increased. It would be easy to make the arithmetical equation between the different loans bearing different rates of nterest; but there are other elements which must complicate the transaction. The general rate of interest and the relative credit of the province, at different periods, would come into the account. To establish the equitable ratio of conversion, the floating of a test three per cent. loan might be a guide, but it would be liable to accidents and influences which would prevent its being a perfect measure of the present credit of the province. The improvement in the finances of the province would justify a lower rate of interest for a new par loan than the rates borne by the existing loans. But the difference is not so great as the distance of a descent to new three per cent. loan. Some saving of interest, resulting from the improved state of the credit of the province, may reasonably be anticipated; and though the conversion of the higher interest-bearing securities into three per cents will add to the capital to be repaid, there ought to be a profit on the transaction, taken as a whole. But the resolutions in favor of the conversion do not seem necessarily to secure this advantage. If, as is proposed, an exact equation between the value of the existing securities and those that are to supersede them be made, is there not danger that the gain which the improved credit of the province ought to bring will be lost in the process? If the question were merely one of calculation of the difference in the value of a three and a four per cent. loan, or any like difference, a little arithmetic would give the answer, but when the province wants, in this operation, to get the benefit of its improved credit over what it was when the existing loans were made, how is this to be done without raising questions of good faith, which, if they want a solid foundation, have a semblance of reality sufficient to base a stigma upon?

In this conversion of debt, the Province, having above all things to keep faith with the public creditors, can only make the operation with the consent of the holders of the present securities. This fact is fully recognized and provided for in the resolutions. The conversion of a time loan can, in fact, only be made at the option of the holders of the present securities; a very good reason why it is not prudent in a borrowing government to make a time loan, if it can avoid it. If a government reserves, as that of Great Britain does, the right of paying off the loan at any time, the option is in its favor, instead of being against it, as in the case of a time loan. The advantage of this option, when possessed by the government, is that it can be used to reduce the rate of interest when circumstances are favorable, and it has frequently been so used in England; though there was a time when a proposal to lower the interest of the public debt of that country was denounced in terms as little complimentary as were the schemes of the Silverites, at the late Presidential election, in the United States. Quebec has a sinking fund, in different shapes, of nearly ten millions of dollars, which it is proposed to transfer, as the conversion is made, to the new loan. In a debate on the proposed conversion, Mr. Stephens suggested that the sinking fund to be created should be employed in the purchase and extension, from time to time, of the funds of the Province. The effect of such a provision would be to raise the price of the bonds, whenever the Province was about to be a purchaser, and that increase of price would represent a loss to the government. This would be about the most improvident use that could well be made of the sinking fund.

OLD FINANCIAL SCHEMES REVIVED.

Following the defeat of free silver, a new currency issue is springing up in the neighboring Republic. The bankers are insisting that the Government shall, as they term it, go out of the banking business; fund the greenbacks and treasury notes in two or two and a-half per cent. bonds, and reduce the taxes on the banks. Ex-Governor Horace Boies, of Indiana, outlines a scheme in direct opposition to this, in the form of a national paper currency based upon gold and silver, and controlled by the Government. Whether Mr. Boies knows it or not, the main feature of this plan was proposed eighty years ago, by Ricardo, an English banker and economist. His scheme made some converts, including Lord Sydenham, who was anxious to try it or something like it in Canada. But, on the whole, it made little progress and has long been forgotten. Ricardo believed that the unchecked power to issue paper, whether exercised by the Government or by banks, was sure to be abused, and had always been abused; he therefore proposed to delegate the power of issue to a commission independent of the Government. Peel applied those provisions of Ricardo's scheme, which decided the condition on which notes should be issued, to the Bank of England's charter, but left the issues to the bank. Should a serious contest arise in the Republic on the lines indicated, the new currency question may easily last the whole of McKinley's Presidential term.

THE PORT OF QUEBEC.

An interesting *resume* of the foreign commerce of the City of Quebec finds place in the last issue of *La Semaine Commerciale*. We translate the larger portion of the article, and are happy to congratulate the good old city on the improvement of its commerce shown therein. The considerable growth observed in July last in exports from that port has been not only maintained, but increased since .And the imports which seemed to be at that time likely to show a decline for the whole year, compared with 1895, have shown instead a satisfactory increase. The totals for ten months ended with October, exhibit imports of $3,109,689, as compared with $2,826,233 in the like period of 1895, and exports of $4,929,823 as against $3,425,710 last year, thus:

	1896.		1895.	
	Imports.	Exports.	Imports.	Exports.
January	$157,496	$26,285	$175,553	$73,405
February	170,262	44,518	171,229	49,687
March	133,664	53, 92	221,998	42,482
April	196,428	41,677	223,141	44 525
May	366,382	59,365	468,275	88,437
June	319,541	986,087	360,352	232,893
July	531,858	802,322	396,850	1,025,027
August	374,372	458,866	270,445	894,596
September	403,765	1,447,408	273,329	236,897
October	455,621	1,010,103	258,861	739 761
Ten months	$3,109,689	$4,929,823	$2,826,233	$3,425,710

Adding the increase of imports, $283,456, to the increased exports, $1,539,113, for the ten months, we find that the foreign commerce of the port shows a growth of $1,785,569 for that period, which we agree with *La Semaine* is an extremely satisfactory showing. Some details are given which are not uninteresting. The exports of wood are thus set out for the four months, July to October:

	Wood, wrought.	Wood, unwrought.
July	$ 721,382	$59,347
August	400,042	....
September	1,272,291	17,510
October	698,087	23,735
Total, four months	$3,091,802	$100,592

A very considerable four months' work in lumber and timber alone. Exports of cheese for the four months were of the value of $92,600; of butter, $16,700; of eggs, $15,-