

ance of power to one Bank, but he thinks that had all the Banks adopted the scheme, it would have been a measure advantageous to them and the general interests of the country. Mr. Morton believes the Act has been highly prejudicial to the true interests of the country; that amongst other evils, its operation places one Bank in antagonism with the others, by a difference of interest, responsibilities, and position—differences so great as to intensify the danger of crisis in all periods of financial depression. Mr. Stevenson thinks some portion of the commercial suffering is due to the Act, and that its effects have not been favourable to the general interests of the country. Mr. Veziua is of opinion that the effect of the Act is far from being a favourable one to the monetary institutions and general interests of the country, in conferring too great powers on one single institution, and in causing to disappear from the country a large amount of gold, the best basis of currency. Mr. Paton considers that the Legal Tender Act has had no other effect than substituting the Government notes for the circulation of the Bank of Montreal, and of giving the Government the use of four-fifths of the amount of that circulation without interest.

To the last query the answers are given at great length, and on an important subject, hence we shall reserve them for our next number.

CONSTITUTIONAL DIFFICULTIES.

THE question of legislative jurisdiction made its first appearance since the Confederation of the Provinces, in the case of the St. Louis Hydraulic Bill passed by the Parliament of Quebec at its late Session. This Bill contemplates the utilizing of the waters of the St. Lawrence, below the Lachine Rapids, for manufacturing and other purposes. The Government of Quebec did not oppose its passage, but having doubts if the provisions of the measure were such as permitted Provincial legislation in the matter, reserved it for the Governor-General's consideration, in accordance with the British North American Act. The wisdom of the course taken has been impugned, and perhaps with reason, for recourse should not be had to such a mode of procedure, except in cases of manifest doubt, and we imagine this is not of that character. The Union Act plainly provides that matters of "Navigation and Shipping," come within the authority of the Parliament of Canada, and excludes such matters from "the incorporation of companies with Provincial objects" and all subjects of "a merely local or private nature," in relation to which each Province may pass laws. Such, at least, appears to us to be the true interpretation of the Imperial Act. It has also been said that any court of Justice may decide as to the legality of this or any other measure of a similar kind, if enacted by the Federal legislature. It is true that if the Parliament of the Dominion and that of a Province should legislate on one and the same matter, the Bench might be called upon to adjudge which law was in force, but not otherwise, we should say. There is not, however, much chance of such a dilemma presenting itself in this or any other case. In the first place, the Governor-General in Council can disallow any Provincial Act and so prevent a conflict of laws; in the second place, it is provided that local works and undertakings, though within the limits of any Province, can, before or after their execution, be declared by the Parliament of Canada to be for the general advantage of the Dominion, and therefore the object of Federal legislation; and in the third place it is also provided that any of the classes or subjects—"Navigation," for instance—included in those under the legislative authority of the Parliament of Canada shall not be deemed to come within the classes or subjects with which the local legislature have to deal.

Another question of the same description, and of equal importance, arose in the House of Commons during the discussion on Mr. Rose's Insurance Bill. The reports of the debate are somewhat confused and even contradictory, as to the point at issue; but we suppose that the dispute was whether Insurance transactions were of a commercial character, and whether they came within the clause of the Union Act declaring that "The Regulations of Trade and Commerce," are placed exclusively in the hands of the Dominion Parliament. With respect to the law on the subject in the Province of Quebec, it stands thus:—In the Civil Code of Lower Canada, Insurance forms a part of the Commercial Law contained in the Fourth Book; and Art. 2470, states that "Marine Insurance

is always a commercial contract; other insurances are not by their nature commercial but they are so when made for a premium by persons carrying on the business of insurers." Mutual Insurance is not commercial. From this we would infer that the subject of insurance, generally, comes within the scope of Federal legislation, and that of Mutual Insurance, when confined to the usual business of such associations, within the scope of Provincial legislation.

We are all aware that one of the chief perils which the constitution of the United States has encountered has been the conflicting claims of jurisdiction between the Federal and Local Governments. The disputes concerning state rights led to the Southern rebellion; they are the cause of the impeachment of President Johnson; and they constitute the great impediment to the reconstruction of the union on its ancient basis. We in the Dominion of Canada are beginning to have a foretaste of what we may expect to proceed from a similar source, if we are not wise enough to take warning from the misfortunes of our neighbours. Indeed, if we should avoid the evil, without material injury, we may consider ourselves peculiarly favored by fortune, and boast that we have discovered a path of safety which has escaped the framers of every Federal Union, past as well as present. The matter demands the utmost care, circumspection, temper, and judgment, both on the part of the Federal Government and Parliament, and of the different Provinces in whose jealousy of their rights and privileges the danger mainly lies.

INTERCOLONIAL TRADE OUR ONLY SAFE GUARD AGAINST DIS-UNION.—A Pamphlet by R. G. HALIBURTON, M.A., Fellow of the Society of Antiquaries of London, author of "The Coal Trade of the New Dominion," &c.

THE writer of this pamphlet has been in Ottawa for a short time, and is a son of Judge Haliburton, generally known as "Sam Slick." His remarks are well worthy of consideration at the present time, when one of the most important Provinces of the Dominion is seeking for repeal. The opposition of Nova Scotia to the Union is not to be overcome by promises of "conciliation" or by loud protestations of the desire of Ontario and Quebec to act fairly, even liberally, by her. The primary condition of reconciliation, is, to prove to our Nova Scotia fellow subjects that the Union is for their material prosperity quite as much as ours, and this can only be accomplished, as Mr. Haliburton contends by increasing our Commercial intercourse.

A close commercial union is laid down by Mr. Haliburton as a political necessity. If it is possible to carry on a profitable trade between the Maritime Provinces and Quebec and Ontario—then the Union can be maintained, and it is the interest of all to maintain it; on the other hand, if we cannot profitably do business with each other, we must boldly face the destiny which nature has designed for us. We do not see much to object in this doctrine, but we submit that it leaves the question of the permanency of the Dominion practically settled, for we take it that the experience of the past fifteen months has been sufficient to show that profitable trade can be established between us without much difficulty. Since the abolition of the Reciprocity Treaty almost a revolution has taken place in some branches of the Nova Scotia and New Brunswick trade. This has most probably been the case with breadstuffs, their supplies no longer being almost entirely obtained from the United States, but from Ontario.

It is to be regretted that we have not been able as yet to take so much of the produce of the Maritime Provinces as they have taken of ours. This fact Mr. Haliburton points out and laments, contending that certain protective duties are absolutely needed to induce the commencement of certain kinds of Intercolonial traffic. This is particularly the case with the coal of Nova Scotia. Trade is at present languishing in that Province on account of the abolition of Reciprocity, and particularly from the heavy duties on coal which the Americans have imposed. Their coal interest must have relief in some way, and if the Americans will not open their markets as formerly, then Mr. Haliburton contends that their Pennsylvania and other coal ought to be met with the same duty at the Canadian frontier as they impose on ours. The effect of such a duty would not, the writer thinks, raise the price of coal to Western consumers in the end. The only reason why Nova Scotia can't sell as

cheaply now as the Americans, is the high rates of tonnage. As soon as competition arose between shippers for this class of freight, the rates would decrease, and Nova Scotia could supply Ontario as cheaply with fuel as our neighbours across the way. This end accomplished, Mr. Haliburton holds that Intercolonial trade would steadily increase, dis-union would be snuffed out—the Union would be safe!

Like all panaceas, this one is not very pleasant to take. It is nothing more or less than protection in its least enticing aspect. The quantity of coal imported by Ontario and Quebec during the last twelve months (1867) of which we have official returns, amounted to 299 507 tons valued at \$1,258 115. It need, therefore, excite no surprise that Ontario (which imports the most) would be strongly opposed to a policy of the kind advocated, and it is doubtful whether Parliament would consent to such legislation. It has been urged by some, that the duties imposed on breadstuffs during the first part of the Session was protective in the interests of Ontario. The real reason, we believe, why those duties were imposed, was to influence the United States in favour of a new Reciprocity Treaty; but whatever the motive, we understand they will be repealed before the Session closes, so that any fears that protection was being given to Ontario, will be completely set at rest. We are happy to give currency to Mr. Haliburton's opinion that a duty on coal is necessary to increase Intercolonial trade and check-mate Dis-union, but we have grave doubts whether Parliament can be induced to impose burdens on one Province for the benefit of another.

Mr. Haliburton argues zealously and ably in favour of extending the trade of the Dominion with the West Indies and South America. We need not enlarge on this point—to which everybody will say amen—but we may state, before concluding, that we hardly think the Dis-unionists will relish the reasons the writer gives for the existence of that feeling. Halifax is spoken of as the centre of the opposition to the Union, and the cause is stated very plainly to be a want of enterprise—an absence of self reliance—and fears of competition with more public spirited neighbours. We do not pretend to speak on this delicate point, but only express our regret that the hands of any portion of the people of British America should be raised against the noble edifice we have erected. We are sure Nova Scotia will ultimately be as great a gainer by the Union as any portion of it, and we cannot understand how any loyal and patriotic citizen can shut his eyes to the necessity of upholding our Dominion if these Provinces are to maintain a separate political existence.

HOW THE CASE STANDS.

BOTH the Parliament and people of the Dominion have become alive to the importance of securing and opening up the great country which lies between us and the Pacific. It is, therefore, with regret we hear reports that some "hitch" has occurred in negotiations with the British Government—leading, at least, to delay in the Dominion securing possession of the territory. These rumours have not been confined to the latitude of Ottawa alone—but, so far as we can learn, there is no good grounds for believing that the Imperial Government will not agree to the request made almost unanimously by our Parliament at Ottawa. We have before us the return to the address moved by Mr. Jones for all correspondence regarding the North-West territory, and from that we learn that the Canadian Government lost no time in addressing the Colonial Secretary in accordance with the address of the two Houses; the Duke of Buckingham replied promptly, acknowledging the receipt of the address, and stating that "these proceedings will receive the early and serious attention of Her Majesty's confidential advisers. The decision of Her Majesty's Government will be communicated to you as early as possible; but the consideration by them of so important a subject will necessarily occupy some short time." It is quite evident from this despatch that no unfavourable decision has been arrived at by the Imperial Government, and although it is to be regretted that any delay has taken place, still it is easy to understand how, during the late Ministerial changes in England, it was impossible for the Colonial Secretary to come to a decision upon so important a question. We have little doubt, now the English Government has been re-formed under Mr. Disraeli, that a decision will soon be arrived at by them, and that that decision will be favourable to the wishes and interests