

ONE CURRENCY FOR THE CONFEDERATION.

WE have received another communication on this subject, which we publish elsewhere.

The question is one not merely of colonial, but of world-wide importance, and must not be hastily decided. It is one which is attracting much attention in England, and various plans have been suggested in order to bring about uniformity in currency between the leading European countries and the United States.

The scheme which appears most feasible is that which suggests the adoption, in the first place, of the decimal system of coinage; and, in the second place, of a coin of nearly the same value as the Pound Sterling and the French 25 franc piece, as the unit.

This coin, it is suggested, should be known as the "International," should, of course, be of gold, and be of the same value, both as to weight and purity, in all countries parties to the scheme. For smaller coins, fractional parts of the "International's" are proposed, the smallest coin being a "mill," equivalent to about half a cent Canada currency. Of course, so long as the use of an irredeemable paper currency exists in the United States, it will be useless to think of their joining in any scheme for the establishment of an international currency; but there will never be a better opportunity for their adoption of a new coinage than when they shall be prepared to resume specie payments. The only change necessary will be to make their five dollar coin of the standard value, and the fractions in proportion; and it will be unnecessary to make any alteration in the nomenclature of their coins. As values are now altogether unfixed in the United States, no injustice will be done to any one by the use of a coinage varying but slightly from their present standard.

If this scheme should be carried out successfully (and the difficulties to be overcome are really very trifling), there would be nothing more to be done in these colonies than to follow suit. We should not only have one currency and one coinage amongst ourselves, but we should have a currency and a coinage uniform with those of the entire civilized world: and to those who have travelled in foreign countries, and experienced the loss and vexation occasioned by the varieties of moneys in use, the advantage of this uniformity will appear of no trifling value.

ENGLISH FINANCING.

THOSE who have been accustomed to look on the London banker and merchant as the soul of honour, and the sober-sided Quaker as the very model of a man of business, will have received a terrible shock by the extraordinary revelations which have lately come to light respecting the business of the late discounting firm of Overend, Gurney & Co. The break-down of the Joint Stock Company which took over the old business and name last year, was by far the greatest event of the panic of last May, and now, the stockholders are endeavouring to rid themselves of liability to the creditors on the ground that the whole get-up of the concern was fraudulent. They allege that it was by false and cooked statements that they were persuaded to take stock, and there is too much reason to believe it to be true. The old concern was, in truth, hopelessly insolvent when the transfer of business was effected, and it is most marvellous that any man of sense, with the statements which must have been submitted, should consent to have anything to do with it, much less to give such an enormous sum as five hundred thousand pounds for the good-will. Who the parties were that managed the negotiation the public have not been informed, but it is believed that the directors of the new company, the men who are responsible for having led the mass of stockholders into such a deplorable business, are of good standing in the city, and are possessed of the shrewdness and sagacity which generally appertain to city men. The fact, however, is only too patent, that the old business of the great house of Overend was utterly rotten, and it is certainly one of the most instructive chapters in the history of modern commercial life to mark, under the information which has just been made public, how a business which yielded more than one princely fortune in its time, degenerated, under reckless management, into the insolvent concern which was so dearly bought about a year ago. The history of this sad business very much resembles that of our own Bank of Upper Canada. A business well managed up to a certain point, is gradually diverted into illegitimate channels, until the illegitimate transactions swamp all the rest. Instead of confining

themselves to their proper function of discounting bills, Overend, like the bank before named, began to make advances to railways, steamboat companies, and such like. Once begun, such advances grew on their hands, until they got, in a number of instances, into the most dangerous and unpleasant position in which a banker's assets can be placed, viz., that the alternative becomes pressing, either to make fresh advances and get deeper "in," or to stop the affair with the certainty of heavy loss. Every banker and money lender has had to face this alternative at one time or other, and whenever it occurs, it tests more severely than any other contingency, his real capacity.

The advances in question seem to have begun, or, at any rate, to have assumed large proportions after the panic of 1857, about which time two of the wise and experienced heads of the old firm had ceased to control its affairs, the one by death, the other by retirement. About four years afterwards, the advances had grown to such a magnitude as to cause the most serious apprehensions on the part of the Norfolk family of the Gurneys, who, though interested in the London business, had taken but little part in its management. It was then arranged that no further profits should be divided until the accounts in question were liquidated, a decision which seems to have been adhered to, but which was of little avail to remedy the evil. There can be little doubt that the account increased in magnitude after that resolution was formed, and last year the lock-up became so serious as to render it necessary for some steps to be taken to keep the concern afloat. The usual resource was ready to their hands, and the whole affair was merged into the joint stock company, which came down with such a crash about six months ago.

It is now time to tell about the illegitimate advances which have been the cause of the mischief. The sums are enormous, and, in the aggregate, losses swell up to a figure which would sweep away more than half the entire banking capital of Canada. What are we to think of a business which had on its books such advances as the following:—

	Amount.	Value of Securities	Bad.
Atlantic Mail Steam			
Packet Co.	£ 839,000	£160,000	£ 679,000
Milwall Iron Works Co.	422,000		422,000
East India & London			
Shipping Co.	397,000	25,000	372,000
Thomas Howard.	381,000		381,000
Greek and Oriental			
Steam Navig'n Co.	144,000	7,000	137,000
Railways belonging			
to the firm.	243,000	54,000	189,000
David L. Lewis.	241,000	182,600	158,600
Sundry othr individuals	776,000	283,000	493,000
and firms.			
	£3,493,000	£711,000	£2,782,000

These figures are enough,—to use a common phrase,—to make a man's hair stand on end, and we repeat, it is one of the most extraordinary instances of fatuity we ever heard of, that shrewd city men, after seeing those statements, as they undoubtedly did, should not have washed their hands of the concern.

Bad debts to the amount of nearly fourteen millions of dollars all comprised in about a dozen accounts, does surely tell a tale of recklessness and folly which even the revelations of the worst class of finance companies have not surpassed. Even this bad as it is, will probably not be the worst, for the above statement does not give the actual loss, but only what was estimated as loss last year. There can be no doubt that securities were then overhauled, and that the final wind up will be more disastrous than was anticipated. Of course, the vast private properties of the partners, estimated to be worth about \$12,000,000, were thrown into the gulf towards the deficiency, and it was thought they would be able, after being credited with £500,000 of good will, to retire with somewhat more than that amount of a fortune. It is now, however, almost certain that this hope will not be realized, and that, after making good the bad debts of the firm, the vast fortune of the Gurneys, the result of so many years of care and enterprise, will disappear to the last shilling.

NIAGARA SHIP CANAL.

THIS project is by no means dead, although we have heard very little about it for some months. Last week, a convention was held at Chicago, in favour of the immediate prosecution of the work, delegates being present from Milwaukee, Cleveland, Detroit, and other American cities interested. Strong resolutions were passed affirming the desirability of this Canal, and re-affirming the doctrine so often pro-

claimed by Westerners, that the products of the West will soon require that every available channel to the seaboard should be opened up. The more immediate cause of holding this convention at this time, is undoubtedly to influence Congress during the present session. Members of Congress, like most other specimens of the *genus* politician, require pressure to be brought to bear upon them, if they are to be induced to grant legislative favours, and the convention's first object was, doubtless, to prepare to do this. That they will succeed this session, is doubtful. They will have the strenuous opposition of the Buffalonians and all others interested in the Erie Canal; whilst many members, not opposed to the work in itself, will be opposed to increasing the national expenditure for such a purpose at present. We do not doubt, however, that the Canal would be a great benefit to the West, or that it will be constructed when the present pressure on the national finances has decreased.

A NEW RECIPROCITY TREATY.

IF we are to judge by the tone of the recent report of Mr. Secretary McCulloch to the United States Congress the prospects of a new Reciprocity Treaty being speedily adopted, are not very good. The reference of the Secretary of the Treasury to this very important question is of a double kind—he speaks of what is the best policy for the United States at present, and what will be best in future.

Regarding the first, he urges "inaction" as the best course for Congress to pursue, the present state of their finances being the excuse. He sees no reason to change the position he took last year—that Congress should enter into no Treaties which would place any source of revenue at the disposal of the Nation beyond its control. Considering the large debt bearing upon them, we will not deny a certain amount of force to this argument; but we hardly think it was, or is strong enough to afford ground for setting aside a Treaty which produced such wonders for international trade as the Treaty which expired in March last. As regards the future—that is, when their finances are not so cramped as at present—Mr. McCulloch expresses himself favourable to a Zollverein between the United States and Canada! This is certainly a great change from the Potter policy. The Secretary of the Treasury thinks that, in order to secure this great commercial boon, Canada would be willing to make several very important public improvements. Among these, are the deepening and enlargement of the Welland and St. Lawrence Canals, the opening up of communication with north-west British America, and some others of minor importance. So far as the first improvement—the enlargement of our canal system—is concerned, we dare say this country would be willing to meet Mr. McCulloch's views, and even the opening up of north-west British America might be undertaken. But we fear the people of this Province would never agree to a Zollverein whilst we remain a Colony of the British Crown. Such a commercial arrangement is, under present circumstances, impracticable. A Zollverein just means the abolishment of all custom-houses, and the adoption of free trade between all parts of North America, with the enactment of a uniform and hostile tariff against all foreign countries. To ask Canada to take up such a position would be tantamount to asking her to give up British connexion; for nobody could expect John Bull, liberal and easy-going though he be, to act as our protector and preserver, whilst we specially legislated against his interests. We do not believe that a Zollverein would promote Canadian interests to any great extent. And though it would open up to us American markets for our produce, and a wide field for our manufacturing industry, it could only be obtained at the price of severing our connexion with Great Britain, and that is a price we are not prepared to pay, though the temptation was twice as strong.

The opinions expressed in Mr. McCulloch's report would indicate that the prospects of an early renewal of the late Reciprocity Treaty, or one somewhat similar, are not very bright; in fact, he directly advises Congress against making such a Treaty at present. But the report recognizes the great value of unrestricted commercial relations between the two countries, and affords every reason for cherishing the hope that sooner or later Congress will enter into new and more liberal trade relations with us. It may be, too, that Congress will go a step further than its Financial Secretary, and decide that if international trade would be benefited by freer commercial relations entered into some time hereafter, it would be benefited by