

turned to account, and its operations made still more beneficial, either by reduced rates of carriage, or by an increase in the functions of the department."

Every word of this statement is full of import and encouragement to the advocates of low rates of postage here. When we reflect that thirty years ago it used to cost sixpence to carry a letter fifteen miles, and more than two shillings to carry a letter from Edinburgh to London; that then scarcely any revenue was derived from the Post Office, while now that the same service is performed for a penny, there is a revenue of four millions and a half sterling over and above all expenses, there is, indeed, cause for congratulation and encouragement to us to follow such a splendid example without loss of time. There may have been more brilliant services rendered to the State, but we very much question whether there ever was any, the benefits arising from which have been so widely diffused, or any so purely unmixt with evil as that rendered by Rowland Hill, in the hard fought fight against prejudice and old foggyism, by which the penny postage was obtained. But it may be urged, granted all that has been said about the benefits of the English cheap postage system, yet our circumstances are different, the long distances to be traversed, the imperfection of means of communication, and the sparseness of the population, all combine to render it impossible to reduce our postage to the English level. Well, we grant there is something in this, but we contend, nevertheless, that nothing will contribute in a greater degree to remove all these evils than the very system we are advocating. Establish a cheap and efficient postage system, and the very act of doing so will be found to be the most effective means of removing the obstacles which apparently stand in the way. We are disposed, too, to take higher ground than that covered by any mere monetary considerations, and advocate it on the ground of, as the *Times* says,—"the amazing influence which a cheap post has had in the 'past quarter of a century, in the diffusion of knowledge and the education of the people. Even if the revenue should suffer for a time, the deficiency should be reckoned as so much spent in the cause of general education and enlightenment. Much is now spent on educational purposes, which is producing far less satisfactory results than may be certainly expected as the results of a cheap post. We might pursue this subject at far greater length, and dilate on the vast increase of business correspondence which would be sure to take place, the greater intercourse possible between families and friends, especially of the poorer classes, but we pass them by to make room for an appeal on behalf of the Press. We advocate the free carriage of newspapers through the post, and we do so, because it is an absolute necessity of the political and social condition of the Dominion, that no impediment, however slight, should stand in the way of the free circulation of intelligence of the character conveyed by the newspaper, and because in the education of the great mass of the people, the press plays so important and necessary a part. It is true that newspapers conveyed through the post in England are subjected to postage, but it must be remembered that it was the result of a sort of compromise entered into on the abolition of the paper duties, and that in so far as regards the conveyance of newspapers otherwise than through the post, the greatest facilities exist. The means of forwarding parcels cheaply by rail to the remotest districts, are so good that the matter is of far less consequence to them than to us. Besides, the Maritime Provinces have no newspaper postage, and the question will have to be decided as to which system shall be adopted for the whole Dominion. Of one thing there can be no doubt whatever, the collection of postage on newspapers will be intensely unpopular in the Maritime Provinces, and their representatives will be united to a man in opposition to it. Apart, then, from other considerations, the idea must be entertained as to whether it is worth while to uphold a questionable system at the expense of certain discord and annoyance to a large and important section of our population. As the matter was very well put by a writer in one of the *St. John papers* a few weeks since—"There are a good many things which the Maritime Provinces give up for the sake of the general good, and it would be a sensible and grateful act on the part of the Canada if, in this instance, their wishes were allowed to prevail."

NEW GLUE.—A German chemist, M. C. Fischer, has discovered that if "glucose gelatine be mixed with about one-fourth of its own weight of glycerine, it loses its bitterness, and becomes useful for many purposes for which it is otherwise unfit." M. Fischer uses mixtures of this kind for dressing leather, preparing artificial bones, for giving elasticity to porcelain, parchment, or enamelled paper, and for bookbinding.

THE NEW TOWNSHIPS RAILWAY.

THE annual meeting of the stockholders of the Connecticut and Passumpsic River Railroad Company was held at Newport, Vermont, on Wednesday, when the yearly report of the Directors was submitted and adopted. The road is now completed to the Canada line, and the business received from the Northern portion justifies, we are glad to say, in the interests of the farmers of the Eastern Townships, the Company in making the necessary exertions to complete the enterprise and cross the boundary line, so as to connect with the Grand Trunk at or near Lennoxville. The farmers in that vicinity are fully aware of the value of through railway communication and a now and shorter route to Boston, and are not afraid, like some other farming communities in our more immediate vicinity, to tax themselves in order to carry out the scheme. The connecting link will only be thirty miles long, and there is a strong probability that it will be completed within twelve or eighteen months at furthest.

We are also glad to see that the financial affairs of the Connecticut and Passumpsic are in a satisfactory position. The receipts of the past year were \$493,705, and the expenses \$30,053, leaving a net balance of \$184,652, from which two dividends of 3 per cent. were declared, leaving a large balance to be applied towards the payment of interest and the sinking fund.

U. S. NATIONAL BANKS.

Three U. S. "National Banks" have failed within the last few days, and their assets are reported to be more than usually small. A New York paper says that the "burst up" was caused by the undue haste of their officers to get rich by speculation:—"The source of this rottenness inheres in the national bank system, which presents temptations too powerful for sanguine men to resist, and affords no adequate safeguard to the stockholders and creditors of the banks. It is a system which stands on no solid or stable standard of value. All experience attests that there can be no sound banking system which does not rest on a legal obligation by the banks to meet their liabilities by payment of the precious metals. Our national banks issue paper which they are required to redeem only in other paper; that other paper being subject to daily fluctuations of value. Now a state of things in which there is no stability in values, in which the currency and business of the country is constantly tossing like a raft upon the waves, infects all men who can command money or credit with the passion for speculation. When values are settled, or pass only through gradual and easily predicted changes, men are not tempted to toss property rapidly from hand to hand in hope of gain or dread of loss. Of this spirit of speculation which has seized the business men of the country, the national banks are the focus as well as the origin. Heavy speculators are in constant need of bank accommodation, and sharp-eyed bank officers have no difficulty in diving into the business of their customers. Bank officers have therefore easy means of gaining a prompt acquaintance with every promising speculation and can become parties to any they please in exchange for pecuniary facilities which such officers can afford. All the chief speculative projects thus passing under the inspection of these bank officers, they are exposed to temptations which ordinary human nature is not strong enough to resist. Doubtless the officers of many of the national banks have grown rich by speculations, sometimes by their sagacity, sometimes by mere luck. Our point is not that none of the national banks are solvent, but that the community have no means of knowing which to trust. The system is evidently a bad one, since a bank should be in all respects the very opposite of a lottery. A banking system should be fitted to inspire and to deserve confidence, by excluding its creditors from hazard. A vast affiliation of organized speculators who daily risk other men's money in doubtful adventures, does not deserve, and cannot long retain, the confidence of the country."

The *Toronto Leader*, of the 27th July says

On the Corn Exchange to-day a committee was appointed to confer with the officers of the Grand Trunk here with a view of obtaining a modification of the present regulation of the company requiring grain arriving in the city by their road to pass into the company's elevator and pay a charge of one cent per bushel. Mr. Simpson, who represented the Grand Trunk, said that the committee would be met in a friendly spirit, and he was authorized to say that any change required by the merchants, if not inconsistent with the interests of the company, would be cheerfully granted.

LETTER FROM ENGLAND.

COMMERCIAL REVIEW.

(Special Correspondence of the Trade Reviewer.)

[PER CHINA.]

THE long expected restoration of confidence which was supposed to have arrived about two months ago, seems nearly as far off as ever. Almost every class of public securities continues in a very depressed condition, and any attempt of a speculative character to raise prices is followed by a reaction which leaves matters worse than they were. Nor does general trade seem better. Dullness and apathy prevail in almost every department. Much of the old mercantile energy has for the time departed, and extreme caution in business and moderation in expenditure have become the rule. From having been a nation of merchants, we have all at once become a nation of shopkeepers. No doubt the wealth of the country is accumulating fast, and although some portion of it may for a year or two yet be required to pay for the obligations incurred and the losses sustained during the last few years, it is probable that at no former period were the national resources greater or accumulating so rapidly.

Among the causes of the present dullness in trade, independent of the want of confidence among traders and the reduction in personal expenditure to which we have referred, a prominent place is due to the great fall in the price of cotton. The market has been, with one or two slight and temporary exceptions, a continuously drooping one for a very long period, and undoubtedly during the past year in particular very heavy losses have been incurred. Even upon the shipments now afloat to Great Britain, and which are nearly all owned by our merchants, the losses will be very great. There is indeed one consolation. We now know nearly the worst. Cotton has not a very great way to fall, and although there may be some fluctuations spreading over a considerable period of time, these cannot be of such a character as to entail any serious damage to trade. Looking back indeed upon the cotton famine, it is marvellous how well this country escaped. The old boast of the deluded Southerners that "cotton is king," was more untrustworthy even than boasts proverbially are. It is indeed probable that, upon the whole, the cotton famine was peculiarly as it was morally an advantage to this country. We may have still some peevish attacks of speculation, and some restlessness in trade, but the crisis is past, and the patient is stronger than ever.

The unsettled condition of our trade with the United States is as important, and will probably be a more lasting source of disquiet than the fluctuations in the price of cotton. The States are our largest and best customers, and till they have resumed specie payment and adopted a rational tariff and financial system, we cannot expect that our trade will be either in extent or remuneration what it ought to be. No doubt the relative importance of the trade with the United States is less than it was, but it is still a most important item, and in some branches, such as the linen trade, the exports to the States are nearly as large as to all other places.

The position of public companies of all classes continues most unsatisfactory. The shareholders in the Bankrupt Railway Companies, such as the London, Chatham and Dover, are not, indeed, liable for any further calls, but it seems most probable that a great portion of their shares, if not, indeed, all, will be sacrificed. And when it is remembered that people were in the habit of investing their extra means in railways, believing that the railway "was always there" and must be of some value, it is easy to see how great an amount of individual ruin and suffering must have been entailed. The conflict as to the relative rights of shareholders, preference shareholders, debenture holders, holders of Lloyd's bonds, and owners of land for which certificates of indebtedness have been given, still continues, and the suspense is nearly as bad as any loss could be. In the more purely mercantile companies which suspended payment, the shareholders are attempting to repudiate their liabilities to their creditors, on the ground that they were, themselves, deceived by false statements made by the directors in the prospectuses of the companies. In so far, the decisions of the Judges upon these points have been very conflicting. Some of the more important cases are, however, now before the House of Lords, and it may be hoped that some authoritative decision upon these points will be given. It seems clear that it is the duty of the shareholders to make enquiry before entering into a concern, and when they have entered into it in the hope of large profits, they have no right to repudiate