

we think amendment possible and necessary, and to suggest a remedy in such cases. We shall commence this series by considering the telegraph system of Canada.

There are in Canada about 9,000 miles of telegraph wire extending from Halifax to Sarnia, in an unbroken line, whence ramifications extend throughout the breadth of the land, wherever settlement has made this necessary. These wires also connect at Montreal, Buffalo, Sackville, &c., with the great American system, which interlaces the American Union with its wires. From Sackville Eastwards the lines in the Maritime Provinces are the property of an American Company, who have a right of way, which, unless we are misinformed, has yet some forty years to run ere its expiry. To this cause we are indebted for the high tariffs which they obtain on all business to the Eastward. To be more explicit, the lines of the Nova Scotia Company, of the New Brunswick Telegraph Company, and of the Fredericton and St. John Telegraph Company, are leased from the original shareholders by the American Telegraph Company. The lessees pay the shareholders of these Companies semi-annual dividends on their capital of 2, 1½, and 4 per cent. respectively. The Eastern lines are under one management, while the system from Campbellton West is exclusively controlled by the Montreal Telegraph Company. This Company has, since its foundation, absorbed the lines of the British American, Vermont and Boston, and Provincial Telegraph Companies, the first and last of which were formidable rivals in extent. This Company has paid its shareholders a dividend of 10 per cent. notwithstanding the heavy annual outlay which is rendered necessary by the construction of new lines and absorption of old.

We are strongly in favor of that system which has already obtained in Switzerland, and is shortly to be tried in England, the assumption and management of telegraph lines by the Government. The reasons which influence us in this will now be presented to our readers.

In the first place, the telegraph is as national an institution as the post-office, analogous in its constitution and object, and we think, consequently deserving of similar management. It carries the stream of correspondence, the essence of all communications, and is in this respect much more important than the post-office department. We think that the Governmental management would result in the following undoubted benefits:—Firstly, as to the general public, we should have wider communication, greater despatch, a more strict accountability, and these at a minor expense. As to the Government, we should have the advantages of secrecy, safety, and a reduction of expense.

Should the Government assume these lines, it would have to manage them on the post-office system. Agents and Superintendents would be as Postmasters and Inspectors, under a much more rigid control and supervision than now distinguish the management of these lines. A reduction of tariff would be quite possible, for the simple reason that no private company or individual can carry on an immense concern with that advantage which attaches to governmental management. It is not necessary, according to our theory, that such departments as the post-office and telegraph departments should earn a profit. Their earnings are only the expression of a tax on the intelligence of a country, and because this intelligence pays \$100,000 annually more than is actually necessary, we can see no reason why this surplus should go to the credit of the general Government, and be expended on foreign objects. The profits of the post-office should be applied for the benefit of that department in reducing rates and increasing facilities. Similarly with the telegraph companies. What now represents a ten per cent. dividend and a large reserve fund, should, under governmental management, be applied to reducing the present rates. A few years ago, when the cost of management was no greater than it now is, a 12½ cent and 20 cent tariff was found to pay between this city and Quebec. How much more than must a 25 cent tariff pay at present? The tariff of 25 cents to Quebec, a distance of 180 miles, 25 to Ottawa, 120 miles, 30 to Toronto, 83 miles, 40 to Ottawa to Quebec, 300 miles, 75, Montreal to New York, 400 miles, are evidently not based on any standard of distance. Barring the original cost of line and annual maintenance, it costs no more to send a telegram to Toronto than to the Ianneries. The labor is the same in either case, the battery cost an inappreciable trifle. In fact, when a through line must be maintained, local messages cost only the salary of the operator and the amount of

paper. It is clear that when the present tariff pays an ample dividend and admits of the accumulation of a large surplus, that a tariff might be framed, under governmental management, the less by this percentage of profit, and again the less by that principle which has proved that increased demand at a lower price more than counterbalances the loss by reduction. We have no hesitation in saying that by due management in three years, a telegram could be carried to any place in Canada for one cent a word. This without loss.

A point naturally arises here which has in the early history of the Post office created no little difficulty. This is the adjustment of tariffs on the basis of distance. The Postal rates of 1845 were an elaborate nuisance. Three pence for a distance of 50 many miles, an additional penny per half ounce for an additional fifty miles, this was inconvenient in the extreme. Thus with telegraphing. People will consider it unfair that while it costs 25 cents to telegraph from Montreal to Ottawa it should cost just as much to telegraph from Montreal to Lachine. The fact is the local business of our telegraph lines has never been duly cultivated. The consequence has been that the great cities have patronized the wires almost exclusively, and the people have rarely availed themselves of the accommodation. This should not be in a really public institution. Were rates reduced to one cent a word, local business, which is always clear profit, would be increased in a much larger ratio. We would not place the tariff on a basis of distance. It is a fact that it costs no more to send a telegram to Ottawa than to Lachine. When this tariff is placed at 25 cents local customers may object with justice. But reduce the tariff to 10 cents per 10 words and the through business is increased, while the local is created. No man grumbles over ten cents for such an accommodation, whereas he, with perfect justice, objects to paying 25 cents for a service which is apparently less than that which a through customer obtains for the same money.

There is one principle, however, on which the adjustment can be made. It would not do to carry a message from Sarnia to Sackville for 10 cents. This would be an injustice to the local customer, and an electric impossibility. We would propose the calculation of tariffs by "circuits." Thus, to explain our meaning to our readers, there are certain lengths of wire over which messages are sent by the agency of the original operator. A telegram from Montreal to Toronto, for instance, is sent direct to Toronto, a telegram to Buffalo is sent to Toronto, copied out there, and again sent to Buffalo by another operator over another wire. This process involves extra service, extra time, extra battery expense, and extra line maintenance and construction. It would not be fair then to allow a message which involves additional expense and labor in its transmission and delivery, to rank with one which only costs one-half the trouble. We would therefore charge one cent per word per circuit, or one additional cent for every time the original message is repeated. These circuits would be great districts such as these: Quebec to Sackville, Quebec to Montreal and Ottawa, Montreal to Ottawa and Toronto, Ottawa to Toronto, Toronto to Buffalo, Windsor, and Sarnia. Thus on a perfectly equitable basis would the whole telegraph business of Canada be transacted. In our next article we shall continue our elaboration of the proposed system, and our enumeration of its advantages.

COMMERCIAL BANK.

REPORT OF THE PROCEEDINGS AT A SPECIAL MEETING OF THE SHAREHOLDERS OF THE COMMERCIAL BANK.

A SPECIAL meeting of the Shareholders of the Commercial Bank of Canada was held at the Bank, in Kingston on Wednesday, 6th Nov., 1867.

There were present fifty-four Shareholders, holding or representing upwards of 13,000 shares, or one-fourth of the Capital.

Hugh Allan, R. Anderson, J. Mallock, A. Crooks, Wm. Hall, J. Gardiner, S. McMahon, J. H. Meikle, E. A. Prentice, C. S. Gzowski, A. W. Campbell, John Paton, A. S. Kirkpatrick, R. Kent, Jno Moore, H. Yates, T. Rothwell, C. F. Gildersleeve, J. Carruthers, Rev. Dr. Barclay, J. B. Marks, Rev. E. C. Bower, Rev. I. A. Farnell, S. Macklestone, W. Nickle, P. B. Henderson, John Machar, James Patton, O. S. Strange, John Watkins, A. Code, G. Baxter, W. Griffin, R. Montgomery, Rev. J. A. Muloch, H. N. Garrett, Jas.

Macpherson, A. Kemp, A. Cowan, W. Gibson, C. Livingston, J. Williamson, L. Herchmer, G. Davidson, E. McGregor, L. Nowlands, J. Breden, James Thompson, John S. Coumbs, C. S. Ross, Jas. Ross, R. J. Cartwright, James Hart.

The President having taken the Chair, submitted a statement of the affairs of the Bank as they appeared by the books on the 31st of October, 1867. Also a statement of the same date showing the valuation of the Assets as made by the Special Committee of the Board.

These statements are as follows,—

General Statement of the Liabilities and Assets of the Commercial Bank of Canada, as at 31st October, 1867.

LIABILITIES.

Bank Notes in Circulation	\$1,162,166
Deposits, including balance of loan from Bank of Montreal, unpaid drafts and items in transit	2,015,996
Balances due to Local Banks	40,232
Balances due to London Agents	303,229
Capital Stock	4,000,000
	\$7,461,633

ASSETS.

Cash, viz.—Specie, Provincial Notes, Notes of other Banks, Balances due by Local Banks and Foreign Agents	\$ 448,476
Government Debentures	400,000
Real Estate—Bank premises	283,831
Bonds and Mortgages	\$ 169,355
Bonds of Detroit & Milwaukee R. R.	1,770,220
Doubtful Debts	\$1,166,757
Less Res. Fund & Profits	470,440
Notes discounted, Bills of Exchange, Stamps and all other assets not stated above	3,811,415
	\$6,327,317

C. S. ROSS,

Cashier.

Commercial Bank of Canada, Kingston, 6th Nov., 1867.

Statement of Liabilities and Assets as estimated by Special Committee.

LIABILITIES.

Circulation	\$1,162,166
Deposits, including balance due Bank of Montreal, drafts unpaid, and items in transit	2,015,996
Due Local Banks	40,232
Due London Agents	303,229
Capital Stock	4,000,000
	\$7,461,633

ASSETS.

Specie, Provincial Notes, Notes and Balances due by Local Banks and Foreign Agents	\$ 448,476
Government Debentures	400,000
Real Estate (Committee's valuation)	200,000
Bonds and Mortgages	169,355
Detroit and Milwaukee R. R. Bonds, valued by Committee at 50c	900,000
Notes and Bills discounted—Bills of Exchange and Stamps	\$ 114,876
Other debts due to Bank	695,539
	\$5,869,253

Commercial Bank of Canada, 31st Oct 1867.

The President then read the following Report —

REPORT OF THE DIRECTORS.

The Directors of the Commercial Bank of Canada beg to submit the foregoing Statement, showing the position of the Bank on the 31st day of October, 1867.

At this moment, when their energies are necessarily concentrated upon the best means of providing for the liabilities of the Bank, and of effecting as favourable a settlement as possible for the Shareholders, the Directors do not deem it advisable to enter into a minute investigation of the immediate causes of the late unhappy suspension of this Institution. It will suffice to say that, for a considerable period after the Annual Meeting of the 25th June last, the public mind appeared to be perfectly free from all apprehensions of the Bank. No withdrawals of the deposits (except such as were distinctly traceable to ordinary business causes) seem to have taken place until a few weeks prior to the suspension. From that date, however, the demands of depositors became daily more and more pressing and continuous, till at last after an absolute withdrawal of deposits to the amount of one million and a quarter of dollars, and after receiving notice of further removals to the extent of six hundred thousand dollars, it became perfectly evident that nothing but the actual intervention of the Government, or of the other Banking Institutions of the country, could avert the impending disaster. Appli-