

representative of the Canadian Government to discuss particular local subjects with departments of the Imperial Government, and he divided those subjects into three general heads, viz., 1st, the defences of the country; 2nd, the territorial questions, and, 3rd, the commercial questions. On the first point the chief object was to satisfy the Imperial Government that we were doing our duty as an integral portion of the Empire in keeping up those defences and that organization that we would necessarily have to do if we were an independent nation. Sir Alexander Galt threw out a hint that a naval reserve might be a desirable addition to our defences, but we are hardly in a position at present to incur additional expenditure. And, moreover, while there is uncertainty as to the necessity of protecting our fisheries, that question may best remain in abeyance.

#### THE TERRITORIAL QUESTION.

The territorial question we freely admit "is of very much greater importance than "any question that can possibly arise." We sincerely hope that Sir Alexander Galt may succeed in convincing the people with whom he is about to reside that "the interest of Canada and the Mother Country in regard to the settlement of the North West is identical." Should he do so, he will have established the wisdom of the empire and will have earned the gratitude of his countrymen. It, no doubt, does appear unreasonable that all the responsibilities connected with the management of the Indian tribes, and also all the cost of finding means of access to the new territories, should be borne by Canada, but we doubt whether Sir Alexander Galt will be able to establish the fact that these territories were taken over by Canada "at the instance of the Imperial Government." If he can do so it will be an important point to urge. Looking at the subject from an Imperial point of view, there is a difficulty which has been felt on many other occasions, which is that concessions made to one dependency are sure to be promptly cited as precedents by others. We presume, however, that the best wishes of his countrymen of all parties will attend Sir Alexander Galt in his representations on the territorial question, although it would be a great mistake to be sanguine of success.

#### THE COMMERCIAL QUESTIONS.

If Sir Alexander Galt can succeed in convincing the people of the United Kingdom that our Commercial policy is based "on a comprehensive view of what is desirable," he will more assuredly have accomplished an herculean task. We

own that we think that all hopes of persuading the free traders to adopt a reactionary policy are visionary in the extreme. We do not believe that anything approaching to a majority of the old Protectionist party could be induced to revive the controversies of the past. The Imperial Parliament will never again impose duties either on food or raw material, and moreover a Pan-Britannic Commercial Zollverein would render Imperial Federation almost a necessity, and that is a scheme which meets with even more general condemnation than separation from the Empire. As regards commercial questions, Sir Alexander Galt is thoroughly sound in claiming for the Dominion Parliament the right to determine its own policy, and he may do a great deal of good in explaining that no duties are imposed from any feeling of hostility to England.

#### CONCLUSION.

We cannot conclude this notice without expressing our great satisfaction at Sir Alexander Galt's statement, that the object of the appointment was "to strengthen those ties which have hitherto happily bound us together;" that it was not, as in the case of Franklin, "to complain, but to thank the Mother Country for her kindness." At a time when untiring efforts are being made to create dissatisfaction with the Mother Country, such language from one who, it is well known, was at no distant period an advocate for independence, is very gratifying. We will only add that we hope that Sir Alexander Galt will not be disappointed if he does not succeed at once in making converts to all the opinions which he expressed in his speech, some of which we ought to have observed were expressly stated to be rather speculative, and uttered before he was under the necessity of observing diplomatic caution. We have grave doubts whether the advocates of the National Policy would be very enthusiastic in favor of a Zollverein that would lead to the admission of British manufactures on more favorable terms. We shall look with interest to the ministerial explanations regarding the financial character of the High Commissioner, and to the policy of the leaders of the opposition on the subject.

#### THE A B C OF FINANCE.

The advocates of *fiat* money are on the rampage. The Secretary of the League has actually challenged the Hon. Senator Brown to a public discussion, and has even extended his challenge to "any advocate of hard money" which that gentleman

may suggest. There is a far simpler mode of accomplishing the object, which the League professes to desire, which is by an argumentative discussion in the columns of a leading journal, and it is far from improbable that the *Globe* would consent to afford space for the purpose, but if not, surely the League, if sincere, could procure the publication in one of its own organs. Pending some arrangement of the kind, we shall ourselves devote some space to the inculcation of sound views, and shall from time to time continue our extracts from the A B C of Finance.

It has, moreover, occurred to us that as *fiat* money is by no means a new discovery, for which Mr. Wallace and his co-adjutors are entitled to credit, or the reverse, it may be proper to direct attention to the effect which has been produced in other countries by the adoption of such a currency. We have had the experience of our immediate neighbors for years before our eyes, and we know that gold, the measure of value in the principal commercial countries in the world, was the real standard in the United States during the whole period of suspension, and that the depreciation of the *fiat* money varied from day to day according to the quantity in circulation, to the serious injury of all persons having to exchange labor or the products of labor for the current measure of value. No persons suffered more from these fluctuations than all classes of laborers, skilled and unskilled. The United States has had the good sense to abandon *fiat* money, and we shall therefore ask attention to the currency of some of those countries, whose example Mr. Wallace is desirous that we should imitate.

The Argentine Republic, of which Buenos Ayres is the capital, ought to be a terrestrial paradise, for paper money is in sufficient abundance. There is a silver standard, the *peso* being about the value of the dollar, or 4s. sterling, but the Government has adopted *fiat* money with the result that the paper *peso* is worth just 2d. How happy we should be in Canada if we had our dollars worth 2d., and our laborers getting 30 or 40 dollars a day! In Brazil things are certainly better than in Buenos Ayres, but they have an inconvertible paper money called "treasury notes" depreciated in value 60 to 75 per cent. How charming! 60 to 75 per cent., a variation of only 15 per cent.! Why, it would be nothing to the Wallace money, which is to be paid out without limit for all Government work. In Paraguay, an extensive paper currency has been introduced "since the war" of 1865-70, prior to which that republic had no financial embarrassments. A small republic sad-