THE DISCOUNT BUSINESS OF ENGLAND.

A VERY curious statement appeared in a late number of the London *Times*:—

A leading dealer in bill stamps had said, so the money article reported, that his sales had fallen off during the year to the extent of no less a sum than £15,000. On this statement the *Times* founded a calculation that the diminution in the bill business of England during the year amounted to at least £300,-000,000. This affords a remarkable insight as to the enormous magnitude of the discount business of the bankers and bill brokers of the great commercial metropolis of the world. The reduction is of course owing to the panic of last May. That panic, as the exports of the foreign trade of England proves, has had no effect whatever on the imports and exports of the country, which have actually increased over the immense amounts reported for 1865. The bills relating to foreign trade have doubtless increased also, so that it is not in that direction we can account for any part in the falling off. A large part of the internal trade of the country goes on from from year to year in a steady and uniform manner, no matter what may occur in the City, and the customs and excise returns of the Board of Trade show that there can be little dimunition, if any, in the trade in the leading articles of consumption during last year. The inquiry is thus narrowed down to a point, and we have to conclude that the decrease enormous as it is, is almost wholly in the class of bills arising out of speculative transactions. To what a prodigious extent the business had grown of raising capital for railways at home and abroad, and all sorts of undertakings involving a permanent outlay of capital, we may see by the circumstance that it is mainly here that we find the explanation of such an enormous reduction in the volume of bills discounted, as £300,000,000.

This fact supplies us with a curious illustration of the working of that financial law by which the money market is alternately elevated and depressed in a regular ascending and descending scale over periods of about 10 years.

Looking back for a period of about seven years we should have found scarcely a trace of that vast file of speculative transactions whose collapse last May convulsed the nation. At that time the people of England were beginning to breathe freely after the panic and crash of 1857. Money was accumulating in the hands of bankers and brokers, and there was a contest commencing between the spirit of distrust which refuses to incur a repetition of losses, by undertaking even ordinary risks, and the desire to gain which constant y impels men to make the most of what means they have. This period of uncertainty is always ended after a time by the gradual breaking down of the barrier of distrust and fear, which prevents new undertakings being entered upon. People, even the most patient and cautious, get tired of letting money lie in the bank at one or two per cent, or at no interest at all, and when they are so tired, the way is open for the voice of the charmer who comes with her projects and speculations, and enterprizes, sure to yield, not a miserable two per cent, but 10 or even 20. Then begins the reign of that extraordinary individual, (so purely a creation of the modern style of financing) the promoter, whose business it is to get up companies and engineer them through the first stages until they can stand in their own strength.

Through the first five years of one of these financial decades the promoter has generally nothing to do. Nobody will listen to him. People retain a too lively recollection of former losses to permit of their being bitten again. But during the second five years he generally manages to drive a prosperous trade which goes on increasing at a rapid ratio, until the crash of the decade brings people to their senses. Each decade has its peculiarities, and the business of the promoter is to pander to the popular taste, and bring out his companies to suit the prevailing opinion of the times.

The five years previous to last May was distinguished by an extraordinary development of the Limited Liability Joint Stock principle, and also by a mania for extending the business of banking and money lending to the remotest corners of the earth. Companies sprang up one after another, under the manipulations of the promoter, for raising the wind to carry on all sorts of schemes, and these companies gave birth to others whose business it was to raise the wind for them. Thus the Finance Company, the Credit Company, the Discount Company, and the Bank, were all curiously dovetailed and intertwined in one anothers affairs, the edifice of paper money and bills afloat rising higher and higher until it toppled to the ground by its own weight. There we have the origin of the \$300,000,000 of paper discounted (but not alas! paid), the adjustment and settlement of which is providing such a harvest for lawyers and accountants, and is burdening the Court of Chancery. And when we state that one old firm alone, have now a claim pending against the directors of a resuscitated bank for services rendered in liquidating its affairs last year, of no less a sum than £25,000, we may form some idea of what the complications are which are connected with such an immense decrease of discounts as £300,000,000

A DARK PICTURE.

SEVERAL of the New York papers are making most extraordinary charges of bribery against the members of the State Legislature. If we are to believe their statements, corruption stalks through the halls of the capitol at Albany in open day, and has become so defiant as no longer to fear public exposure. It is said that not a single bill to confer privileges on companies or private individuals can become law without the purchase of votes, which are almost as openly offered for sale by some *honest* representatives as sheep are at the shambles. These are certainly astounding developments, and the *Tribune* and other journals are not content with broad assertions, but cite cases which they allege prove the charges which they have advanced.

We cannot find room for all the counts in the indictment brought against the Albany Legislators. The following is an abbreviated statement of some of the assertions made against them. "At no time "within a dozen years have there been ten men in the "Senate or thirty in the Assembly, who would vote "spontaneously, or upon principle, for a city railroad "grant or any scheme of a personal character, or in-"tended to benefit individuals! * * * Since 1858, "the Central Railroad Company has had to pay more "than \$500,000 to protect itself from injurious and "aggressive legislation! * * * The whole amount "paid in 1865 to members of the Legislature and out-"siders did not vary much from \$100,000! * * * * "The price of votes varied according to circumstances, "\$25,000 being the maximum and \$2000 the lowest!" The writer finishes up this picture as follows: "During all the years I have been accustomed "to observe the character of legislators and the pro-"ceedings of the body, I have never seen anything to "compare with the present assemblage of representa-"tives, in point of shamelessness, rapacity and reck-"lessness of consequences!"

This is certainly a frightful picture of the state of political morality among Albany legislators. Much has been said of corruption in the days of Walpole by English historians, but no parallel to the state of matters in the New York Legislature can be produced. The New York *Times* now goes so far as to say that the members have actually passed laws with regard to bribery, the result of which is to prevent corruption from being exposed and punished! No man, it appears, who has been called upon to "stand and deliver," and has had to submit to the demand for bribes, is allowed to testify against the *worthy* members—for he thereby subjects himself to the same penalty awarded to them. Speaking of this, the *Times* says "this is the most cunning device yet discovered for converting a Legislature into a den of thieves, and sheltering them by law from the possibility of discovery and punishment." Granting that there may be a little exaggeration in these charges, and making allowance therefor, there can be no doubt that a system of wholesale corruption exists at Albany, which is a disgrace to Republican institutions.

Thank Providence we are yet comparatively free from this vice in British America. Charges of corruption have occasionally been made against individual members of Parliament, and it is probably true that a few isolated cases of members being influenced by the Government patronage, have occurred; but anything like such a state of things as exists in New York, is utterly unknown among us. So strong is public feeling on this point, that the member who simply lay under suspicion of being influenced by pecuniary considerations, would, if he could not clear the matter up, be driven from Parliament in disgrace. This is a compliment to the excellence of our institutions, and we trust that the future will see our standard of political morality advance rather than recede.

KING COTTON!

WE now hear little throughout the United States about "King Cotton" compared to what used to be uttered during the *regmie* of the Southern chivalry. But the cotton question still holds a position of great importance in England, as indeed throughout the whole world. Will the supply of cotton be short or abundant? Will prices rule high or low?—are still questions of vital interest both to the growers of cotton, to manufacturers, and to consumers.

Intelligence received from England, indicates that predictions freely uttered early last winter, with regard to the cotton supply and cotton goods, have not proved to be correct. At the period stated, the supply of the raw material in England was limited, there being only about 100,000 bales in Liverpool, and under the expectation of a deficient supply, it was generally supposed that the beginning of the new year would witness a decrease of stocks and a considerable increase of prices. The expectations have been disappointed. The receipts of cotton from the United States have been much larger than was expected, so much so that although India, Egypt and Brazil, have rather fallen below the mark, the cotton sup ly has actually increased, and prices, instead of augmenting, have declined. In Manchester and other great manufacturing centers, the cotton trade has been very dull and unprofitable, and doubtless not a few heavy losses have been encountered. One of the Liverpool circulars from which we glean the above facts, gives an estimate of the amount of cotton which they expected to arrive during April, May and June. The following is the statement:—

From America for 12 weeks, at 32 000 bales per week		384,000 bales.
From India and China for 12 weeks, at 18,000 bales per week		216,000 bales.
From Egypt, Brazil, Smyrna, West India, &c , for 12 weeks, at 20,000 bales per week..................		240,000 bales.
		840,000 bales.
Present Stock in Liverpool		667,980 bales.
		1,507,980 bales.
Deduct Consumption 12 weeks at 40,000 bales per week.	480,000	
Deduct Export 12 weeks at 15,000 bales per week....	180 000	
		660,000 bales.
Probable stock on 30th June, 1867.....		847 980 bales.

If this estimate is at all near the mark, the English manufacturers will have abundance of cotton, and unless an usually active demand arises for cotton goods, the prices of both raw material and the finished fabrics, be affected thereby. The above estimate was based on the state of the cotton market during the three months ending the 30th March, and allowed a reasonable margin on the safe side for changes which might take place; nevertheless it is well to remember that, after all, it is only an estimate, and, like the predictions last fall, may prove to be unsound. The expected supply from cotton growing countries, may not come up to the mark—or, it may be, that an increased demand for fabrics in which cotton is used, may cause manufacturers to consume much larger quantities of the raw material than was anticipated. Aside from these contingencies, we should conclude that the above estimate is pretty trustworthy, and that no scarcity of cotton is likely to arise for some time to come.

After a few years the crop of cotton promises to be so abundant, that the royal name of "King" will no longer be applicable at all. The falling off in the American supply, arising from the civil war, greatly stimulated production in India, Egypt, and Brazil, and now that the Southern States are again beginning to enter largely into the production of cotton, the probability of anything like a cotton famine again, is rendered very improbable Each year promises to see the extent of the crop increase, and the effect of this on prices, must inevitably be felt through course of time.

LUMBER!—A correspondent of the Boston *Bulletin* writing from Albany, says:—The lumber business constitutes one of the most important interests of Albany, a very large amount of capital being invested in it. C. F. Norton & Co. handle 30,000,000 feet per year, J. Rathbun & Co. 12.000,000, and some twenty other firms smaller quantities. Messrs. Whitney of Detroit, the great manufacturers of Michigan, have an agency at Albany. Rodney Vose handles yearly about 3.000,000 shingles. The Whitneys sell about 10,000,000 per year of all varieties, Michigan lumber principally. W. H. Weaver & Co have a saw mill at Glen's Falls and handle 10,000,000 per year; while Arnold, Folsom & Co., deal largely in the Canadian growth.