AMERICAN POSTAL REDUCTION.

The United States Postmaster-General, being asked if it is his intention to recommend a reduction of the rate of letter postage, answered,—"I have been giving the subject most serious consideration for some time, and while I have not finally decided not to recommend a reduction, I must say I do not believe the public generally feel the three-cent rate to be a burden." He will probably recommend a scheme to encourage the use of stamped envelopes, which will be a convenience to the public and result in but small loss to the Government. The plan is to sell stamped envelopes at the present price of adhesive stamps. Their manufacture would decrease the revenue about $2,000,000. This probably would be offset by a reduction of expenses in the dead-letter office, as the number of letters which now go there on account of improper stamping would be greatly reduced. Now that the sovereign people under "the starry flag of freedom" are evidently set on all kinds of changes if not reforms, we are inclined to think that the present rate will have to go by the board and a two-cent rate be substituted. It is argued in this country that, if so, we shall have to follow the example. This, however, by no means necessarily follows, as the mutual rates of no foreign countries except Canada itself correspond with those of the United States. It has been a matter of international convenience here to have them identical within the last few years; but that has been a matter of mutual convenience only, neither more nor less.

TO EUROPE DIRECT.

The abolition of tolls on the Erie Canal, which may now be considered as virtually accomplished, has been fully as much discussed in Canadian papers as in those of our neighbors. The former have arrived with a remarkable unanimity at the conclusion that our canal system, too, must be made free let the cost be what it may. This consensus of opinion is fully shared by Manitoba and the North-West generally, where, indeed, the immensity of the forthcoming increase is perhaps most clearly appreciated. None, at all events, know better than they the almost exhaustless outpouring for the granaries of Europe which that favored territory is so soon about to send forth. Its people, indeed, are now vigorously at work in their efforts to open the still quicker and more direct way to Liverpool *via* Hudson's Bay by two distinct and rival lines of railway, with termini respectively at Winnipeg and James's Bay. But, these projects apart, and as between New York and Montreal alone, that of the great lakes is, as can be seen by one glance at the map, is the route marked out by Nature as the direct one to Europe. It has, too, the additional advantage of deep and cold water as against the shallow and tepid water of the Erie Canal, the latter seriously damaging flour and wheat by heating them, while the former preserves them in prime condition. The New Yorkers are talking of obviating this serious objection which exists to the use of their channel by deepening it along the whole line and converting it into a ship-canal from Lake Ontario to the Atlantic. If money could accomplish this it would no doubt be done, but it simply amounts to an engineering impossibility. Even as it is, with its depth of five feet only, it is, during the season of navigation, a matter of great difficulty to secure continuous use owing to the paucity of water. But, with all these drawbacks to contend with, it is estimated that, for ten years past, no less than 90 per cent. of the wheat shipped from Chicago to Buffalo as against 10 by rail, went *via* the Erie Canal. With our own canals free not only will much of this be diverted to the St. Lawrence, but a most formidable and desirable competitor to all the existing land routes will be called into existence. Let us by all means abolish the tolls just as soon as the rules of Parliament will allow after its approaching meeting.

Close of Navigation.—The last ocean-going vessel for the season arrived in Montreal this day week. This makes a total of 589 arrivals from sea this year, as against 532 last year. The last of the Upper Canada steamers, the Passport, left for winter quarters on Saturday morning, and the Quebec steamers left for winter quarters at Sorel in the afternoon. Many tug boats and river craft have also laid up for winter quarters at Sorel, and some of the steamship sheds on the wharves are being removed. The number of lumber ships arriving for deals during the season has been 45 against 27 for the same period last year.

The Hudson's Bay Co.—The report just issued of the Hudson's Bay Company states that the Committee will not propose an interim dividend because it cannot give an estimate of the probable result of the year's trade until the fur sales are held in the spring and the accounts of the different departments closed. The land sales during the five months ending September show a decrease compared with the previous seven months. If the accounts of the land department justify it when published next June, the Committee will then propose to make a further return of capital from the balance in hand.

The World's Gold.—The *Paris Bourse* estimates the total stock of gold in the world in use as coin or as banking reserves in one shape or other at about £580,000,000, of which total England has £126,000,000, France £136,000,000, Germany £80,000,000, and the United States £92,000,000. Other nations come in for shares varying from £800,000 in the case of Holland, to £30,400,000 in Spain's.

G. T. R. Loans.—The Grand Trunk Railway has this week invited subscriptions for the five per cent. mortgage bonds of the Michigan Air Line to the amount of $810,000; also for a five per cent. first mortgage bonds of the Montreal & Champlain Junction Railway to the amount of $172,600, both loans being issued at 95 per cent. The Grand Trunk works the line and will pay the interest of the bonds.

ANOTHER BANK AMALGAMATION.

At a meeting of the shareholders of the Bank of Nova Scotia on Monday, a resolution was passed authorizing the directors to amalgamate with the wrecked Union Bank of Prince Edward Island if the latter thought fit. They were further authorized to increase the capital to an amount not to exceed $250,000 for the purpose of carrying out such amalgamation. At a special general meeting of the shareholders of the Union Bank of Prince Edward Island, at Charlottetown, last week, resolutions approving of the amalgamation of the latter bank with the Bank of Nova Scotia, on the basis of relative value, were unanimously passed, and the directors were authorized to take the necessary steps to procure legislative power to enable the consolidation to be put into force. Unless there are some special peculiarities about the Banks of the Maritime Provinces not to be found elsewhere within the Confederation, we feel ourselves unable to augur any good results from this proposed union, or any such union. The Bank of Prince Edward Island, as everybody knows, has come badly to grief, while its intended associate still maintains its normal position, whatever that may be worth. We have not to go far from home to find fatal evidence of the bad results generally accruing from joining a solvent bank to one that has got in any degree under a cloud. As one single warning example in this locality only, it will suffice to look up the history of the Consolidated Bank here before and after its ill-conceived amalgamations, and mark the rapidity and completeness of its subsequent smash-up The financial records of our sister Province to the west might also be profitably overhauled and its sad experiences in amalgamations noted. The directors of the Bank of Nova Scotia would, we think, do well to re-consider this decision. If they are doing well—of which, however, we are not able either to affirm or deny—they had better let well alone, especially in this critical financial juncture.

The City of Glasgow Bank.—As every one will remember, the City of Glasgow Bank failed four years ago, and the liquidation has just been accomplished. Every penny of the bank's vast debt has been paid; and the remaining assets handed over to the company for the benefit of the still solvent shareholders. The liquidators paid off $55,000,000, of which nearly half came out of the pockets of the shareholders.

Banking Affairs in the Dominion.—Under this head *Rhodes' Journal* favors the money world with its own views on the financial position in Canada, which it pronounces "grave in the extreme." We transfer it in full, as helping to show what some outsiders think of it.