and the Secretary estimates under existing revenue laws a further falling off of revenue for 1869 to about $146,000,000, as indicated by the receipts for the first four months thereof. He attributes this large reduction of internal revenue receipts to inefficient collections, and to a reduction of taxes; and as he is of opinion that there will be decreased revenues from Customs, he conceives there must be increased internal taxes. Of three sources of revenue, which are likely to be considered, the Secretary recommends that which would provide an increased and uniform tax on sales, as being steadily productive in its nature, and as bearing most equably on all classes. The Secretary is strongly in favour of a tariff framed not for protective but revenue purposes, for which he thinks the country is unquestionably prepared, although it may not for many years be prepared to remove all restrictions from its foreign commerce.

The public debt on the first day of November, 1867, amounted to $2 491,504,450, and consisted of the following items:—

Debt bearing coin interest	$1,778,110,991.80
Debt bearing currrency interest	426,768,640.00
Matured debt not presented for payment	18,237,538 83
Debt bearing no interest	402,385,677.89
Total	$2,625,502,848.02
Cash in the Treasury	133,998,398.02
Amount of debt less cash in the Treasury	$2,491,504,450.00

On the first day of November, 1868, it amounted to	$2,527,129,552.82
and consisted of the following items:	
Debt bearing coin interest	$2 107.577 950 00
Debt bearing currency interest	114,519,000.00
Matured debt not presented for payment	9,753,723.64
Debt bearing no interest	409,151 898.42
Total	$2,641 002,572 06
Cash in the Treasury	113 873,019.24
Amount of debt less cash in the Treasury	$2,527,129,553.82

This statement shews an increase of the debt amounting to $35,625,702, of which about $24,000 000 are chargeable to the Pacific Railroad, and $7,000.000 to the Alaska purchase. No explanation is made of the fact also shewn by the foregoing statements, that a large proportion of the debt (over $300,000,000) bearing currency interest has been converted into debt bearing coin interest.

The Secretary insists on the necessity of an annual reduction of the debt, and recommends the appropriation of $175 000,000 each year for its extinction. He also urges that bonds should be issued, the principal and interest of which to be payable in Europe, and which he thinks might be exchanged, bearing interest at five or even four and a half per cent. for the six per cents now held in Europe

The receipts for the fiscal year ending June 30 1868, were $405,638,083, and the total expenditures, exclusive of principal of public debt, $377,340,285. For the three months following June 30, 1868, the receipts were $95,392,870, whereas the expenditure amounted to $105 152,470.

Referring to the internal revenue service, the Secretary, while pointing out its great importance, laments that it is at present admittedly in a demoralized condition, and by no means administered so as to entitle it to public respect; and before it can be rescued from this position, he thinks there must be a decided change for the better in the character of those to whom the collection of revenue is entrusted.

The Secretary claims for the system of National Banks superiority to any other system which had existed in the country, but at the same time points out some dangerous practices pursued by a majority of the New York Banks, in certifying cheques to very large amounts, in advance of deposits to be afterwards made, and in making heavy loans on call on the security of stocks and bonds, and is in favour of the prohibition of these practices by law.

Concerning the renewal of a Reciprocity Treaty with Canada, the Secretary is of opinion that in the present unconsolidated condition of the British Colonies of North America, and while Nova Scotia maintains its hostility, the authorities at Ottawa will be unable to make an adequate proposition to the United States in exchange for the great concession of an exceptional tariff on their northern frontier. On the other hand he does not think the United States should give up control of a considerable revenue until they shall have matured a satisfactory system of duties both external and internal. He hints that a Canadian policy for the enlargement of the Welland and St. Lawrence Canals to a capacity to pass vessels of 1,000 tons will be necessary before a renewal of reciprocity; but he considers the experience of the past year would justify an authorative comparison of views between the representations of Great Britain, Canada and the United States, in which event his Department would cheerfully contribute by all appropriate means to comprehensive measures which should assimilate the revenue systems of the respective countries, make their markets mutually available, and for all commercial or social purposes render the frontier as nearly an imaginary line as possible. He sees no just reason why all the communities on the American continent might not imitate the example of the Zoll Verein of the German States.

In conclusion, the Secretary points out the wisdom and necessity of the course pursued by the Treasury Department in selling Gold and Government bonds, and states his belief in the skill, honesty and economy with which its transactions were conducted, whether by its own officers or by agents. The sales of bonds will we think be no longer necessary, but the necessities of Government will require for some time a continuance of the sale of the surplus gold in the Treasury.

BILL FOR RESUMPTION OF SPECIE PAYMENTS BY THE UNITED STATES.

SENATOR Sumner has introduced a bill to secure the resumption of specie payments on July 4th, 1869, of which the following are the provisions:—

Be it enacted, &c., that the faith of the United States is solemnly pledged to the payment in coin or an equivalent of all the material obligations now outstanding, except when the law authorizing any such obligation has expressly provided that it may be paid in what is called "lawful money."

Section 2. That any contract providing specifically for payment in coin shall be legal and valid, and may be enforced according to its terms; but this provision shall not apply to the renewal or extension of a contract already made.

Section 3. The Secretary of the Treasury is hereby authorized to issue coupon or registered bonds of the United States in such form as he may prescribe, and in denominations of one hundred dollars, or any multiple of that sum payable in coin at the pleasure of the United States after thirty or forty years respectively, and having interest payable semi-annually in coin, as follows: The bonds falling due in thirty years at 4½ per cent a year, and bonds falling due in forty years at 4 per cent a year, which bonds and interest thereon shall be exempt from all taxes or duties to the United States other than such income tax as may be assessed on all incomes as well from taxation in any form under State, municipal, or local authority, and these bonds shall be exclusively used in the discharge of outstanding obligations of the United States by purchase, exchange or otherwise, in such manner and on such terms not less than par, as the Secretary of the Treasury may deem best conducive to the interests of the government, and may be issued to an amount in the aggregate sufficient to cover the principal of all such outstanding obligations.

Section 4. That all the acts and parts of acts making anything but gold and silver lawful money and legal tender in payment of debts, public and private, are hereby repealed. This section to take effect from and after the 4th day of July, 1869; provided, however, that any currency now recognized as lawful money and legal tender shall continue for one year thereafter receivable in payment of all taxes, debts, and demands of every kind due to the United States, including duties on imports.

Section 5. That in order to promote the object especially contemplated by this act, and for the purpose of meeting any exigencies arising under its provisions for which the powers already granted are insufficient, the Secretary of the Treasury is hereby authorized in his discretion to borrow money on credit of the United States in such manner and upon such terms as he may deem best, the same to be applied exclusively to promote the resumption of specie payments and to no other purpose.

Section 6 That this act as herein otherwise provided shall take effect from its passage.

We do not suppose that the party in the United States favouring a resumption of payments in coin is sufficiently strong to secure much attention even to the foregoing bill; but it may be that in this we are mistaken, and that our neighbours are suffering so much from the inflation, depreciation and fluctuation of their currency, that they may be disposed to run the risk of even worse evils for the sake of getting rid of those under which they now labour.

The manner in which the Government of the United States is to be put in possession of sufficient funds to redeem its promises is two-fold: untaxable bonds of two classes, bearing interest respectively at 4 and 4½ per cent, are to be issued at a rate not below par; and the Secretary of the Treasury is also to be authorised to borrow at his discretion, both as to mode and terms, all he may need to carry out the special object of the bill. Section 5 thus gives pretty large powers to whoever may happen to be in the Treasury at the time, and does not hamper him with any limitation as to his borrowing powers. It is not at all likely that any large amount of bonds with interest at four, and four and a half per cent, could be floated at par, when we see the 6 per cents quoted at nearly 20 per cent discount in gold, and only at 8 premium in greenbacks, and when we consider that the very return to specie payments would affect the value of the currency to a much greater degree than it would that of funded indebtedness. The main reliance would accordingly have to be placed on the loans which the Secretary of the Treasury would be able to make. There would not be much difficulty in raising say $50,000,000, provided the terms were made sufficiently remunerative to lenders, and there were no other large loans in the market to divide public favour. Beyond this amount we think lenders would be tempted only by the offer of such rates of interest as could not well be given to them by any Secretary of the Treasury, even under the liberal powers of Mr. Sumner's bill. It appears to us, therefore, that there would be failure to return to specie payments from the impossibility of obtaining at home or abroad the necessary funds.

It is scarcely necessary at this time to consider what the effect on affairs, whether public or private, would be, supposing this bill were to become law. It will be time enough to discuss that question in Canada, when we see some probability of its passage through Congress, of which at present we imagine there is very little.

THE NEW BRUNSWICK BANKS.

AT a sale of nine shares of the stock of the Bank of New Brunswick, held on Saturday, the very high price of 41 per cent premium was realized, the purchaser being Mr. Fairweather, of the firm of Hall & Fairweather. This is said to be an advance of six per cent on previous sales, and it is caused not only by the excellent standing of the Bank, but by the quantity of money now seeking sure investments in stocks or lands Even in the country, where vast sums of paper bills have been kept for long periods in old stockings, inquiries are being earnestly made for less primitive and more secure modes of investment. It is probable that city and Dominion stocks, as well as those of the better class of banks, will be in increased demand shortly, especially in the case of trustees of various kinds.

A telegram from Mr. Watson announces that the St. Stephen's Bank has resumed specie payments. The elasticity shown by the bank, after the shock it received is remarkable. We doubt if even the Bank of New Brunswick, were an insane run made upon it for redemption of its notes and payment of its large deposits, could have met the demand more promptly than did the St. Stephen's Bank. This fact proves that the bank has bottom, and that it should have been so treated by the other banks at the time the difficulty occurred. We trust, however, that the bank will arrange to do business here; if it does not it will lose an opportunity of making money, and its stockholders will feel dissatisfied and act accordingly. The time must come when those Nova Scotia, P. E. Island, and other Banks, who, through avarice, refuse to redeem their paper here, must have it refused altogether. The quantity of uncurrent funds now afloat is a great nuisance, and one which ought to be forthwith abated.

We are glad to hear that the funds of the Commercial Bank are appreciating: the brokers giving 33 cents for them. The *Telegraph* publishes the following which, we presume, is derived from authentic sources:

"It is said that the Commercial Bank, besides realizing largely on the protested bills of Mackay's, will secure some $10,000 out of Mr. Sancton's estate, It has also realized about $30,000 from a sale of iron held on account of debt due by the Woodstock Iron Works. And it is said that the position of the bank has been so far examined as to enable the stockholders to assure themselves of obtaining at least twenty cents on the dollar on their stock. For exact figures and facts, of course, we must wait the exposition to be made by the Directors on the 18th inst.—*St. John Journal*.

MR. SCOVIL'S SPECULATIONS.—The St. John *Telegraph* says Mr. Scovil's Gold Account Book reveals some curious facts:—

"On Sept. 17, 1868, he bought in Boston $1,000,000 Gold at 44⅞ prem., nearly all of which was sold between October 2nd and 9th, at 39½ to 40⅛. On October 9th he bought $200,000 at 39¼, and October 10, $100,000 at 38¾ to 38⅞, and sold on the 14th, 15th and 16th at 36½ to 37⅞. On Oct. 19th he bought $200,000 at 36⅛ and sold $100,000 on the 22nd at 35½. The last four telegrams read as follows:—

NEW YORK, Nov. 4—Sold $200,000 and $10,000 at 33½, and $90,000 at 33⅞.

NEW YORK, Nov. 7.—Bought $100,000 at 33¼.

BOSTON, Nov. 9.—Bought $600,000 at 34⅛. Market very excited.

NEW YORK, Nov. 10.—Bought $100,000 at 34½. Will buy balance when we can come without loss.

Copies of Mr. Scovil's telegrams to his agents are not given.

His purchases and sale of gold from Sept. 17 to Nov. 10, amounted in gross to $5.474 000, a fact which substantiates our statement that Mr. Scovil dealt in millions in these operations.