £500,000 was reserved for the "Public Debt Office of Sweden," and £700,000 remained for issue by Messrs. Hambros, and the other agents. The issue price was 98½. The details in respect to interest and redemption are the same as in the previous issue. Consequently, these two loans were mainly effected for the purpose of redeeming previous issues, bearing higher rates of interest; and it will be gathered from the market quotations hereafter that the credit of Sweden has risen steadily, until Four per Cents. could now be placed at a premium.

Bonds to bearer of nearly all the foregoing loans can be exchanged for registered stock, the certificates being issued by the Public Debt Office, Stockholm,

The revenue and expenditure of Sweden has been calculated as follows in the following years :—

	Revenue. £	Expenditure. (Including Railway Outlay and Sink- ing Funds.) £
1865	1,609,500	1,993,500
1872	2,568,100	2,859,400
1879	4,635,700	4,819,100
1882 (estimates)	4,176,600	4,176,600

The estimates of revenue and expenditure in 1882 were as under :—

STATE REVENUE.		EXPENDITURE.	
	Kronor.		Kronor.
Surplus from previous Budgets ...	348,000	Household of the King	1,338,000
ORDINARY REVENUES.	Kronor.	Justice	3,751,000
Interest	4,880,000	Foreign Affairs	613,800
Tithe	1,645,000	Army	17,322,000
Rents	3,900,000	Navy	5,275,000
Tithe from mines.	10,000	Interior	4,980,352
Poll tax	640,000	Education	10,054,888
Fines	280,000	Pensions	2,430,000
Revenue in connec- tion with obligation for land to main- tain Army, &c.	740,000	Finances*	15,100,000
Lighthouse and Beacon dues	1,100,000	Ordinary expenditure	58,065,021
Telegraphs	1,330,000	Extraordinary expenditure	5,781,279
Railways (net revenue) ..	5,500,000	Office of the Public Debt	10,650,000
Sundries	308,000	Uncovered from previous years ...	1,501,700
	19,790,000		
REVENUE DEPENDENT ON VOTES OF RIKSDAG.	Kronor.		
Customs	27,000,000		
Post Office	4,900,000		
Stamps	3,000,000		
Tax on manufacture of brandy	14,000,000		
Tax on manufacture of white sugar	50,000		
Direct tax (Income).....	5,600,000		
	54,550,000		
Profit by State Bank for 1880	1,250,000		
Total estimated revenue.....	75,988,000	Total estimated expenditure	75,988,000
	= £4,176,580		= £4,176,580

* Includes cost of collection of Customs, 2,485,000 kronor; Post, 4,900,000 kronor; Telegraphs, 1,330,000 kronor, &c.

The trade depression which existed in 1879 is clearly shown by the total taxed incomes of direct traders (merchants and shopkeepers) :—

	Kronor.	£
1876	39,789,100	= 2,188,400
1877	40,845,300	= 2,246,500
1878	39,176,400	= 2,154,700
1879	36,544,800	= 2,010,000

The total value of the import and export trade of Sweden was as under in the years given:—

	IMPORTS.		EXPORTS.	
	Total. £	From United Kingdom. £	Total. £	To United Kingdom. £
1850	1,993,916	...	2,042,000	...
1855	4,713,416	...	5,324,833	...
1860	4,582,000	...	4,805,000	...
1865	5,831,277	...	6,004,777	...
1870	7,872,010	1,757,250	8,472,333	4,603,115
1875	14,328,445	5,056,590	11,207,020	6,008,750
1876	15,970,075	5,406,500	12,443,145	6,614,190
1877	16,688,100	4,801,500	11,875,215	6,413,715
1878	13,173,215	3,500,035	10,137,600	5,119,785
1879	12,454,310	3,253,415	10,238,820	5,041,245
1880	15,553,340	4,275,865	13,015,365	6,809,055

Thus, fully half the exports are to Great Britain, and the remainder go principally to France, Denmark, Germany, Belgium, and Norway. In 1879, the imports by Swedish vessels were valued at £6,178,040, and the exports at £4,398,460.

Fully one-third of the exports consists of timber, and iron and steel, oats, butter, live meat, and lucifer matches are the other leading exports.

The figures below have been supplied relative to the debts and taxation of Provincial and Municipal bodies:—

	Kronor.
Debts of Provincial Governments at end of year 1878..	1,463,212
" Municipal Governments " "	66,826,576
" Rural Communes " "	8,644,363
	<hr/>
	76,934,151
	<hr/>
	= £4,231,378

Communal Taxation.

TOWNS AND RURAL COMMUNES.	PROVINCIAL GOVERNMENTS.
Kronor.	Kronor.
Poll tax	Provincial tax.....
Other taxes.....	Hospital tax
<hr/>	<hr/>
23,981,057	1,119,994
<hr/>	<hr/>
= £1,318,958	= £61,599

The position of the Swedish banks was thus recorded on the 28th February, 1882, the deposits and current accounts amounting in all to £15,176,221.

	State Bank. Kronor.	Private Banks (Unlimited). Kronor.	Limited Banks and Credit Companies. Kronor.
Paid-up capital	30,000,000	57,509,000	23,175,186
Reserve fund	5,000,000	11,111,121	5,245,893
Current accounts	3,054,956	30,500,960	14,325,771
Deposit accounts	18,163,278	159,008,780	50,877,550
Notes in circulation ...	33,215,303	47,123,263	...
Post bills in circulation	1,260,257	8,631,030	2,474,358

The savings' banks' statistics show the depression which existed in 1879 :—

	New Deposits.	Interest.	Withdrawals.	Balance Held by Savings' Banks, December 31.
	Kronor.	Kronor.	Kronor.	Kronor.
1871 ...	25,811,580 ...	3,129,146 ...	14,572,060 ...	71,694,016
1874 ...	39,929,334 ...	5,403,743 ...	26,974,440 ...	124,897,789
1877 ...	31,433,692 ...	6,894,810 ...	36,559,544 ...	146,127,365
1879 ...	27,617,953 ...	6,585,773 ...	37,403,925 ...	136,564,383
1880 ...	... ..	... ..	... ..	...

These savings' banks' deposits, therefore, amounted at the close of 1879 to £7,511,041.

In 1870, there were about 1,200 miles of single railway lines in Sweden, of which about 700 miles were State property. In 1880, there were 3,659 miles of single line, of which 1,214 miles were State property, and 2,435 miles belonged to companies. By the end of 1881 there were 3,792 miles in operation. The outlay upon and revenue of the State railways has already been given. Up to the 31st December, 1879, the cost of construction of the companies' lines had been £12,048,536; the gross revenue in 1879 was £684,276, and working expenses, £390,937, leaving a net revenue of £293,339, which was less than in the two previous years.

The number of horned cattle in 1870 was 1,965,900, and in 1879, 2,237,016. In 1881, the oat crop amounted to 45,000,000 bushels, and the potato crop to 47,500,000 bushels.

The area of Sweden, including the lakes, is 170,928 square miles, and the population has grown as under :—

	Population.		Population.
1750	1,763,338	1840	3,133,887
1800	2,347,303	1850	3,482,541
1810	2,377,851	1860	3,859,728
1820	2,584,690	1870	4,168,525
1830	2,883,082	1880	4,565,668

The population of Stockholm is 169,775; and of Gottenburg, 76,401.

The emigration in 1869 rose to 39,064, of whom 32,050 went to America. The numbers fell to 7,610 in 1877, of whom only 2,921 went to America; while in 1880, the emigrants rose to the unprecedented total, 42,109, of whom 36,263 went to America. This was concurrent with commercial depression at home and great prosperity in the United States. The immigrants in 1880 numbered 3,009.

Market Values of Swedish and Norwegian Stocks.

	Swedish 5 per Cents., 1868.		Swedish 4½ per Cents., 1864.		Swedish 4 per Cents., 1878.		Norwegian 4½ per Cents., 1878.		Norwegian 4 per Cents., 1880.	
	Highest	Lowest.	Highest	Lowest.	Highest	Lowest.	Highest	Lowest.	Highest	Lowest.
1868 ...	85	90½	88	83	...	...	...	...	...	...
1870 ...	108½	98	...	...	...	...	...	...	...	...
1871 ...	103	98	93	89	...	...	...	...	...	...
1872 ...	105	100	95	92	...	...	...	...	...	...
1873 ...	107	101	...	...	...	...	...	...	...	...
1874 ...	107	99	100	96	...	...	...	...	...	...
1875 ...	109	101	100½	95½	...	...	...	...	...	...
1876 ...	109	101	102	95	...	...	97½	96	...	...
1877 ...	109	101	101	95	...	...	99	94	...	...
			(4½ per Cents., of 1878.)							
1878 ...	109	101	105	95	...	85	96½	93	...	...
1879 ...	110	100	105	95	99	88	108½	93	...	...
1880 ...	110	103	107	101	104	94	107	101	100	96½
1881 ...	109	102	107	101	108	97	107	101	102	97

NORWAY.

The growth of the debt of Norway during the past 10 years is indicated as follows:—

	Debt.		Annual Charge.
	Kronor.	£	
Dec. 31, 1871	29,933,000	= 1,646,315	...
„ 1872	34,867,000	= 1,917,685	...
„ 1873	33,686,000	= 1,852,730	...
„ 1874	52,764,000	= 2,902,020	...
„ 1875	51,228,000	= 2,817,540	...
„ 1876	73,315,000	= 4,032,325	...
„ 1877	71,527,000	= 3,933,985	...
June 30, 1878	92,316,000	= 5,077,380	...
„ 1879	100,300,000	= 5,516,500	339,439
„ 1880	105,526,000	= 5,803,930	359,158

Against this annual charge of £359,158 there were revenues received in the year 1879-80 amounting to 1,775,574 kronor, or £97,655.

Interest and sinking funds of securities held by the State...	Kronor.	480,207
„ on shares in the Bank of Norway	439,131	
Net receipts of Kongsberg Silver Mines	347,766	
Other items	508,470	
Interest on banking deposits	372,395	
	2,147,969	
	= £118,137	

According to the detailed revenue statements, the receipts and expenditure on railways and telegraphs show a small deficiency. Deducting this £118,137 from the annual charge

of £359,158, there remained a net £241,021, which was provided by the State. Upon a population of 1,904,600, the debt per head is £3 Os. 11d., the gross annual charge, 3s. 9½d., and the net charge, 2s. 6½d.

On the 30th June, 1880, the Public Debt was thus officially returned :—

INTERNAL DEBT.		Kronor.	£
Old Inconvertible Debt, at 3 to 5 per cent.....		7,813,400	429,737
4½ per Cent. Rentes, created for the purchase of the Eidsvold Railway		2,960,000	162,800
4½ per Cent. Loan of 1871, repayable by 1881 ...		167,200	9,196
		<hr/>	<hr/>
		10,940,600	601,733
EXTERNAL DEBT.		Originally.	
		Kronor.	£
4 per Cent. Loan of 1848	6,000,000	Paid off.	Paid off.
4 per Cent. Loan of 1851	4,800,200	203,200	11,176
4½ per Cent. Loan of 1853.....	14,400,000	} Paid off.	} Paid off.
4½ per Cent. Loan of 1863.....	6,000,000		
4½ per Cent. Loan of 1872.....	6,000,000	5,284,400	290,642
4½ per Cent. Loan of 1874.....	20,000,000	18,416,400	1,012,902
4½ per Cent. Loan of 1876.....	24,000,000	23,368,300	1,285,256
4½ per Cent. Loan of 1878.....	30,900,000	30,795,700	1,693,763
4 per Cent. Loan of 1880	16,000,000	16,000,000	880,000
Indemnity to Belgium for the purchase of the Scheldt Toll-house.....		517,600	23,468
		<hr/>	<hr/>
		94,585,600	5,202,207
		<hr/>	<hr/>
		105,526,200	5,808,940

To the same date there were securities in hand as follows :—

	Kronor.	£
Shares of railways in operation	55,500,000	3,052,500
Securities held by the Ministry of Finance...	29,000,000	1,595,000
Treasury balance and arrears receivable.....	7,000,000	385,000
	<hr/>	<hr/>
	91,500,000	5,032,500
Which reduces the net debt to	14,026,200	771,440

GOVERNMENT GUARANTEES TO RAILWAYS, &c.

A guarantee has been given for interest and amortisation of a loan of 800,000 crowns, whereof 750,000 crowns is for Christiania-Drammen Railway, and 50,000 crowns for Drammen-Randsfjord Railway. The loan is issued for 40 years, from the 1st July, 1881, without reduction for the first 10 years, after which amortisation to commence with an equal amount each of the remaining 30 years. Interest is guaranteed at 4½ per cent.

A proposal is before the present Storting to guarantee a loan of 1,600,000 crowns, raised in 1869, for the construction

of the Drammen-Randsfjord Branch Lines to Kongsberg and Kröderen. This loan was free from reduction for 10 years, or until 1879, after which amortisation to proceed in equal sums for 40 years. Interest at 5 per cent.

The first loan raised by Norway was to liquidate that portion of the united debt of Norway and Denmark when they separated, amounting to about 2,400,000 rixdollars. It was not, however, found necessary to have recourse to a foreign loan for this purpose, as the required sum was taken up at home. The remaining liabilities of Norway originated mainly in the construction of State Railways, the 4½ per Cent. Loan of 1858 being the first important foreign issue. The outstanding balances of that loan and of the 4½ per Cent. Loan of 1863 were paid off in 1880, out of the proceeds of the Four per Cent. Loan then issued.

The first issue effected in this country was the "Norwegian Government Loan for £1,320,000 sterling, bearing 4½ per cent. interest." It was brought out by Messrs. C. J. Hambro and Son, in November, 1876, and the subscription price was fixed at £96 10s. per cent. The bonds are of £100, £500, or £1,000 each, and interest is payable half-yearly by coupon, viz., on the 1st of May and November, and the principal is to be paid off by 1917, by means of an accumulative sinking fund, the Government reserving the right after January, 1887, to increase the sinking fund, or to pay off the whole balance of the loan then outstanding on giving six months' notice. The prospectus stated—

The proceeds of this loan will be expended on the undermentioned railways—namely, Christiania to Frederikshald and the Swedish frontier, Drontheim to Meraker and the Swedish frontier, Drammen to Laurvig and Skien, Storen to Aamot, Stavanger to Egersund, Bergen to Vossevangen, and Edisvold to Hamar. On the construction of these lines there has already been expended about 6,500,000 species, or £1,440,000.

In July, 1882, there was outstanding £1,272,400.

This was succeeded by the issue in April, 1878, of a further loan for £1,700,000, in bonds of £100, £500, or £1,000 each, likewise bearing 4½ per cent. interest. Subscriptions were invited here by Messrs. Hambro at £95 for each £100 stock, applications being at the same time received by the North Deutsche Bank in Hamburg. The prospectus contained the following:—

Scrip will be issued to allottees, and will be exchanged for bonds when ready for issue, after payment of the final instalment.

The proceeds of this loan will be expended on the completion of the undermentioned railways, namely :—

Christiania to Frederikshald and the Swedish frontier	About 157 English miles.
Drontheim to Meraker and the Swedish frontier	64 " "
Drammen to Laurvig and Skien.....	96 " "
Bergen to Vossevangen.....	66 " "
Eidsvold to Hamar.....	37 " "

No further railway plans are now before Parliament.

The loan will be redeemed in 52 years, by means of an accumulative sinking fund, commencing on the 15th July, 1880, which will be applied by purchases so long as these can be effected under par; when the price is at or over par the bonds will be drawn and paid off at par, the Government reserving to itself the right, after the 1st January, 1889, to increase the sinking fund, or to pay off the whole balance of the loan then outstanding on giving six months' notice.

Interest is payable on the 15th January and 15th July. In July, 1882, there was outstanding £1,687,100.

In April, 1880, Messrs. Hambro, in London, the North Deutsche Bank, in Hamburg, and the Comptoir d'Escompte, in Paris, asked for subscriptions for £881,000, in bonds of £20, £100, £500, or £1,000 each, forming the first issue of a "Four per Cent. Norwegian Government Loan for £1,156,000 sterling." The price of issue was £97 10s. The loan was raised "partly for the purpose of redeeming the loans bearing 4½ per cent. interest, issued in 1858 and 1863, and partly for other requirements of the State, including a further contribution of capital to the Norwegian Mortgage Bank. The loan will be redeemed in 52 years, by means of an accumulative sinking fund, commencing on the 15th October, 1882, which will be applied by purchases so long as these can be effected under par; when the price is at or over par the bonds will be drawn, and paid off at par, the Government reserving to itself the right, after the 1st January, 1891, to increase the sinking fund, or to pay off the whole balance of the loan then outstanding on giving six months' notice." Interest is payable on the 15th April and October. In July, 1882, there was outstanding £881,000.

Formerly, triennial budgets were presented to the Storting, and these were always made to balance exactly. That for the three years ended the 1st April, 1866, estimated the annual revenue and expenditure at £1,060,000; that for the three years ended the 1st April, 1869, at £1,116,220; and that for the three years ended the 1st April, 1872, at £1,131,555. Nevertheless, the actual revenue generally exceeded the expenditure, and allowed contributions towards the construction of public works. Later, however, the triennial budget system has been

abandoned, and the actual results of the two years ended the 30th June, 1879 and 1880, have been:—

	REVENUE.		EXPENDITURE.	
	Kronor.	£	Kronor.	£
1878-9	40,724,244	= 2,239,833	48,571,614	= 2,671,438
1879-80.....	48,721,068	= 2,679,658	44,212,020	= 2,431,661

The figures for 1879-80 included various items on "capital account."

REVENUE.		EXPENDITURE.	
	Kronor.		Kronor.
Rentes created for repurchase of railway shares	795,988	Shares	1,394,018
For construction of railways (local subscriptions)	1,263,978	Advances	500,000
Portions of recent loans	6,665,008	Railway construction	7,484,181
Loan to cover previous deficits ...	5,824,548	" other expenses	44,808
	<u>14,509,522</u>		<u>9,378,007</u>
	= £802,965		= £515,515

Deducting these items from the above, the net revenue would stand at £1,876,693, and the net expenditure at £1,916,146—a deficit of £39,453.

The leading items comprised in the revenue were:—Customs, £1,048,459; excise on brandy, £145,684; excise on malt, £103,294; Post Office (gross), £84,667; and succession dues only £7,491.

The imports and exports of Norway have thus been returned:—

	IMPORTS.		EXPORTS.	
	Total.	From United Kingdom.	Total.	To United Kingdom.
	£	£	£	£
1867	5,316,432	...	3,825,305	...
1868	5,754,980	...	3,782,614	...
1869	5,118,300	...	4,287,068	...
1870	5,675,274	...	4,442,949	...
1871	5,610,352	...	4,439,908	...
1872	7,507,984	2,255,825	5,759,798	1,664,190
1873	9,195,516	2,928,585	6,652,272	2,176,460
1874	10,217,746	3,046,340	6,665,824	2,083,400
1875	9,730,204	2,834,040	5,692,148	1,604,735
1876	9,206,879	2,492,545	6,497,551	2,001,780
1877	10,437,449	2,747,690	6,001,281	1,884,355
1878	7,719,134	1,954,095	5,039,666	1,565,355
1879	7,272,424	2,052,600	4,907,282	1,368,925
1880	8,297,899	2,299,165	5,980,639	2,160,400
1881 .....	...	...	...	...

Apart from Great Britain, the principal imports in 1880 were:—From Germany, £2,128,225; Denmark, £1,014,970; Russia, £744,480; and Sweden, £718,850; while the principal

exports were—To Germany, £770,330; Sweden, £750,860; and Spain, £472,750.

It will be seen that the trade of Norway was greatly depressed in 1878-9. The effect upon the consumption of spirituous liquors and upon the revenue was considerable. The consumption of brandy and beer in the years 1876-80 shows this very clearly:—

	Consumption of Brandy.		Consumption of Beer.	
	Litres.	Per Head.	Litres.	Per Head.
1876	12,268,000	6·7	387,031,000	21·1
1877	11,067,000	6·0	395,735,000	21·4
1878	8,472,000	4·5	389,477,000	20·7
1879	6,192,000	3·3	382,424,000	20·1
1880	7,462,000	3·9	291,436,000	15·3

The principal imports are rye and rye flour (£1,375,000), woollen manufactures, coffee, coal, butter, cotton goods, sugar, wheat, and lard; while in 1880, the exports of timber were valued at £2,079,546; cod-fish, £966,828; herrings, £522,731; and train-oil, £291,214.

It is apparent that the imports have invariably and largely exceeded the exports. But it is understood that Norway is enabled without difficulty to sustain a constantly adverse "balance of trade" by the amount of service the Norwegian mercantile marine are enabled to render to foreign countries. In 1880, Norway possessed 7,761 sailing vessels, with an aggregate burden of 1,460,600 tons, and 334 steamers, with 58,100 tons—total, 1,518,700 tons. In 1879, these vessels cleared Norwegian for foreign ports with cargoes registered at 1,389,929 tons; but apart from this, they cleared foreign ports with cargoes for other foreign ports to the amount of 3,169,950 tons. The amount of this purely foreign trade carried in Norwegian vessels is well worthy consideration in dealing with the condition of the country's finances. The gross freight received annually by Norwegian vessels averages 95,000,000 kronor (£5,170,000), thus nearly equalling the entire value of the exports.

Banking, like trade, received a check in 1880, but the growth in recent years has been considerable:—

Bank of Norway (31st December).

	Notes.	Deposits.	Cash.	Discounts Outstanding.
	£	£	£	£
1870	1,561,336	248,817	913,464	939,418
1880	2,184,251	572,171	1,854,673	1,106,864

Limited Liability Banking Companies.

	Paid-up Capital.	Reserves.	Deposits.	Discounts.
	£	£	£	£
1870	386,925	52,965	2,200,935	1,901,185
1880	709,842	208,038	4,494,411	3,918,834

Savings' Banks.

	No. of Offices.	Deposits. £	No. of Accounts.	Deposits per Account. £ s. d.
1873	275	5,996,426	236,320	25 7 1
1879	308	7,323,015	306,104	23 18 6

In 1874, there were 268 miles of State railway in Norway, and 42 miles belonging to companies—total, 310 miles; in 1879, the State lines had increased to 594 miles, making the total 636 miles. In 1880, there was an addition of 21 miles to the State lines; making the total 615 miles. The cost of construction of the State lines up to the 30th June, 1880, was £4,039,624, and in the year ended at that date the revenue receipts were stated at £236,705, and the working expenditure at £180,917; leaving a net £55,788.

There are 24,000 square miles of forests in Norway; and in 1875 there were 1,016,617 cattle and 1,686,306 sheep. An average crop of oats is eight to nine million bushels; of barley, about half that quantity; and of potatoes, nearly 20 million bushels.

The Provincial and Municipal debts at end of 1878 stood as under:—

	Crowns.	£
Debts of rural communes.....	6,964,000	= 383,020
„ municipalities	25,442,000	= 1,399,310
Total.....	32,406,000	= 1,782,330

The area of Norway is 122,823 square miles, including the lakes. The population in 1855 was 1,490,047; in 1865, 1,700,275; in 1875, 1,806,900; and the estimate to the end of 1880, 1,913,500. Christiania, the capital numbers 121,000 inhabitants; Bergen, 43,000.

SWITZERLAND.

The Federal Debt of Switzerland in 1881 consisted of a Four per Cent. Loan for 35,000,000 francs (£1,400,000), issued in 1880, bearing interest payable on the 15th January and 15th July by the Caisse de l'Etat, Berne, and with drawings effected in October, calculated to redeem the entire loan by 1915. This loan arose out of the conversion of three 4½ per Cent. Loans raised in 1867, 1871, and 1877, and in June, 1882, was quoted above par in the Geneva market.

Against this loan securities were held to the amount of 44,275,000 francs, so that practically it was no burden upon the population.

It is to be remarked, however, that most of the cantons have their own debts. Berne, in 1880, placed a Four per Cent. Loan for 51,000,000 francs (£2,040,000) at 98½. Interest is payable in June and December, and drawings are to effect the redemption of the loan between 1886 and 1941. In 1880, also, the canton of Geneva allotted Three per Cent. Obligations to the amount of 21,978,700 francs (£879,148); and "Lots Fribourg" are known on the Paris market. The debt of this canton is about £2,000,000; and Zurich, St. Gall, and Bâle have debts approaching £1,000,000 each. Altogether, the separate debts of the cantons cannot be placed below £12,000,000. In 1877, they were returned at £10,111,600, which, added to the Federal Debt, would make a total of between £13,000,000 and £14,000,000. Upon a population of 2,846,102, this would indicate (say) £4 10s. per head. In nearly all the cantons, however, the securities and reserves in hand exceed the debts, and the total of these "Actifs" cannot be placed at less than £20,000,000.

The area and population of the different cantons have thus been returned :—

	Area.	Population Dec. 1, 1880.	Including Languages Spoken.		
			German.	French.	Italian.
Zurich	664	317,576	313,762	1,471	1,366
Berne	2,658	532,164	452,039	78,640	1,055
Lucerne	580	134,806	134,155	302	294
Uri	415	23,694	18,024	282	5,313
Schwyz	350	51,235	49,631	146	1,377
Unterwalden (Haut)	185	15,356	15,254	9	88
Unterwalden (Bas)	110	11,992	11,869	23	93
Glarus	267	34,213	33,995	27	124
Zug	92	22,994	22,592	120	219
Fribourg	643	115,400	35,705	79,316	324
Soleure	303	80,424	79,514	764	91
Bâle City	177	65,101	62,644	1,901	333
Bâle-Campagne		59,271	58,961	217	72
Schaffhausen	116	38,348	38,117	149	39
Appenzell, Extér.	100	51,958	51,742	47	125
Appenzell, Intér.	62	12,841	12,821	2	16
St. Gall	2,770	210,491	208,718	376	960
Grisons	770	94,991	43,664	115	12,976
Aargau (Argovie)	540	198,645	197,862	366	301
Thurgau (Thurgovie)	382	99,552	99,026	205	237
Ticino	1,093	190,777	1,054	212	129,409
Vaud	2,245	288,790	21,692	212,164	2,518
Valais	2,024	100,216	31,962	67,214	1,018
Neuchâtel	312	103,732	24,489	77,525	1,346
Geneva	109	101,595	11,500	86,414	2,199
	15,977	2,846,102	2,030,792	608,007	161,923

The revenue of the Federal Government in 1880 was £1,700,472, and the expenditure, £1,641,528. Revenue, included customs, £688,459. The heaviest item of the expenditure was the Post Office, £570,072; which, however, was more than counterbalanced by the receipts.

The Swiss department of Customs published quantities, not the values, of imports and exports. Thus, in 1880, the country exported 110,920 head of "live-meat," 217,189 double cwts. of cheese, 92,293 2-cwts. of condensed milk, 127,978 2-cwts. of machinery, 132,512 2-cwts. of cotton manufactures, 47,398 2-cwts. of hides, 21,737 2-cwts. of silk ribbons, &c., &c.; besides 8,040,453 francs worth of wood in the rough. The value of these exports must amount to a great many millions sterling. In respect to the imports, mostly raw materials and tropical produce, values could be somewhat more nearly assigned. Thus, 222,440 2-cwts. of raw cotton at £3 per cwt.; would probably be worth from £1,300,000 to £1,500,000 200,764 2-cwts. of pig iron, at say 50s. a ton, would be worth somewhere about £100,000; and treating flour, wheat, coal, petroleum, silk, sugar, coffee, &c., in the same way, it may be safely affirmed that the imports in 1880 approached, if not exceeded, in value £20,000,000.

Our trade with Switzerland passes entirely through France and Germany, and is accredited in our Board of Trade Returns to those countries.

In 1880, Switzerland possessed 1,598 miles of railway, costing £30,000,000. The gross revenue for the year was £2,400,815, and the working expenses, £1,259,888, making the net receipts £1,140,927.

T U N I S.

A French protectorate was established in 1881.

The foreign debt of Tunis stands as under :—

	Francs.	=	£
5 per Cent. General Debt (converted in 1872)	125,000,000		5,000,000
“Bons” for coupons in arrear, not bearing interest, but repayable by drawings (issued in 1875) say	30,000,000		1,200,000
			<u>6,200,000</u>

Upon a population of 1,800,000, this would represent a debt of about £3 8s. 6d. per head, with an annual charge of probably not more than 3s. per head.

To the extent of £4,000,000 Messrs. Erlanger, of Paris, introduced a Seven per Cent. Loan in May, 1867. The bonds were of 500f. (£20) each, and redeemable at par within thirty years. The issue price was 63 per cent. Part of this loan was reserved for the conversion of already existing liabilities. A Financial Commission was afterwards appointed, in consequence of irregularities, to collect various hypothecated revenues, and in 1872 the country's creditors submitted to a reduction of interest to 5 per cent., and to redemption by market purchases.

The Customs and the tax on olive trees being appropriated to the bondholders, the returns are bound to vary considerably. Many of the coupons on the converted debt have been paid in full, others in part only, and three coupons are still partly in arrear. That of January, 1882, was paid at the rate of 4 per cent. Here coupons are paid by the Anglo-Egyptian Banking Company on the 1st January and 1st July, and in Paris by the *Crédit Industriel et Commercial*.

Tunisian 500f. bonds command a substantial market value in Paris, the ceded revenues being placed in the hands of the International Financial Commission, which was established in 1869, to bring order into the finances of the Bey's dominions. France has recently declared that she will not disturb this arrangement.

The exports are very variable, and in 1880 were returned as low as 9,411,000 piastres (say, £900,000), while the imports were 20,896,000 piastres, or nearly £2,000,000. The exports are mainly grain, wool, olive oil, and dates.

There are some short sections of railway in operation, and the line to the Algerian frontier will be a more important work.

The area of Tunis is about 43,000 square miles, and the population is variously estimated at from 1,500,000 up to 2,100,000.

TURKEY.

The present position of the Turkish foreign debt, as altered by the Iradé of the 20th December, 1881, is as follows* :—

Loan.	Debt Outstanding 31st December, 1881.			
	Nominal Capital Outstanding: Including Ramazan Certificates for Bonds Drawn in 1876.	Rate of Reduction of Original Capital.	Rates Augmented to Include Interest Arrears.	New Reduced Capital.
	£	Per Cent.	Per Cent.	£
6 per Cent., 1858	3,634,750	85	93·15	3,432,344
6 per Cent., 1860	1,654,030	37·375	62·9	1,040,384
6 per Cent., 1862	4,999,650	68	74·5	3,724,739
6 per Cent., 1863	5,188,750	69·62216	76·3	3,959,016
6 per Cent., 1864				
6 per Cent., 1865	4,098,500	64·775	71	2,909,035
6 per Cent., 1869	20,650,000	56·725	62·4	12,885,000
9 per Cent., 1872	4,820,200	98·5	107·75	5,193,765
6 per Cent., 1873	27,196,740	50·235	55·25	15,026,198
5 per Cent. General Debt	87,197,360	45·84	50·25	43,816,673
3 per Cent., 1870-2, Railway Debt..	31,508,000	41·00545	45·09	14,206,957
Nominal capital	190,997,980	Reduced capital	106,195,611	} 241,623
Arrears of interest	61,803,905	To add for capitalisation of Ramazan certificates for interest in 1876.....		
Debt subject to reduction	252,801,885	Total new capital	106,437,234	
Add—4 per Cent. Guaranteed Loan. 1855	3,815,200	.....	3,815,200	
„ 5 per Cent. Preference Debt to Galata bankers (£78,178,000)	7,435,000	.....	7,435,000	
Total Public Debt	264,052,035	.....	117,667,434	
Russian indemnity liability	32,100,000	.....	32,100,000	
Grand total	296,152,085	.....	149,787,434	

It will be observed that the “Egyptian Tribute” Loans are not included with the above. These are now to all intents Egyptian debts, and as such have been included under that head. Turkey has recently borrowed some small amounts

* This table takes no account of the paper money; the current account with the Imperial Ottoman Bank, or some other internal liabilities, respecting which correct information is wanting.

from the Galata bankers, not included above. On the other hand, it was arranged by the Treaty of Berlin that Bulgaria and Greece should bear some of the burden of the Turkish debt equivalent to the territory ceded. But these provisions are as yet inoperative.

The interest on the above debt is provided for under the *Irade* of the 20th December, 1881, in the following manner:—

Table and Estimate of Amount of Conceded Revenues.

	£
1. Six indirect contributions comprised in Convention of November 10/23, 1879, (Tobacco from certain districts, salt, stamps, spirits, fish, silk), as per estimate of the Administrator-General	1,330,287
2. Do. of addition places conceded, estimated at	5,000
3. Excess of Customs revenue (not capable of present estimate) .....	...
4. Do. of Patent Law .....	...
5. Tribute of Bulgaria or substitute from the tithe of tobacco, £100,000 =	90,910
6. Revenue of Cyprus, or substitute from the tithe of tobacco or bills on the Customs, £130,000 =	118,181
7. Revenue of Eastern Roumelia, £245,000 =	222,723
8. Tombeki, or Persian tobacco, £750,000 =	45,455
	<hr/>
	1,812,582
Less £750,000 for service of privileged obligations =	536,361
	<hr/>
Surplus for the other bondholders	1,276,199

NOTE.—In addition to the above, the surplus of revenue for account of the bondholders (and which is applicable under Art. XIV. of the Decree during the first two years) amounts to £637,143, as follows:—

	£
1. Surplus from the six indirect contributions	359,809
2. Revenue of Eastern Roumelia received, £762,000 =	274,546
Arroars of do., £723,000 =	202,728
	<hr/>
	277,274
	<hr/>
Total	637,143

Subject to deduction of certain expenses, which, it has been stated, will probably amount to about £40,000 for the two years.

The Council of Administration in Constantinople have continued to receive payments of the ceded revenues, and a distribution was made on the 13th September, 1882, at the rate of 1 per cent. per annum (13s. 4d. per cent. for the first eight months), on the "New Reduced Capital" of each loan, provided the bonds were registered at the Council of Foreign Bondholders, or had, on their presentation, been impressed with the following stamp:—"Bond, subject (*soumis*) to the provisions of the Imperial Decree of 8/20 December, 1881, and to the decisions to be hereafter taken by the Council of Administration of the Ottoman Public Debt for conversion." A general conversion of the reduced debt into four groups (as on page 623) is proposed.

To distribute 1 per cent. on the debt, and the full rate on the Privileged Obligations, requires £1,598,320 per annum, or 1s. 7d. per head upon a population of 21,000,000. To pay 4 per cent. on the Guaranteed Loan, and 1 per cent. on the Russian Indemnity would require another £473,000, or in all, 2s. per head. This would still allow nothing for the railway guarantees.

It was upon far different terms and conditions that the debt of the Ottoman Empire was contracted. In 1854, the first foreign loan was issued. £5,000,000 was announced, but only £3,000,000 was actually placed at the price of 80. A further description will be found on page 427.

The loan of 1855 is distinguished from all other Turkish debts in this material respect, that it is guaranteed by England and France. The amount issued originally was £5,000,000, which is now reduced by redemption to £3,815,200, and a further £769,200 in bonds have been drawn, but not repaid. The rate of interest is 4 per cent. per annum, and the issue price was 102½. The sinking fund was to be 1 per cent. per annum, together with the interest on the stock redeemed, and was to be applied annually to drawings at par in May. The special security assigned was the residue of the Egyptian tribute of £282,000 a year, after payment of interest and sinking fund on the loan of 1854, together with the Customs duties of Smyrna and Syria. Interest has been paid regularly on the 10th February and 10th August at the Bank of England, though latterly it has been found by the guaranteeing Governments.

The loan of 1858 for £5,000,000, in 1876 reduced by redemptions to £3,684,750, was issued at 85 to the amount of £4,380,000, and at 62½ for the remaining £620,000. The first issue at 85 was made when the loan was brought out in 1858, and the second at 62½ in 1859, when the prices of Turkish securities had fallen considerably in market value. The interest, 6 per cent. per annum, was secured generally upon the revenues of the Ottoman Empire, and specially on the Government octroi, levied at Constantinople. The dividend was paid regularly by coupon on the 1st March and 1st September, by Dent, Palmer, and Co., until September, 1876; and the drawings were effected annually in December for repayment at par on the 1st March following. The bonds are of £1,000, £500, £300, or £100 each. Rate of reduction to 93·15 per cent. (See foregoing statement of debt.)

The "Mirès" Six per Cent. Loan of 1860 was issued originally for £2,070,000, but by 1876 was reduced to £1,654,030. Interest was paid on the 1st January and 1st July in Paris. These bonds were issued for 500 francs each, or £20 par value, at the rate of £12 10s. per bond, and were redeemable in the course of 36 years, at £20, by sinking fund and half-yearly drawings. The amount of this loan originally offered for subscription was £5,000,000, of which only £2,070,000 was placed. Apart from the security of the Ottoman revenues generally, there were hypothecated

specially for payment of principal and interest certain revenues, which were said to have produced in 1859 the sum of £1,232,560. Rate of reduction to 62·9 per cent.

The Six per Cent. Loan of 1862 for £8,000,000 was issued at 68. The sinking fund, 2 per cent. per annum, commenced on the 1st July, 1863, whereby the bonds were drawn half-yearly at 100 per cent., and the redemption was to be effected in 23½ years from that date. The amount outstanding in 1876 was £4,999,650. Interest was paid on the 1st January and 1st July by Messrs. Glyn and Co., on account of the Imperial Ottoman Bank. In addition to the general revenues of Turkey, this loan was secured specially on the revenue derived from tobacco and salt, and the duty on stamps and licences. The half-yearly drawings took place in May and November. The bonds are of £1,000, £500, or £100 each. Rate of reduction to 74·5 per cent.

The loan of 1863-64, originally for £8,000,000, and up to 1876 reduced by the sinking fund to £5,188,750, was issued in bonds of 500 francs each, or £20, at 360 francs, or £14 8s. per £20 bond. An unplaced balance, however, in 1874 realised a much reduced value. Interest at the rate of 6 per cent. per annum was payable on the 1st January and 1st July, at Glyn and Co.'s, and at the Credit Mobilier of Paris, on account of the Imperial Ottoman Bank. The redemption was effected by half-yearly drawings, which commenced in November, 1863, and were to extend over 23½ years. The original sinking fund was 2 per cent. per annum, accumulative. In addition to the general security of the Turkish Government, the following were hypothecated specially:—
1. Special revenues not pledged for former loans. 2. A first charge on certain direct taxes. 3. The balance of revenue hypothecated for the loan of 1862. Rate of reduction to 76·3 per cent.

The Six per Cent. Loan of 1865 for £6,000,000 was issued at 65½, and redeemable in 21 years by half-yearly drawings. The 6 per cent. interest was payable in January and July by the Imperial Ottoman Bank, and the drawings took place in May and November. The bonds were of £100 or £20 each. The special security hypothecated for payment of interest and principal, apart from the general revenues of Turkey, consisted of—

1. The sheep taxes of Roumelia and the Archipelago, valued at £560,000 per annum, the collection of which is made by the contractors for the loan. [Hence the name "Mutton Loan" applied to this issue.]

2. The yearly produce of the copper mines of Tokah, valued at £100,000 per annum.

3. The revenues, free in 1868, assigned for the payment of the Syrian Indemnity Bonds, amounting to £260,000 per annum.

These three sources of revenue were thus estimated as producing £920,000 per annum, while the annual charge for interest and sinking fund amounts to £510,000.

Taking into account the delays in the payment of the instalments, the price of issue was reduced to £13 0s. 8d. per £20 bond, or £65 3s. 6d. per cent., thus yielding an annual rate of interest to the original subscriber of $9\frac{1}{2}$ per cent. per annum, or $11\frac{1}{2}$ per cent., taking into account the redemption in 21 years by half-yearly drawings.

The amount of the loan outstanding in 1876 was £4,098,500, and the rate of reduction is to 71 per cent.

In March, 1869, a new Six per Cent. Loan for £2,480,000 appeared under the auspices of the Société Générale and its London agents (Devaux), who offered it for subscription at 83 per cent. The bonds, of 500 francs or 2,500 francs, were redeemable at par, in four instalments, between April, 1872, and October, 1873, the return to the investor being calculated at $12\frac{1}{2}$ per cent. The principal and interest were repayable in London, Paris, or Constantinople. This loan was paid off in due course.

In December, 1869, a Six per Cent. Loan for £12,000,000 sterling, or £22,222,220 stock, was brought out, the Paris contractors being the Comptoir d'Escompte, and Messrs. Louis Cohen and Sons the London agents. The bonds are to bearer, in sums of £20, £100, or £500 each, and the issue price was $60\frac{1}{2}$ per cent. The loan was redeemable in 33 years from 1869, by an accumulative sinking fund of 1 per cent. per annum, applied half-yearly to drawings at par. Principal and interest were payable in London, Paris, or Constantinople. The loan was declared free of Turkish tax. The drawings were to take place in March and September. Allowing for accrued interest and deferred instalments, the issue price was $58\frac{1}{2}$ per cent., and the loan, therefore, yielded the investor $11\frac{3}{4}$ per cent. per annum. The bonds would, it was stated, be accepted at par in satisfaction of any caution moneys deposited with the Turkish Government. The amount outstanding in 1876 was £20,650,000, and the rate of reduction in 1882, under the Iradé of 1881, is to 62·4 per cent. The following appeared in the prospectus:—

This loan is secured on the general revenues of the Ottoman Empire,

and by a lien on the following revenues, which are specially appropriated for the payment of interest and principal, as follows:—

1. The tithes of the Provinces of Aleppo and Adana, Syria, Janina, Trebizond, Koniah, and of the Islands of the Archipelago, to the amount of.....	£ 1,015,000
2. The tithes of the Province of Hudavindiguar (district of Broussa, &c.), to the amount of	315,000
3. The tithes of the Province of Bosnia (with the exception of the district of Yeni Bazar), to the amount of.....	175,000
4. The tithes of the Province of Aidin and Menteché, to the amount of.....	105,000
5. The surplus of taxes on sheep, &c., to the amount of	540,000
6. The revenues of Bagdad, to the amount of.....	225,000
Total.....	2,375,000

In September, 1871, the Imperial Ottoman Six per Cent. Egyptian Tribute Loan of 1871 for £5,700,000 nominal capital was issued by Messrs. Dent, Palmer, and Co., at the price of 73 per cent. This is now included under the Egyptian debt.

In August, 1872, Messrs. R. Raphael and Sons received subscriptions for "Imperial Ottoman Nine per Cent. Treasury Bonds" to the amount of £11,126,200—"Série A" representing £3,708,700, redeemable 13th July, 1876; "Série B," £3,708,750, redeemable 13th July, 1877; and "Série C," £3,708,750, redeemable 13th July, 1878. The issue price was fixed at 98½ per cent., and the bonds, carrying interest payable in London at Messrs. Raphael's on the 13th January and 13th July, were issued in sums of £1,000, £500, £100, or £50 each. Coupons were likewise to be cashed in Constantinople, Paris, Vienna, &c. After June, 1873-74-75 the holders of A, B, or C bonds had the option of conversion into Five per Cent. General Debt, at the rate of £550 Treasury Bonds to £1,000 of the Five per Cent. debt. The special hypothecations were the tithes of the Vilayet of the Danube, of Adrianople, and of Salonica, and the sheep tax of Anatolia, which in 1871 was stated to produce £3,350,000, or £3,045,000. The default occurred before the redemption was effected, and though every effort was made to induce conversion into Five per Cents., there were still £4,820,200 outstanding in 1881. The Treasury Bondholders' Committee all along persisted in their views that the position of this debt was exceptional; and by the terms of the Iradé of 1881, instead of a reduction of principal, their conversion is made at 107·75 per cent.

In October, 1873, the "Imperial Ottoman Six per Cent. Loan, 1873, for £27,777,780" was brought out in London by the Imperial Ottoman Bank, the sum of £8,000,000 being offered in this country. The issue price was nominally 58½ per cent.; but payment in full could be effected at 57½. The

prospectus stated that the bonds would be issued to bearer in sums of £20 each—

Represented by certificates of £20, £100, £500, and £1,000 each, bearing interest at 6 per cent. per annum, payable every 1st April and 1st October, in London, in sterling; in Paris, at 25 francs in gold per £1 sterling; and in Constantinople, at 110 piastres in gold per £1 sterling. The loan to be redeemed at par in 33 years, by means of an accumulative sinking fund of 1 per cent. per annum. The bonds to be drawn publicly in Paris, in March and September each year. The dividends of this loan, as well as the bonds drawn for redemption, are declared by the Imperial Government to be now and for the future exempt from every kind of tax, charge, or deduction.

Subscription lists will be opened simultaneously in Constantinople, at the Crédit Général Ottoman; and Paris, at the Crédit Mobilier; also at Amsterdam, Antwerp, Brussels, Rome, and Naples.

SPECIAL SECURITIES ASSIGNED TO THIS LOAN.

To ensure the due payment of interest and repayment of the principal, the Turkish Government, besides giving its direct and general guarantee, assigns—

	T. Lire.	£
1. Dimes of the Vilayet of the Danube.....	1,200,000	or 1,000,909
2. Sheep tax of Anatolia	750,000	„ 681,818
3. Surplus of the produce of the tobacco monopoly of Constantinople	300,000	„ 272,727
4. Dimes of the Vilayet of Angora.....	150,000	„ 136,363
	<u>2,400,000</u>	<u>„ 2,181,817</u>

Nevertheless, it is explained that the dimes and taxes Nos. 1 and 2, above specified, being assigned for the service of the Treasury Bonds issued in 1872, they will be available for the present loan only as the said bonds may become extinguished from time to time, and at the dates and under the conditions specified with reference to those bonds.

Meanwhile, as a provisional guarantee for the present loan, and until the aforesaid revenues become free, the Imperial Government assigns the following revenues, which it declares to be free from all anterior engagements, viz. :—The dimes of the Vilayets of Erzeroum, of Tripoli (Barbary), of Crete, of Diarbekir, and of Scutari (Albania); produce of the Tapou (duty on the transmission of Crown lands); one-fourth of the produce of the Verghis (personal taxes) of the Vilayets of Epirus—£1,950,000, or £1,772,727.

This loan was at first taken up to the extent of only £8,000,000, all told, but further portions were placed privately, and short loans were obtained upon the unissued portion. During the war, these amounts appear to have passed out of the control of the Turkish Government, and it is stated that out of the entire £27,777,780, the Turkish Government only realised £11,658,409, or not quite 42 per cent. The rate of reduction fixed by the Iradé of 1881 was to 55·25 per cent. on the amount outstanding, £27,196,740.

INTERIOR OR HOME DEBTS, CONSOLIDATED IN 1865 INTO
FIVE PER CENT. GENERAL DEBT.

The Interior Debt consisted of—

1. Eshami-Djédidés (Consolidés), consisting of four issues of Six per Cent. Bonds, charged on the general credit of the Empire, and with a sinking fund of 2 per cent.

2. Tahvilati-Mumtazé (Hasne Tahvilis), a 6 per cent. stock, representing funded Treasury Bonds to the amount of about 2,500,000 Turkish pounds, with a 5 per cent. sinking fund, accumulative, which was to extinguish it in about ten years.

3. Senelicks, representing old palace debts, bearing interest at the rate of 6 per cent. per annum, with a *nominal* sinking fund of 20 per cent. per annum.

In addition to the foregoing, there was a debt of about 1,060,000 Turkish pounds, resulting from the Syrian disturbances, half of which had been already discharged, and the remainder was secured on Syrian Customs dues.

This Interior Debt was consolidated under a Law dated the 30th March, 1865, whereby there was created a "Great Book of the General Debt of the Ottoman Empire," in which was ordered to be inscribed a sum of 40 million medjidies in gold, represented by—

	£ Sterling.	Francs.
Bonds of 110 gold medjidies =	100 =	2,500
" 55 " =	50 =	1,250
" 11 " =	10 =	250

These bonds were issued at 50, and bore an annual interest of 5 per cent., guaranteed by the general revenue of the Empire, and payable on the 13th January and 13th July, by coupon, in London, Paris, Amsterdam, Frankfort, and Constantinople, through the Ottoman Bank, with a sinking fund of 1 per cent. per annum on the original capital of the debt, to be applied to purchases of bonds at their market value, and the proceeds were to be applied thus:—

	Medjidies.
For consolidation of the Interior Debts	29,000,000
For the use of the Treasury	4,000,000
For Public Works	7,000,000
	40,000,000

The conditions of conversion were—

1. For 100 gold medjidies nominal in Eshami-Djédidés, 121 gold medjidies, equal to £110 sterling, or 2,750 francs.

2. For 100 gold medjidies nominal in Tahvilati-Muntazé, 143 gold medjidies, equal to £130 sterling, or 3,250 francs.

3. For every 11,000 piastres in Serghis of ten years, 110 gold medjidies, equal to £100 sterling, or 2,500 francs.

This consolidation was at the time regarded as a bold but advantageous operation, and was carried out with success. The sterling value of the 40,000,000 medjidies or Turkish pounds (£T) was £36,363,636. The sinking fund was from the first applied very irregularly; but on this point the official documents stated—

The Law No. 1 creates a "Grand Livre" similar to that of France for the "General Public Debt of the Ottoman Empire." This General Public Debt is to be of one uniform denomination, bearing 5 per cent. interest, payable half-yearly, on the 1st-13th July and 1st-13th January, with 1 per cent. sinking fund; payable in gold in Turkey, in sterling in England, and in francs at Paris, and also at Amsterdam and Frankfurt, the obligations being printed in Turkish, French, and English.

The sinking fund is to be applied in the purchase of stock in the market, and is accumulative, so that all debts inscribed in the "Grand Livre" will be extinguished in 37 years.

The difference between the rate of purchase and the par rate goes to form a reserve fund, which accumulates at compound interest.

The debt inscribed in the "Grand Livre" is guaranteed by the general revenues of the Empire, subject only to existing hypothecations of certain special branches for foreign lands, which, on their extinction by amortisation will merge in the general revenues.

The special advantages to the Turkish Government are—

1. That it enables them to raise a sum of £2,000,000 cash, without any increase of present burden on the Budget.

2. The new sinking fund being applied in the purchase of stock in the market at 55 or 60, instead of in drawings at 100, will go nearly twice as far, and in addition to paying off the capital of the debt in 37 years, will accumulate a reserve fund equal to that capital in the same period.

3. The existence of this reserve fund, and of a reserve of authorised inscription in the "Grand Livre," will always enable the Treasury to obtain such temporary advances as may be required to equalise the receipts and payments of different periods of the year, or to meet grave emergencies, at a moderate rate of interest.

In May, 1865, the subscription for the £4,000,000 (£3,636,363) was opened in London by the General Credit Company, the price of issue being 50 per cent., or 47½ per cent., deducting the coupons due on the 13th July of that year from one of the instalments. The interest was afterwards paid at the Imperial Ottoman Bank.

In September, 1874, a fresh issue of the Five per Cent. General Debt was brought out by the Imperial Ottoman Bank. By the Convention of the previous July, £40,000,000 stock (representing 44,000,000 medjidies) was created, but only £15,900,000 was offered to the public in September. The form of bond and the security was precisely similar to the General Debt already in circulation, and the issue price was 43½ per cent., with the first coupon payable on the 13th January, 1875. The net issue price was therefore 42¾. The

prospectus further stated—"It is agreed that bonds representing £7,000,000 of the above £40,000,000 General Debt stock shall be deposited with the Bank as a guarantee for its advances to be made to the Government, pursuant to the Convention [referred to later], and with this exception, the Imperial Government undertakes to apply the whole of the proceeds of the loan to the payment of its floating debt."

The General Debt was wholly in default in July, 1876; and as the entire amount in circulation in 1881 was £87,197,360, it is apparent that the balance of the above £40,000,000 must have been placed privately upon the market. The rate of reduction by the Iradé of 1881 is to 50·25 per cent.

In 1870 and in 1872, the Three per Cent. Roumelian Railway Bonds were placed upon continental markets in the form of a Lottery Loan, and they are known in Paris as "Lots Turcs." The issue of 1870 consisted of 750,000 obligations of 400 francs (£16) each, or £12,000,000, and that of 1872, of 1,230,000 similar obligations, nominal value £19,680,000. In the former case, the issue price was 180 francs, and in the latter 170 francs per obligation. The redemption was to be effected by drawings every two months at 400 francs and upwards, the whole to be repaid by 1974; and the Paris agents were the Banque de Paris et des Pays-Bas. The default occurred at the end of 1875, and the amount then outstanding was £31,508,000. The rate of reduction is to 45·09 per cent.

Market Prices of Turkish Stocks.

	6 per Cent., 1853.		3 per Cent., 1869.		5 per Cent. General Debt.		9 per Cent. Treasury Bonds.		Imperial Ottoman Bank Shares.	
	Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.	Highest.	Lowest.
1865	78	60½	...	...	52½	42	...	...	18	13½
1867...	85	49	...	...	35	25½	...	...	10½	7
1869	70	60½	...	...	46½	37½	...	...	14½	10½
1870	72	55	65	49½	5½	34½	...	...	15½	9½
1871	67	56	58½	49½	49½	41½	...	...	13	11½
1872...	73½	64	65½	56½	55	47	100	...	15½	12½
1873...	76	58	67½	50	55½	42½	94	7½	17	12½
									(capital	doubled
1874	70	55	61	48	48	38	94	64	18½	12
1875	68	26	58	24	45½	22½	98	35	19½	7½
1876	32	10	27½	9½	24½	9½	46	15	8½	3
1877	19	8	14½	7½	13½	7½	27	11	6½	2½
1878	31	7½	24	6½	17½	7½	39	11	12	3½
1879	26½	19	17	12½	12½	9½	25½	16	11½	8½
1880	23	14½	15½	9½	13½	9½	24	16	12½	9½
1881...	20½	19½	19½	13½	17½	11½	33	21	25½	11½

TURKISH FINANCE.

The finances of Turkey prior to the year 1808 were in a state of extreme confusion. No account of receipts and

expenditure then existed ; but as the necessity for increased supplies was felt from time to time, fresh levies were imposed, or the existing form of taxation increased.

High officers of State were permitted to collect the revenue of the districts under their control, and after deducting all expenses of Government to remit the balance to the Treasury. Only nominal accounts were rendered of these transactions, over which the central power had no check.

The depreciation of the currency was rapid. The original value of a piastre was 4s. 4d.; it was depreciated to one-half its value in 1774, when Turkey had to pay an indemnity to Russia, and it fell rapidly afterwards. It reached its present value of 2½d. in 1829.

In 1808, however, the Sultan Mahemed II. endeavoured to institute a radical reform of these abuses, by directing that the whole revenue should be paid into the Treasury, and all disbursements made therefrom, thus putting an end to the former vicious system of falsification and irresponsibility. But in the troubles which followed, the system of farming out of taxes was once more carried on to a large extent, and the revenue was collected in a vicious and wasteful manner. Sultan Abdul Aziz, after the Crimean War, considered it of vital importance to establish and thoroughly equip a powerful army and fleet, and this lavish outlay considerably enhanced the difficulties of the situation.

In 1866, a delay of a few months occurred in paying the interest on the General Debt ; but for ten years later the payments were always met at maturity, except on the railway guarantees, which were in arrear from the first.

The earlier loans raised by Turkey did not involve terms unduly onerous ; but as issue followed issue in rapid succession, the prices fell, until at last even so much as 12½ per cent. (eight years' purchase) could only attract a partial support. Yet it appears that Abdul Aziz was genuinely desirous to avoid bankruptcy ; and in July, 1874, he arranged with the Imperial Ottoman Bank the terms of a Convention, which, after numerous delays, was signed in March, 1875. By this Law, the Bank was to take the entire administration under its tuition—to collect the revenues, check the Budget, and only to pay to the extent of the sums authorised in the Budget. Under this Convention an effort was made to issue a genuine Budget, and in July, 1875, the statement for "1291" (year ended the 13th March, 1876) was put forth, showing—total

revenue, £t21,711,565; total expenditure, £t26,299,180; deficit, £t4,587,615. The chief items on each side were—

REVENUE.		£t.	EXPENDITURE ON DEBT.		£t.
Tithes		7,909,090	External Debt charge...		6,548,360
Property tax		2,886,360	General Debt do.....		3,483,530
Customs		1,886,360	Roumelian Railways do.		1,101,950
Tobacco		1,500,000	Local Annuities do. ...		619,630
Sheep tax.....		1,836,180	Floating Debt do.		1,259,480
			Loss on exchange		504,550
					13,517,500
					= £t12,300,000

Thus, no less than 62 per cent. of the revenue was required for the service of the debt. But the insurrection in Herzegovina, which broke out in August, 1875, and soon afterwards spread to Bosnia, upset even these calculations. The Porte had to pay the equivalent of 18 per cent. interest wherewith to obtain advances sufficient to cover the October coupons, and to put an end to this intolerable state of affairs the *Irâdê* of the 6th October was promulgated. The shock to Turkish credit was great; but that some such relief was absolutely demanded by the state of the country there could no longer be a shadow of a doubt.

The terms of this Decree were that Five per Cent. Bonds, representing £t35,000,000, should be created, and that one-half the interest on the debt for the space of five years should be paid in these securities instead of in cash.

The new Five per Cent. Bonds will be redeemed at par, and in gold, by means of a sinking fund of 1 per cent., which will commence to be applied at the latest on the 1st January, 1887, by drawing of bonds. These 35,000,000 bonds will be divided into five series, each of 7,000,000 Turkish pounds, corresponding with the five years during which the payment of the interest and of the sinking fund of the Public Debt remains affected by the Law of the 6th October, 1875. On the 1st January, 1881, at the time when the full payment of the interest in gold will recommence, the number of issued bonds of each series during the five years will be verified.

A crowd of bondholders' meetings followed, and to each loan a committee was appointed, the result being the wildest confusion, in which everyone, talked, and no one was listened to. In January, 1876, the "Ramazan certificates" were issued for the half-coupons then due; but in April, there was no attempt to meet even the half-coupons on the 1869 and 1873 loans, and the default became complete.

Negotiations were set on foot; but the continued insurrection in the Western provinces, followed in May, 1876, by the deposition and suicide (?) of Abdul Aziz, and in September by the deposition of Murad V., effectually prevented any

definite steps being taken. No sooner were the Servians under Tchernayeff defeated and an armistice arranged, than a Conference of the Powers was held at Constantinople, and the Turkish Constitution was proclaimed by Midhat Pacha.

The war came in April, 1877, and the losses of 1877 resulted in the peace of San Stefano, in January, 1878; but it was not until after the Berlin Conference, in July, 1878, that the Porte was free to consider the claims of her bondholders in any way.

In 1877, however, she arranged with the Tribute bondholders, whereby they received arrears of interest in full, and the Defence Loan was issued.

A remarkable advance occurred in Turkish securities in July, 1878, when the terms of the Treaty between Great Britain and Turkey, guaranteeing Asia Minor and ceding Cyprus, were made known, but when financial support was refused, market values fell again rapidly.

The numerous schemes put forward—the De Tocqueville, Hammond, and other propositions—need not now be discussed. But in June, 1881, negotiations assumed a sufficiently definite shape for Mr. Robert Bourke, M.P., and M. Valfrey, respectively, on behalf of the English and French bondholders, to accept the invitations of the Porte to effect an arrangement on the bondholders' behalf. Prior to this, by the Convention of the 22nd November, 1879, certain revenues had been assigned to the Galata bankers, with a proviso that the surplus, after covering floating debt charges, should be retained for the bondholders. During the whole of the summer and autumn of 1881 the negotiations were in active progress, and it was not until the 20th December that the final *Irade* was signed.

First, in respect to the "Obligations of Priority," the Turkish Government undertook, at the request of the Council of Administration of the Ceded Revenues and of the Syndicate which contracted the Convention of the 22nd November, 1879, to issue obligations to bearer for a total sum of £18,178,000, representing the sum due to the Syndicate. The bonds would have inscribed upon them the particulars of the annuity assigned for payment of the interest and sinking fund—viz., £1590,000, which is calculated to be sufficient to pay 5 per cent. interest, and to redeem the obligations by drawings at par in 24 years. The interest is to be payable half-yearly, in March and September, the first payment in September, 1882, being of eight months' interest. The obligations are in amounts to £20 sterling, or 500 francs, or £122, and bear the title of "Obligations of Priority, with special privilege over the produce of the revenues of six indirect taxes conceded by the Imperial Ottoman Government and applied to

the service of the Public Debt of the Empire." The coupons and drawn bonds are payable by the Imperial Ottoman Bank, to which the Council of Administration pays over the annuity.

With regard to the remaining loans, the Iradé of the 20th December, after enumerating the rate of reduction established for each loan, provided—

Art. 9.—For the service of the debt determined by Article 3, the Government cedes by these presents in an absolute and irrevocable manner from the 1st January, 1881, and until the complete extinction of the said debt—(Here follows a long description of the assigned revenues. See page 611.)

Art. 11. The net revenue from the sources indicated, a deduction being made of the necessary annuity for the privileged bonds of the Convention hereunto annexed, will be entirely devoted on the 13th of September and the 13th of March each year, commencing the 13th January, 1882, to the payment of the interest and the redemption of the debt. The first payment will be made on the 13th of September, 1882, so that the service of the interest and the redemption to be effected on the said date will cover a period of eight months. The Council will determine the rate of interest and redemption payable each six months in such a manner as to always insure the punctual payment of the interest and redemption on the expiration of each half-year. It will have the right to reserve out of the sums which can be disposed of for the service of the interest the necessary portion in order to equalise the amount of interest in the following half-years.

Art. 12. The interest will each year monopolise four-fifths of the net produce of the revenues ceded to the bondholders, not including the amounts contributed by Greece, Servia, Montenegro, and Bulgaria. But the sum will always be first reserved necessary for the payment of 1 per cent. interest on the reduced capital. The interest will never exceed 4 per cent. on the said capital. If the sum to be disposed of for the service of the interest divided by the amount representing $\frac{1}{5}$ per cent. on the said debt should have any remainder, this remainder will be reserved in order to be applied to the service of the interest of the following half-year.

Art. 13.—With regard to the service of the sinking fund provided for by one-fifth of the produce of the above-mentioned revenues, the loans will be divided into groups as follows:—Group I., loans of 1858 and 1862; Group II., loans of 1860, 1863, 1864, and 1872; Group III., loans of 1865, 1869, and 1873; Group IV., Turkish Lottery Loan and the General Debt. After the payment of 1 per cent. of the debt for interest, the surplus to the extent of $\frac{1}{5}$ per cent. of the debt will be applied to the redemption of Group I., after it to Group II., then to Group III., and finally to Group IV. If the sum to be disposed of for the redemption exceeds $\frac{1}{5}$ per cent. of the debt, the surplus not exceeding $\frac{1}{5}$ per cent. will be applied to the redemption of Group II., unless, in consequence of the extinction of Group I., Group II. has already gained possession of the above-mentioned amount of the redemption, in which case the sum exceeding $\frac{1}{5}$ per cent., but not exceeding $\frac{1}{5}$ per cent., of the debt will pass to Group III. (and so on until) after the extinction of the three first groups the sum to be disposed of for the redemption will be applied for the benefit of the fourth group. The payment of the drawn bonds will take place on the termination of the half-year, to commence on the 13th September, 1882. The payments, whether they are effected by purchase or lottery, will take place at rates which will

not exceed the following figures:—At 66 per cent. of the capital when the interest paid is 1 per cent.; at 75 per cent. of the capital when the interest exceeds 1 per cent. but does not reach 3 per cent.; at 100 per cent. of the capital when the interest is 3 per cent. or above 3 per cent.

Art. 16.—To represent the bondholders and to watch over their interests a Council of Administration is established. This Council will sit at Constantinople. The said Council is composed of six members, elected in the following manner:—One member representing the English bondholders, who also represents the Dutch bondholders, and who is appointed by the Council of Foreign Bondholders in London, or in default by the Governor of the Bank of England, or in default by a resolution adopted in a public meeting of the English and Dutch bondholders held in London; one member representing the French bondholders; one member representing the German bondholders; and one member representing the Austro-Hungarian bondholders, who are appointed by the Syndicates of the financial establishments of Paris, Berlin, and Vienna, which adhered to the communication of the Imperial Ottoman Government of October 23rd, 1880; one member representing the Italian bondholders; one member representing the Ottoman bondholders, who is appointed by a general assembly of the latter summoned in Constantinople by the Prefect.

Art. 19.—The administration of the Council shall be submitted to the control of the Imperial Government. This control shall be exercised by a commissary and by controllers appointed by the Government and accredited to the Administration.

Article 13 deals with the questions of redemption and the grouping of the loans; and Articles 16 and 19 with the Council of Administration. This Council was duly established in January, 1882, and Mr. Edgar Vincent has been appointed as the English member, who also represents the Dutch bondholders. The dividend (at the rate of 1 per cent.) was paid on the 13th September, 1882.

According to official figures, the revenue accounts in the following years stood as under:—

	Revenue.		Expenditure.
	£		£
1275 (1859-60)	9,711,606	.....	11,088,583
1278 (1862-63)	14,949,089	.....	13,416,237
1287 (1871-72)	17,455,265	.....	20,695,745
1292 (1876-77)	16,000,000	.....	26,000,000
1295 (1879-80) (Budget) ...	12,951,000	.....	11,858,000

In this last Budget, the expenditure was to include £1,500,000 for the service of the debt. But there can be little faith placed in any of these figures, especially in a Budget estimate, which, it is understood, did not make allowance for the depreciation in the paper currency, and the proportion of revenue payable therein. It may be asked how Turkey can continue with a constant deficit without borrowing. But in a country where the salaries of native officials are seldom paid in

full, and where arrears are practically lost, the deficits cannot be looked upon as added to the national indebtedness.

In 1875-6, the Custom House records of the imports of Turkey were £15,632,000, and of the exports at £9,644,000, but at the time the figures were understood to be much below reality. According to the returns of some foreign countries, the imports of Turkey have been as follows:—

	Imports from United Kingdom.	Imports from France.	Imports from Egypt.	Imports from Russia.	Imports from Italy.	Imports from Hungary, Roumania, &c.
	£	£	£	£	£	
1860	5,256,568	...	...	...	...	(?)
1870	7,477,091	2,580,000	...	1,500,000	400,000	(?)
1875	6,346,888	3,040,000	411,000	1,700,000	523,000	(?)
1880	7,239,689	1,840,000	737,000	...	579,000	(?)

	Exports to United Kingdom.	Exports to France.	Exports to Egypt.	Exports to Russia.	Exports to Italy.	Exports to Hungary, Roumania, &c.
	£	£	£	£	£	
1860	3,253,245	...	...	...	...	(?)
1870	6,696,909	5,320,000	...	1,300,000	1,700,000	(?)
1875	6,355,714	4,680,000	72,000	2,400,000	1,217,000	(?)
1880	3,874,280	5,360,000	133,000	...	1,441,000	(?)

The figures of 1880 include Bulgaria.

The railways in operation in Turkey prior to the war were about 1,100 miles in extent. But deducting the Varna line, in Bulgaria, and the Kustendjie line, in Roumania, there were in 1881, 1,171 kilometres open in Turkey and Roumelia, or 750 miles, besides 210 miles in Asia Minor, making in all 910 miles. Turkey guaranteed the Ottoman Railway £112,000 per annum for 42 years from 1866, and other amounts to the Smyrna and Cassaba, the Varna, &c. These guarantees are hopelessly in arrear.

Imperial Ottoman Bank.—As this is by far the most powerful financial institution in Turkey, it calls for some remark here. It was established in 1863, with a moderate capital; but additions were soon made, and in 1874 the amount was practically doubled. At present the subscribed capital is £10,000,000, with £5,000,000 paid up, and the Council and head office are in Constantinople, with committees and offices in London and Paris. The balance-sheet shows reserves of £3,670,000; but the assets consist largely in securities of the Turkish Government, and their market value has to be taken into consideration. The fluctuations in the market prices of the shares have already been recorded. By the recent acquisition of the rights of the Galata bankers, and the consequent command of the Privileged debt, it is under-

stood that the bank has carried out a profitable operation; and the shareholders have this year received a dividend of as much as 15 per cent.

The population of Turkey is a matter of estimate merely, and estimates differ. The following, however, appear the most reliable:—

	AREA.			POPULATION.		
	Before the War.	Ceded.	Present.	Before the War.	Ceded.	Present.
	Sq. Miles.	Sq. Miles.	Sq. Miles.			
Turkey in Europe	133,284	80,700	57,500	8,500,000	4,400,000	4,100,000
" Asia	718,000	5,700	710,000	16,800,000	800,000	16,000,000
" Africa (less Egypt)	350,000	...	350,000	1,010,000	...	1,010,000
	1,204,000	86,400	1,117,500	26,310,000	5,000,000	21,100,000

The ceded area and population may thus be divided:—

	Area. Square Miles.	Population.
To Bulgaria	24,000	1,995,701
" Roumania	6,000	100,000
" Austria	25,100	1,250,000
" Servia and Montenegro	7,000	200,000
" Greece	5,100	300,000
" Russia (Asia)	5,700	600,000
" Eastern Roumelia	13,500	800,000
	86,400	5,000,000

BULGARIA.

Bulgaria is now a principality, such as Servia, and Roumania, and Montenegro were before the war. The area and population are given above. Alexander of Battenberg, the elected hereditary Prince, has recently been invested with despotic powers for a period of seven years. The amount of the Tribute remains unsettled, and reliable particulars of revenue and trade are as yet wanting.

Large quantities of wheat are grown in the Danubian Valley, and form the principal article of exportation. The Turkish guarantee of the Varna Railway (140 miles) is now a liability of Bulgaria.

UNITED STATES.

On the 1st September, 1882, the debt of the United States stood as follows:—

Character of Issue.	When Repayable.	Interest Payable.	Amount Outstanding.			Debt in Sterling.
			Registered.	Coupon.	Aggregate.	
			\$	\$	\$	
Continued 3½ per Cents.	At Govt. } Option. {	Jan., July.	32,755,400	...	*32,755,400	6,714,857
Do. 3½ per Cents.		Fb., May, Ag., Nov.	401,496,900	...	*401,496,900	82,306,865
4½ per Cent. Fnd.	Sept. 1, 1891	Mr., June, Sep., Dec.	186,398,900	63,606,100	250,000,000	51,220,000
4 per Cent. Fnded.	July 1, 1807	Jan., Apl., Jly., Oct.	565,665,450	173,243,900	738,909,350	151,476,417
4 per Cent. Certificates					442,100	90,630
3 per Cent. Navy Pension Fund					14,000,000	2,870,000
Aggregate of interest-bearing debt.....					1,437,603,750	294,708,760
Unclaimed debt, on which interest has ceased since maturity					12,472,726	2,556,908
Debt bearing no interest :						
Character of Issue.	Authorising Acts.		Amount.			
			\$			
Old demand notes	1861, 1862		59,595			
Legal-tender notes	1862, 1863		346,681,016			
Certificates of deposit	1872		12,000,000			
Gold certificates	1863		4,992,040			
Silver certificates	1878		69,440,210			
Fractional currency	1862, 1863, 1864—	\$15,408,000				
Loss amount estimated lost or destroyed		8,375,934				
			7,082,066			
Aggregate of debt bearing no interest					440,204,927	90,942,010
Total debt, 1st September, 1882					1,890,281,403	387,507,887

* On the 1st October, these two items are respectively \$3,663,300 and \$177,062,900; while a new item, "Three per Cents. of 1882," represents \$237,253,900.

Recapitulation.

	\$	Sterling.
Debt, as above	1,890,281,403	387,507,887
Add—Interest accrued on interest-bearing debt	11,099,695	2,375,457
" unpaid on debt matured	500,252	102,551
" unclaimed on Pacific Railroad bonds	5,240	1,066
Total debt, principal and interest, to date	1,901,886,690	389,886,961
Deduct—Cash in the Treasury.....	242,060,518	49,806,906
Net debt, 1st September, 1882	1,659,826,172	340,079,854
Estimated population in 1882.....	52,796,000	
Net debt per head	£62/10	

In the above statement is not included—

Bonds Issued to the Pacific Railway Companies.

Character of Issue.	INTEREST PAYABLE BY THE UNITED STATES.				
	Amount Outstanding.		Interest Paid by United States.	Interest Repaid by Transportation of Mails, &c.	Balance of Interest Paid by United States.
	\$	<i>Sterling.</i>	\$	\$	\$
Central Pacific.....	25,885,120	<i>5,306,450</i>	21,899,448	3,812,497	17,438,678
Kansas Pacific.....	6,803,000	<i>1,292,115</i>	5,751,153	2,725,483	3,025,669
Union Pacific	27,236,512	<i>5,583,455</i>	23,323,659	8,453,665	14,869,993
Central Branch					
Union Pacific ...	1,600,000	<i>328,000</i>	1,453,808	124,639	1,322,241
Western Pacific ...	1,970,560	<i>403,955</i>	1,550,015	9,367	1,540,648
Sioux City and Pacific	1,623,320	<i>333,802</i>	1,366,598	95,381	1,271,216
Total	64,623,512	<i>13,247,807</i>	55,344,632	15,221,035	39,468,448

The foregoing debt has been converted into sterling at \$100, = £20 10s., which is a small fraction below the par of the exchange. Excluding the Pacific Railway Loans, the growth of the United States debt during the Civil War (1862-65), and its reduction since the fall of Richmond, are shown in the following statement, converted at the same rate:—

Years Ended June 30.	Public Debt. (Less Cash in Treasury.)		Interest Paid.		Debt per Head.	Interest per Head.
	\$	£	\$	£	£ s. d.	s. d.
1860.....	59,964,402	12,292,701	3,443,687	705,954	0 5 9	0 5½
1861.....	87,718,660	17,981,325	5,092,630	1,043,989	0 11 2	0 7½
1862.....	505,312,752	103,589,112	22,048,509	4,519,942	3 3 3	2 9
1863.....	1,111,350,737	227,826,900	41,854,148	8,580,099	6 16 6	5 1½
1864.....	1,709,452,277	350,437,716	78,853,487	16,164,964	10 5 10	9 6
1865.....	2,674,815,856	548,337,250	137,742,617	28,237,233	15 15 7	16 3½
1866.....	2,636,036,163	540,387,412	146,068,196	29,943,980	15 4 8	16 11
1867.....	2,508,151,211	514,170,998	138,892,451	28,472,952	14 3 10	15 9
1868.....	2,480,853,413	508,574,949	128,459,598	26,394,217	13 15 1	14 3
1869.....	2,432,771,873	498,718,233	125,523,998	25,732,420	13 4 2	13 7
1870.....	2,331,169,956	477,889,540	118,784,960	24,350,916	12 7 10	12 8
1871.....	2,246,994,068	460,633,783	111,949,330	22,946,612	11 12 10	11 7
1872.....	2,149,780,530	440,705,003	103,988,463	20,797,692	10 17 1	10 6
1873.....	2,105,462,060	431,619,722	98,049,804	20,100,209	10 7 1	9 7½
1874.....	2,104,149,153	431,350,575	98,796,004	20,253,180	10 1 7	9 5½
1875.....	2,090,041,170	428,458,439	96,855,690	19,855,416	9 15 0	9 0
1876.....	2,060,925,340	422,489,694	95,104,269	19,490,374	9 7 2	8 7½
1877.....	2,019,275,431	414,818,857	93,160,643	19,097,931	8 18 7	8 2½
1878.....	1,999,382,230	409,873,367	94,654,472	19,404,166	8 12 3	8 1½
1879.....	1,996,414,905	409,265,054	83,773,778	17,173,623	8 7 6	7 0
1880.....	1,919,326,747	393,461,932	79,633,981	16,324,966	7 17 8	6 6
1881.....	1,819,650,154	373,028,280	75,018,695	15,378,832	7 5 0	5 11½
1882.....	1,675,023,474	343,379,811	57,980,110	11,758,822	6 10 0	4 6

One reason why the war proved so costly was the depreciation of the paper currency (greenbacks), poured over the country in such enormous quantities. Gold, in 1864, averaged

more than 100 per cent. premium, and in July of that year was actually quoted on one day at 184 per cent. premium, so that the purchasing price of the paper currency in that year was not more than about half what it is now. At the same time, there was most reckless extravagance, and many enormous fortunes were made during the struggle. The premium on gold finally disappeared in 1878, some months prior to the formal resumption of specie payments.

During the war, and for some years subsequently, the investments of European capital in United States Government bonds were very large, and the great rise which subsequently occurred rendered them most profitable holdings. In 1871, Messrs. Jay Cooke, McCulloch, and Co. calculated that \$845,000,000, or over £170,000,000, of the debt of the United States was held in Europe, and it may be mentioned that the German Government invested a considerable sum in the Five per Cent. Funded Loan out of the French indemnity. Within the past few years, however, United States bonds have been mostly returned to that country, the high prices now obtainable for them rendering them less profitable holdings here.

The separate States of the Union have nearly all of them contracted additional liabilities. These will be found referred to on page 641. Their total, however, is about £59,500,000, raising the debt of the United States to about £7 11s. 3d. per head, and the annual charge to (say) 5s. 7d. per head.

The debts, as originally incurred by the Federal Government, were as follows:—

Character of Issue.	Redeemable at Government Option.	Amount Authorised by the Original Act.	Outstanding at the Close of 1869
FUNDED.			
5 per Cent. of 1858	From 1874	\$ 20,000,000	\$ 20,000,000
6 per Cent. of 1861	Dec., 1880	25,000,000	18,415,000
6 per Cent. " Oregon War," 1861	July, 1881	2,800,000	945,000
6 per Cent. of 1861	From 1881	250,000,000	189,317,600
6 per Cent., 5-20's, 1862	1867 to 1882	511,000,000	514,771,600
6 per Cent. of 1863	From 1881	300,000,000	75,000,000
5 per Cent., 10-40's, 1864	1874 to 1904	200,000,000	194,567,300
6 per Cent., 5-20's, 1864	1869 " 1884	} 400,000,000 {	3,882,500
6 per Cent. do.	1869 " 1884		125,561,300
6 per Cent. of 1865	1870 " 1885	} Amount not specified in Acts, issued about 700,000,000. {	203,327,250
6 per Cent. do. (New)	1870 " 1885		332,998,950
6 per Cent., 1867	1872 " 1887		379,988,950
6 per Cent., 1868	1873 " 1888		42,539,350
Total payable in coin .....	.....	.....	*2,107,936,800

* Included a further small amount of 5 per Centa.

Character of Issue.	Amount Authorised by the Original Act.	Outstanding at the Close of 1869.
UNFUNDED.		
Legal tender notes, 1862	300,000,000	} 356,000,000
" " " 1863	300,000,000	
Fractional currency, 1862	} 50,000,000	33,001,298
" " " 1863		
" " " 1864		
3 per Cent. Temporary Certificates, 1867 .....			75,000,000	50,545,000

There was subsequently to the war an outcry raised that the funded debt should be repaid in currency, the text of the bond only mentioning coin interest; but the doubts thus raised in the minds of the bondholders were set at rest by the Public Credit Act of 18th March, 1869.

Act 18th March, 1869.—Provides for the payment in coin, or its equivalent, of all the obligations of the United States not bearing interest, known as United States notes, and of all the interest-bearing obligations, except in cases where the Law authorising their issue provides for their payment in lawful money. It provides, however, that none of the interest-bearing obligations, not already due, shall be redeemed before maturity, unless at a time when United States notes shall be convertible into coin at the option of the holder, or unless United States bonds that bear a lower rate of interest can at that time be sold at par in coin. It also pledges the faith of the country to a redemption of United States notes in coin at the earliest practicable period.

It will be seen from the preceding table of amounts outstanding at the close of 1869, that the Government then possessed optional powers to repay Six per Cents. to the amount of over \$643,000,000; while in 1870, a further \$536,000,000 were redeemable at their option. The improvement in the credit of the Government resulting from the Act of 1869 in reality rendered the "Refunding Scheme" a possibility in 1870. The following was the original draft of that important measure:—

Treasury Department, Washington, 8th October, 1870.

The Secretary of the Treasury, in anticipation of proposals to be issued by him for subscriptions to the National Loan, under the Act approved 14th July, 1870, entitled "An Act to Authorise the Refunding of the National Debt," gives notice of the terms and conditions on which such proposal will be issued.

The proposed loan comprises three classes of bonds, namely—

1. Bonds to the amount of \$200,000,000, payable at the pleasure of the United States, after 10 years from the date of their issue, and bearing interest, payable semi-annually in coin, at the rate of 5 per cent. per annum.

2. Bonds to the amount of \$300,000,000, payable at the pleasure of

the United States, after 15 years from the date of their issue, and bearing interest, payable semi-annually in coin, at the rate of 4½ per cent. per annum.

3. Bonds to the amount of \$1,000,000,000, payable at the pleasure of the United States, after 30 years from the date of their issue, and bearing interest, payable semi-annually in coin, at the rate of 4 per cent. per annum.

Banks and responsible bankers will be designated for the negotiation of the loan, and paid a commission upon the amounts negotiated by them respectively.

Subscribers to the loan will have preference in the following order, namely—

1. Subscribers for equal amounts of the first and third classes of bonds.

2. Subscribers for equal amounts of each class of bonds.

Subscribers for 5 per cent. bonds, according to the per cent. of premium offered, or at par in the order of the date of subscribing.

When a subscription is made, subscribers will be required to deposit 2 per cent. of the amount thereof, to be accounted for by the Government when the bonds are delivered; and payment may be made either in coin or in the bonds of the United States, known as "Five-Twenty Bonds," at their par value. The coin received in payment will be applied to the redemption of Five-Twenty Bonds.

The bonds will be registered, or issued with coupons, as may be desired by the subscribers, and in denomination of \$50, \$100, \$500, \$1,000, \$5,000, and \$10,000.

The interest will be payable in the United States, at the Office of the Treasurer, any Assistant-Treasurer, or designated depository of the Government.

The bonds of the several classes aforesaid, and the interest thereon, are exempt from the payment of all taxes or dues of the United States, as well as from taxation in any form, by or under State, municipal, or local authority.

After maturity, the bonds last issued will be first redeemed by classes and numbers, as may be designated by the Secretary of the Treasury.

GEO. S. BOUTWELL, *Secretary.*

This scheme was so far modified that the proposed \$200,000,000 of Five per Cent. Bonds was increased to \$500,000,000, and the \$1,000,000,000 of Four per Cent. Bonds reduced to \$700,000,000. The interest also was made payable quarterly. The conversion would, doubtless, at the first have attained great popularity in Europe had the dividends been payable in Europe; but, as the matter stood, and owing to the "Alabama claims" disputes, it for a time hung fire.

In March, 1871, Messrs. Barings, Messrs. Clews, Habicht, Messrs. Jay Cooke, McCulloch, Messrs. Morgans, Messrs. Morton, Rose, and Messrs. Rothschilds opened subscriptions in London for the first issue of the Funded Loan, viz.:—\$200,000,000 of the Five per Cent. Bonds, the price of issue being par (£102 7s. 6d. per \$500, equal to 91 per cent., according to Stock Exchange quotations then existing, which put the arbitrary price of 4s. 6d. upon the dollar). But only a portion

was taken, and that principally in America. In August, 1871, however, Messrs. Jay Cooke, McCulloch placed the balance of \$75,000,000 of this first issue in England, the following notification accompanying their prospectus :—

The bonds may, at the option of the holder, be registered, and United States Treasury cheques, for dividends thereon, will be sent from Washington to the registered address of the holder in any part of Europe, on the principle adopted by the Bank of England in paying the interest on British Consols. For the convenience of applicants, an officer of the United States Treasury will remain for some time in London, and will inscribe the registered bonds directly into the names of purchasers.

In February, 1873, the remaining portion—\$300,000,000 of the Five per Cent. Funded Loan—was allotted here through the agency of Messrs. Barings, Jay Cooke, McCullochs, Morgans, Rothschilds, and Morton, Rose. The prospectus stated—

\$200,000,000 being already in circulation, this issue of \$300,000,000 completes the \$500,000,000 Five per Cent. Funded Loan, authorised by Act of Congress, under which the Secretary of the United States Treasury will then have only bonds bearing $4\frac{1}{2}$ and 4 per cent. interest to dispose of.

Holders of Five-Twenty Bonds, bearing May and November interest coupons, will retain the coupon due the 1st May next, and will receive in exchange bonds of the Five per Cent. Funded Loan of equal amount, bearing interest from that date.

Holders of Five-Twenty Bonds, bearing January and July interest coupons, will be paid the interest from the 1st January last to 1st May next, at 6 per cent., or £2 0s. 10d. per bond of \$500, and will receive in exchange bonds of the Five per Cent. Funded Loan of equal amount, bearing interest from the latter date.

The application must be accompanied by a deposit either in cash of £20 for every \$1,000 applied for, or in bonds convertible under this operation, approximating to 10 per cent. on the value of the amount applied for; the cash will be returned or the bonds allowed for on completion of the exchange.

All these Five per Cents. have now either been converted or redeemed.

A large amount of the subscriptions were in Five-Twenty Bonds, but a portion being in cash, some amounts of the outstanding Five-Twenty Bonds were called in for repayment at par, those being first called which were first issued. This process of calling in bonds for redemption assumed far larger proportions afterwards.

In this way the entire amount of the Six per Cents. of 1862 was redeemed by the 28th October, 1875, and the Six per Cents. of 1864 by the 15th February, 1876.

In September, 1876, Messrs. N. M. Rothschild and Sons, Messrs. J. S. Morgan and Co., and Messrs. Seligman Brothers received applications here on account of the $4\frac{1}{2}$ per Cent.

Funded Loan for \$300,000,000. By the Funding Act, the remaining \$700,000,000 would only be issued in the form of Four per Cents. Though the issue was for the conversion of similar amounts of the Six per Cent. Bonds, the prospectus on that occasion did not allow of subscriptions being made in the old Five-Twenties, as the previous prospectuses had done; but a payment of £103 10s. per \$500 bond was required in cash, the instalments being spread over nearly six months. Interest accrued on the various instalments, dating from the 15th September. The issue was therefore made at a fractional premium. The prospectus stated—

These bonds are redeemable at the pleasure of the United States after the 1st September, 1891, in coin of the standard value of the United States, on said 14th July, 1870 (gold coin), with interest in such coin from the day of their date at the rate of $4\frac{1}{2}$ per cent. per annum, payable quarterly, on the 1st June, 1st September, 1st December, and 1st March in each year. The principal and interest are exempt from the payment of all taxes or duties of the United States, as well as from taxation in any form, by or under State, municipal, or local authority. The issue of \$300,000,000 is the entire amount of the $4\frac{1}{2}$ per Cent. Funded Loan, authorised by the above-mentioned Acts of Congress.

The bonds may, at the option of the holder, be inscribed, and United States Treasury cheques for dividends thereon will be sent from Washington to the registered address of the holder in any part of Europe, on the principle adopted by the Bank of England in paying the interest on Consols. An officer of the United States Treasury will remain for some time in London, to inscribe, free of charge, the bonds into the names of such holders as may desire it.

The bonds to bearer, with coupons attached, are in denominations of \$50, \$100, \$500, and \$1,000. The registered bonds are in like amounts, with the additional denominations of \$5,000, \$10,000, \$20,000, and \$50,000.

The amount of these $4\frac{1}{2}$ per Cents. issued, and now outstanding, is \$250,000,000.

In July, 1877, Messrs. N. M. Rothschilds and Sons, J. S. Morgan and Co., Seligman Brothers, and Morton, Rose, and Co., received applications for \$700,000,000 United States Four per Cent. Funded Loan, at the issue price of £102 15s. per \$500 bond—about equal to par. These bonds were understood to represent the completion of the issues under the Act of 1870; but as \$50,000,000 of the $4\frac{1}{2}$ per Cents. remained unplaced, the Four per Cents. (only a small portion of which were taken up in 1877) were increased to \$739,347,800 in 1879. The amounts of bonds were similar to the preceding loan, and both principal and interest were declared payable in United States gold coin, the interest on the 1st January, April, July, and

October in each year, and the principal not before 30 years (1907).

On the 1st January, 1879, the resumption of specie payments was accomplished with complete success. This was followed by a large increase in speculation, and the failure of the European harvests in that year caused a remarkable expansion in trade. The market values of United States stocks rose so rapidly, that the balance of the Four per Cents. were placed, and a rise to 4 per cent. premium was established in 1879, a further advance of about 10 per cent. was recorded in the Four per Cents. in 1880, and aided by extensive redemptions out of surplus revenue, the rise continued during 1881.

In July, 1881, the Six per Cents. of 1861 and 1863 fell due, and about the same time the Five per Cent. Funded Loan of 1871-3 became optionally redeemable. At this time the Four per Cents. stood at 18 per cent. premium, yielding about £3 8s. per cent. interest to the purchaser, while the prospect of redemption at par in 1907 further reduced the yield. In January, 1881, the House of Representatives selected 3 per cent. as the rate for a new funding operation, but the measure being then premature, and causing offence to the National Banks, the last act of President Hayes before resigning office to President Garfield was to veto the Bill. The result was that in May, 1881, the Secretary of the "Continued 3½ per Cents." Treasury called in all the Five per Cents. of 1871-3 for repayment on August 12, but offered the holders as a temporary measure the option of continuing \$250,000,000 at 3½ per cent. during the pleasure of the State. At the same time the Six per Cents. of 1861 and 1863 received a similar option, which was readily accepted. During the early part of 1882, the scarcity of the Four per Cents. went on increasing, and the market value in April was, in London, 124 (say, nearly 21 premium), at which price the yield to the investor was calculated at £3 6s. per cent. in interest, less 9s., the present value of the loss upon redemption at par 25 years later, or net £2 17s. It was, therefore, apparent that Three per Cents. could be placed successfully. Indeed, the expediency of issuing 2½ per Cents. was discussed.

In July, 1882, the United States Legislature formally sanctioned the Three per Cent. Refunding Bill, under which the then existing Continued 3½ per Cents. were to be paid off, or converted into Three per Cent. debt. The conditions upon which the new bonds are issued are that they will be exchanged at par for the Continued Bonds, that their redemp-

tion will not be undertaken until all the unconverted 3½ per Cents. have been paid off, and that the new bonds which are first taken up will be the last to be redeemed.

It was notified early in September \$250,000,000 of the new Three per Cents. had been taken up, and that it was anticipated the total would be raised to \$300,000,000.

One of the principal reasons for the great advance in market prices recorded below has been the rapid redemption of debt by the "calls" already referred to. Even since the resumption of specie payments, the repayment of debt has amounted to no less than £60,000,000, and a famine in Government stock has only been prevented by clearing out European markets to satisfy home requirements. For many purposes, in America the holdings of Government stock are a necessity, and the National Banks alone possess \$420,000,000.

Market Prices in London of United States Stocks.

	6 per Cent. 5/20's, 1862. (Par 102½.)		5 per Cent. 10/40's. (Par 102½.)		6 per Cent. "1881." (Par 102½.)		Massachusetts 5 per Cent. Sterling "1900"		Virginia Sterling.		Confederate Cotton Loan.	
	Highest	Lowst.	Highest	Lowst.	Highest	Lowst.	Highest	Lowst.	Highest	Lowst.	Highest	Lowst.
1864	55	44	...	...	...	...	...	...	50	39	88	50
1865	82½	46	...	...	82	...	...	...	52	40	60	5
1866	82½	75½	...	...	...	...	...	...	60	46	7½	2½
1867	83	74½	...	...	...	...	...	...	62	44	7	3
1868	82½	77½	80½	73	...	...	...	...	56	42	7½	4½
1869	96	82	92½	76	...	...	...	...	53	44	9	3½
1870	100½	86½	98½	90½	...	...	...	...	63	47	6½	3½
1871	104½	98	103½	96½	108½	100	99	87	70	55	8½	1
	(Funded 5 per Cents.)											
1872	102½	96½	104½	97½	...	...	99	91	65	48	...	...
1873	104½	99½	104½	99½	...	...	98	91	55	45	...	...
1874	105½	102	106	102½	111	106½	102	9½	50	40	...	...
1875	105½	101½	107	102½	111	106½	105	98	...	...	...	...
1876	109½	104	109	105	113	107	107	100	...	...	...	...
1877	109	105	111½	106½	112	106	109	101	40	25	...	...
	(Funded 4½ per Cents.)											
1878	109½	103½	109	102	112	106	111	103	35	20	...	...
1879	110	105	110½	106	110	103	112½	104	35	25	...	...
1880	110	105	115½	109½	108½	104	115	103	30	15	...	...
	(Continued 3½ per Cents.)				(Continued 3½ per Cents.)							
1881	107½	103	118½	114	107½	102	115	110	39	20	6	...

Prior to 1874, the quotations for American securities in this market were calculated at 4s. 6d. per dollar, and from that date at 4s. As par is 4s. 1½d., our stocks are quoted generally 2½ per cent. above New York to allow for this artificial depreciation of the dollar. In the above table the prices prior to 1874 have been adjusted to the 4s. rate to allow of correct comparison.

The revenue and expenditure of the United States Government have thus been returned :—

Years Ended June 30.	REVENUE.		EXPENDITURE.	
	\$	£*	\$	£*
1850.....	45,183,115	9,262,538	44,793,925	9,182,754
1860.....	61,926,180	12,604,867	79,529,875	16,303,624
1865 (Civil War)	333,714,605	66,742,921	1,197,555,220	239,511,044
1870.....	411,253,477	82,251,095	309,653,560	61,930,712
1875.....	288,000,051	57,600,010	274,623,393	54,924,678
1876.....	294,095,865	58,819,173	265,101,085	51,691,959
1877.....	281,406,418	56,281,283	241,334,474	47,732,001
1878.....	257,763,878	51,552,775	236,964,327	47,392,865
1879.....	273,827,183	56,134,572	266,947,883	54,723,315
1880.....	333,526,610	68,372,955	267,642,957	54,866,806
1881.....	360,500,000	73,960,400	260,500,000	53,446,100
1882.....	403,460,284	82,709,357	258,886,000	53,071,630

* 1864 to 1878 converted at \$5 = £1.

The chief items of revenue and expenditure are contrasted below :—

	Customs.	Inland Revenue.	Tax on National Banks' Circulation.	Pacific Railway Repay- ments.
	\$	\$	\$	\$
1867-8 ...	164,464,600	191,087,589	...	...
1871-2 ...	216,370,286	130,642,178	6,523,396	749,862
1879-80 ...	186,522,065	124,009,374	7,014,971	2,493,988
1881-2 ...	222,000,000	146,000,000	...	...
	War.	Marine.	Pensions.	Indian Affairs.
	\$	\$	\$	\$
1867-8 ...	123,246,648	25,775,503	...	...
1871-2 ...	35,372,157	21,249,809	28,533,402	7,061,728
1879-80 ...	38,116,916	13,536,984	56,777,174	5,945,457
1881-2 ...	26,687,800	14,566,037	68,262,306	4,587,866

It is proposed to increase the expenditure by about £16,000,000 in 1882-3, raising the pensions, carrying out river and harbour improvements, &c. The reduction in inland revenue has been due to large remissions of taxation.

The National Bank system calls for some further notice. The Act under which they were established was passed in 1863, soon after the outbreak of the Civil War; and up to the end of that year 139 National Banks were established. They were granted many privileges; but the chief object of the Government was to obtain a ready channel for the absorption of its bonds, and within two years from the passing of the

Act 1,513 banks had been established, with \$393,157,206 capital, and with \$427,731,300 Government securities in their coffers.

Position of National Banks—October 1, 1881.

PRINCIPAL LIABILITIES.			PRINCIPAL ASSETS.		
	New York.	Aggregate.		New York.	Aggregate.
	48 banks.	2,133 banks.		48 banks.	2,133 banks.
	\$	\$		\$	\$
Capital stock	51,150,000	463,321,985	Loans and discounts ..	246,757,639	1,169,092,308
Surplus fund	19,947,316	123,140,618	United States bonds to cover circulation ...	22,991,500	363,335,500
Undivided profits	12,532,315	56,372,191	Bonds for deposits ...	620,000	15,540,000
Circulation—National Bank notes	20,112,590	330,199,969	United States bonds on hand	7,954,050	40,972,450
Individual deposits	245,692,013	1,070,997,531	Specie	51,524,798	114,334,736
United States deposits	527,356	12,106,493	Legal-tender notes ...	9,021,335	53,532,387
			United States certificates of deposit ...	1,915,000	6,740,000
			5 per cent. redemption fund	1,016,807	16,115,732
Total liabilities ..	542,651,490	2,358,387,391	Total assets	542,651,490	2,358,387,391

The value of the commercial relations of the United States will be understood by the following figures :—

Year Ended June 30.	IMPORTS OF MERCHANDISE.		EXPORTS OF MERCHANDISE.	
	Total.	From United Kingdom.	Total.	To United Kingdom.
	£	£	£	£
1852	43,216,749	...	34,788,381	...
1860	73,670,024	22,907,681	69,495,011	44,727,202
1865	47,840,451	25,170,787	55,131,746	21,624,125
1870	87,191,900	30,413,200	91,041,600	48,663,400
1871	104,044,800	44,153,600	95,623,000	54,023,200
1872	125,319,000	49,754,200	95,284,200	52,288,800
1873	128,272,000	49,459,600	115,045,400	62,469,600
1874	113,481,268	36,008,600	126,667,800	68,204,800
1875	106,600,905	29,059,800	111,847,600	62,708,400
1876	92,148,200	24,674,600	118,983,600	66,277,400
1877	90,264,600	22,707,400	126,596,200	68,370,400
1878	87,410,306	21,459,600	139,150,000	76,721,400
1879	91,384,490	22,250,494	143,405,595	70,929,630
1880	136,930,750	43,175,870	168,908,930	92,453,770
1881	131,746,325	35,771,217	181,204,625	97,877,377
1882	148,548,125	...	150,280,750	...

In 1880-1, the imports from Cuba and Porto Rico were valued at £13,826,000, from France at £14,310,000, from Germany at £10,843,000, from Brazil at £10,820,000, from Canada at £7,726,000, and from India at £3,700,000. In the same year, the domestic exports to France were valued at £18,417,000, those to Germany at £14,115,000, to Belgium at £7,315,000, and to Canada at £6,990,000.

The leading imports and exports may thus be compared :—

Leading Imports (Years ended June 30).

	1870.	1880.	1881.
	\$	\$	\$
Coffee	24,234,879	60,360,769	56,784,391
Cotton manufactures	23,330,053	29,929,000	31,219,329
Flax	16,253,162	22,481,000	...
Silk	23,870,142	32,189,000	32,056,701
Wool	34,490,668	33,910,000	30,011,629
Hides	14,402,339	30,002,254	27,477,019
Iron and steel	41,589,440	51,681,000	...
Tin and tin-plates	9,651,088	23,509,000	18,121,105
Sugar	69,827,884	84,616,000	88,051,617
Wool	6,743,350	23,727,650	9,703,968
Tea	13,863,273	19,782,631	21,004,813

Leading Exports (Years ended June 30).

	1870.	1880.	1881.
	\$	\$	\$
Wheat	47,171,229	190,546,305	167,698,485
" flour	21,169,593	35,333,197	45,047,257
Indian corn	1,287,575	53,298,247	50,702,669
Raw cotton*	227,027,624	211,535,905	247,795,746
Petroleum	32,492,155	35,942,000	...
Bacon and hams	6,123,113	50,987,623	61,161,205
Lard	5,933,397	27,920,367	35,226,575
Cheese	8,881,934	12,171,720	16,380,248
Live meat	1,045,000	15,885,000	...
Dead	5,192,915	61,253,000	...
Tobacco	22,705,225	18,442,000	...

* Reduced value owing to rapid fall in price—858,558,000 lbs exported in 1870; 1,832,061,000 lbs in 1880; and 2,191,078,000 lbs in 1881.

The above figures do not include the imports and exports of bullion and specie, which were as under :—

Years Ended June 30.	IMPORTS.		EXPORTS.	
	Gold.	Silver.	Gold.	Silver.
	\$	\$	\$	\$
1870	12,057,000	14,362,000	33,636,000	24,519,000
1871	6,884,000	14,386,000	66,685,000	31,755,000
1872	8,717,000	5,026,000	49,549,000	30,329,000
1873	8,682,000	12,798,000	44,857,000	39,751,000
1874	19,503,000	8,952,000	34,043,000	32,588,000
1875	13,697,000	7,204,000	66,980,000	25,150,000
1876	7,993,000	7,944,000	31,177,000	25,329,000
1877	26,247,000	14,528,000	26,592,000	29,572,000
1878	13,330,000	16,491,000	9,206,000	24,536,000
1879	5,625,000	14,671,000	4,587,000	20,410,000
1880	80,758,000	12,276,000	3,639,000	13,504,000
1881	110,575,000		19,405,000	
1882	42,475,000		49,415,000	

The production of the precious metals in the United States will be found recorded on page 142.

The great strides of late years in the agricultural wealth of the United States has been the main cause of her rapid advancement. On this point the following record is given:—

Estimated Quantities Available in Undermentioned Seasons.

	1871.	1875.	1880.	1881.	1882.
Wheat ... bushels	230,732,400	292,136,000	498,550,300	380,280,090	Preliminary. 500,000,000
Oats	255,743,000	354,317,500	417,885,300	416,481,000	...
Maize ... "	991,898,000	1,321,069,000	1,717,434,500	1,194,916,000	1,500,000,000
Potatoes ... "	120,461,700	166,877,000	168,385,900	...	...
Tobacco ... lbs.	...	379,347,000	430,000,000	...	...
Cotton ... bales	...	4,600,000	6,589,000	5,433,000	...
Cattle ... number	25,074,582	27,870,700	(1879)33,258,000	...	...
Sheep ... "	28,477,951	35,935,300	" 40,765,900	...	...
Pigs	25,184,540	25,726,800	" 34,034,100	...	...

The make of pig iron in 1881 was 4,641,564 tons, and the coal raised in 1880 reached 71,067,576 tons, against 32,863,690 tons in 1870. The production of petroleum increased from a few hundred barrels in 1859 to 27,376,461 barrels in 1881.

AMERICAN RAILWAYS.

"Poor's Railway Manual" for 1882, and previous numbers, have furnished materials for the following summary of the mileage of railroads in the United States in each year since 1862:—

States.	1840.	1850.	1860.	1865.	1870.	1872.	1874.	1876.	1878.	1880.	1881.
New England	2,506	3,680	3,834	4,494	5,053	5,509	5,683	5,373	5,099	6,099
Middle	3,202	6,708	8,539	10,991	12,954	14,050	14,754	15,454	15,949	16,760
Western	1,276	11,064	12,817	23,769	33,677	57,309	39,539	43,132	32,598	60,712
Southern	2,035	9,182	9,632	12,468	12,538	13,237	13,631	14,019	14,906	16,395
Pacific	23	233	1,677	1,949	2,287	2,904	3,298	4,229	4,877
Grand total	2,818	9,021	30,635	35,095	53,369	66,171	72,383	76,906	81,776	93,671	104,813

In 1881, accounts were received from railroads representing 94,486 miles of line, with the following results:—

Funded capital (shares and bonds)	\$	5,010,389,579	=	£	1,027,129,863
Gross earnings		725,325,119	=		148,691,648
Working expenses		448,671,000	=		91,977,555
Net earnings		276,654,119	=		56,714,093

Including other capital liabilities, the total for the 104,813 miles is stated at \$6,314,699,787, or £1,294,513,453.

Population of the United States, distinguishing White, Free Coloured, and Slave, at intervals of Ten Years, from 1800 to 1880.

	White.	Free Coloured	Slave.	Total.
1800	4,904,489	108,395	893,041	5,305,925
1810	5,862,004	186,446	1,191,364	7,239,814
1820	7,861,937	233,524	1,538,098	9,633,131
1830	10,537,378	319,599	2,009,043	12,866,020
1840	14,195,695	386,903	2,487,455	17,069,453
1850	19,553,114	434,449	3,204,313	23,191,876
1860	26,975,575	488,005	3,953,760	31,445,089
			Chinese.	
1870	33,526,123	4,968,994	63,254	38,558,371
1880	43,404,876	6,642,273*	105,717	50,152,866

* Includes 65,123 settled Indians, but there are other Indian tribes not enumerated, estimated at over 250,000.

In addition, there is the population of Alaska, estimated at 30,146, chiefly Esquimaux and Indians.

The population of New York in 1880 was 1,206,590; Philadelphia, 846,984; Brooklyn, 586,689; Chicago, 503,304; Boston, 362,535; and St. Louis, 350,522.

Immigration.

Countries.	Years Ended 30th June.					
	1873.	1878.	1879.	1880.	1881.	1882.
England, Scotland, Wales ...	89,482	22,150	29,951	73,267	81,372	104,112
Ireland	77,344	15,932	20,013	71,603	72,342	76,432
Germany, Austria, Holland...	159,247	34,425	40,686	*97,542	231,594	266,275
Sweden, Norway, Denmark...	35,481	12,254	21,820	65,657	72,465	93,707
Belgium, Switzerland, France, Italy, Spain, Portugal	28,361	11,569	14,936	...	{ with "other countries."	...
Russia, Poland	4,898	3,584	4,923	4,854	...	...
China	20,292	8,992	9,604	...	11,890	39,579
Canada	37,871	25,568	31,268	99,706	125,391	98,308
Mexico, South America, Cuba, Porto Rico	1,760	1,085	1,461	...	...	...
All other countries	5,067	2,910	3,164	...	74,377	110,590
Total immigration	459,803	138,469	177,826	457,257	669,431	789,003
Deduct emigration	58,072	64,555	42,001	47,070	...	...
Net immigration ...	401,731	73,914	135,825	410,173	...	...

* Excluding Holland in 1880-1-2.

STATE FINANCES.

Hitherto we have dealt only with the liabilities of the United States generally. It must not be forgotten, however, that almost every State possesses a separate debt, and that while the credit of some of them stands almost as high as that of the supreme Government, others—especially the Southern States—have on numerous occasions defaulted, repudiated, or arbitrarily reduced their liabilities. Mainly in consequence of these cancellments, the aggregate debts of the individual States have been reduced by more than \$50,000,000 in the past ten years.

State Statistics.

States.	Area.	Population.		Net Debt.
		1870.	1880.	
	Sq. Miles.			\$
Alabama	52,250	996,992	1,262,344	11,818,000
Arkansas	53,850	484,471	802,564	12,867,728
California	158,360	560,247	864,684	3,391,500
Colorado	103,925	39,864	194,469	Nil.
Connecticut	4,900	537,454	622,683	4,987,500
Delaware	2,050	125,015	146,654	715,000
Florida	58,680	187,748	266,566	{ 1,124,300 4,000,000
Georgia	59,475	1,184,109	1,538,983	9,645,000
Illinois	56,650	2,539,891	3,078,636	Paid off.
Indiana	38,350	1,680,637	1,978,358	4,489,783
Iowa	56,025	1,194,020	1,624,463	Nil.
Kansas	82,080	364,399	995,335	1,181,675
Kentucky	40,400	1,321,011	1,648,599	Paid off.
Louisiana	48,720	726,915	940,263	17,256,715
Maine	33,040	626,915	648,945	4,465,533
Maryland	12,210	780,894	935,139	11,257,558
Massachusetts	8,315	1,457,351	1,783,086	18,318,999
Michigan	56,451	1,184,059	1,634,095	889,000
Minnesota	83,365	439,706	780,807	6,565,000
Mississippi	47,156	827,922	1,131,899	Repudiated.
Missouri	69,415	1,721,295	2,169,091	15,682,000
Nebraska	76,855	122,993	452,432	449,267
Nevada	110,700	42,491	62,265	436,400
New Hampshire	9,305	318,300	347,784	3,318,100
New Jersey	7,815	906,096	1,130,892	1,796,300
New York	49,170	4,382,759	5,083,173	8,976,700
North Carolina	52,250	1,071,361	1,400,047	22,273,895
Ohio	41,060	2,665,260	3,197,794	5,201,665
Oregon	96,030	90,923	174,767	356,508
Pennsylvania	45,215	3,521,951	4,282,738	20,182,000

Continued, page 642.

State Statistics—(Continued).

States.	Area.	Population.		Net Debt.
		1870.	1880.	
	Sq. Miles.			\$
Continued from p. 641.				
Rhode Island	1,250	217,358	276,528	2,119,000
South Carolina	30,570	705,606	995,706	5,336,104
Tennessee	42,050	1,258,520	1,542,463	20,206,300
Texas	265,780	818,579	1,597,509	5,022,208
Vermont	9,565	330,551	332,286	...
Virginia	38,348	1,225,163	1,512,203	44,854,161
West Virginia	24,780	442,014	618,193	Nil
Wisconsin	56,040	1,054,670	1,315,386	...
District of Columbia ...	64	131,700	176,638	20,969,650
Total States	2,080,514	38,287,205	49,547,233	290,133,549
Territories	867,620	271,166	605,633	...
Grand total	2,948,134	38,558,371	50,152,866	...
Alaska	577,390	...	30,146	...
Indian Territory	69,000	...	256,000	...

The foregoing \$290,000,000 of debt represents £59,500,000, a sum above the amounts returned in the Census reports. The difference is due to the fact that certain States, having voted the funding of their liabilities upon reduced terms, have made their returns as though such operations were completed. According to the Census statement, the local indebtedness of the United States in 1880 stood as under :—

	£
State debts	53,402,000
County debts	25,727,000
City debts	145,652,000
Towns, townships, and school district debts...	21,627,000
Total local indebtedness	246,408,000

This is a very important addition to the burdens of the people, especially as it has been raised at an average rate of interest rather exceeding 6 per cent. The burden per head may be set down at 5s. 10d., making with the Government debt a total of 10s. 4d. per head.

The following summaries of the State, &c., debts are largely based upon the statistics furnished in the "Investors'

Supplement" of the "Commercial and Financial Chronicle," and upon "Poor's Manual of Railroads":—

ALABAMA.

The position of the debt of the State of Alabama at the beginning of 1882 was as under:—

Bonded Debt.	Redemp- tion.	Interest Payable.	Amount Out- standing.
3 per Cent. Substitution Bonds (A)...	1906	In New York.	\$ 6,578,000
5 per Cent. do., for Railroad (B)	1906	Do.	539,000
4 per Cent., &c., do., for Alabama and Chattanooga (C)	1906	Do.	931,000
Educational Funded Debt .....	...	...	2,810,000
Funded Obligations (tax-receivable 10-20 years)	1900	In Montgomery.	960,000
Total.....			\$ 11,818,000
- in sterling			£ 2,422,680

The State gave 30-year bonds, dated the 1st July, 1876, bearing 2 per cent. till 1881, then 3 per cent. till 1886, 4 per cent. till 1896, and 5 per cent. for last ten years for old bonds, without any allowance for overdue coupons. The Alabama and Chattanooga Endorsed Bonds were exchanged for \$1,000,000 of the new bonds (C), which bore interest at 2 per cent. until 1881, and 4 per cent. for remaining 25 years. For railroad endorsements the bonds issued bear 5 per cent. The Funded Obligations were issued in 1880, and were to retire old Eight per Cent. State Obligations. For the \$2,000,000 of State Eight per Cent. Obligations issued to the Alabama and Chattanooga Railroad under Act of the 11th February, 1870, the State gives the lien on the lands granted to that railroad.

The Alabama and Chattanooga Railway Eight per Cent. First Mortgage Bonds referred to were for \$3,000,000, and were issued by Messrs. Schröders in August, 1869.

ARKANSAS.

The debt of this State is made up as follows :—

Bonded Debt.	Redemption.	Interest Payable.	Amount Outstanding.
			\$
Funding Bonds, 6 per Cent.	1899	In New York.	1,850,000
Do. (Holford) 6 per Cent.	1900	...	1,268,000
Levee Bonds, 7 per Cent.	1900	In New York.	1,986,773
Old 6 per Cent. Unfunded Debt, including interest	1860	...	1,985,955
Sinking Fund 6 per Cent. Bonds (Loughborough) Act of Dec., 1874..	1905	In New York.	427,000
Due to Memphis and Little Rock Railroad	1899	Do.	1,200,000
Due to Little Rock and Fort Smith Railroad, at 7 per Cent.	1900	Do.	1,000,000
Due to Little Rock, Pine Bluffs, and New Orleans Railroad, at 7 per Cent.	1900	Do.	1,200,000
Due to Mississippi, Ouachita, and Red River Railroad, at 7 per Cent.	1900	Do.	600,000
Due to Arkansas Central Railroad, at 7 per Cent.	1900	Do.	1,350,000
Total.....			\$ 12,867,728
= in sterling			£ 2,637,983

The State Supreme Court have decided that the Levee Bonds are invalid. Except on the secured Sinking Fund Bonds (Loughborough), issued in 1874, the State is in default on all this debt.

In March, 1872, the Lombard Syndicate invited subscriptions in London for a 7 per cent. loan for \$2,165,000, at the price of £146 5s. per \$1,000 bond, principal and interest payable in the United States in currency, the former in 1900. The money was required for railway purposes. The coupon due April, 1873, was returned unpaid.

CALIFORNIA.

California has a State debt amounting to £695,260, the interest on which is regularly met :—

Bonded Debt.	Redemption.	Interest Payable.	Amount Outstanding.
			\$
7 per Cent. Soldiers' Relief Fund.....	1883	Sacramento.	95,500
7 per Cent. State Capitol Bonds	1885	Do.	500,000
6 per Cent. Funded Debt Bonds	1893	Do.	2,796,000
Total.....			\$ 3,391,500
= in sterling			£ 695,260

The State holds in trust for School and University funds the \$500,000 Capitol Bonds, and also \$2,190,000 of the Funded Debt Bonds. The State paid gold interest during the war and subsequently.

CONNECTICUT.

From the following statement, it will be seen that the debt of Connecticut is £1,018,340 :—

Bonded Debt.	Redemption.	Interest Payable.	Amount Out-standing.
20 Years' 6 per Cent. War Bonds.....	1883	Hartford.	\$ 877,000
Do. do.	1884	Do.	1,318,500
Do. do. (not taxable).....	1885	Do.	1,741,000
5 per Cent. New Bonds, 10—20 years	1897	Do.	1,081,000
			4,967,500

The debt was all raised originally for war purposes.

DELAWARE.

This State is indebted to the amount of \$715,000, or £146,000, in Four per Cent. Refunding Bonds. The interest is payable in Philadelphia, and the principal is repayable partly in 1886, partly in 1891, and partly in 1901.

DISTRICT OF COLUMBIA.

Particulars of the debt of Columbia are as follow :—

Bonded Debt.	Redemption.	Interest Payable.	Amount Out-standing.
Permanent Improvement Gold Bonds, 6 per Cent.*	1891	{ Washington or } New York. }	\$ 3,911,300
Permanent Improvement Bonds, 7 per Cent.....			Do.	655,500
5 per Cent. Bonds for Funding Act, 1879.....	1899	Do.	989,300
Funding Bonds, bearing $3\frac{1}{8}$ per cent. interest	1924	Do.	14,012,000
7 per Cent. Market Stock	1892	Do.	150,000
7 per Cent. Water Stock.....	1901-3	Do.	374,000
Washington Funding 6 per Cent. Gold Bonds	{ 1892 & } { 1902 }	Do.	1,877,550
Total.....			\$ 20,969,650
= in sterling			£ 4,298,780

* \$4,000,000, part subscribed through Messrs. Seligman Brothers in London in January, 1872. Issue price £196 17s. 6d. per \$1,000 bonds.

FLORIDA.

Florida has a State debt of \$1,275,000, or £260,000 sterling, consisting of \$350,000 in Seven per Cent. State Bonds, repayable in 1901, and \$925,000 in Six per Cent. Gold Bonds, repayable in 1903. Interest is payable in New York.

Deducting the sinking fund of \$150,700, the total debt is \$1,124,300, which, however, does not include \$182,000 bonds of 1857, held by Indian Trust Fund. About \$460,000 of the bonds is held in school funds, &c. Coupons of the Consolidated Bonds are receivable for taxes.

In December, 1870, Florida effected an arrangement with the holders of her Treasury Bonds, which had been repudiated for some years. A small amount in cash and some extensive land appropriations were thus to have been distributed. This arrangement between the Government and the Council of Foreign Bondholders not having been ratified by the Legislature, the bondholders retained the sum of £4 per bond, paid them in consideration of their provisional assent, thereby benefiting to that extent.

There is a railroad loan for \$4,000,000, which the State Courts have adjudged not to be binding.

GEORGIA.

In June, 1882, the debt of Georgia was as under :—

Debt.	Redem- tion.	Interest Payable.	Amount Out- standing.
			\$
Atlantic and Gulf Railroad 6 per Cent. Bonds	1886	In New York.	300,500
7 per Cent. Bonds of 1866	1886	Do.	3,600,000
7 per Cent. Quarterly Gold Bonds ...	1890	Do.	2,097,000
7 per Cent. Bonds.....	1892	Do.	307,500
8 per Cent. Bonds for funding	1886	Do.	500,000
7 per Cent. Bonds to fund coupons on Endorsed Bonds	1896	Do.	542,000
6 per Cent. Bonds exchanged for Endorsed Railroad Bonds		Do.	2,298,000
Total.....			\$ 9,645,000
= in sterling			£ 1,977,200

In January, 1871, Messrs. Clews, Habicht, issued \$1,000,000, at the price of £175 10s. per \$1,000, in Seven per Cent. Georgia Bonds, with interest payable quarterly in gold, here or in America, and the principal in 1890.

In September, 1871, an issue of \$1,400,000, in similar bonds, was made at the same price.

In December, 1871, a notice appeared that these bonds, put in circulation by the late Governor, had to a large extent been "illegally and fraudulently issued and negotiated," but after some delays they were recognised.

The Constitutional Amendment in 1877 declared void several issues of bonds and railroad endorsements. There were issued \$400,000 Four per Cent. Bonds in 1880, but all except \$107,000 were taken up and cancelled in that year.

INDIANA.

The total debt of this State amounted in June, 1882, to \$4,489,783, represented by Five per Cent. Coupon Bonds, to the extent of \$585,000, and by Six per Cent. School Fund Bonds (not negotiable), to the extent of \$3,904,783. Interest is payable in New York, and the Five per Cent. Bonds are to be paid off in 1889.

KANSAS.

The State of Kansas debt in June, 1882, was \$1,181,675, or in sterling £242,000. There are, in addition, Municipal Bonds to the amount of about \$13,000,000.

LOUISIANA.

The debt of Louisiana, which has chiefly been contracted for improvements, such as the building of levees, &c., amounted in June, 1882, to £3,537,626. Details are as under:—

Debt.	Interest Payable.	Amount Out- standing.
		\$
6 per Cent. and 8 per Cent. Bonds for various purposes (not yet funded)	Not Paid.	333,300
8 per Cent. Bonds to Boeuf and Crocodile Navigation Company, repayable 1890	Not Paid.	80,000
7½ per Cent. Bonds to Mississippi and Mexican Gulf Canal, repayable 1899	Not Paid.	260,000
6 per Cent. School Bonds, repayable 1897 .....	...	48,000
8 per Cent. New Orleans, Mobile, and Chattanooga Railroad, repayable 1910.....	...	70,000
8 per Cent. New Orleans, Mobile, and Texas Railroad Bonds, repayable 1911.....	...	2,500,000
8 per Cent. New York, Mobile, and Texas Railroad .....	...	875,000
7 per Cent. Consolidated Funded Bonds, repayable 1914	New York.	11,867,000
Bonds in place of Consols of 1874, repayable 1886 to 1914 .....	...	1,723,415
Total.....	\$	17,256,715
= in sterling	£	3,537,626

The State after the war funded a considerable amount of past due coupons.

In April, 1871, Messrs. Robinson, Fleming, brought out an Eight per Cent. "Levee Bonds" issue for \$2,000,000, at the price of £84 7s. 6d. per \$500 bond. Both principal and interest were to be payable in currency in the United States, the former on the 1st March, 1875.

In 1873, an Act was passed to fund debts at 60 per cent. of their face value. The Constitutional Amendment passed in 1879 provides for a new bond in place of Consols of 1874, bearing interest at the rate of 2 per cent. per annum for five years, 3 per cent. for 15 years, and 4 per cent. afterwards. In June, 1882, another Constitutional Amendment passed the Legislature, to be submitted to vote in November, giving new bonds at 2 per cent. for five years from January, 1880, and 4 per cent. thereafter. There is a large amount of overdue interest in addition to the debt.

MARYLAND.

In June, 1882, the debt of this State was as follows:—

Debt.	Redemp- tion.	Interest Payable.	Amount Out- standing.
			\$
Baltimore and Ohio Railroad 5 per Cent. Gold Bonds.....	1889	In London.	1,875,555
Chesapeake and Ohio Canal 5 per Cent. Gold Bonds.....	1889	In London.	2,310,000
Railroads and Canals 5 per Cent. Bonds	1890	In Baltimore.	309,485
Eastern Shore Railroad 5 per Cent. Bonds	1890	Do.	31,069
Baltimore and Susquehanna Railroad 3 per Cent. Bonds.....	1890	Do.	269,000
Chesapeake and Ohio Canal 6 per Cent. Bonds	1885	Do.	528,355
Baltimore and Susquehanna Railroad 6 per Cent. Bonds.....	1890	Do.	298,435
Annapolis and Elkridge Railroad 6 per Cent. Bonds	1890	Do.	36,605
6 per Cent. Defence Bounty Loan ...	1883	Do.	3,326,750
6 per Cent. Deaf and Dumb Asylum Loan	1885-9	Do.	225,000
Maryland Hospital 6 per Cent. Loan, 10-15 years	1887-91	Do.	465,000
Maryland 6 per Cent. State Loan.....	1887	Do.	1,056,304
6 per Cent. Treasury Relief Fund ...	1888-93	Do.	500,000
Total			\$ 11,257,558
= in sterling			£ 2,307,800

The State has largely assisted canals and railroads, and holds about \$3,675,000 of stocks and bonds ranked as productive, besides \$26,112,000 of unproductive securities, which includes \$16,358,230 Chesapeake and Ohio Canal interest.

MASSACHUSETTS.

The debt of this State amounted in January, 1882, to £6,641,889, the particulars being as follows :—

Debt.	Interest Payable.	Amount Out-standing.
		\$
5 per Cent. Coast Defence Loan, redeemable 1883	In Boston.	888,000
5 per Cent. Bounty Fund Loan, redeemable 1883	Do.	200,000
5 per Cent. Bounty Fund Loan, redeemable 1894	Do.	4,379,500
5 per Cent. Bounty Fund Loan, sterling, redeemable 1894	In London.	4,000,744
5 per Cent. War Loan, sterling, redeemable 1889	Do.	999,944
5 per Cent. Sterling Railway Debt, redeemable 1888 to 1890	Do.	5,506,952
5 per Cent. Home Railway Debt, redeemable 1891 to 1893	In Boston.	1,366,500
5 per Cent. Sterling Railway Debt, redeemable 1891 and 1895	In London.	5,096,520
5 per Cent. Dollar Railway Debt, redeemable 1893, 1894, and 1895	In Boston.	1,970,000
5 per Cent. Southern Vermont Railroad Loan, redeemable 1890	Do.	200,000
5 per Cent. Boston, Hartford, and Erie Railroad Loan, redeemable 1900	In London.	3,599,024
5 per Cent. Harbour Land Improvement Loan, redeemable 1896	In Boston.	300,000
5 per Cent. Danvers Lunatic Hospital, redeemable 1894 and 1897	Do.	1,500,000
5 per Cent. Worcester Lunatic Hospital Loan, redeemable 1895 and 1896	Do.	1,100,000
5 per Cent. New State Prisons' Loan, redeemable 1895	In London.	1,292,280
Total		\$ 32,399,464
= in sterling		£ 6,641,889

The sinking funds in hand in January, 1882, were \$14,080,465; leaving the net debt at \$18,318,999, or £3,755,395.

In 1866, Messrs. Baring Brothers brought out a Five per Cent. Sterling Loan for Massachusetts, at the price of 77 per cent., redeemable in 1894. The amount issued was £418,300. In March, 1870, Messrs. Barings allotted another Five per

Cent. Sterling Loan for £619,800, at the price of 87 per cent. The principal is repayable in 1900. In February, 1871, the same firm issued £619,900 of similar bonds at 91 per cent., the principal repayable in 1889.

In January, 1872, Messrs. McCalmont Brothers issued £443,500 of Five per Cent. Sterling Bonds at 93 per cent., the principal being redeemable in 1891.

In February, 1873, Messrs. Baring Brothers allotted at 91½ per cent. a further £123,800, repayable at par in 1900. All these bonds are of £200 each.

In April, 1875, Messrs. Barings received subscriptions at 98 for £309,500 Five per Cent. Bonds, redeemable on the 1st January, 1895.

Boston City, the capital of the State of Massachusetts, has also contracted a gross debt of \$40,163,312, or £8,233,478, partly for city improvements, and partly for the reconstruction of that portion destroyed by the great fire. The sinking funds, &c., reduced the net debt to \$24,261,661.

City Debt.	Interest Payable.	Amount Out- standing.
		\$
5 per Cent. Gold Loan for City purposes, War Debt, &c., redeemable 1881 to 1887	Boston.	2,740,000
6 per Cent. City Debt, and Roxbury and Charleston, redeemable 1882 to 1897.....	Do.	11,145,500
4 per Cent. City Debt, registered, redeemable 1887 to 1901	Do.	2,359,000
4 per Cent. Gold Debt, redeemable 1890 to 1900	Do.	1,795,000
4½ per Cent. Gold Debt, redeemable 1889.....	Do.	450,000
4½ per Cent. Registered Debt, redeemable 1887	Do.	490,000
5 per Cent. City Debt, and Roxbury and Charleston, redeemable at various dates.....	Do.	328,000
7 per Cent. West Roxbury, redeemable 1883 to 1891	Do.	257,000
5 per Cent. Burnt District Gold Sterling Loan, redeemable 1893.....	London.	4,997,604
5 per Cent. Consolidated Street Improvement Sterling Loan, redeemable 1899	Do.	3,205,934
5 per Cent. and 6 per Cent. Mystic Water Debt, redeemable 1882 to 1894	Boston.	1,127,000
6 per Cent. Cochituate Water Loan, redeemable 1881 to 1901	Do.	4,901,000
5 per Cent. Cochituate Sterling Gold Loan, redeemable 1902	London.	1,947,274
5 per Cent. Cochituate Sterling Gold Loan, redeemable 1905-1908	Boston.	3,565,000
4½ per Cent. Cochituate Sterling Gold Loan, redeemable 1909	Do.	268,000
4 per Cent. Cochituate Sterling Gold Loan, redeemable 1908-1910	Do.	950,000
Total.....		40,163,312

Three Boston City Loans have been introduced upon the London market. They all bear 5 per cent. interest in sterling, payable by Messrs. Baring Brothers and Co., in London. The first loan for £800,000 appeared in January, 1870, the issue price being 87 per cent., and the principal being redeemable by a 1 per cent. accumulative sinking fund applied to drawings at par. On September, 1872, a second loan for £400,000 was issued at 97½ per cent., the entire sum being repayable at par on the 1st October, 1902. In May, 1873, Messrs. Baring Brothers received subscriptions for the third sterling loan, the amount of which was £1,000,000, at the issue price of 91½ per cent. The bonds are redeemable on the 1st April, 1893. The bonds of these loans are of £100 and £500 each.

MICHIGAN.

In June, 1882, the debt of this State was reduced to \$389,000, or £180,000, consisting of \$590,000 in Six per Cent. Bonds, and \$299,000 in Seven per Cent. War Bounty Bonds. Interest in both cases is payable in New York. The principal of the 6 per cent. issue is redeemable in 1883, and that of the 7 per cent. issue in 1890.

MINNESOTA.

The debt of Minnesota is as under :—

Debt.	Redemption.	Interest Payable.	Amount Outstanding.
7 per Cent. State Building Loan	1883	St. Paul.	\$ 175,000
6 per Cent. Temporary Seed Grain Loan	Optional	Do.	115,000
7 per Cent. Railroad Bonds	1887	...	2,275,000
4½ per Cent. Adjustment Bonds	1912	...	4,000,000
Total.....			\$ 6,565,000
= in sterling.....			£ 1,346,000

All the old State Bonds are held by the Permanent School Fund. Minnesota refused to recognise the State Railroad Bonds of 1858 to the amount of \$2,275,000. A compromise with the holders was provided for in 1881, and was carried out by the above issue of the 4½ per Cent. Bonds for \$4,000,000.

MISSOURI.

Most of the debt of Missouri was contracted to aid in the construction of railroads undertaken by private companies. The greater number of these undertakings became embar-

rassed, and the State therefore relieved them of their liability. The particulars of the debt are :—

Debt.	Redemption.	Interest Payable.	Amount Outstanding.
6 per Cent. State Bonds Proper	1883	In New York.	\$ 435,000
6 per Cent. Consolidated Bonds	1888	Do.	2,711,000
6 per Cent. University and Lunatic Asylum Bonds	1892	Do.	401,000
6 per Cent. State Bank Stock Refunding Bonds	1894	Do.	104,000
6 per Cent. Bonds to North Missouri Railroad	1882-88	Do.	1,688,000
6 per Cent. Bonds to Cairo and Fulton Railroad	1882-89	Do.	265,000
6 per Cent. Bonds to Platte County Railroad	1889-90	Do.	503,000
6 per Cent. Bonds to Iron Mountain Railroad	1882-89	Do.	1,360,000
6 per Cent. Bonds to Pacific Railroad of Missouri	1886-89	Do.	2,946,000
6 per Cent. Funding Bonds	1894-95	Do.	1,000,000
6 per Cent. Renewal Bonds	1895-6-7	Do.	1,270,000
6 per Cent. Hannibal and St. Joseph Railroad Bonds	1887-95	Do.	1,500,000
6 per Cent. Hannibal and St. Joseph Railroad Renewal Bonds	1894-5-6	Do.	1,499,000
Total			\$ 15,682,000
= in sterling			£ 3,214,850

Litigation is pending between the Hannibal and St. Joseph Railroad and the State.

St. Louis City.—In 1882, the debt of St. Louis City stood at £4,454,445, the particulars being :—

Debt.	Date of Bonds.	Amount Outstanding.	Redeemable.
6 per Cent. Renewal and Floating Debt Bonds	1846 to 1871	\$ 1,988,000	1881 to 1891
6 per Cent. Real Estate, Buildings, and General Purposes	1840 to 1868	1,104,000	1882 to 1896
6 per Cent. Street Improvement Bonds	1855 to 1857	70,000	1882 & 1887
6 per Cent. Waterwork Bonds (old)	1856 to 1859	127,000	1882 & 1883
6 per Cent. Tower Grove Park Bonds (gold)	1868	346,000	1898
6 per Cent. Sewer Bonds	1855 to 1869	772,000	1869 to 1889
6 per Cent. Harbour and Wharf Bonds	1852 to 1868	578,000	1881 to 1888
7 per Cent. Bonds to Pacific Railroad	1865	700,000	1885
6 per Cent. New Waterwork Bonds (gold)	1867 to 1870	3,950,000	1887 to 1890
Do. do. do.	1872	1,250,000	1892
6 per Cent. Renewal and Sewer Bonds (gold)	1871 to 1873	681,000	1891 to 1894
6 per Cent. Renewal Purposes (gold or sterling)	1873	1,074,000	1893
6 per Cent. Renewal, &c., Bonds do.	1875	797,000	1895
6 per Cent. Renewal, &c., Bonds do.	1874 to 1879	2,747,000	1894 to 1899
5 per Cent. Renewal Bonds (gold), \$ and £ (part redeemable 1890)	1880	1,024,000	1900
6 per Cent. Bridge Approach Bonds (gold)	1872	461,000	1892
Carried forward		17,279,000	

Debt.	Date of Bonds.	Amount Outstanding.	Redeemable.
Brought forward.....	...	\$ 17,279,000	
County Bonds Assumed—			
7 per Cent. Insane Asylum	1867	100,000	1867
7 per Cent. County Gaol	1868	500,000	1898
6 per Cent. General Purposes (gold)	1873	600,000	1892
7 and 6 per Cent. Renewal (gold)	1873 to 1876	850,000	1889 to 1896
6 per Cent. Park Bonds, Coupon (gold).....	1875	1,900,000	1905
6 per Cent. County Bonds (gold).....	1875	500,000	1885
Total		\$ 21,729,000	
= in sterling		£ 4,454,445	

Messrs. J. S. Morgan and Co. have issued the following loans here :—

In 1874, Six per Cent. Bonds for £214,800 were placed at 85 per cent., redeemable in 1893. In 1875, Six per Cent. Bonds for £414,400, at 92, redeemable in 1894, and £133,000, at 96½, redeemable in 1895. Coupons on all these bonds, which are of £200 each, are payable in May and November.

Other 6 per cent. loans of 1878 and 1879, though issued in America, have their coupons optionally payable here, and the Five per Cents. of 1880, redeemable in 1900, can also be paid through Messrs. J. S. Morgan and Co.

NEBRASKA.

This State was in June, 1882, indebted to the amount of \$449,267, or £92,099 in Eight per Cent. Bonds, with interest payable by the State Treasury. The principal is redeemable in 1897. There are also \$50,000 Ten per Cent. "Grasshopper" Bonds, due 1885.

NEW HAMPSHIRE.

The outstanding debt of New Hampshire in June, 1882, was £680,210, made up as follows :—

Debt.	Redemption.	Interest Payable.	Amount Outstanding.
6 per Cent. War Loan.....	{ 1884 & 1889 }	Concord or Boston.	\$ 600,000
6 per Cent. Municipal War Loan.....	{ 1892 to 1905 }	Do.	2,206,100
5 per Cent. Loan of 1879 for refunding	{ 1889, 1890, & 1891 }	Boston.	400,000
5 per Cent. Prison Loan	1882-91	Do.	112,000
Total.....			\$ 3,318,100
= in sterling			£ 680,210

Most of the debt was created for war purposes.]

NEW JERSEY.

In 1882, the debt of this State stood at £368,241, contracted entirely in Six per Cents., and mostly for war purposes.

NEW YORK.

The debt outstanding of New York State is \$8,976,700, or £1,840,223, consisting of Six per Cent. Canal Loans, redeemable in 1883, 1887, 1891, 1892, and 1893. The interest is payable in New York. Against this debt there was a sinking fund on the 30th September, 1881, of \$2,423,981. The assessed value of real estate in 1881 was \$2,340,335,690, that of personal estate being \$340,921,916.

In 1872, the debt outstanding was \$36,574,206, or deducting the sinking funds it was \$25,386,726.

New York City.—The above, of course, does not include the City Debt, the amount of which will be gathered from the following figures :—

	Year of Issue.	Amount Outstanding.	Year of Redemption.
6 and 7 per Cent. Water Stock.....	1872	\$ 500,000	1902
5 and 6 per Cent. Croton Water Stock.....	1864 to 1869	2,900,000	1883 & 1890
6 per Cent. New Croton Aqueduct Stock.....	1865 to 1866	250,000	1884
4, 5, 6, and 7 per Cent. Additional New Croton Aqueduct	1870 to 1879	3,618,600	1900
4, 5, 6, and 7 per Cent. Croton Water Main Stock	1871 to 1879	5,198,000	1900 to 1906
6 per Cent. Croton Reservoir Bonds.....	1863 to 1874	970,837	1807 to 1917
6 per Cent. Croton Aqueduct Bonds.....	1866 to 1870	490,000	1807 to 1911
6 per Cent. Park Fund Stock.....	1857 to 1859	3,341,071	1887 & 1893
5 per Cent. Improvement Bonds.....	1879	500,000	1884
5 per Cent. Central Park Fund Stock.....	1856	399,300	1893
6 per Cent. Central Park Improvement Fund Stock.....	1858 to 1871	3,849,800	1887 & 1895
4, 5, 6, and 7 per Cent. Dock Bonds	1870 to 1879	9,063,000	1901 to 1912
6 and 7 per Cent. Market Stock.....	1865 & 1868	294,000	1884 & 1897
7 per Cent. City Cemetery Stock	1860	75,000	1888
5 and 6 per Cent. City Improvement Stock (gold) ...	1876	2,229,500	{ 1869, 1892, { 1896, & 1926
7 per Cent. do. do	1870 to 1873	7,269,400	1888 & 1892
6 and 7 per Cent. Lunatic Asylum Stock.....	1869 to 1870	700,000	1899
6 per Cent. Fire Department Stock.....	1869 to 1870	521,953	1899
6 per Cent. Fire Telegraph Bonds.....	1870 to 1873	597,536	1894
7 per Cent. Tax Relief Bonds, coupon.....	1870	3,000,000	1890
4, 5, and 6 per Cent. New York Bridge Bonds } (£3,421,900 redeemable after July, 1896)	{ 1869 to 1879	{ 4,671,900	{ 1905, 1926, { & 1929
7 per Cent. Accumulated Debt Bonds.....	1869 to 1870	6,500,000	1884 to 1893
5 and 6 per Cent. Street Improvement Bonds	1874 to 1877	727,900	1884 & 1893
7 per Cent. Street Opening and Improvement Bonds	1871	250,000	1892
7 per Cent. Ninth District Court House Bonds.....	1871	300,000	1890
5 per Cent. Parks Improvement Bonds.....	1874 to 1879	1,241,000	1889 to 1904
4 and 5 per Cent. Assessment Bonds.....	1874 to 1878	8,259,100	1889 to 1905
5, 6, 7, and 8 per Cent. City Parks Improvement Fund Stock (gold)	1871 to 1878	5,744,000	1901 to 1904
6 per Cent. Normal School Fund Stock	1871	200,000	1891
6 per Cent. Public School Building Fund Stock	1871	636,000	1891
4, 5, 6, and 7 per Cent. Additional Croton Water Stock	1871 to 1879	2,710,000	1891 & 1899
6 per Cent. Sewer Repair Stock.....	1872	265,000	1892 & 1895
6 and 7 per Cent. Consolidated Stock	1874	8,778,700	1894 to 1896
5 and 6 per Cent. do. 20-50.....	1876	2,058,350	1896 to 1898

Continued on page 655.

	Year of Issue.	Amount Outstanding.	Year of Redemption.
Continued from page 654.			
4 and 5 per Cent. Consolidated Stock .....	...	466,408	1889 & 1899
4, 5, and 6 per Cent. Museum of Art and Natural History Stock	1873 to 1879	958,000	1903
5 and 6 per Cent. Third District Court House Bonds	1874	396,000	1890
5 per Cent. Central Park Improvement Bonds	1878 & 1879	333,000	1884
6 per Cent. County Court House Stock	1862 to 1863	1,100,000	1882 to 1892
7 per Cent. do. do. No. 3	1871	600,000	1884 to 1888
5 and 6 per Cent. do. do. No. 4 and 5	1872 to 1879	633,100	1894 to 1898
6 per Cent. Soldiers' Bounty Fund Bonds	1864	4,000,000	1883 to 1890
7 per Cent. do. do. No. 3	1865	745,800	1895 to 1897
7 per Cent. do. do. Red. Bonds, No. 2	1865	376,600	1891
6 per Cent. Riot Damages Indemnity Bonds	1864 to 1872	865,204	1882
6 per Cent. Assessment Fund Stock	1868 to 1872	1,889,000	1887
6 and 7 per Cent. do. do.	1873	493,200	1903
6 per Cent. do. do.	1875	900,430	1910
6 per Cent. Repairs to Building Stock	1870	100,000	1894 to 1898
6 per Cent. Consolidated Stock, gold, coupon	1871 to 1872	14,702,000	1896 to 1901
7 per Cent. Accumulated Debt Bonds	1869 to 1870	6,000,000	1894 to 1898
6 per Cent. New York and Westchester Co. Improvement Bonds	1870	30,000	1891
7 per Cent. Consolidated Stock	1874	1,680,200	1896
7 per Cent. for State Sinking Fund deficiency	1874	1,559,798	1883 to 1886
Debt of Westchester Towns annexed .....	...	875,500	...
5 per Cent. Consolidated Stock (gold)	1878	6,900,000	1906 to 1923
4 per Cent. do.	1880	2,300,000	1910
4 and 5 per Cent. Harlem Bridge Bonds .....	...	129,000	1891
Total		\$ 136,581,057	
Deduct sinking funds in hand		36,110,301	
		100,670,756	
= in sterling		£ 20,637,504	

In January, 1872, Messrs. Rothschilds invited applications for a New York City Loan for \$15,000,000 of Six per Cent. Bonds of \$1,000, or \$500 each. The interest is payable here in January and July, at the fixed rate of 4s. per \$, and the principal in gold in 1901. The price of issue was £208 2s. 6d. per \$1,000.

In May, 1875, Messrs. Morton, Rose, and Co. received subscriptions for \$1,564,000 in Six per Cent. Gold Coupon Bonds of \$1,000 and \$500 each. The issue price was £201 per \$1,000 bond. The interest is due on the 1st May and 1st November, and the principal on the 1st November, 1896.

NORTH CAROLINA.

Years ago the credit of this State stood high; but it was after the Civil War almost wholly destroyed by improvident

legislation. The following is the present state of the debt:—

Debt.	Redem- tion.	Interest Payable.	Amount Out- standing.
4 per Cent. Funding Bonds	1909	New York.	\$ 2,598,550
6 per Cent. Old Bonds, not funded	1868-98	Do.	3,907,300
6 per Cent. Bonds to North Carolina Railroad	1883-5	Do.	2,795,000
6 per Cent. Railroad Bonds, not fundable	1868-98	Do.	1,180,000
6 per Cent. Registered Certificates of Literary Fund .....	...	Raleigh.	383,045
6 per Cent. Penitentiary Bonds	1898	New York.	44,000
6 per Cent. Special Tax Bonds	1898-9	Do.	11,366,000
Total.....			\$ 22,273,895
- in sterling			£ 4,454,779

Interest is paid on bonds issued to North Carolina Railroad (\$2,795,000), as the State holds \$3,000,200 stock and receives dividends thereon. The Funding Law of March, 1879, provided for funding old Ante-War Bonds at 40 per cent. of their face value, new Railroad Bonds at 25 per cent., and 1866 and 1868 Bonds at 15 per cent., nothing being received for overdue coupons. Coupons of the new bonds are receivable for taxes. Special Tax Bonds, Railroad Bonds, not fundable, and Penitentiary Bonds are ignored.

OHIO.

At the commencement of 1882 the debt of this State stood at \$5,201,665, or £1,072,490, of which \$2,801,665 was in Four per Cent. Bonds of 1881, repayable in 1882-1888, and \$2,400,000 in Six per Cent. Bonds, repayable in 1887.

The various City Debts are, however, large, amounting in 1881 to \$44,114,100, the major portion being in Cincinnati 6, 7, and $7\frac{3}{10}$ per cent. loans.

PENNSYLVANIA.

The debt of this important State has been largely contracted

for the construction of an elaborate system of canals, which, however, have lost much of their value by the establishment of railways. Particulars of the debt are as follow :—

Debt.	Redemption.	Interest Payable.	Amount Outstanding.
5 per Cent. Registered Bonds	1902	Philadelphia.	\$ 8,000,000
4 per Cent. do. do.	1904	Do.	2,000,000
5 per Cent. Gold Loan.....	1882	Do.	395,000
4½ per Cent. do.	1882	Do.	87,000
3½ and 4 per Cent. Loans of 1882	1912	Do.	6,700,000
3½ and 4 per Cent. do. do.	1883-92	Do.	2,500,000
6 per Cent. Agricultural College Land Scrip	1922	{ Harrisburg } { Treasury. }	500,000
Total.....			\$ 20,182,000
= in sterling			£ 4,137,310

Against this total of \$20,182,000 there is a sinking fund of \$6,625,753, so that the net debt is \$13,556,247, or £2,779,030.

The State holds \$1,754,331 in stocks, and \$7,900,000 of Railroad Bonds.

Philadelphia.—On the 1st January, 1881, the debt of this city was \$69,431,064, chiefly in Six per Cent. Bonds issued prior to 1870. Some Four per Cents. were, however, placed in 1879.

RHODE ISLAND.

At the beginning of 1882 the State debt of Rhode Island amounted to \$2,119,000 in Six per Cent. War Bonds, repayable between 1882 and 1894.

Against this there is a sinking fund of \$1,444,868.

Providence City.—The debt amounted at the beginning of 1882 to £2,112,767, of which the following are the particulars :—

Debt.	Redemption.	Interest Payable.	Amount Outstanding.
6 per Cent. Public Improvements Bonds	1885	Providence.	\$ 600,000
5 per Cent. Recruiting & Bounty Bonds	1893	Do.	300,000
5 and 6 per Cent. Water Loan Gold Bonds	{ 1900 {	{ Boston, Provi- dence, & London. }	{ 2,347,000
Do., Registered.....	... {	{ New York and Providence. }	{ 1,653,000
Carried forward.....	...	...	4,900,000

Debt.	Redemption.	Interest Payable.	Amount Out-standing.
Brought forward .....	...	...	\$ 4,900,000
5 per Cent. Water Loan Gold Bonds, Registered	1906	Do.	1,500,000
5 per Cent. City Hall and Sewer Loan Gold Bonds	1895	London.	1,397,250
4½ per Cent. City Hall and Sewer Loan Gold Bonds	1899	Providence.	600,000
5 per Cent. Public Improvement Loan	{ 1899 & 1900 }	Do.	596,000
7 per Cent. Providence and Springfield Railroad Bonds	1892	Do.	500,000
5 per Cent. Brook Street District Certificates	1882-84	Do.	420,000
4½ per Cent. Brook Street District Certificates	1885-86	{ Boston and Providence. }	280,000
4½ per Cent. New High School Building Certificates	1882-89	Do.	112,938
Total			\$ 10,806,188
= in sterling			£ 2,112,767

In 1875, Messrs. Morton, Rose, and Co. floated a Five per Cent. City of Providence Loan for £287,500 in this market, at the price of 90. Interest is payable in January and July, and the principal in 1895.

SOUTH CAROLINA.

The Funding Law of the 23rd December, 1873, provided for the reduction of all the old debts by 50 per cent. The Consols then created were again "readjusted" in 1879. In November, 1881, the Consols stood at \$5,336,104, which amount was made up as follows:—Brown Consols actually issued, \$3,165,832; Green Consols not yet exchanged, \$2,885,203, less amount invalid, \$714,932; balance, \$2,170,274; total, \$5,336,104.

TENNESSEE.

This State is an old defaulter.

The following is the condition of the debt :—

Debt.	Redemption.	Interest Payable.	Amount Out-standing.
6 per Cent. Funding Bonds	1914	Nashville.	\$ 4,880,000
5 and 6 per Cent. Registered Bonds...	1875-1900	Do.	14,929,300
6 per Cent. Bonds, held by East Tennessee University	Various dates.	Do.	397,000
3 per Cent. Funding Bonds		1887-1912	New York.
Total			\$ 20,206,300
= in sterling			£ 4,142,291

The Funding Bills provided for new bonds at 3 per cent. to be given for the full nominal value of the old and 12 overdue coupons, including that of July, 1881, but the State Supreme Court held the Law to be unconstitutional. A new Funding Law was passed on the 20th May, 1882, without the tax-receivable coupon clause, and giving new bonds at 60 per cent. of the principal and interest of old, the new bonds bearing 3 per cent. in 1882-83, 4 per cent. in 1884 and 1885, 5 per cent. in 1886 and 1887, and 6 per cent. in 1888 to 1912. Exchanges were made in New York in July, 1882.

TEXAS.

At the beginning of 1882 the debt of this State amounted to £1,029,551, the particulars of which are—

Debt.	Redemption.	Interest Payable.	Amount Out-standing.
6 per Cent. Funding State Debt	1891	State Treasury.	\$ 67,000
7 per Cent. Frontier Defence Loan ...	1911	New York.	499,000
7 per Cent. Revenue Deficiency Bonds	1892	Do.	467,000
7 per Cent. Bonds	1904	Do.	730,000
6 per Cent. Bonds, contracted for the redemption of debt	1906	{ New York and } { State Treasury. }	1,647,000
5 per Cent. Bonds .....				1909	Do.	1,075,200
5 per Cent. Bonds to State University and School Fund .....	...	...	216,641
6 per Cent. Bonds, issued to School Fund .....	...	...	320,367
Total			\$ 5,022,208
= in sterling			£ 1,029,551

VIRGINIA.

British bondholders are, unfortunately, largely interested in the debt of this State, which is as follows :—

Debt.	Redemption.	Interest Payable.	Amount Outstanding.
6 per Cent. Old Bonds	1886-95	New York.	\$ 3,030,088
5 per Cent. Old Sterling Bonds	1896	London.	1,302,851
6 per Cent. New Funded Bonds, coupons receivable for taxes	1905	Richmond.	13,474,800
6 per Cent. Consolidated Registered Bonds	1905	Do.	895,147
6 per Cent. Consolidated Bonds, coupons .....	...	Do.	2,394,305
6 per Cent. Deferred Certificates .....	...	...	15,239,370
3 per Cent. and 5 per Cent. New Funding Dollar Bonds	1919	...	8,171,600
3 per Cent. and 5 per Cent. New Funding Sterling Bonds	1919	...	346,000
Total.....			\$ 44,854,161
= in sterling			£ 9,205,102

During the Civil War, the Federal Government created a separate State of West Virginia out of one-third of the territory of Virginia as then constituted. Hence the old State considered that one-third of the debt should at the same time have been taken over, and, for a time, paid two-thirds interest on the debt. These payments were soon discontinued altogether, and lengthy negotiations came to nothing. By an arrangement entered into in 1871, new Six per Cent. Funded Bonds were created, with coupons receivable for taxes in Virginia, and these coupons were readily saleable; but there were in 1881 arrears of interest to the amount of \$3,565,331. A Law was passed in March, 1879, for refunding the debt, the new 10-40 year bonds to bear 3 per cent. for 10 years, 4 per cent. for 20 years, and 5 per cent. for 10 years, coupons tax-receivable. In 1881, the United States Supreme Courts prohibited the taxation of the coupons receivable for taxes. In January, 1882, a State Law was passed prohibiting the receiving of coupons in payment of taxes (since decided to be unconstitutional), and in February the Riddleberger Law for readjusting the debt refunded it into new Three per Cent. Bonds, on terms reducing principal as well as interest.

The Virginia Five per Cent. Sterling Bonds were issued as far back as 1854, and the loan is domiciled with Messrs.

Baring Brothers and Co. Unpaid coupons were in 1871 funded, and partial interest was paid until 1874, since when all payments have ceased. The amount outstanding is £466,200; but according to the above Return it would appear that Virginia only takes cognisance of \$1,302,851, or about £270,000.

CONFEDERATE STATES DEBT.

Upon the suppression of the rebellion, the Federal Government declared the entire debts and liabilities of the Confederate Government cancelled. These were very considerable, the funded debt on the 1st October, 1864, amounting to £107,870,000, and the unfunded liabilities to £120,000,000 more, nominal value.

The only portion of this debt originally floated in this country was the Seven per Cent. Cotton Loan, the prospectus of which stated—

The bonds to bear interest at the rate of 7 per cent. per annum, in sterling, from the 1st March, 1863, payable half-yearly in London, Paris, Amsterdam, or Frankfort.

The bonds exchangeable for cotton on application, at the option of the holder, or redeemable at par in sterling in twenty years, by half-yearly drawings, commencing 1st March, 1864.

Agents for the contractors in London, Messrs. J. Henry Schröder and Co.

This loan has been contracted with Messrs. Emile Erlanger and Co., bankers, of Paris, by the Government of the Confederate States of America, and is specially secured by an undertaking of the Government to deliver cotton to the holders of the bonds, on application, after sixty days' notice.

The bonds to be issued at 90 per cent.

No interest has been paid on these bonds since March, 1865, and a committee of the holders was formed in 1866, which reported that bonds to the full amount of £3,000,000 had been issued, of which £376,600 had been exchanged for cotton certificates, and £204,600 cancelled by the operation of the sinking fund, leaving in circulation bonds to the amount of £2,418,000. It was argued that the separate States forming the Confederacy were liable for this loan; and an endeavour was made to have it included as one of the claims to be settled under the Treaty of Washington, along with the Alabama claims; but the Government refused so to include it, and nothing further was heard of Confederate Cotton Loan Bonds or other Confederate debts until 1881, when a short-lived speculation originated in London upon a report that there were funds originally belonging to the Confederate Government lying in the Bank of England. It is needless to say that such a report was groundless.

URUGUAY.

(MONTEVIDEO.)

The total internal and external debt of this South American Republic was as follows in 1880:—

	Originally. £	Outstanding. £
External.		
6 per Cent. Loan, 1871 (now bearing 2½ per cent.)	3,500,000	3,096,000
6 per Cent. Interest Bonds (now 1½ per cent.)	371,520	371,520
Total external.....	3,871,520	3,467,520
Internal.		
12 per Cent. Loans	16,409,458 = (at 4s.)	£ 3,281,890
9 per Cent. Loan	2,490,831 =	498,160
6 per Cent. Loans.....	6,058,846 =	1,211,770
4 per Cent. to Central Uruguay Rail- way	980,000 =	196,000
Special bonds of 1876 and 1878.....	4,873,557 =	974,710
Total internal	30,812,692 =	6,162,530
Together		9,630,058

In addition, there have been some extensive issues of paper money, and various railway guarantees.

Taking the population at 438,245, the debt per head must considerably exceed £22, and if the full interest were paid the burden would exceed £1 11s. per head.

At the commencement of 1870 the debt of Uruguay was officially stated at \$26,540,475 or under £5,500,000, including \$8,259,000 as floating debt. In 1871, a foreign loan for £3,500,000 was contracted, partly, however, to pay off previously-existing debts to the amount of £2,072,077. But other additions being made to the liabilities of this State, the total Public Debt, in 1873, had increased to \$41,481,235, or £8,296,247. An official return, dated 21st September, 1875, placed the net actual debt at the commencement of 1875 at 42,357,496 hard dollars, or, say, £8,471,498; but at the end of 1875 it was estimated at £11,500,000, the increase being due to the ordinary revenue deficit and the revolution.

Prior to 1870, the foreign Public Debt of this Republic quoted in the London market consisted of a single loan, contracted in this country at the close of the year 1864, to the nominal amount of £1,000,000. This loan was termed the Montevidean Six per Cent. Loan in the Stock Exchange lists, it having been introduced by Messrs. Mauà and Co., of Montevideo, the capital of the Republic. This loan was raised for the conversion of internal liabilities.

In October, 1870, Messrs. Thomson, Bonar, and Co. endeavoured to place a Montevidean Loan for £3,000,000, in 6 per cent. sterling bonds, at the price of 80 per cent. nominal, but afterwards withdrew it on receipt of unfavourable news.

In October, 1871, the same firm placed the Consolidated Six per Cent. Loan of the Republic of Uruguay for £3,500,000 stock, at the price of 72 per cent., payable over a period of six months. The bonds, in sums of £1,000, £500, or £100 each, bear interest due in London on the 1st February and 1st August, and a cumulative sinking fund of $2\frac{1}{2}$ per cent. per annum was to be applied to the extinction of the loan at par within twenty-one years by drawings on the 1st May and 1st November. The prospectus stated—

As the Government is desirous of affording the holders of the outstanding balance of the Montevidean European Loan of 1864 an opportunity of participating in the increase of the sinking fund from the 1 per cent. provided for that loan to the $2\frac{1}{2}$ per cent. offered by the present issue, the undersigned are empowered to set aside an equivalent amount of this loan, to be exchanged bond for bond, at the option of such holders.

The objects of this loan are—1. To withdraw from circulation the notes of the banks of Montevideo, which have been guaranteed by the State in conformity with the Law of the 16th July, 1868, and to replace them with a gold currency; 2. To pay off certain debts and claims, as specified in the general bond. With the exception, therefore, of a sum of £106,000 for the construction of a Custom House at Montevideo, the whole loan is a conversion of floating and other debts, so that instead of throwing any fresh burden upon the revenue of the country, the existing annual charge will be considerably diminished.

The drawing which should have taken place in November, 1875, was not effected; and in announcing the dividend for the following February, Messrs. Thomson, Bonar notified that all remittances from Montevideo had ceased since October. Thence for two years the loan was entirely in default. But in July, 1878, the Government signed a convention, whereby the four overdue coupons were funded into "Interest Bonds"—£371,520—bearing $1\frac{1}{4}$ per cent. interest, payable in February, and the 6 per cent. bonds of 1871 were to receive $2\frac{1}{4}$ per cent. per annum interest until February, 1883, when 6 per cent. is again to be paid, and the Interest Bonds become amalgamated

with those of 1871. Redemption at par is, however, relinquished, and in future the sinking fund is to be applied to market purchases.

Hitherto this arrangement has been kept, but the sudden advance of about £150,000 a year in the annual charge after this year will be a heavy additional burden.

With regard to the guarantee to the North-Western Railway of Montevideo the Government were in default, and the company's debenture interest remained unpaid in 1875. Recently the company has been reconstructed.

The principal source of revenue is the Customs. The produce of the Customs in 1862 was £354,000; in 1868, £841,000; in 1870, £907,700; in 1875, £1,018,000; in 1878, £1,177,600; and in 1879, £982,200. In 1869, the total revenue was £1,056,355, out of which the State debt absorbed £412,130, leaving for other purposes £644,225. The Budget for 1871 showed a revenue of £1,017,160, and an expenditure of £1,259,796, leaving a deficit of £242,636. In 1880, the revenue was stated at £1,628,466, and the expenditure at £1,915,347. We have calculated these amounts at \$5 = £1; but it is to be remarked that during the recurrence of the revolutions, the depreciation of the paper currency was great. At one time in 1876, gold in Montevideo was at 170 per cent. premium.

The foreign trade of Uruguay has been returned as follows:—

Year.	IMPORTS.		EXPORTS.	
	Total for Home Consumption.	From United Kingdom.*	Total.	To United Kingdom.*
	£	£	£	£
1860.....	...	944,002	...	867,328
1864.....	1,676,833	1,006,554	1,266,941	1,099,271
1866.....	3,066,600	1,419,683	2,647,600	1,540,250
1868.....	3,366,033	955,111	2,677,377	1,138,255
1870.....	3,000,668	835,094	2,555,810	999,925
1871.....	2,972,848	1,118,697	2,666,844	1,231,993
1872.....	3,771,945	1,918,949	3,097,906	1,416,933
1873.....	4,215,088	1,866,833	3,260,354	1,270,723
1874.....	3,436,334	1,304,156	3,048,956	1,437,288
1875.....	2,486,281	758,094	2,538,722	1,208,590
1876.....	2,560,000	1,041,819	2,745,400	841,314
1877.....	3,009,168	1,131,536	3,179,881	734,699
1878.....	3,185,594	1,035,145	3,498,431	644,066
1879.....	3,189,980	967,803	3,329,192	371,990
1880.....	3,895,775	1,415,356	3,950,440	694,593
1881.....	...	1,416,025	—	465,497

* According to our own Board of Trade Returns.

Trade until the end of 1870 was checked by civil war, and in 1875-6 by fresh revolutions. Hides, tallow, and live and preserved meats are the principal exports.

The area of Uruguay is 72,151 square miles. The population in 1860 was 221,248, and in 1872, aided by immigration, was estimated at 500,000. The census in 1879 showed 438,245. Montevideo, the capital, has 80,000 inhabitants.

Ten years ago, it was estimated that there were in Uruguay 20,000,000 sheep and 7,200,000 horned cattle.

In 1879, there were about 250 miles of railway open.

VENEZUELA.

The present position of the foreign debt of this Republic is as follows:—

	Originally.	Outstanding.
	£	£
New Consolidated 4 per Cent., 1831 (3 per cent. for two years).....	2,750,000	2,651,791

Venezuela has at various periods discontinued the payment of interest, and several attempts at reorganisation have been made. After successive revolutions, the Government in 1874 proposed another settlement of outstanding claims; but it was not until 1880 an arrangement was made for the conversion of the outstanding foreign debt, amounting to £6,700,000, into New Consolidated Bonds, as above, the debt being thus reduced by £3,950,000. The conversion commenced in February, 1881, and by the time the first coupon was due, on the 15th August following, about 95½ per cent. of the former indebtedness had been presented for conversion. To the 31st of January, 1882, £2,684,678 new bonds had been issued in exchange for old securities, amounting to £6,441,850. The Government have so far regularly met their engagements for the service of the debt.

Besides the above, there is an internal debt which has undergone various transformations, and was at one time supposed to reach £10,000,000. But Venezuela seeks to convert the internal debt into about £2,000,000 External Four per Cents., thereby reducing the total debt to under £5,000,000.

This State was formerly part of the Republic of Colombia, which comprised New Granada, Venezuela, and Ecuador.

The original Colombian loans raised in London were—one for £2,000,000, contracted in 1822, through Messrs. Hering, Graham, and Co., issued at 84; and another in 1824, for £2,000,000, through Messrs. B. A. Goldschmidt and Co., and issued at 88½. These loans bore interest at the rate of 6 per cent. per annum, which was not paid for some years. In December, 1834, the debt was divided among the three States,

the amount apportioned to Venezuela being £1,888,395 15s., or 28½ per cent. on the whole Colombian debt of £6,625,950. The arrears of interest were divided in the same proportion, and the foreign debt of this Republic then stood as follows:—

	Active Debt.	Deferred Debt.
	£	£
	1,888,396	..... 1,888,396
Add bonds issued subsequently to Mr. James Mackintosh.....	150,000	
	<u>2,038,396</u>	

On which, however, no interest was paid from 1826 to 16th September, 1840, when an agreement was made with the Committee of Spanish-American Bondholders to issue Active Bonds, bearing interest at 2 per cent. per annum for the first seven years, to increase annually one-quarter per cent. up to the 6 per cent. of the original contracts, the interest to be paid half-yearly in London; the first payment to be made on the 1st October, 1840, and afterwards on the 1st April and 1st October of every succeeding year. For the Deferred Debt, bonds were issued, beginning from the 1st October, 1852, to bear an interest of 1 per cent. for the first year, and increasing annually a quarter per cent. up to the maximum of 5 per cent.

The terms of the foregoing agreement were kept up to April, 1847, when again all payments were discontinued, with the exception of the half-yearly dividend of 1st October, 1851.

In April, 1851, the Committee of Spanish-American Bondholders received from the former London financial agents of Venezuela the following statement on the Venezuela stock, viz. :—

	Active Debt.				Deferred Debt.		
	£	s.	d.	.....	£	s.	d.
Issued	2,007,159	15	0	.....	1,847,500	3	2
Redeemed	208,430	0	0	.....	366,407	10	0
	<u>1,798,729</u>	15	0	.....	<u>1,481,092</u>	13	2

On the 1st March, 1859, the Committee of Spanish-American Bondholders concluded a new agreement with the Republic of Venezuela, according to which the latter issued, through the agency of Messrs. Baring Brothers and Co., new bonds, in exchange for the existing Active and Deferred Bonds.

These new bonds were in two series, viz. :—

1st. Bonds bearing interest of 2½ per cent. per annum, from 1st January, 1859, to 1st January, 1860, and thenceforth 3 per cent. per annum, to be given in exchange for the previous Active Bonds, with the arrears of interest thereon to the 31st December, 1858, and also for the arrears of interest to same date on the existing Deferred Bonds.

2nd. Bonds bearing interest of 1 per cent. per annum, from 1st January, 1859, to 1st January, 1860, and thenceforth $1\frac{1}{2}$ per cent. per annum, issued in exchange for the principal of the then existing Deferred Bonds.

The holders of Deferred Bonds had the option, at the time of conversion, of exchanging the principal for the new 3 per cent. bonds, receiving £50 of the latter for every £100 of the old Deferred Stock.

The dividends on the new bonds were made payable half-yearly, on the 1st January and 1st July.

In order to carry out the arrangements abovementioned, the Custom Houses of the ports of La Guayra, Puerto Cabello, Maracaibo, and Ciudad Bolivar, were ordered to set apart from their monthly receipts, from 1st January, 1859, the amount of \$41,666 66c.

The interest, however, was again unpaid from July, 1860, until 1862.

Venezuela Government Six per Cent. Loan, 1862.—This loan was for £1,000,000 nominal capital, in 6 per cent. bonds at 63 per cent., and was brought out by Messrs. Baring Brothers and Co. It was stated that a further amount of about £214,000, in 6 per cent. bonds, would be raised to provide for the unpaid coupons of the Venezuela 3 and $1\frac{1}{2}$ per cent. bonds, due to 1st January, 1862. As security for this loan, Venezuela specially hypothecated 55 per cent. of the Customs revenues of the ports of La Guayra and Puerto Cabello, guaranteed by the Government, at £164,000 annually, till 1865, and thenceforward of £185,000. A sinking fund of £20,000 per annum was proposed to cancel the bonds by purchase under par, and by lottery if above par.

No interest was paid on this loan after 1864.

Venezuela Six per Cent. Loan, 1863.—This loan was for £1,000,000 sterling, in 6 per cent. bonds of £100, £200, and £500, and offered at the price of 60 per cent. It was brought out by Messrs. Matheson and Co., at whose counting-house the dividends were payable, half-yearly, on 1st February and 1st August. A moiety of this loan was for the purpose of establishing a National Bank. This loan, however, proved a failure.

Six per Cent. Loan, 1864.—This loan of £1,500,000 was brought out by the General Credit and Finance Company of London, at the price of 60, and coupons were payable on the 1st April and 1st October, at the General Credit and Finance Company in London, in sterling, or at Messrs. Salomon, Oppenheim, Jun., and Co., Cologne, in thalers. The object of the loan was to effect "a settlement of the general financial

condition of the country, to assist in making roads and improved communications, to pay off some existing claims, and generally to develop the agricultural resources and industry of the country." The security was a special hypothecation of the whole export duties leviable at the ports of the Republic—La Guayra, Puerto Cabello, Maracaibo, and Ciudad Bolivar. The consent of Earl Russell was obtained for the collection of the duties so hypothecated by Her Majesty's Consuls at the several ports.

In August, 1866, the agents of the General Credit Company communicated that all duties collected on behalf of the 1864 loan had since the 2nd July been retained by the Government of Venezuela; thus completing the repudiation of the foreign debts.

A reduction was soon after made in the export duties to two-thirds the old rates, while only 75 per cent. of these duties were to be applied to the payment of the 1864 loan. This reduced the bondholders' receipts to just one-half the original amount. A few remittances were made early in 1867, and the dividend due April, 1867, was paid after some delay. Then all remittances ceased.

In 1873, a Special Commissioner, M. Rojas, arrived in this country, who addressed a communication to the bondholders, as follows:—

The President has charged me to propose to the foreign creditors to cancel the whole of the bonds of the actual debt of Venezuela, and to replace them by an emission of £2,000,000 (10,000,000*v.*) of bonds of the foreign debt of Venezuela, which shall bear interest at the rate of 3 per cent. per annum from the 1st January, 1873. As there exists in the market three distinct classes of bonds, it is clear that the conversion can only be effected in the proportions of 4, 2, and 1, with relation to the interest which they now bear. For the payment of the interest of this debt, the Government of Venezuela destines the twenty-seven units of the 40 per cent. of the revenues specified in the Law of the 30th November, 1872. Any surplus that remains after payment of the interest will be applied in equal portions, the one-half to increase the interest on the bonds up to the maximum 6 per cent., and the other to the amortisation of the debt in the usual manner.

At a meeting subsequently, at which M. Rojas was present, it was resolved to reject the proposition.

Until some settlement was effected, the Venezuelan Government notified their intention of accumulating the 27 units of 40 per cent. for the benefit of the foreign bondholders; but in July, 1878, the monthly instalments ceased, and although promises of their resumption were made, they were unfulfilled.

The present position of the debt is the result, as already

stated, of negotiations extending from 1874 to 1880. The rate of interest was at first fixed at 4 per cent.; but modifications were afterwards made by Venezuela, and the following are now practically the terms :—

I. The interest on the new bonds shall be 3 per cent. per annum, until the unification of the Internal debt be effected. The date at and from which such unification shall take effect is the 1st March, 1882. The first three interest coupons of the External bonds will consequently be at the rate of 3 per cent. per annum, and the remaining coupons at the rate of 4 per cent. per annum. II. The new bonds shall bear date 1st January, 1881. The half-yearly interest coupons shall become due on the 30th June and 31st December in each year, and shall be payable in London on the 15th August and 15th February following. The first coupon shall be paid on the 15th August, 1881. III. The monthly payments which have to be made whilst only 3 per cent. per annum is paid on the new External bonds shall amount to £7,046 17s. 6d., in gold, or the equivalent thereof, that is to say, £6,875 per month for the service of the External debt, and £171 17s. 6d. per month for expenses of agency, remittances, and payments. The first of such payments shall be made on the 1st January, 1881. These monthly payments shall be increased to £9,395 16s. 8d., commencing from the 1st July, 1882. The surplus applicable, after covering the interest, to amortisation shall be applied half-yearly on the 15th August and 15th February in each year.

But in July, 1882, shortly after the capital for a Venezuelan railway had been floated here, fresh proposals were suddenly made. It was stated that, as legal difficulties exist in respect to the conversion of the Internal debt, therefore the External debt-holders should permit the consolidation of both Internal and External bonds into one description of security. This, of course, would enable the holders of Venezuela bonds in Venezuela to sell them on this market. But at the same time the 27 per cent. of Customs dues assigned to the service of the debt is not, it is stated, sufficient to pay the full 4 per cent. interest on the total Internal and External obligations, and consequently it will be necessary to cut down the existing principal of the External Four per Cents. by an amount equal to £8 in every £100, which means cutting down the guaranteed 4 per cent. to £3 13s. 4d. If the bondholders refuse this proposition, Senor de Rojas writes :—

I think it my duty to inform you that if this scheme should not be accepted, it will be impossible to fuse together the two amounts set aside of the 27 per cent. assigned for the service of the whole debt, and the Government of Venezuela will only continue to pay, on the External bonds, the 3 per cent. per annum as it has done, and, up to the present time, with the most religious exactitude.

This last proposition was rejected at a meeting of bondholders.

There are few reliable statistics with regard to revenue and expenditure, but it was stated that in the year 1867-68, the

Customs produced £878,000; and in 1880-1, £770,800. For the latter year the revenue was placed at £936,000, and the expenditure at £889,600.

The trade of Venezuela with the United Kingdom has been in value as follows:—

	Imports of Merchandise from United Kingdom.		Exports of Merchandise to United Kingdom.
	£		£
1860.....	327,357	.....	24,940
1865.....	397,956	.....	221,331
1870.....	147,944	.....	81,915
1872.....	547,678	.....	122,621
1874.....	528,046	.....	50,545
1876.....	697,821	.....	54,878
1877.....	633,740	.....	63,739
1878.....	483,451	.....	98,349
1879.....	470,185	.....	114,804
1880.....	436,835	.....	198,309
1881.....	490,581	.....	209,641

These figures are from our own Board of Trade Returns, and do not include movements of bullion and specie.

In 1876-7, the total imports were stated at £3,960,000, and the total exports at £2,260,000.

The area of Venezuela is 403,000 square miles, and the population, including Indians, in 1881 was 2,075,245, against 1,784,194 in 1873.

The Bolivar Railway, 70 miles, connects the mines of the New Quebrada Company with the port of Tucucas.

ZANZIBAR.

The area of the Island of Zanzibar is about 600 square miles, but Sultan Seyyid also lays claim to the coast line on the neighbouring mainland. The population of the island is estimated at 200,000, or, say, 330 per square mile.

The trade of Zanzibar is reported to have recently benefited by the opening of the Eastern and South African Telegraph Cable. Previously the increase had not been rapid.

	Imports.		Exports.
	£		£
1859.....	545,000	.....	480,000
1876-7.....	696,425	.....	921,921
1878-9.....	709,900	.....	870,350

Since 1879, the Sultan has employed three steamers to trade with Bombay and Calcutta, and most of the local trade is in the hands of the Indian colonists.

LONDON: PRINTED BY
EFFINGHAM WILSON, ROYAL EXCHANGE, E.C.

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SPECIAL PLACES.

BURDETT'S OFFICIAL INTELLIGENCE	Beginning, ON COVER
SCOTTISH PROVIDENT INSTITUTION	Ditto FLY-LEAF
EQUITABLE FIRE INSURANCE COMPANY	End, ON COVER
DR. AGEER'S CODES	Ditto FLY-LEAF

North British & Mercantile Insurance Company.

ESTABLISHED 1809.

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HIS GRACE THE DUKE OF ROXBURGHE.

VICE-PRESIDENTS.

HIS GRACE THE DUKE OF SUTHERLAND, K.G. | HIS GRACE THE DUKE OF ABERCORN, K.G.

CHAIRMAN OF GENERAL COURT.

DAVID DAVIDSON, Esq.

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JOHN SANDERSON, Esq.
BARON J. H. W. SCHRÖDER.

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Manager of Fire Department—GEORGE HENRY BURNETT.

Manager of Life Department—H. COCKBURN. | *Secretary*—F. W. LANCE.

LIFE DEPARTMENT.

The new Policies issued in the year 1881 were for £848,047, producing in New PREMIUMS £98,650. 3s. 4d.

Intending Insurers are requested to notice that *Ninety per cent. of the Profits is divided among the Assured, being as large a share of the Profits as is allowed by any, and larger than is allowed by most other Offices.* The next division of profits will take place as at 31st December, 1885.

At the recent investigation for the quinquennial period ending 31st December, 1880, the Surplus amounted to the large sum of £348,141.

This allowed a Bonus on the sums Assured, varying from £1. 7s. 6d to upwards of £2. 11s. 4d. per cent. per annum, according to the duration of the Policy.

The amount insured during the quinquennial period ending 31st December, 1880, was £4,088,270 being an average of £997,654 per annum.

ANNUITY DEPARTMENT.

The amount of the Annuity Fund at 31st December, 1881, was £395,515 : 3 : 4.

Annuities are granted on favourable terms.

AGE.	Rates per Cent.					
	MALE.			FEMALE.		
40
50
60
70

FIRE DEPARTMENT.

Insurances against Fire are received upon nearly all descriptions of Property in the United Kingdom, the Colonies, and Foreign Countries ; the Rates of Premium are exceedingly moderate, and governed in each case by a careful consideration of the risk proposed. The FIRE PREMIUMS in 1881 amounted to £958,654. 1s. 2d.

RESOURCES OF THE COMPANY AS AT 31st DECEMBER, 1881.

I. Subscribed Capital—

Paid up	...	...	...	...	...	...	...	...	...	£500,000
Uncalled	...	...	...	...	...	...	...	...	...	1,500,000
										£2,000,000

II. Fire Fund—

Reserve	...	...	...	...	...	...	...	...	...	£844,577
Premium Reserve...	...	...	...	...	...	...	...	...	...	319,551
Balance of Profit and Loss Account	...	...	...	...	...	...	...	...	...	54,367
										£1,218,495

III. Life Fund—

Accumulated Fund of the Life Branch...	...	...	...	...	...	...	...	...	...	£3,112,590
Do. do. Annuity Branch	...	...	...	...	...	...	...	...	...	395,515
										£3,508,105

IV. Revenue for the Year 1881—

<i>From the Life Department.</i>										
Life Premiums and Interest	...	...	...	...	...	...	...	...	...	£462,824
Annuity Premiums and Interest	...	...	...	...	...	...	...	...	...	15,877
										£478,701
<i>From Fire Department.</i>										
Fire Premiums and Interest	...	...	...	...	...	...	...	...	...	£1,024,384
										£1,508,085

Chief Offices : { LONDON : 61, Threadneedle Street, E.C. ;
" West-end Office : 8, Waterloo Place, Pall Mall.
EDINBURGH : 64, Princes Street.

Northern Assurance Company.

Established 1836. Incorporated by Act of Parliament.

FIRE AND LIFE AT HOME AND ABROAD.

FINANCIAL POSITION (1882).

<i>Subscribed Capital</i> £3,000,000; of which paid up	£300,000
<i>Annual Revenue from Fire Premiums</i>	£451,000
" " <i>Life Premiums</i>	£181,000
" " <i>Interest</i>	£120,000
<i>Accumulated Funds</i>	£2,708,000

Head Offices { **LONDON: 1, Moorgate Street.**
ABERDEEN: 3, King Street.

BRANCHES.

<i>Bristol</i> —THE EXCHANGE.	<i>Liverpool</i> —5, TITHEBARN STREET.
<i>Dublin</i> —40, WESTMORELAND STREET.	<i>Manchester</i> —52, SPRING GARDENS.
<i>Dundee</i> —COMMERCIAL STREET.	<i>Melbourne</i> —105, COLLINS STREET WEST.
<i>Edinburgh</i> —20, ST. ANDREW SQUARE.	<i>Newcastle-on-Tyne</i> —2, COLLINGWOOD ST.
<i>Glasgow</i> —24, GEORGE SQUARE.	<i>New York</i> —33, PINE STREET.

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ALEXANDER PEARSON FLETCHER, ESQ.	JOHN STEWART, ESQ.
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General Manager—JAMES VALENTINE.

FIRE DEPARTMENT.

Insurances are granted on Property situate in all parts of the British dominions, and in most foreign countries, at rates which are computed according to the actual risk incurred.

The amount for the Quinquennium already paid over **THREE MILLIONS STERLING** for claims under its Fire Policies.

LIFE DEPARTMENT.

The Company offers the advantages of perfect security, with great economy in management, and moderate rates of Premium.

The total expenses in the year 1881 were slightly under 7½ per cent. of the income from Premiums and Interest, or, excluding commission paid to Agents, less than 4 per cent.

In the Participation Branch the whole of the ascertained surplus at each valuation belongs to the Assured. The amount for the Quinquennium ending 31st December, 1880, was sufficient to provide a Bonus of £1. 10s. per cent. per annum upon the sum assured, or £7. 10s. per cent. for the whole Quinquennium, besides leaving £46,311 to be carried forward.

ROYAL EXCHANGE ASSURANCE CORPORATION.

Established by Royal Charter, A.D. 1720.

For Sea, Fire, Life, and Annuities.

**Chief Office, Royal Exchange London ;
Branch, 29, PALL MALL.**

The Accumulated Funds exceed £4,000,000.

The Total Claims paid by this Corporation have exceeded
THIRTY-TWO MILLIONS Sterling.

FIRE ASSURANCES on liberal terms.

LIFE ASSURANCES with or without participation in profits. Divisions of Profit **every Five Years.**

Persons whose lives are assured with this Corporation on the Bonus or Non-Bonus system incur no Mutual Liabilities as Partners, nor do they depend upon an uncertain Fund ; the large **INVESTED CAPITAL-STOCK** of the Corporation affords unquestionable Security for the fulfilment of its engagements.

All real improvements in modern practice, with the security of an Office whose resources have been tested by the experience of **more than a Century and a half.**

The Corporation are open to consider applications for Agencies.

A Prospectus, Table of Bonus, and Balance Sheet will be forwarded on application.

E. R. HANDCOCK,

Secretary.

SUN FIRE AND LIFE OFFICES,

Threadneedle Street, E.C.; Charing Cross, S.W.;
Oxford Street (corner of Vere Street), W.

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FIRE OFFICE, ESTABLISHED 1710.

Sum insured 1889, £370,959,974.

Home and Foreign Insurances against Fire and Lightning at moderate rates.
Prompt Settlements.

E. H. MANNERING, *Secretary.*

LIFE OFFICE, ESTABLISHED 1810.

Specially low Premiums for young Lives.

Half Premiums received for the first Five Years. Immediats Settlement of
Claims.

J. G. PRIESTLEY, *Actuary and Secretary.*

NOTICE.—Now ready, cloth lettered, price 8s.

ARBITRAGES ET PARITÉS.

TRAITÉ PRATIQUE

DES

OPÉRATIONS D'ARBITRAGE

Sur Lettres de Change, Fonds Publics et Matières d'Or et d'Argent, avec
les Principales Places de l'étranger.

PAR OTTOMAR HAUPT.

Cinquième Édition. Complètement refondue et augmentée.

The work in its present form does not only confine itself to the explanation of *arbitrage* business in all its details, but contains a full treatment of the *Monetary Question* as well. This circumstance enhances greatly the value of the *new* edition, which may be profitably consulted on all subjects having reference to the monetary systems of the whole world, to the *gold* and *silver points*, to the actual position of silver money and fractional currency, to the quotations of the precious metals in the different markets, to the coinage regulations of all the Mints, and so on. Great care has besides been bestowed on the *expose* of the Indian and Chinese currencies. The numerous details and the complete information contained in the chapters referring to *Bombay* and *Calcutta*, to *Hongkong* and *Shanghai*, will be found of great use to all Bankers and Merchants trading with the East.

London: EFFINGHAM WILSON, Royal Exchange.

THE
GRESHAM LIFE ASSURANCE SOCIETY.

ESTABLISHED 1848.

HEAD OFFICE :
 St. Mildred's House, Poultry, LONDON, E.C.

Incorporated under the Act 7 & 8 Vict. c. 110.



Registered under the Act 25 & 26 Vict. c. 89.

Branch Offices :

ENGLAND.

BIERMINGHAM.....	18, Bennett's Hill.	LIVERPOOL	Gresham Buildings, 99, Dale Street.
BRADFORD	Bank Chambers, Bank Street.	MANCHESTER ...	2, Cooper Street.
BRIGHTON	4, Pavilion Buildings.	NEWCASTLE	Percy Buildings, Grainger Street,
BRISTOL	1, Broad Quay.	NORWICH.....	Bank Plain.
HULL.....	Trinity House Lane.	SUNDERLAND	37, Fawcett Street.

SCOTLAND.

GLASGOW	116, St. Vincent Street.	EDINBURGH.....	97, George Street.
DUNDEE.....	74, Commercial Street.	ABERDEEN	28, Market Street.

IRELAND.

BELFAST..... Atlas Chambers, 8, Skipper Street.

Moderate Rates of Premium. Liberal Scale of Annuities.
 Loans granted upon Security of Freehold, Copyhold, and Leasehold
 Property, Life Interests, and Reversions;
 Also to Corporate and other Public Bodies, upon Security of Rates, &c.

*Prospectuses, Reports, and Proposal Forms can be obtained on application
 to the Society's Agents and Branch Offices, or to*

F. ALLAN CURTIS, Actuary and Secretary.

Royal Insurance Company,

Royal Insurance Buildings, LIVERPOOL, and Lombard Street, LONDON.

EXTRACTS FROM THE REPORT FOR THE YEAR 1881.

FIRE DEPARTMENT.

PREMIUMS, AFTER DEDUCTING RE-ASSURANCES	£283,324 13 6
LOSSES	£591,748 3 9

LIFE DEPARTMENT.

PREMIUMS, AFTER DEDUCTING RE-ASSURANCES	£250,181 5 0
---	--------------

BONUSES DECLARED AT THE LAST THREE DIVISIONS OF PROFITS:

£1. 10s. PER CENT. PER ANNUM ON SUM ASSURED, upon all Policies entitled to participate.

FUNDS.

After providing for payment of the Dividend, the Funds of the Company will stand as follows:—

CAPITAL PAID UP	£299,546 0 0
FIRE FUND	550,000 0 0
RESERVE FUND	950,000 0 0
BALANCE OF PROFIT AND LOSS	145,896 15 2
LIFE FUNDS	2,737,958 9 11
	£4,673,399 5 1

Growth of Funds.

1866	£1,254,377 3 1	1876	£3,493,950 1 4
1871	2,198,973 15 8	1881	4,673,399 5 1

EXTRACT FROM AUDITORS' REPORT.

"We have examined and counted every Security, and have found all correct and in perfect order, and that the present aggregate Market Value thereof is in excess of the amounts in the said Balance-sheets."

JOHN H. McLAREN, *Manager.*
DIGBY JOHNSON, *Sub-Manager.*
JOHN B. JOHNSTON, *Secretary in London.*

Founded 1805. The Oldest Scottish Insurance Institution.

CALEDONIAN INSURANCE COMPANY.

Head Office—19, GEORGE STREET, EDINBURGH.

Life Assurance on unusually favourable terms.

CLASS A 1. Moderate Premiums, with Early Bonuses which may be applied either to increase the sum assured or to make the Policy payable during life.

CLASSES A 2 and B. Lowest Premiums, with special Bonus advantages to persons attaining old age.

New and Self-acting Non-Forfeitable System.

Under this System the Surrender Value is applied to pay over-due Premiums, thus preventing the accidental forfeiture of any valuable policy.

New Life Assurances in 7 years ending 1874	£286,399
New Life Assurances in 7 years ending 1881	£1,780,930

FIRE INSURANCES

Are granted on most favourable terms. Premiums strictly moderate and security unsurpassed.

THE FIRE AND LIFE CLAIMS PAID EXCEED TWO MILLIONS STERLING.

D. DEUCHAR, *Manager and Actuary.*

LONDON OFFICES.

82, KING WILLIAM STREET, E.C., J. A. CUNNINGHAME, *Secretary.*
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THE
SCOTTISH EQUITABLE LIFE ASSURANCE SOCIETY.

Established in 1831. For Mutual Life Assurance.

Accumulated Funds.....	£2,544,899	Existing Assurances	£8,618,646
Annual Revenue	329,641	Claims Paid	4,978,891

Head Office — 26, St. Andrew Square, EDINBURGH

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Manager.—THOMAS BOND SPRAGUE, M.A.

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The Society's leading features are **Unquestionable Security, Liberal Conditions of Insurance, and Early Participation in Profits.**

Every Description of Life Assurance Business is transacted.

Non-Forfeitable Policies are now granted upon a system carefully devised, so as to include all the real advantage which Life Assurance admits of. **THESE POLICIES ARE PECULIARLY SUITABLE FOR MARRIAGE SETTLEMENTS.**

Loans on Reversions, &c.—The Society has lately adopted into its practice an **IMPROVED METHOD OF MAKING ADVANCES ON THIS CLASS OF SECURITY**, particulars of which may be obtained on application to the Society's London Office. Advances are also made on **Life Interests.**

Insurances against Issue are entertained on more favourable terms than has hitherto been customary.

Prospectuses, Forms of Proposal, &c., may be obtained on application to

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69, KING WILLIAM STREET, E.C.

**BRITISH EMPIRE MUTUAL
LIFE ASSURANCE COMPANY,
NEW BRIDGE STREET, LONDON, E.C.**

Established 1847. Empowered by Special Act of Parliament.

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Surveyor.—SAMUEL WALKER, Esq. | *Surgeon.*—JOHN MANN, Esq.

Actuary.—JOBIAH MARTIN, F.I.A., F.S.S. | *Secretary.*—EDWIN BOWLEY, F.I.A., F.S.S.

This Company being established on the **Mutual Principle**, all profits belong to the Members. Every third year a careful Valuation of the Business is made, and large Bonuses have been declared. The Average Cash Bonus (Triennially) exceeds 20 per cent. on the Premiums paid. It has Policies in force, assuring upwards of **Three Millions and Three Quarters Sterling,**

An **ANNUAL INCOME** exceeding **One Hundred and Fifty Thousand Pounds,**
An **ACCUMULATED FUND**, arising solely from Premiums, of more than **Eight Hundred and Forty Thousand Pounds,**

And has paid in **CLAIMS** upwards of **One Million Sterling.**
LOANS ON CHURCHES, CHAPELS, SCHOOL-BUILDINGS, &c., considered at Four and a-half per cent. interest.

Loans on Personal Security in connection with Life Assurance.
Prospectuses, Copies of the last Report and Balance-sheet, and Board of Trade Returns, &c., can be obtained on application to any of the Agents of the Company, or to

EDWIN BOWLEY, *Secretary.*

The Directors are prepared to entertain Applications for Agencies.

SOCIÉTÉ GÉNÉRALE.

Head Office, 56, Rue de Provence, Paris.

London Agency, 38, Lombard Street, E.C.

CAPITAL 120,000,000 Francs (£4,800,000).

Paid up 60,000,000 Francs (£2,400,000).

Reserve Fund ... 14,614,559 Francs (£584,583).

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AGEN.	CHATEAURoux.	NEVERS.
AIX.	CHAUMONT.	NICE.
ALAIS.	CHErBOURG.	NIMES.
ALBI.	CLERMONT-FERRAND.	NIORT.
ALençon.	DAX.	ORLÉANS.
AMIENS.	DIEPPE.	PAU.
ANGERS.	DIJON.	PÉRIGUEUX.
ANGOULÊME.	DOUAI.	PERPIGNAN.
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ANNONAY.	DUNKERQUE.	PUY (LE).
APT.	ELBEUF.	REIMS.
ARLES.	EPERNAY.	RENNES.
ARRAS.	EPINAL.	RIVE-DE-GIER.
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AURILLAC.	GAILLAC.	RODEZ.
AUXERRE.	GRENOBLE.	ROUBAIX.
AVIGNON.	HAVRE.	ROUEN.
BAR-LE-DUC.	HONFLEUR.	SAINT-BRIENC.
BAYONNE.	LA ROCHELLE.	SAINT-ETIENNE.
BEAUVAIS.	LAVAL.	SAINT - GERMAIN - EN -
BELFORT.	LILLE.	LAYE.
BESANçon.	LIMOGES.	SAINT-LÔ.
BÉZIERS.	LISIEUX.	SAINT-MALO.
BLOIS.	LODÈVE.	SAINT-QUENTIN.
BORDEAUX.	LORIENT.	SAUMUR.
BOULOGNE-SUR-MER.	LYON.	SEDAN.
BOURGES.	MACON.	SENS.
BREST.	MANS (LE).	TARBES.
BRIVES.	MARMANDE.	THIERS.
CAEN.	MARSEILLE.	TOULON.
CAHORS.	MONTAUBAN.	TOULOUSE.
CAMBRAI.	MONTEREAU.	TOURS.
CARCASSONNE.	MONTLUÇON.	TROYES.
CARPENTRAS.	MONTPELLIER.	VALENCE.
CASTRES.	MOULINS.	VALENCIENNES.
CETTE.	NANCY.	VERSAILLES.
CHALONS-SUB-SAÔNE.	NANTES.	VICHY, from 15 May
CHALONS-SUB-MARNE.	NARBONNE.	15 September.
CHARTRES.		

CREDIT LYONNAIS.

Subscribed Capital, 200,000,000 £. (£8,000,000); paid up, 100,000,000 £.
(£4,000,000); Reserve Fund, 80,000,000 £. (£3,200,000).

HEAD OFFICE: LYONS.

PARIS.
MARSEILLES.
BORDEAUX.
ALEXANDRIA.

Branches at
CONSTANTINOPLE.
ST. PETERSBURG.
MADRID.
GENEVA.

CAIRO.
PORT SAID.
ALGIERS.
ORAN.

Agences en France et en Algérie.

Aix-en-Provence, Aix-les-Bains, Alais, Amiens, Angers, Angoulême, Annecy, Annonay, Arras, Bar-le-Duc, Beaune, Belleville-sur-Saône, Besançon, Béziers, Bourg, Caen, Cannes, Cette, Châlons-sur-Saône, Chambéry, Dijon, Dunkerque, Epinal, Grenoble, Havre (Le), Lille, Limoges, Mâcon, Menton, Montpellier, Moulins, Nancy, Nantes, Narbonne, Nèvez, Nice, Nîmes, Orléans, Perpignan, Reims, Rennes Rive-de-Gier, Roanne, Roubaix, Rouen, Saint-Chamond, Sedan, Saint-Etienne, Saint-Germain-en-Laye, Saint-Quentin, Thizy, Toulouse, Tourcoing, Troyes, Valence, Valenciennes, Versailles, Vienne (Isère), Villefranche-sur-Saône, and Voiron.

London Agency: 40, LOMBARD STREET.

Manager: ALEXIS BIDELEUX, Esq.

London Bankers: Messrs. GLYN, MILLS, CURRIE, & Co.; BANK OF SCOTLAND.

The London Agency grants Drafts and Letters of Credit on all the other Branches, payable on demand; buys or collects Bills payable in France; and transacts all other Banking business with France and the Continent.

ASSOCIATION

FOR THE ESTABLISHMENT OF AN

INTERNATIONAL MONETARY STANDARD.

OBJECTS.—The promotion of the Stability of Values:

By establishing the free coinage of Silver, and its use as money, under the same conditions as Gold.

By advocating and furthering an International Agreement, whereby a fixed relative value between Gold and Silver may be established, and the two metals may jointly form the currency of civilised nations; thus facilitating the adjustment of International Balances, and lessening the excessive and needless risks which have now become attendant on Home and Foreign Trade.

PRESIDENT—HENRY HUCKS GIBBS.

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Robert Gladstone.
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