

companies to make a deposit of \$50,000 before exercising the corporate powers granted them by the Local Legislatures, by increasing the amount of deposit it could nullify the incorporation of Provincial companies by the Local Houses altogether. The difficulty with this bill is, that while it is professedly introduced to afford protection to the public, the real and immediate object had in view was a sort of forced loan from these companies to assist the Government in paying off its floating liabilities.

ON THE WRONG TRACK

The policy pursued by Government for two or three years past, with regard to our monied institutions, is, in my humble opinion, a very erroneous one. Several classes of the institutions are, or have been, put under contribution to assist in paying the public creditor. To begin with—it is a disgrace to Canada that it has ever been placed in such a financial position as to require the use of such questionable experiments, and if ever the history of the past ten years comes to be written, our public men will certainly not be held guiltless for the extravagance which produced the "chronic deficiency" in the revenue. But the past can't be redressed, and I think it would be far better to meet our liabilities squarely by increased taxation, rather than to do so (for it amounts to that) our monied institutions to loan the amounts needed. The effect of this policy must be—in fact has already been—to unsettle the business of this very useful class of institutions, and to drive capital out of the country, instead of attracting it into it. The great want of the Dominion is increased capital, and any policy which is calculated to prevent its influx—if not force its withdrawal and investment in other countries—must prove injurious, whatever temporary advantage the Government may gain therefrom.

DR. TUPPER'S MISSION

This mission is generally regarded as a mistake. Better to have sent no delegate to represent the Dominion at all, but it was necessary, certainly, Dr. Tupper ought not to have been the man. After the debate last week, two Ministers are said to have admitted this. This gentleman deserves well of the Dominion for his services in the Union cause, but he should have declined this mission. Dr. Parker, M.P., has given notice of a motion to recall him; but this will, of course, be voted down. The action of the Hon. A. T. Galt, in declining to go to England on this embassy, has, I need hardly inform you, excited much comment in Ottawa political circles. It is taken to imply antagonism to the Government quite as much as disinclination to be Dr. Tupper's colleague. As the reply of the British Government to Messrs. Howe, Annand & Co. will in all probability be the same whether Canada had sent a delegate to London or not, it would have been wise in us not to have mixed ourselves up in the quarrel, and avoided a step which looks like attempting to force Nova Scotia to remain in the Union against her will.

TURNING OVER A NEW LEAF.

Parliament really seems to have at last awakened to the necessity of cutting down its expenses. After a great struggle in the Senate, the report of the Contingencies Committee has been carried. This report discharges some officials and reduces the salaries of others to about \$15,000. There has been wailing and lamentations among the decapitated office-holders, but now that the agony is over, it is to be hoped they will be satisfied with the liberal manner in which they have been treated, in some cases two years' salary being given as a *soliatium*. The House of Commons has also spoken out pretty strongly on the subject of economy, and the Contingencies Committee is now busy preparing a report for a reduction of the number of clerks, messengers, and supernumeraries generally, most of whom are at present in quite a flutter of excitement regarding the matter. Whatever they can do, will be done to prevent the House passing the report, but the example of the Senate will most probably be followed. I am happy to bear testimony that the influence of the New Brunswick and Nova Scotia members—with a few exceptions—has done much to induce members to try for once to redeem their economical pledges.

THE CURRENCY BILL.

The Hon. Mr. Ross came down to the House on Friday and announced that he had decided to drop the first part of his currency bill (this is the part which gave the Government power to alter the currency of Nova Scotia to that of the rest of Canada). He un-

timely stated that this was done as an act of conciliation, and in consequence of the representations of the Nova Scotia members. This graceful act will, I feel sure, be accepted by Nova Scotia as an earnest of the kindly feeling which actuates all parties here towards that Province.

A SLIGHT BREEZE

It is said to have occurred in the Executive Council the other day, in consequence of reports having got into circulation that the tenders sent in from Montreal to construct part of the Intercolonial Railway, had been invited by one of the Ministers of the Crown, who visited your city shortly before Parliament met. Some of the other Ministers are said to have been indignant, but the Hon. Mr. McDougall, the Minister referred to, is understood to have shown that the injurious reports were incorrect and so the breeze blew over. The Hon. Mr. Holton alluded to the matter in the House on Thursday last, when Mr. McDougall again denied the truth of the story.

SUNSHINE AND BUILDING.

The weather has been beautiful in Ottawa for ten days, and the spring business appears to be opening briskly. Building operations are commencing in all parts of the city, and judging from appearances, a large number of new buildings will be erected before the summer closes. Members are anxious to push the business through, so as to get home before the warm weather sets in.

ENGLISH COMMERCIAL NEWS.

(Correspondence New York Financial Chronicle.)

LONDON, March 14, 1868.

THE course of business during the present week seems to suggest that the mercantile body are still disposed to pursue a very cautious policy, and are not inclined to operate to any important extent in excess of their actual requirements. Trade is considered better, but the increased amount of business doing is inconsiderable, and prices have not risen materially since Saturday last. There is, however, no doubt that trade is sound, and that the merchants, although not making much profit, are not incurring any important losses. They are, indeed, from the mere force of circumstances, compelled to restrict their operations inasmuch as money, notwithstanding its abundance, is not so freely obtained, as might have been expected. But if we look a little deeply into the present position of affairs, we shall perceive that the real fact that distrust prevails is one important cause of the existing contraction of trade, and of the cheapness of money. The large sums lost during the last few years have necessarily made capitalists extremely cautious, while the banks and discount houses are somewhat unwilling to discount the second qualities of paper, and hence the smaller merchants, notwithstanding that they are, probably, as competent to meet their engagements as the holders of the first, fear to extend their operations, in the fear that possibly they might not be able to obtain the facilities they may require. It follows, therefore, that the discount market is relieved, to some extent, of the less known qualities of paper, while first-class descriptions are sought after by money lenders, and are discounted, therefore, at a low price. When credit is once lost its return is always slow, and it is very clear that the present period is no exception to the rule. Possibly, the return of real confidence might have taken place at an earlier period, had the harvest of the world been better; but the deficient crops of 1857 and the high price of bread have checked any decided improvement which might otherwise have taken place. There is no doubt, however, that the position of commercial affairs is better than it was a few weeks since, but, at the same time, it is doubted whether the improvement is, in a certain degree, permanent, and indicative of a healthy and remunerative business during the present year.

There has been increased activity in the demand for money the past two weeks, and it is believed that improvement in trade has been one cause for it. During the present week the inquiry for accommodation has been very active, and a further slight rise has taken place in the rates of discount in the open market. The supply is still good, and it is believed that even after the dividends have been paid a fair degree of firmness will continue to characterize the discount market. Respecting the immediate future, opinions differ, but it may safely be asserted that any return of the depression which prevailed during the closing months of last year will not take place. But yet it is not so clear that the bank minimum will be raised, because it does not appear at present that trade has increased to any extent sufficient to absorb much of our surplus money. During the last fortnight some exceptional causes have produced a more active demand, but when those causes shall have been removed, and the money now locked up been disbursed, there is a probability that the supply of money will be more than equal to the demand. Should that prove to be the case, a rise in the bank rate can scarcely take place. It is however to be desired that trade should improve to an extent which will absorb our idle money, and cause the rate of discount to advance to a point which will indicate a sounder and healthier position of commercial affairs. A steady advance to four per cent., though looked upon with apprehension by many, would be a satisfactory and favorable change, but such an alteration can scarcely be looked upon as certain, or, by those who

desire to see a better future for money, with confidence. The demand which has lately sprung up for silver, for transmission to India, will tend to diminish our supplies; but then it is not by any means certain that the demand will continue while it should be borne in mind that if rates advanced one per cent. here, the money lying idle at Paris would be attracted to the London market, and the supply on that side would necessarily be increased. The Bank of France now holds the enormous sum of nearly £10,000,000 of gold and silver, while the Bank of England holds more than it requires, namely £21,180,000. The trade of England and France must therefore improve considerably before money can become dear. The rates of discount, so far as the best descriptions of paper are concerned, are subjoined.

	Per Cent.
30 to 60 days' bills	1 1/2 to 2
3 months' bills	2 1/2 to 3
4 months' bank bills	3 to 4
6 months' bank bills	4 to 5
4 & 6 months' trade bills	2 1/2 to 3

On the Continent, the principal feature as regards money is a firmer market at Hamburg, in consequence of the improvement in the demand for silver, the minimum quotation at that city is now 2 per cent. At other cities there are no variations of importance. In the Bank of France bullion—chiefly silver—continues to accumulate, the total now being as much as £45,678,100. As yet there appears to be no decided symptoms of an improving money market at Paris. The new French loan will shortly be introduced, and there is no doubt that the French Government will be able to obtain much more than they will require.

At Liverpool much excitement prevailed in the early part of the week, but towards the close there has been less animation, and the whole of the advance which has been established in prices has not been supported. At one period American cotton showed an advance of 1/4 to 1/2, but at the close the improvement is 1/4 to 1/2 per lb since Saturday last. The stock of cotton in Liverpool and London, including the supplies of American and Indian produce ascertained to be afloat to those ports is 102,323 bales, against 982,160 bales last year. The public sales of colonial wool are progressing with a fair degree of animation, and French and Belgian buyers are operating freely. Other branches of business, though quiet, present a steady appearance.

In the wheat trade, much activity continues to prevail. Although the supplies brought forward have not been entirely disposed of, no decline has taken place in the value either of home-grown or foreign produce. An impression now seems to prevail that wheat has certainly reached its highest point, and some think there are prospects of a decline in values. As I stated last week, however, it does not seem to me likely that any important variation will take place at present. The agricultural prospect is still promising, and not only is there an increased breadth of land under cultivation here, but the cultivation of wheat has also been augmented abroad, so that, with an average yield per acre, the total production will be large. But at the same time we shall have very little old wheat to consume with the new produce, and hence we shall soon make a great inroad into our supplies of the latter. A good harvest is greatly to be desired, since, in giving cheap bread, it would also give encouragement to all. We have now had two indifferent seasons, and a similar state of affairs has existed in France. So that France continues to import wheat, and as long as she is a competitor with ourselves in the foreign markets, any material fall in the value of wheat can scarcely be expected. The following statement shows the extent of our imports and exports of wheat and flour since Sept. 1.

	WHEAT.		—Imports—		—Exports—	
	1866-67.	1867-68.	1866-67.	1867-68.	1866-67.	1867-68.
From—	Oct. 1 to Feb. 29	11,623,868	18,625,100	287,555	431,137	
Week end g Mar 7	690,147	670,276	2,620	11,016		
Total		12,220,015	19,295,416	290,175	442,553	

	FLOUR.		—Imports—		—Exports—	
	1866-67.	1867-68.	1866-67.	1867-68.	1866-67.	1867-68.
Sept. 1 to Feb. 29	1,395,213	1,797,181	10,500	13,150		
Week end g Mar 7	56,534	63,042	253	315		
Total		2,050,776	1,850,173	10,753	13,465	

During the last few days about 120 cargoes of wheat have arrived off Falmouth and Queenstown, per orders, and hence millers have operated with extreme caution, but as several cargoes have been purchased by Continental buyers, prices have continued to rule firm.

The farmers of Indiana who universally gave discouraging reports of the wheat crop prospect over this state a fortnight ago, now state that the fine rains and warm weather since then are bringing it forward remarkably, and in many places where it was believed it entirely killed before.

THE NEXT WHEAT CROP AND THE GRAIN TRADE.—The *Marl Lane Express* says, should the present forwardness of the season continue unchecked, the crops may be got in very early. The wheat plant looks well. On a range of high prices it was not to be expected that such weather as the present would be without its effect upon the corn trade. It has made millers more resolute to keep from heavy stocks. Notice of a thaw has come from Canada, and an early break up of the frost in North America will free the ice-bound vessels in the lakes and canals. Prices have fallen, the influence of these probabilities. New York, on a slight reduction of prices, has found means to execute some large British orders for wheat, but prices there have a consequence again advanced.