

16 of the Intercolonial Railroad Act, 31 Vic., chap. 13 that the parties were "possessed of sufficient skill, experience and resources to carry on the work." The Commissioners are of opinion that any other course would render the system of public tenders useless, and in future prevent that proper competition which is calculated to get large public works constructed at the smallest possible cost.

## SECTION NO. 1.

The lowest tender for section No. 1 is that of Messrs. H. H. Horsey & Co., of Ottawa, being for the sum of \$175,000, or at the rate of \$8,750 per mile. The Commissioners are of opinion that these parties are possessed of the necessary "skill, experience and resources," and therefore recommend that their tender for section No. 1 be accepted.

## SECTION NO. 2.

The lowest tender for section No. 2 is that of Mr. George Neilson, of Belleville, it being for the sum of \$235,600, or at the rate of \$12,780 per mile. The Commissioners had decided to recommend the acceptance of Mr. Neilson's tender, being satisfied as to his ability to carry on the work; but they received from him on the 10th inst. the following letter:—

OTTAWA, Feb. 10th, 1869.

The Intercolonial Railway Commissioners:

GENTLEMEN—From the hurried manner in which we had to make out our tender, we find that so serious a mistake was made in collecting the figures of detail for section No. 2, as to be under the necessity of withdrawing our tender for that section. You will therefore be kind enough to return our tender for section No. 2, and much oblige yours respectfully.

(GEORGE NEILSON & CO)

The Commissioners did not feel justified in attempting, by legal proceedings, to compel Mr. Neilson to sign a contract on the terms of his tender, and were therefore compelled, in pursuance of the rule they had decided upon, to consider the next lowest tender, which is that of Messrs. George & James Worthington, of South Quebec, being for the sum of \$239,000, or at the rate of \$14,950 per mile. The Commissioners being satisfied with the skill experience and the resources of Messrs. Worthington, recommend that their tender for section No. 2 be accepted.

## SECTION NO. 3.

The lowest tender for section No. 3 is that of Messrs. John Elliott, B. Grant and C. Whitehead, of Brantford, for the sum of \$288,000, being at the rate of \$12,000 per mile. The Commissioners being satisfied as to the skill, experience and resources of Messrs. Elliott, Grant and Whitehead, recommend that their tender for section No. 3 be accepted.

## SECTION NO. 4.

The lowest tender for section No. 4 is that of Messrs. George and James Worthington, of South Quebec, it being for the sum of \$297,000, or at the rate of \$11,000 per mile. The Commissioners being satisfied as to the skill experience and resources of Messrs. Worthington, recommend that their tender for section No. 4 be accepted.

(Signed,)

A. WALSH,  
ED. P. CHANDLER,  
C. J. BRYDGES,  
W. F. COFFIN  
Commissioners.

Copy of a report of a Committee of the Honourable the Privy Council, approved by His Excellency the Governor General, in Council on the 12th day of February, 1869.

On the recommendation of the Hon. the acting member of Public Works, and for the reasons given in the report of the Intercolonial Railway Commissioners, the Committee advise that the following tenders for the construction of sections of that railway Nos. 1, 2, 3 and 4 respectively, be accepted, and that contracts in conformity therewith be given accordingly. That is to say:—

Sec. No. 1.—To Messrs. H. H. Horsey & Co., of Ottawa, for the sum of \$175,000, being at the rate of \$8,750 per mile.

Sec. No. 2.—To Messrs. George and James Worthington, of South Quebec, for the sum of \$239,000, being at the rate of \$14,950 per mile.

Sec. No. 3.—To Messrs. John Elliott, B. Grant and Charles Whitehead, of Brantford, for the sum of \$288,000, being at the rate of \$12,000 per mile.

Sec. No. 4.—To Messrs. G. & J. Worthington, of South Quebec, for the sum of \$297,000, being at the rate of \$11,000 per mile.

(Certified, Signed,)

W. H. LEE, C.C.C.

The following are the highest and lowest tenders for each section of road tendered for, from which it will be seen that a large margin existed for differences of opinion and calculation as to probable cost, the general opinion being that the successful contractors will lose heavily on their contracts

	Lowest.	Highest.
Section No. 1 per mile	\$ 8,750	\$35,000
" " 2 "	14,950	40,000
" " 3 "	12,000	39,000
" " 4 "	11,000	34,000

There were in all 72 tenders for Section No. 1, 70 for No. 2, 51 for No. 3, and 55 for No. 4, varying in amount from the lowest to the highest with the greatest want of anything approaching uniformity.

**NEW COAL MINE**—The Sackville *Borderer* reports the discovery of a new mine of superior coal, near Spencer's Island, Cumberland County. The vein is reported to be of good thickness, say six feet at the minimum, and as the shipping facilities are excellent, there would seem to be most promising prospects of successful working.

## THE SOUTH AND THE NEXT COTTON CROP.

THE approach of the planting season in the South, and the policy to be pursued with regard to the next crop are matters of more than local interest. In fact to the whole community, North and South, everything connected with the cotton crop is a subject of the highest importance. Nor is this interest confined to our own country. The cotton manufacturers and consumers of Europe and the cotton producers in India, Egypt, and other places, will find their industry seriously affected for good or ill by the prospects and results of the coming season. "King Cotton," for a dethroned monarch, still exercises a decided and positive influence in the world; and this influence seems to be increasing rather than diminishing. At no former period have the prospects of this staple elicited a deeper or more general concern.

This action, therefore, of the South in reference to the new crop is of the first importance. No backward step should be taken, but the same intelligent course which has produced such remarkable results the past year should be continued the coming season. It has abundantly demonstrated the vitality of the South, and the possibility of raising cotton more successfully by freed labor than by slave labor. All that is needed now is that the lessons of the past three years be not lost, in order that the South may retain the vantage ground it has gained, and enter upon a new career of social and industrial development and prosperity.

At the close of the civil war the single element of labor was about the only means remaining in the South of recovery from the industrial prostration in which that section was left. But even this resource was sadly deficient. The freedmen were badly demoralized, insubordinate and pretentious; and at the same time, the white population was exhausted, angry and jealous. All classes were utterly broken down in spirit, while there was no money or credit anywhere. In this extremity the planters turned to cotton as their only hope. Prices had been high, and it was thought that they would continue so, and on the basis of the then ruling rates contracts were entered into and plans made for the year. It is scarcely necessary to repeat the disasters of that and the succeeding seasons. The result of the policy pursued was, that, during the winter of 1867, a cry of famine arose from the most fertile districts of the world, and the little remnant the war had left appeared to have been lost. Relief was sent, and the danger passed away, leaving a severe experience, which has resulted, however, in the greatest good to that section of our country; enabling them, in fact, to raise a crop of cotton at about ten cents per pound, and to sell it at more than twenty cents. Over two hundred and fifty millions of dollars will pass into the South from cotton alone this season, placing the planters in a position of comparative independence.

In tracing the causes of the success of 1868, as contrasted with the disasters of the preceding years, we find the clearest indications of what should be the policy of the South in the immediate future. Failure at first was not the result of deficient crops but rather of the acts of the freedmen and the planters themselves. Capital, to be sure, was shy and distrustful, and could only be obtained with difficulty and at high rates of interest or on extremely unfavorable terms. Labor also was demoralized. In very many cases the freedmen, having newly tasted the sweets of liberty, refused to work, or if they worked it was with a great lack of energy and efficiency. They could not see the necessity for work, and it required the bitter hardships of the winters of 1866-67 to bring them to their senses. The planters, too, needed a certain kind of experience. They had seen cotton at high prices for a long time and concluded it was to remain so. Consequently they bid high for labor and put into the ground nothing but cotton. When, however, they began to market the staple, as prices had fallen to a decidedly lower level, it was found that it did not return them the cost of raising it. Corn and wheat they had neglected and it was the bitter experience they then passed through as a consequence of this neglect which showed them its folly and led them to a wiser course the past season. Thus suffering and an identity of interests brought all classes together as they never before had been, showing the freedmen if he would eat he must work, and the planter that he could not depend upon exorbitant figures, but must hire his labor so that he could raise his crop at a reasonable figure, and must give up a portion of his time and land to food products. It is this crop of cotton had cost as much as the previous ones or if the South had raised no food, they would have been compelled to force the staple upon the market to get themselves out of debt or to provide the necessities of life, and very little benefit would have resulted to them from the improved rates. On the contrary, the planter is now clearing over ten cents per pound and the South is making millions of dollars, placing them, as we have before stated, in a position of great strength for the new year.

We have then, in the experience of the past, an unmistakable indication of the course that should be pursued by the South in order that the advantages she now possesses may be maintained. First, then, it is of the highest importance that the planter should not be led by present prices to contract with the freedmen at exorbitant rates. The crop must be raised economically and cheaply, for there is no wisdom in supposing that it can be marketed except at a figure very much below present quotations. It must be remembered that the prices now obtained act as a premium for the cultivation of cotton throughout the whole world. Largely increased supplies are likely, under this stimulus, to be raised in India, Egypt, Brazil, and other places, and although the consumption is steadily increasing, a decided reduction in the rates must be the result of this eager competition in production. We notice that there is some indispension among the freedmen to contract for last year's wages. This is right where he is worth more; but for the planter to agree now to pay an exorbitant rate, just because cotton at the moment is high, would be only to ensure

for both parties disappointment and loss—in fact, to check the prosperity which the past year has begun to develop throughout the South. Then, again, it is of the greatest importance that as much wheat and corn and provisions be planted as was planted the past year. It is desirable that cotton should be the leading, but not the only production. A disregard of this idea was the error of the first years after the war, and short breadstuffs crops in Europe put up the prices of corn and wheat to figures which resulted in the fearful distress of the winter of 1867-8.

We think a little caution now on these points would be of inestimable value to the South for years to come. Not that we desire a small crop of cotton to be raised, —for we believe the true interests of the cotton States demand a large crop and low prices, which will drive out competition—but simply that the greatest economy in production be used, no contract for labor based on present rates for cotton be made, and a sufficient supply of food products be put in to make that section independent of others for their daily bread. The observance of these precautions will ensure a prosperous year for the South, and do much towards imparting activity to the industries of the whole country.—*N. Y. Com. Chronicle.*

## LEGAL TENDERS.

It is generally known that, at the present time, there is an issue pending in the Supreme Court of the United States which directly involves the question whether or not the law making Treasury notes a legal tender for the payment of private debts is constitutional and valid. This issue does not include the question of the power of Congress to authorize the emission of such notes as a circulating medium; but simply whether such notes can be made legal money, which the creditor is compelled to receive from the debtor in satisfaction of all contracts or claims. But although this fact is generally known, its importance is not generally appreciated. The people are accustomed to regard the decisions of the courts as affecting only the parties to suits in litigation. The idea that an important change in the financial condition of the country, involving matters which intimately concern the interests of the whole people, is dependent on the decision of the Supreme Court in the issue now pending, does not seem to receive that notice from the press and the people which its immediate and far-reaching consequences entitle it to receive.

It is, of course, impossible to determine what will be the decision of the Court, and we can, at most, only venture what we believe to be probable conjectures. There are some facts, however, which may aid in arriving at a correct opinion of what is likely to be the decision of the Court. It is a generally admitted fact that Mr. Chase, under whose administration the Treasury notes were issued, was not in favor of the tender clause, believing that it would be unconstitutional and also unhappy in its effects. In no one of his reports or published statements does he justify it, and in all of his allusions to the subject of the Treasury issues the tender feature is carefully avoided. In nearly every one of his reports, his successor, Mr. McCulloch, has spoken distinctly against the practice of emitting notes for circulation from the Treasury, and especially of the act of endowing such notes with the legal attributes of money. He has on several occasions expressed, with great distinctness, the opinion that the power does not exist in the Government to issue notes for circulation either with or without the tender quality; and has made no secret of his opinion that no good but only great evil, has resulted from their emission. In fact, the key to his official policy, from the beginning, is to be found in a strong desire on his part to rid the country of the currency which the real or imagined exigencies of the war had called into existence.

The delay of the Court in delivering its opinion is significant of a question in minds of the judges as to its effect when delivered. Had the Court resolved to sustain the law as it now stands, the character of validity which such a decision would confer upon the Treasury paper would urge that it should be rendered as speedily as possible; whereas, had it found it necessary to declare the law unconstitutional, hesitation, in view of the shock which such a decision would produce, although not strictly defensible, would be natural. It is certain that the funding process of Mr. McCulloch, which was the occasion of such severe reflections upon that gentleman, was adopted with a view to ward off the effects which a decree of the court declaring the tender laws invalid occasion; and it is probable that the recent bill of Mr. Sherman has for its purpose, by a rapid absorption of the currency, to forestall the consequences of the apprehended decision.

It is not easy to determine what would be the consequences to the business of the country of a decision against the constitutionality of the Legal Tender Laws. There are ten thousand millions of dollars of private indebtedness in the United States; all, or nearly all of which was contracted upon a currency basis, and with the expectation on the part of both debtor and creditor, that payment was to be made in currency. In other words, it was generally accepted that Treasury notes were lawful money, and that the debtor would pay, and the creditor would be compelled to receive them on the day of adjustment. If the law under which the notes were made a legal tender is not constitutional, the creditor cannot be compelled to receive such notes, and will be entitled to demand money. Under the effect of the decision, there would doubtless, unless some means were taken to prevent it, be a considerable depreciation in the market value of the notes. The creditor receiving them in payment would receive less than he contemplated at the creation of the debt, and creditors would feel themselves justified in refusing a medium whose value had undergone such a change between the time of the contracting and payment of the debt. It has been suggested that in case the legal tender clause