THE DAILY RECORD-UNION.

THURSDAY.....JANUARY 1, 1880.

QUADRUPLE SHEET.

NO PAPER TO-MORROW.

The RECORD-UNION, in accordance with its annual custom, will not be published to-morrow, but on Saturday morning the usual double-sheet will be issued.

NEWS OF THE MORNING.

IN New York yesterday Government bonds were noted at 104¼ for 4s of 1907; 103¼ for 5s of 1881; 106½ for 4½s; sterling, $4 82½@4 84½; silver bars, 118¾; silver coin, ¼@½ discount.

SILVER in London yesterday, 52½; consols, 97 9-16; 5 per cent. United States bonds, 106½; 4s, 106¾; 4½s, 109¾.

IN San Francisco half dollars are quoted at par; trade dollars, 95 buying, 96½ selling; Mexican dollars, 96 buying, 96½ selling.

AT Liverpool yesterday wheat was quoted at 10s 8d to 11s 8d for average California white, and 11s 6d to 11s 10d for club.

MINING STOCKS were steadier in San Francisco yesterday morning, with some elements of a better tone here and there. Sierra Nevada advanced $2, Mexican $1 75, Ophir $2, and other kinds from 10c to 75c. There are indications of better times to come for the holding interest.

TOM PICO, a horse thief, was shot Monday at Riverside, San Bernardino county.

HON. GEORGE S. HOUSTON, United States Senator, died yesterday at Athens, Ga.

THE explosion of a giant powder cartridge at Oakland yesterday injured two men, one seriously.

A MOST wonderful case is reported from Watsonville—the death of a woman who for a quarter of a century passed as a man.

FRED. L. AMES has been elected President of the Boston, Hoosac Tunnel and Western Railroad.

RICHARD SMITH, of the Cincinnati *Gazette*, has been arrested on a charge of criminal libel.

SAN FRANCISCO Democrats indorse the action of the Governor of Maine.

MRS. CYNTHIA HODGDON, the convicted abortionist, has been denied bail in San Francisco.

THE Stock Boards adjourned in San Francisco yesterday until Friday.

AN accident occurred yesterday on the Chicago, Milwaukee and St. Paul Railway, but without serious results.

AT Ottawa, Canada, the thermometer marked 20° below zero.

THE new Constitution of Louisiana was adopted by 59,148.

GRANT is receiving a hearty welcome in the South.

KEENE has shipped $4,000,000 in gold to Chicago to conduct his January deal in wheat.

A WOMAN near Los Angeles yesterday threw her child into a pool and drowned it.

AT Burlington, Ia., yesterday, John A. Woodward shot and killed Edward Price, and then committed suicide.

M. MEYER and Humbert resumed their duel at Paris yesterday, and both were wounded.

BUILDINGS were erected at Portland, Or., during 1879 valued at $1,162,700.

THE RECORD-UNION this morning is composed of sixteen pages, filled with valuable statistical and other matter. The inside pages especially will be found interesting and worthy of careful examination.

THE NEW CONSTITUTION.

To-day the bulk of the new Constitution goes into effect, though as a matter of fact the Legislature about to meet will be called upon to exhaust its energies in putting the organic law into working shape. The new Constitution is unfortunately not a wise or sound instrument. It is one of the crudest and most imperfect that has ever been accepted by a community. And though the men who insisted on trusting to their own ignorance and prejudice rather than to the reasonable representations of more experienced law-makers, may hereafter be heartily abused for their work, it is a kind of work which the people cannot get rid of, however much they dislike it. We have followed the working of the new Constitution from beginning to end, and may say that we comprehend its defects thoroughly. What these defects are we have pointed out with all our ability so often that our readers at least do not require to have them recapitulated. The Legislature, however, will have a most unthankful and difficult task to encounter. It will be held responsible for the mischief which really inheres in the Constitution, and should it attempt to fend off from the public any particularly obvious evil consequences, it will no doubt be accused of a desire to nullify the Constitution. If the Constitution inflicts injury upon the State, it will be said that the Legislature tried to make it odious. And that it will inflict injury upon the State if faithfully followed out, no intelligent student of it can for a moment doubt. Since its adoption until now it has been possible for those who pretended to regard it as a monument of human wisdom, to escape the reputation which actual experiment brings. Henceforward, however, there will be no possibility of evasion. The new Constitution will be in operation, and all its angularities, and all its blemishes, must be exposed. We have no intention of congratulating the people upon the fact that it goes into operation to-day, for we are convinced that it is the worst legislation ever done for California. A year hence, however, we will compare notes with the supporters of the instrument, and challenge them to say frankly what they then think of it.

SECRETARY SHERMAN ON REFUNDING.

Secretary Sherman's letter to the Chairman of the Senate Finance Committee, in regard to the refunding operations, is important and seasonable. He points out that in 1880 nearly eight hundred millions of five and six per cent. bonds will have to be refunded, and that a determined effort should be made to get them funded into four per cent. consols, all the circumstances now favoring such an operation. And he suggests, as a further reason for urging this measure, that the continuance of the present state of affairs is by no means certain, and if this opportunity is allowed to slip, the country will thereby lose ten and a half millions of dollars yearly, which can be saved by refunding. In regard to the proposition for refunding the debt or any part of it at three and a half per cent., the Secretary is of the opinion that the scheme is not practicable, and that if it is tried the only result will be to stop refunding at four per cent. indefinitely. The idea that the debt could be funded at 3½ per cent. is indeed one which seems to rest upon no intelligible foundation. It is open to suspicion that some of our amateur Congressional financiers have been pondering the phenomena of English Consols, and have derived therefrom the theory that whatever can be done in England ought to be possible here. That Government bonds could be marketed at par on 3½ per cent. interest is of course quite out of the question at the present time; and the prevalent tendencies justify a belief that no such operation will be practicable for a long time to come. It is indeed questionable whether the very heavy funding operations which the Secretary points out as part of the financial work for 1880, will be possible. It must be remembered that the facility with which refunding has been accomplished hitherto has been caused in the main by the generally depressing business outlook. As the business outlook has now brightened, however, a new set of influences are at work, and we believe that even if the 3½ per cent. scheme is abandoned entirely, the Secretary of the Treasury will be very much embarrassed to place his eight hundred millions.

A YEAR'S PROGRESS OF THE UNITED STATES.

While the year just closed was an exceptionally unfortunate one for most of the countries of Europe, it has been fraught with remarkable benefactions for the United States. The first real approach to permanent specie resumption, which ushered it in, gave the keynote to the whole year. Confidence, which had been almost lost amid the confusion of financial heresies and scheming unscrupulous politicians, returned. Business was once more placed on a sound basis. Values fell by degrees into their normal condition. Speculation languished, and as the temptation to gambling declined, the incitement to legitimate enterprises increased. The recovery of the country from the collapse of 1873 has in this last year been well begun, but it is none the less true that very much remains to be done before the commerce and finances of the nation are in a thoroughly healthy condition. It is most important that the funding of the public debt should be completed, and that the currency should be taken altogether out of the hands of Congress. Until both of these measures are secured it will be premature to congratulate ourselves. When the year opened it brought with it one source of danger and mischief in the shape of the Bland-Allison Bill, under the provisions of which the Mints have been compelled to coin silver dollars at the rate of two millions a month. As was predicted before this pernicious bill passed, it was impossible to get these silver dollars into circulation, and they are now clogging the Treasury vaults to no purpose. As a matter of course the public had no use for a depreciated and overvalued money when they were supplied with all the paper based on gold they needed. The danger, however, was and is that by coining silver plentifully it may be forced into circulation, when its effect would be to drive out gold, and to give the country a single silver standard, with greenbacks based on silver, and following its depreciation. That was the most serious danger in the currency situation a year ago, and it remains so to-day. In regard to the financial heresies with which politics have swarmed so many years, the Greenbackers appear to be the sole survivors of the crowd, and now they have changed their position without appearing to realize the fact.

As a very practical answer to a great deal of demagogic froth and clap-trap, the Secretary of State instructed our Consuls in Europe to collect labor statistics in the countries where they resided. The result has been a series of very valuable reports, showing conclusively that labor is better paid and fed in the United States than anywhere else in the world. This exhibit came in good season to stop the mouths of certain canting impostors who had undertaken to persuade the American workingmen that they were somehow crushed and trampled upon. It has proved, furthermore, that not only are the United States the Paradise of Labor, but that California is the most eligible part of the United States. Yet, in despite of these facts, it is in California that Kearneyism has had its origin and maintained its existence. The general and quite rapid growth of all kinds of business and manufactures, however, put an end, at least for the time, to those movements on the part of Labor which threatened disturbance in the spring. Quite a general and extended strike was abandoned, and in full work and good wages were speedily forgot the themes which during periods of stagnation and pressure enlisted all their attention. Had the United States possessed a merchant navy, and been unfettered by a protective tariff, the past year would undoubtedly have been far more prosperous than it has turned out. For under existing circumstances the people have had to struggle at every upward step, and they have been weighted and handicapped by the barbarous fiscal system whose retention gives the lie so flatly and persistently to our vain-glorious boast of national intelligence. We have therefore done as well as we could, though not as well as we ought to have done, and the same causes must render all further progress difficult and laborious. In politics, the year has not been remarkably productive, the theft of Maine at its close being decidedly the most sensational episode of it. The Democratic programme of the extra session of Congress was simply a bold but ill-advised attempt to provide the means of counting-in a Democratic President, in advance of the election. It did not deceive the country for a moment. The purpose of the Democrats to employ force at the South and fraud at the North was everywhere recognized, and the answer was a series of crushing Democratic defeats all through the November elections.

A feature of the year deserving special mention was the enthusiastic reception accorded General Grant on his return from a two year's tour of the world. Some time previously an attempt had been made to arrange a political reception, but it fell flat. Finally no political significance was attached to the demonstration, but it was so emphatic and pronounced that it seems to have been generally regarded as an indication that Grant can have the Presidency if he wants it. The influences which have wrought so extraordinary a change in popular sentiment since the departure of General Grant after the close of his second administration deserve to be analyzed, if only to show upon what peculiar and irrelevant grounds public opinion may be established. Whatever the causes of the change, however, its existence remains the same, and at this moment it seems scarcely doubtful that General Grant is the foremost nominee for the Presidency. During the past year several enterprises have been begun, looking to the development of those immense resources which the West contains, and which, notwithstanding all that has been written about them, are still scarcely more than scratched. Railroad building and settlement and cultivation have, as always, gone hand in hand. The Southern Pacific has been quietly pushing southward through Arizona and New Mexico, and laying the foundations for a very important accession to the trade of California. The facilities for shipping the produce of our harvests to Europe are in fact being increased so rapidly that in a few years this freight will beyond a doubt find its way overland to tide water on the Gulf of Mexico, and thence to Liverpool and London by swift steamers, thus putting the long passage around the Horn in the limbo of obsolete institutions, and discounting the best results of whatever interoceanic ship canals may be constructed. The future indeed is full of promise, and the year now closed has seen the commencement of many undertakings which will ameliorate the lives of millions, and elevate the human race.

THE PRIZE STORIES.—There have now been filed three stories in competition for the RECORD-UNION $200 prizes. The lists remain open for competitors for the prizes up to January 15th inclusive. While so many competitors cannot be expected as entered for the Christmas prize—which called for a briefer story—still we are assured of a very goodly number and of strong competition.

SEE THIS.—*The* SEMI-WEEKLY UNION *is sent in clubs of from* 10 *to* 125 *copies to over* 500 *Postoffices in California. It stands unrivaled as an advertising medium.*

FOREIGN REVIEW.

ENGLAND.

The past year has not been a fortunate one for England. To an unusually severe winter an unusually severe summer succeeded, and it did not need the comparative crop failure so caused to make the outlook depressing. For it has been made apparent in this last twelvemonth that great and far-reaching changes are about to occur in English commerce, agriculture and land tenure. Every country has two lives. That which it lives outward to the world, and that which it lives inward to itself. England's outward life is the record of her foreign policy, of her attempts to make Turkey fulfill her pledges, of her wars in South Africa and Central Asia, of her troubles in India, of Beaconsfield's doings and reputation. Her inward life is the record of her people's progress, and this after all is the most significant. For some years past foreign competition has been encroaching more and more upon England's commercial supremacy. The blind folly and brutal selfishness of her own workingmen have at the same time contributed to cripple her manufactures. In their eagerness to dictate terms to their employers these men have through their trade-unions done much to prevent manufacturers from competing fairly with their continental and American rivals. The favorable reaction in the trade of the United States has helped to intensify this depression, while the menacing aspect of the future tends to prevent recovery. The increased facilities for the exportation of American cattle and cereals, have shown the English farmers that the scepter is departing from them. A great depreciation in the value of farming land has resulted. The farmers can no longer pay the high rents of old times, and the wealthier landlords have been obliged in many cases to remit a great part of their rents. Nor is there any reason to expect a change for the better in the situation. America will produce more wheat and cattle henceforth than ever before, and both will be transported more swiftly and cheaply. At present the English agriculturists seem to to think that a change in the tenure of land would solve the problem for them, and the Irish agitation naturally suggests the abolition of primogeniture and entail. Whether if this reform were granted it would have the effect anticipated, must be considered doubtful, but it is not probable that any such innovation will be possible until there has been a protracted discussion over it. So long as England adheres to her Free Trade policy she can never be permanently crippled by competition. She may have to change her commercial policy in some respects, but she will continue to be the treasury and the emporium of the world, and however difficult her situation may appear for the moment, she will extricate herself from all temporary embarrassments. Her politics this year have been more than usually stirring. The failure of the projected reforms in Asia Minor, undertaken in conformity with the Treaty of Berlin, the disasters which marked her military record, first in South Africa and later in Afghanistan, and the stormy agitation on the land question which has arisen in Ireland, have almost shaken to pieces the singular confidence in the Beaconsfield Ministry which existed at the opening of the year. The programme of the Premier indeed has been most unfortunate. Not one of his predictions has been verified, not one of his avowed causes of congratulation has proved genuine. Entangled with Turkey in a reform experiment which all Europe saw to be hopeless; committed in Central Asia to a policy of conquest which must make the frontier of India less secure instead of more scientific; confronted at home by an Irish agitation which may drift into an Irish rebellion; the star of Disraeli seems to be threatened with extinction, while the popular reaction promises to take his great rival Gladstone once more into favor, notwithstanding his doubtful patriotism and his dangerous leanings toward ecclesiasticism.

FRANCE.

France has enjoyed the prosperity that seems to be the natural sequence of the most tremendous suffering. It is only when nations have been ground into the very dust that they are so driven to sober and prudent ways as to command their well-being for many years to come. France, that is to say the French people, has been growing strong and rich, and they have shown themselves content with very prosaic careers. France the nation has been engaged in a preliminary struggle with Ultramontanism. But for the premature taking off of the young Prince Eugene Napoleon it is possible that the Imperialists would have made trouble this year. That event, however, paralyzed them, and will probably in the end destroy their organization. The young Republic, still inexperienced and full of crudities, has been called upon to determine what the character of the popular education shall be. The United States policy should have taught France the wisdom of making a broad separation between Church and State, but unfortunately the leaven of Catholicism was still too powerful to be ignored, and so the effort to make education entirely secular has been resisted not only strenuously, but with a measure of success anything but reassuring. The priests, of course, are very reluctant to abandon their hold upon the schools. It is true that religion has ceased to possess a vigorous existence in France. The men are for the most part skeptics, and the women are alone tools of the priests. But there is quite enough of ceremonialism left to feed bigotry, and to give the Ultramontanes some expectation of ultimately controlling the republic. And this is the greatest danger that confronts France to-day. Neither her people nor her statesmen appear to realize the importance of keeping the public educational system free from all sectarian influence. This is no doubt due in great measure to the fact that France has never abandoned Rome, and that although during the Revolution she flung religion overboard altogether, she never became Protestant. The Huguenot movement which the Massacre of St. Bartholomew stifled, has never been revived, and therefore it is that the instinctive avoidance of sectarian interference with state education is wanting in the French people. Their skepticism is not intelligent. They despise the creed which they retain, but that does not hinder them from permitting its priesthood to control the education of their children. Some day they may have reason to regret their apathy in this regard. Meantime they are spending much surplus energy in Cabinet quarrels and intrigues and parliamentary crises, which after all mean little or nothing, or which ought not to mean anything. The people have shown some dangerous indifference to their political duties. This is a bad symptom. When a man like Blanqui is nearly elected because four out of five electors refrain from voting, it is evident that the people need stimulating, or that they lack the genius for self-government. And it must be remembered that the French Republic is quite an experiment, despite its nine years. Whether the Gallic character is fitted for free institutions cannot yet be ascertained. It is indeed somewhat remarkable that the same political apathy noted among the French voters has been observed also among the Italians. Whether these races are naturally inapt to exercise political rights remains to be seen, but it is certain that among Anglo-Saxons the inherent jealousy of all forms of government operates as a continual spur to political action. The war spirit has no doubt an existence still, but it has for some time been thrust into the background. The army has been reorganized, forts have been rebuilt, and so much revenue has been spent in preparations for conflict that sooner or later the conflict will have to be undertaken. A serious blow has been dealt the wine interest by the ravages of the *Phylloxera*, for which no remedies have been found, and which has practically destroyed the best claret vineyards in France. This disaster has inevitably opened the door to the wines and vines of California, which in the near future may not impossibly supplant the French vintages to a very considerable extent.

GERMANY.

Germany at the opening of the year had not ceased to suffer from the effects of her military success, but she has made some progress toward prosperity, and would have made more had not Prince Bismarck undertaken to cure existing evils by the patent medicine of a protective tariff. The new fiscal policy which the Chancellor has in his usual arbitrary way thrust down the throat of his country is as unscientific and bad as it could possibly be. It cannot produce other than evil results, and it will not take many months to develop its mischievous implications. The tariff which has been enacted lays heavy imposts upon articles of food, and its first consequence therefore must be to make living more costly to the masses. The recently published Consular reports on work and wages in Europe, however, prove conclusively that the peasants and laborers of Germany are already on as economical a diet as will maintain life, and to raise the cost of corn and beef to such a population is to produce a famine. Already in Silesia, for which Frederic the Great paid so dearly in blood and treasure, actual famine has occurred, and Bismarck's tariff will assuredly operate to disseminate rather than to check it. It is the more singular that the Chancellor should have decided upon so strangely anti-popular a fiscal policy, because no man knows better the importance of conciliating the masses from which all the recruits to Socialism are drawn. For although he has obtained the authority to exercise a police power of the most sweeping and arbitrary character, for two years, Bismarck must be perfectly well aware that coercion can only drive Socialism from the surface, and cannot extirpate it from the body politic. The only way to do that is to remove all causes of complaint, and the increase of the price of food has always constituted the most prolific source of sedition and discontent. The tariff is therefore certain in the end to produce the worst effects, and whatever it may seem to do for the moment towards building up German manufactures will be more than counterbalanced by its pauperizing influence upon the masses. The contest with the Papacy has somewhat languished since the death of Pius, and it has been made apparent more than ever that if it were not for the Jesuits the Vatican and the Empire would ere now have found common standing ground. The utter indifference to consistency which characterizes Bismarck's action when he has a point to make, and which leads him to discard his friends and take his enemies to his arms, awakened in the Ultramontanes a hope that they might after all be able to procure the repeal of the Falk laws. Bismarck, however, has never had any real intention of going to Canossa. He wanted the Ultramontanes, and he therefore used them, but he did not mean to make any concessions to Rome, and he has not done so. So long as he is Chancellor the State will control the Church. Of that there can be no doubt, and it is equally impossible to imagine the retention in Germany of the Catholic ascendancy in any form. It has been outlived, and the people could not, if they wanted to, go back to it. As regards foreign feeling, Germany has for the last year been turning the cold shoulder to Russia. It is indeed almost certain that Bismarck desired to quarrel with the Czar, but that the Emperor William's regard for his nephew overcame the Chancellor's policy. As the next best course he has steadily snubbed Russia, and given encouragement to the belief that Germany and Austria have formed a close alliance. This no doubt is true, but Bismarck does not probably intend that Austria shall derive much advantage from the arrangement. The consolidation of the German Empire is his ambition, and to effect this he is willing to trample all Europe under foot. Much remains to be done before the great work can be considered firm and solid, and Bismarck must be approaching the end of his career. In his efforts to make a policy which will solidify the empire he is curiously indifferent to the movements of that democratic spirit which is working so subtly all over Europe in these days, and it is possible that this spirit may arise when he is gone to undo his handiwork, and to prove once more that a policy of repression never settles anything, but only postpones, and in so doing intensifies, the explosion of popular will and passion.

RUSSIA.

The disintegration of Russian state-policy has been proceeding steadily during the past year. The audacity of the Nihilists has increased with the ferocity of their pursuit, and the ramifications of their conspiracy have been shown to be wide as the empire. Nihilism is still in many respects mysterious to the world at large. There seems, however, little doubt that it is really that half dumb discontent which observation of such a despotism as that of Russia must awaken in semi-civilized minds. It is a protest against Czardom, and against that corrupt and brutal bureaucracy which in effect multiplies the worst evils of autocracy, while acting without the slight consciousness of responsibility. The Nihilists of course do not all hold the same views, but they are all against the Government, and they have been strong enough to defy it openly. They have met every execution with an assassination. They have posted their placards under the eyes of the police and in the most secret recesses of the palace. They have succeeded in robbing the Court of all confidence in its alleged friends, and in making the Czar's life a misery to him. Several bold and deliberate attempts have been made to assassinate him. Had he not worn secret armor he would doubtless have been killed. Of late his enemies have taken to blowing up railroad trains in which he is supposed to be, and he can scarcely move without danger. Where so much depends upon the life and will of one man it is of course necessary to consider carefully the agencies which influence that life and that will. At present it is said that the Czar has been so shaken by the determined pursuit of his life that his nervous system is in danger of collapsing. His policy, indeed, appears by no means certain, consistent, or vigorous. A quarrel has been going on for some time in regard to the tenure of the Chancellorship which Prince Gortchakoff lately resigned, or from which he was removed. The vacillation of the Czar's character has been strikingly exhibited in this matter, and it has been impossible to determine from month to month what line he was bent on pursuing. Meantime the internal condition of Russia has been going from bad to worse. The struggle between the Government and the Nihilists has menaced the country with anarchy. The close of the Turkish war left the exchequer empty and the national credit practically moribund. All efforts to restore the finances have proved unavailing. The enormous debt increases, and fresh issues of an already frightfully depreciated paper money are the sole resort of government. The condition of the masses continues to be most wretched. They are in fact considerably worse off than before the emancipation of the serfs. Nevertheless attempts are frantically made to maintain the aggressive policy of the empire. The ambitious schemes which, since the time of Peter the Great, have been associated with Russian views of Central Asia, are to-day cherished even more fondly than ever before. Despite internal confusion and national bankruptcy, the ambitious military aristocracy press forward in support of energetic prosecution of the conquest of Asia, and anticipate the time when Russian arms will be carried across the Indus. In Europe Russia can afford to await the certain death of the Ottoman power. It can stand back and amuse itself with England's desperate attempts to transform the Turk into a reformer, and it can placidly look forward to the time when the Porte will no longer be able to offer even the pretense of a stable government. The recent unfriendliness of Germany, however, clouds this future. If Berlin is not complaisant Russia can make nothing of the decline of the Porte, nor can she afford to defy the naval force of England when the supreme moment arrives. She has risked almost everything for the sake of an outlet upon the Mediterranean, and she has not got it, and perhaps will not get it. Meanwhile it is quite probable that in the course of the ensuing year Nihilism will bring the pending struggle to a climax, and should the death of the Czar occur soon it is extremely doubtful whether his successor could maintain the existing absolutism without important changes. In Russia, too, the democratic spirit is rife, and it promises to produce startling effects in that country before the world has grown much older.

ITALY.

The present Government of Italy, like that of France, is an experiment, and it is environed with dangers and difficulties. In Italy the Clerical party has always and necessarily been very influential, but the policy of Pius the Ninth after the loss of his temporalities was one of sullen non-intercourse. The Church and its friends would abstain from politics. They would neither vote nor be voted for. But with the accession of Leo has come a change in the programme, though it is as yet more foreshadowed than put in practice. The Italian Ministry has been what is called Liberal, which means that it has been obliged to half tolerate the Italia Irridente factionaries, and all the other demagogues and simpletons who are unable to distinguish between liberty and license. These factions of course have cause to detest the Government because it will not go as far as they want to. The Government, badgered and hated, is contemplating an extension of the suffrage in order to popularize itself. And in this measure the Clericals think they see their opportunity. For they have been reflecting that after all if they wish to get their own again they must control the masses, and that if the masses have votes the Church can dispose of them. And so it is evident that the Clerical party will soon emerge from its silence, and take an active and a formidable part in politics. The real danger of this change consists far less in the actual potency of the Church as a political factor than in the possible alliances it may make with other factions. For instance, there is in Italy a considerable element which is opposed to unification, holding that the various districts and provinces are so entirely different, and their people so distinct in character and habit, that the attempt to make of them one nation is a mistake. These "regionalists," as they are called, are practically at war with the Republican element that desires a federative republic. The Church might make use of both these elements against the Government, though of course she has no sympathy with the ideas of either. It is still believed at the Vatican that the temporal power of the Pope will be restored, and that is the aim of the Clerical party. Meantime popular education proceeds but slowly. The percentage of those who can neither read nor write is about fifty, though in Southern Italy illiteracy is far more marked than in the North. The trade of the country has been growing quite rapidly, but the whole nation is kept back and disabled from expanding naturally by that incubus of all continental peoples, the standing army. It is, no doubt, very difficult for Italy to realize that she does not stand in need of this formidable army, but the condition of her finances shows that until it is cut down within reasonable dimensions the exchequer will be poor and the nation be drained of its surplus energies. Recent developments have showed a faculty for the accumulation of municipal debts in Italian towns, such as might have been thought was confined to American enterprise. Some of these ancient historical cities have rolled up debts which they are quite unable to pay, and it has been found necessary for the Parliament to devise means of relieving them. A new experiment has been made by purchasing the railroads and operating them under Government management. How it results cannot as yet be determined, but there can be no doubt that it will very materially increase the cost of operation, while it must be doubtful whether the safety and convenience of the public will gain proportionately. At present education seems a much more pressing need than an extension of the suffrage, especially as the Church will probably make the only use made of this measure, and seriously to the injury of free institutions. One of the discouraging features of the situation is a marked political apathy on the part of the better educated class. The ignorant voters vote eagerly enough. It is the educated ones who stay away from the polls. One result, of course, is that ignorance gets more than its fair representation. On the whole, however, the progress of Italy is such as to warrant the belief that she has almost reached the period of positive safety. Another decade of peace and industry will put her beyond the power of Clericals or other disorganizers to injure seriously, and, best of all, to deprive her people of the liberties they have endured so much to obtain.

TURKEY.

The Ottoman Porte has been all the past year approaching a state of utter collapse. There can be no doubt that it would have reached that condition before now had it not been firmly held up by the Powers that are impatient for its end, and yet fear to strike the final blow. From the time when the "Grand Turk" was a very real European portent, and when his armies carried fire and slaughter even to the gates of Vienna, to the present abject situation of the same Power, is indeed a remarkable change. Since the late war with Russia Turkey cannot be said to possess any real existence. The territories which formerly owned the sovereignty of the Porte are now either wrested from it, or have slipped away into anarchy. Even in the immediate neighborhood of Constantinople brigandage has been established. In Asia Minor England has been trying to restore some kind of government, but with little success, for the people do not understand the clemency and justice which have succeeded the despotism of the old Pashas, and they take advantage of it to ignore the new laws. As for the Constantinople Government, it is sunk in sensual imbecility. There is no longer any hope from patriotic feeling, for it is dead. The Sultan is a wretched debauchee, and he is ruled by an eunuch. For the moment English influence is supposed to be paramount, but the Porte has no longer a policy or the means of carrying one out. It is perfectly plain that the time has come when the mission of the Turk is accomplished, and when there is no longer any place or function for him in Europe. But he is being supported in his dotage by the Powers that surround him, and every one of whom hopes to administer on his effects, and is plotting to overreach the rest. Whether there will be a Turkey a year hence is by no means certain, or what flag will float over the Bosporus.

AUSTRIA.

Since Sadowa the future of Austria has been under a cloud, and of late years it has been more apparent that she was being used by Bismarck as a foil to Germany, and in such a way as to commit her to a destiny which must remove her forever from the path of her neighbor as a possible rival. In the Treaty of Berlin she was given the occupation of Bulgaria and Servia, and it was well understood that this occupation would be permanent. In practically annexing this territory Austria enlarges her Slav population, and gives to that element a preponderance altogether dangerous to the supremacy of the German element. Austria is a bundle of discordant nationalities, but she has until quite recently had her choice of two destinies. She might be all Slav, or she might be all Teuton. Sadowa put a veto on the second proposition, and ever since Austria has been drifting in the direction of the first. The two destinies, however, do not involve the same end. The Slav future means semi-barbarism. The Teuton future meant constant growth in civilization. It appears now that the Slav influence must carry the day, and if this is so it is only a question of time for the Teutonic elements of Austro-Hungary to drop off, and to return to their natural home in the bosom of the German Empire. Austria obtained territory from the Russo-Turkish war, though she did not fight for it, but it may be doubted whether every rood of the ground does not carry a curse with it. Bismarck desires to utilize his Austrian neighbor as a bulwark against Russian aggression, and therefore he had her assigned a position analogous to the ancient and perilous office of Warden of the Marshes. As guardian of the Slav provinces she can no doubt do much good to Germany, but it must be at the sacrifice of her own progress. A time, indeed, is not far distant when the partition of the Austrian Empire will be mooted. Meantime the Hapsburgs should make fast friends among stable Powers.

SPAIN.

No country has profited less by the growth of modern civilization than Spain, and in no country is the progress of the people so slow. The centuries during which they remained the contented, or at least abject creatures of Rome, stunted their minds and incapacitated them for making those restless and incessant advances to which the nations of the time owe their position. At present Spain is in a state of languid progression. Recovering somewhat from the depressing effects of protracted civil wars, she is making an effort to follow the example of her more prosperous neighbors. The Government affects liberalism, but without being really liberal. It abolishes slavery in Cuba, but only in name. It proclaims religious toleration, but does not practice it. Education makes very slow progress. One reason is that the Church, the Old Man of the Sea, is still on the shoulders of the State, and that the leaders do not dare to shake it off because the masses are still so blind to their own interests. Spain has a magnificent country, a brave and generous and amiable people, and great resources. With a stable government, which means a government not controlled by the black-robes, and with fairly liberal fiscal measures, she would quickly regain much of her old consequence. But in the absence of statesmanship and the popular wish for improvement, it is impossible that she should do much more than vegetate, as at present.

BELGIUM.

Belgium has inherited a tendency to be dragooned by Rome. She had her opportunity of religious independence with the rest of the Netherlands, long ago, and she preferred obedience to Philip, and commercial ruin, to freedom and prosperity. Her orthodoxy has generally been sound enough, but at present it stops short of what the Church demands, for in this little kingdom again we find the same contest going on over popular education that has already been noted in France and Italy and Germany. The Belgian Government has thus far stood up pretty stoutly against the priests and bishops, and it shows no signs of weakening. But the Church shows a keen appreciation of its interests in seeking to control the fountain head of knowledge in every country, and the peoples who do not hold that interest to be identical with their own will do well to reflect upon this uniform and persistent Roman policy.

SOUTH AMERICA.

With the exception of Brazil, which continues to enjoy tranquillity under the enlightened rule of Dom Pedro, the States of South America are scarcely ever in a quiescent condition for a year together. When Paraguay, Uraguay and the others are taking a breathing spell, Bolivia, Peru and Chile keep the scene in animation. The war between the last-named Powers, which arose out of a dispute about the title to the nitrate mines, has thus far resulted disastrously to Peru and Bolivia, and gloriously though expensively to Chile. There has been some naval fighting with the ram Huascar, which was captured at last after a spirited but unequal contest. The force subsequently landed in Peru by the Chileans encountered and defeated the allied forces, and at present Bolivia is evidently tired of fighting, while Peru, with plenty of pluck, has no longer any money. No doubt Chile is almost equally destitute, and by the time peace is concluded all the three contestants promise to be thoroughly bankrupt. The way in which these petty States maintain a state of bickering which effectually prevents all genuine progress seems to point to a destiny of absorption for them. They are almost certain to cripple one another so much that any considerable and at all stable Power on the same continent must ultimately swallow them up, if only as a measure of self-protection.

INDIA.

The state of India has for some time alarmed those who have studied the country and the people most deeply. It is an admitted fact that the English policy has thus far not produced the results anticipated from it. The rapacity of the old company officers has given place to a loftier code of ethics, and philanthropic schemes of stupendous magnitude have been undertaken by the Government. The greatest efficiency has been secured for the military force at disposal by covering all the strategic points with railroads. Plans of public works, plans famine relief, plans of popular education, plans of court reform, have succeeded one another. A Royal Prince has been sent out and paraded through the land. The Queen has assumed the grandiloquent title of Empress of India. Yet still and in spite of everything the old evils remain, the old diseases flourish, the old famines desolate, the old corruption thrives, and the old hatred of the dominant race burns as fiercely as ever below the surface. In many respects, indeed, attempted reforms have proved actually injurious. This has been the case with the tenure of land. By enabling the people to obtain land more easily and to cultivate it more cheaply, the Government has produced such an accession to the population that the food supply will not sustain them, and as a result famines are becoming more frequent instead of less so. There is also a grave movement proceeding among the people. What it portends is not exactly comprehended yet, but that it involves armed insurrection few experienced observers doubt. It is highly probable that Russian emissaries have been at work in this matter, for Central Asia has for ages been a great hot-bed of revolt and conspiracy. Many causes have contributed to forward this movement, but it is unnecessary to trace them. They all tend to the same end, namely, the attempt to overthrow the English rule. In this it is extremely improbable that they can succeed. If the great mutiny of 1857 was a failure, no native uprising can ever again be made under as favorable conditions, and therefore no such revolt is likely to do more than shake the power of the conquering race. But the revenues of India are already more than exhausted in internal improvements, and hereafter English thrift is apt to rebel at the expenditure of more blood and treasure to keep up an empire which is becoming more and more a source of weakness and danger.

JAPAN.

Japan is a better China. It is China without her immobility and stolid conceit. The Japanese are active, changeable, bright, docile, quite European in their enthusiasm, and amiable beyond any oriental race of which we have cognizance. In the future California and Japan must be drawn very close together by the bonds of commerce, and therefore all prejudice ought to be cleared away. We ought to be on intimate terms with our Japanese neighbors, and we ought to show our sagacity by cultivating them more than we have done. They are a genial and civilized and progressive people, full of a high order of intelligence, quick to appreciate the worth of western culture, and determined in putting away obsolete customs and institutions. Japan is coming to the front among the nations steadily. Of late Russia has manifested some inclination to back China in forcing a war upon the Japanese Government, the fact being that Russia wants more harbors for herself on the Pacific. She is a bad and dangerous neighbor, however, and should she pursue this programme, and Japan be driven to the wall, we believe the United States will find it necessary to take the Land of the Rising Sun under protection, and check Muscovite aggression. Certainly we could not stand by and see China destroy the growing civilization of a people so infinitely fuller of promise than herself.

MATTERS AT WASHINGTON.

Capital Notes from Our Own Correspondent.

Affairs at the National Capital.

[Special to the RECORD-UNION.]

WASHINGTON, December 31st.—The violent talk so generally prevalent a few days ago in regard to the situation in Maine has greatly subsided. It is now almost universally believed that some solution of the difficulty will be reached without a resort to forcible measures on either side. It is known that several Democratic Senators have telegraphed from this city to Governor Garcelon, earnestly advising him to agree to ex-Senator Morrill's proposal for an arbitrament of the matter by the State Supreme Court, and it is understood that a number of Republican Senators, including Edmunds, Anthony and Burnside, have advised the Maine Republicans not to take any step which might look like appealing to force, but in default of Garcelon's agreeing to refer the case to the Supreme Court, to submit their wrongs under protest, and endeavor to induce the Legislature to carry out the spirit of the law, under the letter of which Garcelon claims to have acted. One of the most prominent Republican Senators now in Washington—Democrats and Republicans alike—concede that Garfield will be elected.

NO APPEAL TO BE TAKEN.

The Attorney-General of Colorado writes to the Acting Commissioner of the General Land Office that after consultation with Governor Pitkin, he has concluded to take no appeal from the recent decision in the Silver Cliff case, both believing it to be sound in law. The Department will therefore immediately make the Commissioner's action final. This was the claim of the State to a sixteenth section on which the town of Silver Cliff is located. It was urged upon the ground that the mineral character of the land had not been discovered at the time of survey.

PERSONAL—THE STEWART FIRE.

Senator Booth has returned from New York to spend New Year's day in Washington.

The loss by last night's fire in ex-Senator Stewart's residence is to-day estimated not to exceed $15,000 upon the building. The amount of loss on personal effects cannot be known until an inventory is taken, but will be much less than was at first supposed. The silver and all the carpets and valuable furniture on the first and second floors were saved, together with most of the paintings and other works of art.

LAND CASE DECISION.

WASHINGTON, December 31st.—Secretary Schurz to-day decided the important case appealed to him, and strenuously contested during the past year by private parties on the one hand and the War Department authorities on the other, concerning the correctness of Commissioner Williamson's decision in regard to the survey of the Rancho Corte de Modera del Presidio in Marin county. Secretary Schurz decides that the mound at or near the head of Point Tabureon must be considered as the eastern boundary, and directs the Surveyor-General to cause a new survey to be made.

Remittent fever is not contagious. At least delinquent subscribers do not seem to catch it, no matter how much they are exposed.