

## THE PATENT LAWS.

IN many parts of the country much dissatisfaction is expressed against the present patent laws. As usual in such cases, however, although there is but one opinion regarding the laws as they exist at present, there is very far from unanimity as to the amendments which ought to be made. The principal objections we have heard have been raised by inventors. This class is rapidly increasing in Canada, and in nearly all cases they are strongly against the illiberal character of our patent system, which prevents them patenting their inventions in the United States without payment of \$500. The American law provides for reciprocity in patents—that is, whenever we permit Americans to take out patents in Canada on the same terms as our own people are permitted to do so, they will allow Canadians to take out the same for the United States as if we were citizens, which would make the cost about \$35. Nearly all our inventors are in favour of accepting this offer of the Americans, and contend that we have far more to gain than to lose, as the Americans would only secure access to 4,000,000 of people, whilst we would to some 35,000,000. We know one gentleman, who has recently obtained patents both in Canada and the United States, (paying \$500 for the latter), who has three other inventions he desires to patent. But he cannot do so in the United States as the law now stands, and he declares if the Dominion Parliament does not make a change next session, he will remove to the United States, by which he would save \$1,500 on his three patents. Canada cannot afford to lose any of this enterprising part of the community, and it is to be hoped our legislators will give this subject their most earnest attention when the House meets. There were two bills brought forward last session on the subject—one by the Government and another by a private member. Neither of them, we believe, became law, and that of the Government, at least, will most probably be submitted again. If we remember correctly, neither of these measures proposed anything like reciprocity in patents with the United States; but we consider it well worthy of consideration if such a step ought not to be taken. Other changes are also greatly needed in our laws, for very frequently patents are granted when they should not be. The whole matter wants a complete overhauling, and we hope our Dominion legislators will see next session that it is carefully and intelligently done.

## INLAND REVENUE SEIZURES.

THE powers of the Department of Inland Revenue at Ottawa, with regard to seizures for presumed infractions of the Revenue Laws, appear to be very extensive. Attention has several times been called of late in the West to this fact. When the Breweries were seized in the County of Waterloo last Spring for frauds upon the Revenue, many objections were raised to the action of the Government officers in keeping the Breweries shut up, and the cases unsettled for so long a time. We do not mean that these Breweries should not have been seized. So far from that, we think most of the proprietors, if not all, suffered a just retribution for the frauds which had been committed; but the circumstances brought out very plainly that the Inland Revenue Department has legal powers, which, in case a man turned out to be innocent of any attempt to defraud, might be exercised to his ruin without his having any means of redress.

The public attention has again been called to this matter by the seizure of the well-known Vinegar Works of B. E. Charlton, Esq., of the City of Hamilton. Conflicting stories are in circulation regarding the facts of the case; but if Mr. Charlton can be believed—and he has always been regarded in Hamilton as a gentleman of undoubted veracity—his case is not only peculiar, but one of much hardship. It appears that in addition to Vinegar, Mr. Charlton manufactures certain Tinctures, Essences, Flavoring Extracts, &c., largely sold to Druggists, and by written instructions from the local Revenue Collectors, granted last year, he was permitted to manufacture over one hundred different kinds of them in bond, the duty then being 15 per cent. *ad valorem*. In December last, the duty on some of the articles was raised by Parliament to 30 per cent.; in April, Tinctures were increased to 63c. per gallon; and in June, certain articles were by an Order in Council, ordered to be classed as “perfumed spirits,” and charged \$1.20. The local Collectors continued to pass a number of Mr. Charlton's articles at 15 per cent., these articles not being specified in their instructions. Mr. Brunel, deputy head

of the Department at Ottawa, on becoming aware of this, disallowed the act of the local officials, and demanded from Mr. Charlton \$1.20 or \$1.32 per gallon for all of these articles he had sold during the previous six months. It appears the latter was willing to pay the high duties on the quantity which he had in stock, but not on the sales of the past six months; so the dispute stood for some days, until at last the Department seized and closed Mr. Charlton's establishment. Thus the matter now stands at the time we write.

This is Mr. Charlton's statement, it must be borne in mind, and although we have no reason to doubt the high opinion expressed of him by the Hamilton press, still we would like to hear the other side of the case, before coming to a decision on its merits. Our object in referring to the matter at this time, is not so much to give an opinion on this or any other seizure made by the Revenue Officers; but to point out how easily the great powers of the Department might be abused in the case of innocent persons, and to urge the greatest circumspection in making seizures. Another point should not be overlooked by Mr. Brunel and his subordinates, that is—the necessity of deciding cases promptly. In this Hamilton case, for instance, there is uncertainty as to whether any blame attaches to Mr. Charlton or not. It may be found that he is right in refusing the demands made upon him; but if his works are kept closed for several weeks, as others have been, his business may be seriously injured. The sooner all such cases of seizure are settled, either one way or another, the better for all concerned. And whenever seizures are necessary, the Revenue officers ought always to act upon the old maxim “Be sure you're right *first*, then drive straight ahead.”

## THE PRESIDENT'S MESSAGE.

THE Message from President Andrew Johnson, the Congress now in session at Washington, has attracted more notoriety for the manner in which it was received in both Houses, than as the mere expression of the opinions of a politician whose term of office was just expiring, it would otherwise have obtained. In both Houses, the document was received with disgust or contempt, ordered to be laid on the table, and no notice taken of it, either by way of debate or reply.

The message itself is of moderate length, and is chiefly an argumentative re-statement of the opinions held by the President on re-construction and other subjects on which he has always been at issue with the Republican party, which has been so strong as to be able to pass their measures over his veto.

The following paragraph especially drew forth loud expressions of strong disapproval from those who were present at the reading of the message; and we are glad to be able to record that the large majority of those who are in power should receive in such a way any advice to repudiate their national obligations:—

“Our national credit should be sacredly observed, but in making provision for our creditors we should not forget what is due to the masses of the people. It may be assumed that the holders of our securities have already received upon their bonds a larger amount than their original investments, measured by a gold standard. Upon this statement of facts it would seem but just and equitable that the six per cent. interest now paid by the government should be applied to the reduction of the principal in semi-annual instalments, which in sixteen years and eight months would liquidate the entire national debt. Six per cent in gold would at the present rates be equal to nine per cent in currency, and equivalent to the payment of the debt one and a half times in a fraction less than seventeen years. This in connection with other advantages derived from the investment, would afford to public creditors fair and liberal compensation for the use of their capital, and with this they should be satisfied. The lessons of the past admonish the lenders that it is not well to be over-anxious in exacting from borrowers a rigid compliance with the letter of the bonds. If provision be made for the payment of the indebtedness of the government in the manner suggested, our nation will rapidly recover its wonted prosperity. Its interests require that some measure should be taken to release the large amount of capital invested in securities of the government. It is nearly unproductive, but in taxation annually consumes \$150,000,000 which would otherwise be used by our enterprising people in adding to the wealth of the nation.”

The principal recommendations of the President are the repeal of several laws which he considers unconstitutional, such as the Tenure of Office Bill, and Acts regulating affairs of the Southern States; the reduction of expenditure; an early return to specie payments; the election of President and Vice-President by a direct vote of the people instead of through the agency of electors, and making them ineligible for re-election for a second term; a distinct designation of

the person who shall discharge the duties of President in the event of a vacancy in that office by death (or otherwise) of President and Vice-President; the election of Senators of the U. S. directly by the people of the several States, instead of by the Legislatures; and the limitation to a period of years of the terms of Federal Judges.

## UNITED STATES FINANCES.

THE Report of Mr. McCulloch, Secretary of the Treasury of the United States, is a somewhat remarkable document, remarkable not so much for the ability displayed in its preparation, or the soundness of the views enunciated therein, as for the exhibit it makes of the financial affairs of the Republic. It opens with a re-statement of some of the views which had been previously presented by the Secretary of the Treasury, and referring to the circulation of irredeemable paper by the Government, asks why that circulation should not be looked upon as an evidence of bad management of the national finances, if not of national bankruptcy, just as a bank which did not redeem its issues should be considered bankrupt. It points out the evils and demoralizing influence on the people of the country, arising from the fluctuating nature of the legal tenders, and avers that, as debtors were enabled in many instances to pay their debts in a currency greatly inferior in value to that in which they were contracted, there can be no doubt that these acts have tended to blind and deaden the public conscience, nor that they are chargeable in no small degree with the demoralization which so generally prevails.

As one step towards the resumption of specie payments, the Secretary suggests the immediate legalization of contracts to be executed in coin, which under existing laws (except in California) cannot now be enforced. He recommends, in addition, that it be declared that after January 1st, 1870, United States notes shall cease to be a legal tender, in payment of all debts subsequently contracted; and that after January 1st, 1871, they shall cease to be a legal tender on any contract, or for any purpose whatever, except Government dues, for which they are now receivable; the law to authorize the conversion of these notes, at the pleasure of the holders, into bonds bearing such rate of interest as Congress may authorize on the debt into which the present outstanding bonds may be funded. He is of opinion that the period for which they would continue to be a legal tender would be sufficient to enable the people and the banks to prepare for the contemplated change, and the privilege of their conversion would save them from depreciation.

Passing from this subject, the Secretary proceeds to a consideration of the revenue and expenditure of the Government. The receipts from customs for three years are given:—

Year ending June 30, 1866	\$179,046,951
“ “ “ 1867	176,417,811
“ “ “ 1868	164,484,900

which he considers as very satisfactory in a revenue point of view, but from an economical and national point of view as very much the reverse. He substantiates by reference to customs returns, his statement that a very large proportion of the imports of the country have been of articles which in no way stimulate industry nor increased productive power, that they were to the extent of two-thirds of the entire importations what in economical times would be considered luxuries. “The war” he says “and a redundant currency have brought about unexampled extravagance, which can only be satisfied by the most costly products of foreign countries. No exception could be taken to such importations if they were paid for in our own productions. This unfortunately is not the fact. They are annually swelling our foreign debt without increasing our ability to pay it. How disastrous such a course of trade, if long continued must be, it requires no spirit of prophecy to predict.” He estimates the present amount of United States Government Bonds now held abroad at not less than \$600,000,000, and of Railway and other Bonds at \$250,000,000 more; and he regards with very little satisfaction what he believes may be accepted as a fact, that not more than \$500,000,000 in gold were received for the \$850,000,000 which now represents the foreign debt of the United States.

The receipts from internal revenues for the past three fiscal years were as follows:—

Year ending June 30, 1866	\$309,228,813
“ “ “ 1867	286,027,687
“ “ “ 1868	191,087,689