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Literary.

The Merchant's Test.

"Dick, I am afraid the old man has taken it into his head to send you adrift"

"Why, what can you mean, Philip?"

"Only that he was talking very earnestly with Mr. Oglethorp as I went into his room just now, and as they ceased very discreetly on my entrance I took the liberty of waiting outside the door till the conversation was resumed, and I heard enough to satisfy me that Oglethorp has a nephew who is about to take your place."

"What did you overhear?"

Merely a sentence from each. Oglethorp said: So you think my nephew will have no difficulty in filling the place of your head clerk; and Beale replied, none whatever; and the other clerk, Philip Warden, has been in my establishment a long time, and can give him a little insight into our business affairs if need be. I did not wait to hear more, but that is enough, I should think.

So it would seem, was the reply, in a tone of deep despondency.

It is mean in the old man to discharge you, and equally strange; if it was me now, I should not think it so odd, but he has all along seemed to think so much of you. But tis just like him, always doing something out of the common way.

Richard Wilkins was too sick at heart to reply. He returned to the desk and endeavored to concentrate his wandering thoughts upon his work, but in vain. The pen dropped from his fingers, and leaning his head on his hand he gave full scope to his sorrowful and indignant feelings. When the two gentlemen emerged from Mr. Beale's private room he started like one guilty of a secret crime, and snatching the pen pretended to be all absorbed in his duties. His flurried manner, so different from his usual quiet composure, was noticed by his employer, who drew his own conclusions therefrom. Mr. Oglethorp was returning to his home in Baltimore. His friend accompanied him to the steamboat, and on returning closely observed his two clerks as he sauntered back and forth through the store. Phillip's appearance indicated nothing unusual; but Richard, though he had partially regained his customary composure, could not prevent a slight hesitancy and constraint when replying to Mr. Beale's casual remarks.

Several days after, Mr. Beale brought Richard a letter to seal and deposit in the post office as he went to dinner. At the same time he sent Philip to a neighboring store on business, which would detain him some little time—he then returned to his private room. Left to himself, Richard gazed on the superscription of the letter, long and earnestly. "D. Oglethorp, Esq., Baltimore"—the words seemed burning into his brain. What would he not give to know the contents of that letter? Doubtless it related to the nephew that was to supplant him. Richard hesitated, turned the letter over and over. Why could he not glance into it? It was not sealed—he would betray no confidence by doing so—most of the business letters were given him to answer, and certainly to no one living would he reveal the contents, whatever they might be. These reflections overcame his strong repugnance to the act, and with trembling hand he opened the letter and read:

"DEAR SIR; I wish your nephew to arrive, if possible, by Tuesday, the thirtieth, as on that day young Wilkins' year will have expired, and it is desirable that his successor should be on the spot to enter immediately on his duties.

Truly yours. J. BEALE."

The blood rushed to Richard's brow as he read. For an instant he forgot the consequences to himself of the threatened blow, in indignation at his employer's duplicity.

Four years ago, he murmured, bitterly, ay, four years next Tuesday, I entered this store.—

Not once since that day has he had occasion to reprove me for the slightest neglect or over sight, stern and exacting as he is. I have given no cause for complaint, and that is the end—this is my reward. I am to be discharged to make room for one of his friend's connections. I am thankful I opened the letter—now I can prepare for his treachery.

With a calmness that surprised himself the clerk sealed the letter, and dropped it in the post as he had been directed. On his way back to his employment he called at the counting room of a merchant, whom as one of Mr. Beale's acquaintances he well knew. Richard wished to make inquiries, in an indirect way, for a situation, but while he was striving to form some question to this end, the gentleman came to his relief, by asking if he knew any young man in need of a situation whom he could recommend to him, as he had a vacancy for a clerk. Richard eagerly offered himself. Mr. Curtis was surprised that he should wish to leave his old place, but gladly accepted him, having long admired the integrity and strict application of the young man, whose praises he had frequently heard from Mr. Beale. The yearly salary was named; it was one hundred dollars more than Richard was now receiving; and having engaged to enter on the duties of his new place on the following Tuesday, he went with a light heart to his old employment. He did not mention his intention to Mr. Beale, so the week passed without Mr. Curtis visiting the store. He hoped he had not met his employer, for Richard had a wish that the latter should not hear how his treacherous scheme had been defeated till the last moment.

On Monday evening Richard knocked at the door of Mr. Beale's room, and in as few words as possible requested the wages due to him, as he was engaged to go to another house on the morrow.

I have known of your engagement since Wednesday, said Mr. Beale; Curtis informed me of it. May I ask the motive of this secret and unusual proceeding on your part? I believe I gave you no cause for so sudden a determination to quit my employment—did I?

No cause! Richard repeated, bitterly. Oh no sir, no cause, of course—the clerk is only the dupe, the slave of the merchant, and has no right to complain of any conduct, however iniquitous, of which he is the victim.

"Your sarcasm is rather out of place, young man," replied Mr. Beale, coolly, "I asked if I had given you any cause of offence. I know I have not; you falsely imagine that I have, and thus imagining, you have done yourself a great injury. Nay, no questions—I will tell you all. On the day that Mr. Oglethorp was here I noticed a great alteration in your looks, your words, your whole conduct. I suspected at once that Philip had overheard our conversation and repeated it to you, in consequence of which you were disturbed in mind. This was natural, and I was far from blaming you; but it afforded me opportunity for a test which I had peculiar reasons for desiring to apply. I penned a brief note to Mr. Oglethorp, gave it to you to seal, and watched your proceedings from that window. I thought the temptation would prove a severe one, and that if you arose superior to it I need never have any fears concerning you. I was right, the temptation was strong—too strong for your honor or integrity to withstand. I saw you open the letter—'twas enough. I did not at all wonder when I heard of your applying for a new situation; you thought I was acting treacherously to you and that you would outwit me.

Mr. Beale ceased, and looked fixedly at Richard, whose whole countenance was suffused with blushes as the true nature of his conduct was brought thus calmly to his view. In his indignant feelings he had not till this moment thought of his dereliction of principle in opening a letter not intended for his inspection; now he was overwhelmed with shame and remorse, for he was naturally upright and ingenuous.

Mr. Beale saw his confusion, and turned to his desk to pay what was due of Richard's salary, but first taking some papers from a drawer, threw them on the table before the young man.

All this is at an end now, he said, but you may see how unjust your supposition was to me, how injurious to yourself, as I said a while ago.

Richard's eyes were intently bent upon the papers. One was in the merchant's handwriting, a notice of Richard Wilkins having been admitted as junior partner into his old and established business firm; the others were necessary legal papers relating thereto; Richard continued gazing on them as if fascinated, till the merchant's voice broke the spell.

"Well, young man; do you understand the matter now?"

Oh, sir! said Richard, turning his eyes imploringly on him, and then unable to repress his tortured feelings, he bent his head on the table to conceal the fast gushing tears.

Regret is unavailing now, said Mr. Beale, in his clear, cold tones. I had every reason to place confidence in you. During these four years I have observed your conduct closely. It was such as to satisfy me: and resolving to reward your integrity and faithfulness, I had decided to take you into partnership as you see by these papers, prepared nearly two months ago, and only waiting the signatures and date. My friend Mr. Oglethorp, had frequently mentioned his nephew, whom he much desired me to employ. At his last visit I had agreed to do so. It was my intention to give you an agreeable surprise to-morrow, and therefore I desired to keep all my arrangements secret, fortunately as I now see; for my whim enabled me to test the strength of your principles.

Oh, if you could only forgive me, Mr. Beale, exclaimed Richard, imploringly. It was my first error in this regard—I am sure it will be my last.

For all answer, Mr. Beale quietly pushed the money he had counted over to Richard, and picking up the papers tore them into small fragments. The young man looked sadly at them, but knowing that remonstrance or entreaty was alike unavailing in the stern man, he by a strong effort conquered his emotion, and, taking up his money, bowed his thanks and farewell to his late employer, and turned to leave the room. As he laid his hand on the door knob, he paused and asked, in a still faltering voice, if Mr. Curtis was informed of all this.

No, I did not think it necessary to speak of it, said Mr. Beale, for I had reason to think it was your first departure from the straight road and though all business connections between us has ceased, yet I would not injure your reputation by revealing an act which I thought you would regret. You will find Mr. Curtis a more indulgent employer than you are leaving, your salary will be larger than it has been here, so that on the whole, perhaps, you are no loser, and I hope for your sake that your first error will prove your last.

Richard sadly left the store. On the morrow he entered on the duties of his new situation. It proved agreeable, and the addition to his previous salary was of great use to him; but what could silence remorse for the act by which he had not only lost so much in a pecuniary point of view, but also sank immeasurably in his own estimation? He profited by the lesson, however. Years after he found himself in a position prosperous and envious as that which he had forfeited in early manhood; but to his dying day he never tried to banish the humiliating but salutary recollection of his first and last deviation from the straightforward path of honor and integrity.

In the Omnibus.

A mighty woman with a bundle, a cross woman with a dog, an uncomfortable woman with a dog, an old gentleman with a trumpet, a beaming young lady with an expensive crinoline, and the usual compliment of nothing particular people, including mine-self, John Hayes, gentleman at large. I would not have been inside if I could have helped it; nor in an omnibus at all, if I could have helped it; and judging from the surrounding faces, we were all in the same plight. We were all hot, and we all hated one another. When a fellow-creature is visibly radiating the coloric one already has in excess, hatred for him, or even her, follows in logical sequence, and we were waiting for more passengers.

"Please help me in I'm blind!" It was the tiniest, sweetest voice; we all turned to see a little girl lay her hand confidingly on the conductor's arm. I took her from him as fearfully as if she had been in truth what she looked like—my parian Clytie—the same pure, sweet face, with the delicate features and drooping white eyelids; but the sadness of her pallor was relieved by the vivid dark gold of her hair, which fell in soft thick rolls upon her neck.

"Is'nt there a dog here?" said she presently.

"Yes, darling," said the dog's owner, as she handed it to the child, looking uncomfortable no longer; the blind face turned to hers seemed to charm away its nervousness.

"What a dear little fellow!" said Clytie, and the rough terrier grew popular.

"Do they let you go far alone?" said the cross woman.

"O, yes." The little creature gave a low, glad laugh of triumph. I've been to the blind school; I can do everything for myself now."

"Would you mind saying that again, my dear? I'm very deaf," said the old gentleman. She repeated her sentence, adding, with an odd womanly pity, "I must be so sad to be deaf."

I said, voluntarily, "You don't look as tho' you were ever sad."

"O, no, I never am, now Emy is well."

"Who is Emy?"

"Why, my little sister; O! such a little darling; but she was ill for a long time—so long."

Clytie's voice faltered, as though she were living over again a great sorrow.

"But she is well now?" I said.

"O yes, quite strong; and it's so nice."

"Have you many sisters and brothers?" asked the young lady.

"No, only Emy, and one brother, baby Tom; he's such a great, fat fellow, and he laughs—you can't think how he laughs."

If it was anything like the musical rill his sister sent rippling through the air, I should like to have heard that baby.

"What does he laugh at?" said the cross woman.

"O, every thing; at Emy and me, when we play Punch and Judy; and at dinner when there's dumplins; and sometimes he lies on the floor and laughs at himself; and we laugh too, it is so funny." The little one's mirth was infectious, we all joined in, with various modulations of the roar of the deaf gentleman, who couldn't stop himself, and setting us off again, little Clytie, clapping her soft gloved hands till she made the dog bark, and the conductor looked in to say. "Well, never I saw such a row."

"Euston road, please,' said Clytie, turning into a business woman all at once.

The unwelcome place seemed to come directly; as I turned from helping the child out I saw the cross woman's face breaking up into tears.

"It's queer," she said, "but I feel like to cry to see her so merry.'

I was unpleasantly conscious of what my dear mother used to call the apple in my throat, so I was grateful to the deaf gentleman for saying "Eh!" and saving the effort of replying. We all fell into quietness, but it was curious to notice how forbearing we grew to one another; the child's great loss, worn like a flower crown on the head of some pictured saint, made our petty discomforts all melt away. The young lady began to play with the baby, the old gentleman with the dog; and I, who object to all gratuities on the principle of never having any money to spare, was absolutely pleased when the mighty woman handed back her change to her vanquished foe, saying:

"Never mind the penny, conductor."

Even the cross woman grew quite interesting over a reminiscence of a youth she had known when she was a girl, who had recovered his sight after being blind for a year. I think if instead of being a plucked civil service candidate, I could be a woman with a mission I would choose that of my unconscious little Clytie.

Miscellaneous.

Secretary of the Treasury's Report.

TREASURY DEPARTMENT,
WASHINGTON, December 3, 1865.

In his report under date of the 4th of December, 1865, the Secretary estimated, according to the data furnished him by this Department and by the other Departments, that the expenditures of the Government for the three-quarters of the fiscal year ending June 30, 1866, would exceed the receipts $112,194,947.20. The result was widely different. The receipts exceeded the estimates $89,905,905.44; the expenditures fall short of the estimates $200,529,-235.30. The following statement exhibits the items of increase of receipts and decrease of expenditures in comparison with the estimates:

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

RECEIPTS.

	Estimated.	Actual.	Excess of Est.
Customs	$100,000,000.00	$122,037,068.55	$22,037,068.55
Lands	500,000 00	522,149.40	22,149.40
Internal Rev.	175,000,000.00	212,607,927.77	37,607,927.77
Miscellaneous	30,000,000.00	48,285,125.90	18,285,125.90
Direct tax		1,943,642.82	1,943,642.82
	$305,500,000.00	$385,495,905.44	$89,905,905.44
Cash balance Oct. 1, 1865	67,158,515.44	67,158,515.44	
	$372,658,515.44	$452,654,420.88	

EXPENDITURES.

	Estimated.	Actual.	Excess of Est.
Civil Service	$32,994,052.38	$30,485,500.55	$2,508,551.83
Pensions and Indians	12,256,790.94	11,061,285.79	1,195,505.15
War Dep't	327,788,750.57	119,080,464.50	188,708,286.07
Navy Dep't	35,000,000.00	26,802,716.31	8,197,283.69
Int'st on public debt	96,813,868.75	96,894,260.19	
			$200,609,626.74
Deduct deficiency in estimate for int. on pub. debt			80,291.44
	$484,853,462.64	$284,324,227.34	$200,529,235.30

RECAPITULATION.

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

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

Balance in Treasury, agreeable to warrants July 1, 1865	$858,309 15
To which add balance of sundry trust funds not included in the above balance	2,217,732 94
	$3,076,042 09
Making balance, July 1, 1865, including trust fund	712,851,533 05
Receipts from loans	179,046,651 58
Receipts from lands	665,031 03
Receipts from direct tax	1,974,754 12
Receipts from internal revenue	309,226,813 42
Receipts from miscellaneous sources	67,119,369 91
	558,032,620 06
	1,273,960,215 20

EXPENDITURES.

Redemption of public debt	620,321,725.61
For the civil service	41,056,961 54
For pensions & Indians	18,852,416 91
For the War Department	284,449,701 82
For the Navy Department	43,324,118 52
For interest on the public debt	133,067,741 69
	520,750,940.48
	1,141,072,676.09
Leaving a balance in the Treasury on the first day of July 1, 1866	$132,887,549 11

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

Balance in Treasury, agreeable to warrants, July 1, 1866	132,887,549 11
Receipts from loans	174,011,622 24
Receipts from customs	50,843,774 24
Receipts from lands	228,399 72
Receipts from direct tax	340,454 39
Receipts from internal revenue	99,166,993 98
Receipts from miscellaneous sources	7,981,761 21
	158,561,386 57
	465,460,557 92

EXPENDITURES.

For the redemption of the public debt	$243,782,833 45
For the civil service	11,893,736 44
For pensions and Indians	11,787,975 66
For the War Department	13,833,214 03
For the Navy Department	7,878,699 17
For interest on the public debt	33,865,399 99
	323,041,768 73
Leaving a balance in the Treasury on the first day of October, 1866, of	$142,418,789 19

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

Amount of public debt Aug. 31, 1865, as per statement	$2,845,907,626 56	
Amount of old funded and unfunded debt	114,115 48	
	$2,846,021,742 04	
Amount of cash in Treasury	88,218,095 13—	
Amount of public debt Aug. 31, 1865, less cash in Treasury		$2,757,803,086 91
Amount of public debt Oct. 31, '66, as per statement	$2,681,636,966 34	
Amount of old funded and unfunded debt	114,115 48	
	$2,681,751,081 82	
Amount of cash in Treasury	130,326,960 62—	
Amount of public debt Oct. 31, 1866, less cash in Treasury		$2,551,424,121 20
Net decrease		$206,379,565 71

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

Bonds, 6 per cent., act Jan. 28, 1847	$1,072,450 00
Bonds, 6 per cent., acts July 21, 1841, and A. 6 15, 1842	144,039 77
Bonds, 6 per cent., act March 31, 1848	617,400 00
Bonds, 5 per cent., act March 3, 1864	1,700,750 00
Bonds, 5 per cent., act Sept. 9, 1850, (Texas indemnity)	455,000 00
Treasury notes, 6 per cent., acts Dec. 23, 1857, and March 3, 1861	8,200 00
Temporary loan, 1, 5, and 6 per cent., acts Feb. 25, 1862, and June 30, 1864	62,140,714 27
Certificates of indebtedness, 6 per cent., acts March 1, 1862, and March 3, 1863	84,911,000 00
Treasury notes, 5 per cent., one and two years, act March 3, 1863	31,000,000 00
Treasury notes, 7-30, act July 17, 1861	2,500 00
Compound interest notes, 6 per cent., act June 30, 1864	68,512,020 00
Treasury notes, 7.30, act June 30, 1864, and March 3, 1865	105,985,700 00
United States notes, acts July 17, 1861, and Feb. 12, 1862	134,010 00
United States notes, acts Feb. 25, 1862, July 11, 1862, and March 3, 1863	42,830,174 00
Postal currency, act July 17, 1862	3,020,739 03
Suspended requisitions	2,111,000 00
	$405,553,837 67
Increase of cash in Treasury	92,108,905 49
Gross decrease	$447,662,863 16
From which deduct for increase—	
Bonds, 6 per cent, acts July 17 and August 5, 1861	$114,750 00
Bonds, 6 per cent, act March 3, 1864	3,882,500 00
Bonds, 6 per cent, act June 30, 1864	8,211,000 00
Bonds, 6 per cent, act March 3, 1865	205,281,000 00
Bonds, 6 per cent, acts July 1, 18-2, and July 2, 1864, issued to Central Pacific Railroad Company, &c., interest payable in lawful money	8,624,000 00
Fractional currency, acts March 3, 1863, and June 30, 1864	4,273,007 45
Gold certificates, act March 3, 1863	10,896,980 00—$241,283,237 45
Net decrease	$206,379,565 71

The Secretary says these statements are in the highest degree encouraging. They furnish conclusive evidence of the greatness of our resources and the unwillingness of the people to have the debt a perpetual incumbrance upon the country. It is not expected, he observes, nor is it perhaps desirable, that the same rate of reduction should be continued. He seems rather to prefer a further diminution of internal taxes, and a further modification of the tariff, and the reduction of the debt at a slower rate than at present. But even with such modifications of the revenue laws, and with close economy in the administration of the Government and a discontinuance of donations to railroads, he is of opinion that the public debt can even then be paid by the generation that created it. He strongly combats the idea that a national debt can be anything else than a burthen and a mortgage upon the property and industry of the people.

The Secretary regrets that so little progress has been made towards specie payments; but as the legislation at the last session of Congress upon the subject of reducing the currency prevented him from taking any important step towards a return to specie payments, he turned his attention to measures looking to an increase of efficiency in the collection of the revenue; to the conversion of interest-bearing notes into 5-20 bonds; and to a reduction of the public debt. Regarding a steady market as of more importance to the people than the saving of a few millions of dollars in the way of interest, he considered that there must be a power in the Treasury to prevent successful combinations to bring about fluctuation for purely speculative purposes. He has therefore held a considerable reserve of coin in the Treasury, which he has permitted to accumulate when necessary for the purposes of the Government, or to prevent commercial panics, or successful combinations against the national credit; and which at other times he sold whenever sales were necessary to prevent financial crises, or to save the paper circulation of the country from depreciation. His administration of these matters has been based upon his unchanged opinion that our finances should be gradually brought towards a specie standard, and he thinks the period at which that may be fully accomplished without damage to the business affairs of the country need not be postponed beyond July 1st, 1868.

Although the Secretary gives encouraging views of our financial strength and resources, he presents the following figures to show that the balance of trade in reference to our imports and exports has been materially against the United States, and that the difference has been paid for in our national bonds.

EXPORTS OF SPECIE—TRADE BALANCES LARGELY AGAINST THE UNITED STATES.

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

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

Foreign merchandise free of duty	$58,801,759
Foreign merchandise paying duty	308,508,051
Total	$427,309,810
Of foreign merchandise there was re-exported:	
Free of duty	$1,907,157
Dutiable	9,434,263
Total, mixed gold and currency val.	$11,341,420
Which, reduced to currency value, was equal to	10,263,233
Total net imports, foreign merchandise, valued in gold	$417,046,577
Imports, specie	10,325,156
Of which there was re-exported	3,409,697
Total net imports, foreign merchandise and specie	$423,971,036
During the fiscal year ending June 30, 1866, the United States exported domestic merchandise, currency value, $468,040,993, reduced to gold value	$433,322,085
Specie exported	82,643,374
Total domestic exports, val. in gold	415,965,459
Apparent bal. of trade, val. in gold	$8,005,577

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

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

The large amounts of these now held in Europe, he argues, were taken up there not so much for purposes of investment, as for the payment of our excessive imports. He regards the holding of these bonds there as a mere temporary matter, and as a very improvident arrangement for us, as they are bought at low prices, and are likely to be returned whenever financial troubles in the countries where they are held shall make it necessary for the holders to sell. To guard against this he makes a suggestion that we shall presently refer to.

In the light of a full discussion of the peculiar financial condition of the United States, with its redundant and inconvertible paper currency, with specie demonetized, the business of the country, therefore, subject to constant fluctuations in prices, the Secretary advances to an inquiry as to what are the remedies for this condition. Those which he proposes are as follows: First. To compel the National Banks to redeem their notes in the Atlantic cities, and he suggests the single city of New York for that purpose. Second. A curtailment of the currency to the amount required by legitimate and healthful trade, and to this end he recommends the withdrawal of the U. S. notes rather than the National Bank notes. Third. A careful revision of the tariff, for the purpose of harmonizing it with our internal taxes—removing the oppressive burdens now imposed upon certain branches of industry, and relieving altogether, or greatly relieving, raw materials from taxes, in order that the product of labor may be enhanced and production and exportation increased. Fourth. The issue of bonds payable in not over twenty years and bearing interest at the rate of not over five per cent., payable in England or Germany, to an amount sufficient to absorb the six per cent. bonds now held in Europe, and to meet the demand there for actual and permanent investment. Fifth: The rehabilitation of the Southern States.

Each of these remedies is very earnestly urged upon the attention of Congress; and with reference to the reduction of the currency he uses the strong language that, if such policy "shall not be speedily adopted and rigidly and judiciously enforced, severe financial troubles are in store for us."

Postmaster General's Report.

The revenues of this Department for the year ending June 30, 1866, were $14,386,986.-21, and the expenditures $15,352,079.30, showing an excess of the latter of $965,093.09. Anticipating this deficiency, a special appropriation was made by act of Congress approved July 28, 1866.

For the next year the receipts of the Department are estimated at $15,806,335; the expenditures at $17,583,000, a deficiency of $1,776,665.

The number of postage stamps issued during the year was 347,734,325, representing $10,816,661; stamped envelopes 30,386,200, representing $921,500.50; stamped envelopes bearing printed cards and requests, 7,683,-525, representing $230,006.75; stamped wrappers, 1,025,000, representing $20,500; making in all $11,988,668.25; a decrease of $858,769.25, as compared with the previous year.

The aggregate of stamped envelopes and stamped wrappers issued during the year ending June 30, 1866, was 30,094,725, representing $1,172,007 25; an increase of 12,888,-550, representing $424,557 25, or nearly 50 per cent., being largely in excess of issues during any previous year since the introduction of stamped envelopes.

There were in the service of the Department on the 30th June, 1866, 6069 contractors for the transportation of the mails.

Of mail routes in operation there were 6,980; aggregate length 180,921 miles; aggregate annual transportation, 71,837,914 miles; aggregate annual cost, $7,680,474; including the compensation of route agents, local agents, mail messengers, postal railway clerks, and baggage masters in charge of mails, viz.: $779,710, the aggregate annual cost was $8,410,184; for the mail service in the Southern States a deficiency of $75,383 is required; in the foreign mail service the aggregate amount of postage received has been $2,289,219.

The number of letters exchanged in the mails with foreign countries was 9, 430,546; of which 4,886,916 were sent from, and 4,543,630 received in, the United States. Of this number 8,564,847 were exchanged with European countries, an increase of 3,854,330 over the number exchanged in 1865.

The number of newspapers sent to foreign countries was 2,804,442, and the number received from foreign countries 1,381,724, making a total of 4,186,166. Of this number 3,828,135 were exchanged with Europe, being an increase of 29,157 on the number in 1865.

In the foreign service the balance against the United States has been $278,744. A liberal Postal Convention has been concluded with the kingdom of Italy. The preliminary basis for a new Postal Convention with Great Britain has been agreed upon, reducing the international charge on a single letter from twenty-four to twelve cents; admitting into the mails printed matter of every kind, and patterns of merchandise, at such rates as the dispatching country shall establish, and granting to each country, reciprocally, the right to transmit correspondence in closed bags, or in the ordinary mails, through the other, at the same rates of charge paid by the inhabitants of the country through which the correspondence is forwarded.

Negotiations for a Postal Treaty are in progress with Brazil. A contract for the China mail service has been executed with the Pacific Mail Steamship Company. First-class steam vessels are to make monthly trips between San Francisco, the Sandwich Islands, Japan and Hong Kong.

On June 29, 1866, there were 23,928 post offices in operation, to which in 709 offices the President appoints the postmasters, and in the balance the Postmaster General appoints. 10,074 appointments have been made during the year.

The free delivery system is in operation in forty-six of the principal cities. The number of carriers employed was 863, at an aggregate compensation of $589,236,041.

During the year 4,500,000 dead letters were disposed of, and $244,589.99 was returned to its owners in dead letters. 2,500,000 dead letters have been destroyed.

243,609 money orders have been issued, of the value of $3,977,223, the average amount of each order being $16.32.

The Postmaster General recommends some changes in the rates of charge for money orders.

Five forged orders were paid during the year.

The Postmaster General states that the revenues of the Post-office now amounts to a sum greater than the annual revenues of the Federal Government during the administration of John Quincy Adams. He says great abuses have arisen under the franking system, and, whilst not recommending its abolition, thinks the law regulating it ought to be amended.

Report of the Secretary of War.

The Secretary of war writes that the disbandment of the volunteer forces, the collection of military stores, the organization of the regular army, the establishment of posts and garrisons on the frontier, and in the Indian country, testing improvements of breech loading arms, and the strength of projectiles, the completion of sea-board defences, the improvement of rivers and harbors, and the administration of laws relating to refugees, freedmen, and abandoned lands, have occupied the attention of the War Department during the past year. During the year, down to November 1st, 1,023,021 volunteers have been mustered out, leaving in service 11,043 volunteers, white and colored. Over 207,000 horses and mules have been sold for $15,269,075.54; 4,400 barracks, hospitals, &c., have been sold for $447,873.14; damaged clothing sales produced $902,770.45; 590 ocean transports were in service July 1st, 1865, at a daily expense of $82,400—these have nearly all been discharged; 262 vessels employed in inland transportation, at an expense of $3,193,533.28 have all been discharged; the Government has sold railroad equipments to the amount of $3,466,739.33, for cash, and $7,444,073.22, for credit.

The regular army contains 54,302 men, but may be enlarged to the maximum strength of 75,382 rank and file; during the last fiscal year, over $1,000,000 were disbursed to the regular army, and nearly $249,000,000 to the volunteers.

Among white troops the proportion of deaths, from all causes, to cases treated, has been one to every fifty-two. Among colored troops the proportion of cases taken sick has been greater than with the white troops, and the mortality rate one death to every twenty-nine cases treated. There were remaining in general hospitals, June 30, 1865, and admitted during the year, 94,438 patients, of whom, on June 30, 1866, only 97 remained under treatment. The comfort and proper medical treatment of the sick and wounded are secured in well-arranged post hospitals, of which there are at present 187, with a total capacity of 10,881 beds.

The army has consumed during the year for forage, $3,300,000 bushels of oats, 5,061,-000 bushels of corn, 136,000 tons of hay, 2,700 tons of straw.

With reference to breech-loading rifles the Secretary says that in view of the great number of small arms on hand, it has been deemed advisable to convert Springfield rifle muskets, at a comparatively small cost, into efficient breech-loaders, rather than to incur the cost of the entire manufacture of new arms of that description, at a time, too, when the invention may not have been perfected. This alteration of the Springfield musket has been effected so successfully as to render it an arm believed to be better in all respects than the Prussian needle gun, while its metallic ammunition is regarded as superior to that of the latter. The Department has already on hand breech-loaders of approved patterns adequate for the supply of the cavalry and mounted and light infantry.

With regard to military affairs, he says that the principal movements of troops have been in Texas, on the Mexican frontier, and in the Territories, the details of which are given in the accompanying report of General Grant, commanding the armies of the United States, and the reports of division and department commanders, to which reference is made. General Grant reports that a military force has been kept in all the lately rebellious States for the purposes of insuring the execution of the law, and protecting life and property against the acts of those who, as yet, will acknowledge no law but force—a class smaller, in his opinion, than could have been expected after such a conflict as that through which we have passed, but sufficiently formidable to justify the course which has been pursued. Military movements have also been directed with a view to the protection of emigrants on their way to the mountain Territories against the hostility and opposition of the Indians.

The subject of the extra bounty is considered and the department is endeavoring to so arrange matters as to expedite this payment. The Government has furnished maimed soldiers with $70,000 worth of artificial limbs, and about 1,000 limbs remain to still be supplied; 41 national military cemeteries have been established, containing the remains of 104,626 Union soldiers; 10 additional cemeteries are to be established; iron head-boards are to be erected to mark their graves, and the Government has provided for the remains of 219,397 patriotic soldiers, whose lives were sacrificed in defence of their country. Lists of the dead to the number of 32,666 names have already been published, and others will be issued as rapidly as they can be prepared.

The total estimate of military appropriations for the fiscal year, ending June 30, 1868, is $25,205,609.05.

The medical department reports valuable mortuary records, and is preparing a museum of interesting and instructive medical specimens.

The pay department during the last year has disbursed over $250,000,000, and asks less than $18,000,000 for the next year.

From January 1, 1861, to June 30, 1866, the ordnance department provided 7,892 cannon; 11,787 artillery carriages; 4,022,130 small-arms; 2,302,546 complete sets of accoutrements for infantry and cavalry; 539,-544 complete sets of cavalry horse equipments; 28,104 sets of horse artillery harness; 1,022,176,474 cartridges for small arms; 1,220,555,435 percussion caps; 2,862,177 rounds of fixed artillery ammunition; 14,-507,682 cannon primers and fuses; 12,875,294 pounds of artillery projectiles; 26,440,054 pounds of gunpowder; 6,895,152 pounds of nitre, and 90,416,295 pounds of lead. In addition to these, there were immense quantities of parts provided for repairing and making good articles damaged, lost, or destroyed in the service.

There are 228 Cadets at the Military Academy at West Point, and the increase of the number to 400 is recommended.

The Freedmen's Bureau is considered at length. 150,000 Freedmen and their children are attending school. The importance of self-support has been urged by proper means upon the laboring classes. Wages have been determined not by orders of bureau officers, but by circumstances ordinarily affecting the price of labor in different localities. The education of freedmen and refugees has been carried on vigorously, under the immediate patronage of benevolent societies. A superintendent of education, devoting his whole time to his work, is stationed at the bureau headquarters in each State, and all bureau officers co-operate with him. Transportation is reported as furnished to 6,362 destitute freed people and 387 refugees. 13,412,273 rations were issued between June 1, 1865, and September 1, 1866. The averaged number per month, to refugees and freedmen, was 894,569; the average number per day, 20,819. The issue to whites increased until June 30, 1866, when issues to freedmen and refugees were about equal. From June 30, 1866, until September 1, the number supported of both classes has diminished. The amount of land now in possession of the bureau is 227,231 acres, to be increased by 223 tracts in Tennessee, of which the number of acres has not been reported. The aggregate number of parcels of town property, not included in the above, which have been in possession of the bureau is 3,724, of which 2,605 have been restored, leaving a balance of 1,119 parcels of town property. $3,830,300 are asked for the support of the bureau during the coming year.

In compliance with recent enactments of Congress, commissioners to assess the value of slaves enlisted into the United States army during the war have been appointed for Missouri, Maryland, Kentucky, and Tennessee, but their reports have not yet been received.

Report of the Commissioner of Internal Revenue.

The receipts of the last fiscal year were mainly from the law as amended by the act of March, 1865, and were considerably in excess of the estimate of the last report. The excess resulted largely from the opening of the Southern markets, and from cotton, of which there was a greater supply than was anticipated. The amount is not far short of the revenue for the two years preceding, and is but twenty-two million dollars less than the entire revenues of the British Empire.

The aggregate receipts of internal revenue for the year, including drawbacks, &c., were $310,906,984.17. The drawbacks for goods exported and amounts refunded as erroneously collected amount to $514,844.-43, which must be subtracted from the above.

The receipts from special sources are as follows:

From tax on Banks, Trust Companies and Savings Institutions, 7,650,561.77.

Tax on Railroads.—From dividends, 2,-205,804.45; interest on bonds, 1,255,916.98.

Insurance Companies.—Dividends, &c., $767,231.12. Premiums and assessments, $1,169,722.23.

Salaries of office holders.—$3,717,394 69

Revenue Stamps.—$15,