creates alarm, we need not be surprised at a legislation which is intended to be protective of the American people. The truth is, the continued circulation of the paper currencies of one country within the limits of the other is more or less anomalous. The original mission of paying for a purchase, when the currency used is sound, and at par, is legitimate; but when this purpose has been served, the mission is at an end, and the natural course would be for the currency to return whence it came. The convertible bank note, and some of the silver certificates, when exchangeable into gold, can be used to draw gold into Canada. But some silver certificates are payable only in silver, and others in gold or silver, at the option of the Secretary of the Treasury. Besides, distance puts obstacles in the way of conversion: it costs something to make the exchange. This cost could be covered if there were an equivalent depreciation of the American currency here; and if it were taken only at a rate which would pay the charge of conveyance to the point of conversion. This would ensure the regular return of the currency, if the plan were practicable. Or, if the receiver were prohibited from paying it to a third party, the end desired would be attained. But danger would still attach to silver certificates, and silver dollars are not worth nearly par.

Of the inconvenience of having a large amount of foreign silver in circulation, Canada has once had experience, and she was put to considerable expense to get rid of it. But at that time the silver was superior to the American paper currency, which was not convertible, and it left the country. There is no such pressure to force American silver out of the Republic at present; a fact that will tend to restrict the quantity sent here. There may be another danger in connection with American silver which should make any large amount of it unwelcome in Canada. There may be an over-production of silver, just as there may be an over-production of cottons or woollens; and whenever more silver is produced than is required for the actual demands of coinage and for consumption in the arts, there is over-production. But when this point is reached, it may be that, in exceptionally rich mines, it may still pay to produce at the lower price to which, in such state of the market, silver would fall. In the United States, Congress has interfered to arrest the natural course of the declension by compelling the Government to buy silver, beyond the real requirements of the mint, at artificial prices. The Government runs the risk of finally losing the difference between the natural and the artificial price. The natural price is the cost of production, the artificial price is what Congress compels the Government to pay. If this process be continued, the time may come, and is even likely to come, when the standard will be changed from gold to silver; and in that event, it would not be well for Canada to have much of this coin on her hands. This is a remote danger, but one against which it is well to guard in time. If silver were substituted for gold as the standard, in the United States, that standard would not necessarily remain stable. A single standard is not necessarily invariable; it will fluctuate, unless production about keeps pace with demand; if it be much greater than the mint and the arts require for actual use, there will be a decline; if it be much less, there will be a rise. The overplus would affect the value of the whole mass of the metal in existence.

A tax on American currency, equivalent to that on Canadian bank notes in the United States, should be well considered before it is ventured upon. What is wanted is the means of returning this currency when it has made the payment to make which it came into the country; and if it could be taken only at a slight depreciation that would pay the cost of sending it back its mission here would be in the interest of commerce. It is a deduction from the face value that now sends back, when it is sent back, the American bank note and the silver certificate, payable in gold; the silver certificate not so payable is in fact a promise to pay only a little more than eighty per cent. of its face value when converted into gold, and its circulation here cannot in any way be encouraged. And a silver certificate which may be paid either in gold or silver is too uncertain to be generally trusted. A Canadian trader takes a secured bank note or a silver certificate payable optionally in gold, in payment for goods, and when he takes the currency to the bank or the broker, the deduction of the cost of sending it back is made. But when it passes in the circulation from the trader who first received it to some one else in payment of a debt, he will find that the payment was short when he goes to make a deposit. At this point the mischief is done, and it is here that the remedy is to be applied. If no one except the original receiver of the money, in payment of a purchase, were at liberty to circulate it, he would know that it would be necessary for him to take it on terms that would pay the cost of sending it back; though the fact that American silver circulates here, above the value fixed by law, makes it doubtful whether this remedy would be practicable. Silver currency not convertible into gold, and worth about eighty cents in the dollar, is a commodity of which it is not safe to take much. Although there is no great pressure to force American silver into circulation here, at present, travellers may bring more of it than it is desirable to have. If the quantity tended to become large, the law regarding it, practically in desuetude, would need to be enforced.

RAPID OCEAN TRANSIT.

The question of a swifter Atlantic steamship passenger service from Canadian ports is one to which much attention is just now being directed. The people of this country having done so well in securing a trans-continental railway second to none, and a steamship line on the Pacific that brings China ten days nearer to Great Britain than it ever was before, the enquiry is being made, not unnaturally, "Why not provide a really modern and swift service on the Atlantic also, and complete the chain from Europe to Asia?" We may do well to look the matter in the face.

It is at once said by some who discuss this matter, that we cannot hope to compete with the fast New York liners, because the Canadian trans-Atlantic route is liable to detention by fog; that with even the swiftest steamers the fogs that hang about the Newfoundland banks and our ocean ports of Halifax and St. John will prevent good time being made. But was not a similar thing said when the Allan Line of steamers from up the St. Lawrence was first broached? It is true that the disasters which followed one another so closely during the earlier years of the Montreal Ocean Steamship Company went far to confirm the predictions of the croakers. And yet look at the growth of the Allan Line, the success of the Dominion Line and the Beaver Line, the lengthening list of other ocean steamers which yearly ply to Canadian ports. Hugh Allan, for one, was not daunted by his early losses. The point seems to us to be whether an effort to take advantage of our geographical position in having the shortest ocean voyage is not well worth while. The distance from Liverpool to New York is given on the map as 3,130 miles; that from Liverpool to Halifax as 2,480 miles; that from Liverpool to Quebec 2,660 miles. Thus the Canadian route across the Atlantic to one of our ports is 470 miles shorter than to New York, and to the other 650 miles shorter than to New York. This means a day in one case, a day and a half in the other, shorter sailing. It takes at present four or five hours longer to reach Suspension Bridge from Quebec by rail than it does from New York, but against that is the shorter ocean journey. So that, if steamers as swift as the modern Cunarders should be placed on the Canadian route, a passenger from Liverpool could be landed, barring detention by fog, fifteen or sixteen hours sooner at Suspension Bridge *via* Quebec than *via* New York. In winter, when the route is by Halifax, the longer time by rail to the Niagara Falls Bridge, is fairly offset by the day and a half shorter ocean passage. And while we are considering the route from Liverpool to Suspension Bridge—because it is from the Bridge that so large a portion of our western Canadian passenger traffic goes to Europe *via* New York—it is needful to look also at the larger route, Liverpool to Japan and China. There we have an enormous advantage, the distance from Liverpool to Yokohama *via* Quebec and Vancouver being 1,234 miles shorter than from Liverpool to Yokohama by way of New York and San Francisco, in the proportion of 10,047 miles to 11,281 miles.

Merchants in Europe and merchants in China having business with each other now receive their letters, thanks to the Canadian Pacific Railway, ten days sooner than they ever did before. But these fast mails take the Atlantic steamers at New York, for Canada has now no "fast steamers" measured by the accelerated pace of the last few years. The Canadian merchant, or financial man, or buyer for a wholesale house, the man to whom time is money,