

templated, and on a larger scale than before, but we have reason to believe that whilst with the Fenians "the spirit is willing, the pocket is weak." In other words, the "sinews of war" are wanting. The coffers of the Fenian Treasury are said to be rather depleted, and the poor hod-carriers and the simple servant girls refuse to be swindled out of their hard earnings any longer. Such are the reports going in Government circles in Ottawa, but a close watch is kept on all Fenian movements across the line, and if General O'Neill ventures again to come upon our soil with hostile intent, he will meet with a very different reception from that meted out on his first attempt. Whilst another attack could only result, under any circumstances, in swift retribution falling on the heads of the lawless rascals who might cross our frontier, still we sincerely trust there is no truth in the rumours that any portion of the troops who are in Canada are about to be withdrawn. Such a movement might be fraught with injurious consequences to the Dominion at the present time. It would go far towards inviting an attack from the Fenians, who would argue that with fewer Imperial troops here they would meet with a less warm reception. If there be any truth in the reports, the Government will not be up to its duty if it does not remonstrate with the Colonial Secretary, and endeavour by all means in its power to prevent any of the troops leaving until the chances of an attack are lessened. We are well aware that we could easily repel the Fenians with our volunteers and militia, without the aid of a single British soldier, but it might only be after considerable bloodshed and destruction of property. This ought to be avoided, and one of the best ways of attaining this end, is to have the assistance of as many regiments of the line as possible, so that the Fenian ruffians may never be able to make any lodgment whatever on our soil. One thing we hope the Government will decide upon, in case of the threatened invasion being attempted, and that is: to mete out summary justice to the villains who may be caught. We have pursued a "mild" policy long enough. If O'Neill and his horde comes again, it is to be hoped murder will be called murder, and robbery, robbery, and that both will be punished accordingly.

#### THE RATE OF INTEREST.

THE Hon. Mr. Rose, Minister of Finance, announced in Parliament on Friday last, that the Government would immediately introduce a bill relating to the vexed question of the rate of interest. Mr. Godin, member for Joliette, has a bill before the House on the same subject. This measure proposes to fix the rate of interest, when no contract is made, at 6 per cent., and in no case is a person to be allowed to contract or take more than 7 per cent. This bill would not, in any event, have been likely to pass, but the announcement of Mr. Rose of a similar measure on the same subject, of course seals its fate.

So far as the Minister of Finance explained the proposed Government measure, we are not inclined to regard it with much favour. Its provisions, he said, would be somewhat as follows.—In Ontario, the law to remain as at present, except in the case of real estate, loans upon which would only be allowed 8 per cent., building societies to be exempt, Quebec to have the same law; in Nova Scotia, the rate is to be fixed at 7 per cent.; New Brunswick the same. In Nova Scotia at present, the banks can charge 7 per cent., but private individuals only 6 per cent. Of course, this anomaly could not be allowed to continue to exist, but we regret that when a change was being made, the law should not have been made uniform with the common-sense law of the late Province of Canada, which permitted "free trade" in money as in other commodities. This would also have had the merit of making the law of the whole Dominion on the subject of the rate of interest uniform—a result of the highest importance. We regret to see introduced by this bill, the principle of special legislation for each Province, some of the Provinces acting under one law and others another. Our legislators ought to take as their motto: uniform laws! This ought certainly to be the case with the rate of interest, for if higher rates can be obtained legally in Ontario and Quebec, it is only natural to suppose that money will flow away from those Provinces where the rates are lower, to those in which more can be made from it. This would not be a healthy state of affairs, and we feel assured it would have been better to have abolished the usury laws in the Maritime Provinces, and enacted a uniform free system in all parts of the Dominion.

There has been a great deal of trouble in various Parliaments of Canada with regard to the rates of interest. At last, the majority took ground in favour of our present law on the subject. We believe that law has worked well, and fulfilled all the expectations its advocates formed of it. The fears of the usury law advocates have been disappointed. Excessive charges for interest have not been the result. In Ontario, at least, the rate of interest has largely decreased since the abolition of the old usury enactments. At the present time you can procure almost any quantity of money there at 7 or 8 per cent., and when the pains and penalties were on the Statute Book against those who took higher rates than 7 per cent., 1, and even 12 per cent. were quite common. Under these circumstances, we hardly think Ontario will regard with favour any alteration of their present law, which has not called forth, that we are aware of, any particular complaints.

By the time this article is in print, Mr. Rose's bill will be before Parliament. It cannot be expected that the principle of the bill will be altered, but it is to be hoped that some changes will, at least, be made in its details. It must, in any event, we fancy, only be a temporary measure. We do not think it will be found to be in the interests of the Dominion to have different rates of interest in different Provinces, and that some uniform system must speedily take its place. When that change is made, it is to be hoped that we will not go back to the effete usury law system, with its accompanying evils, but forwards to free trade in money, which system is the best both for borrower and lender.

#### INTERCOLONIAL COMMUNICATIONS.

THE importance of rapid, safe, and cheap communication between the Provinces, can scarcely be over-estimated in connection with the trade of the Dominion, and even its political existence. This, of course, is the great fact that is recognised in the project of the Intercolonial Railway. But the completion of that project is still in the future. It may be four or five years, and certainly it will be three, before the work is accomplished; and, meanwhile, there seems a disposition to defer the carrying out of all sorts of enterprises in the way of intercolonial trade till the railway is made. The present facilities for intercourse are so imperfect, and are usually supposed to be so much worse than they really are, that it is taken for granted that almost nothing can be attempted in this direction at present, except in the transport of the great staple of the Province of Ontario. This is a great mistake. Even with existing lines, and with the means of communication now open to us, there are several branches of trade that might be established at once. The coal and building stone of Nova Scotia will never be brought to us by rail, and it will probably be found more economical to carry the bulk of the down freight by water rather than by land. This is pointed out by Mr. Halliburton in his recent pamphlet and certainly there can be no doubt that bulky freight like flour can be carried to Halifax by propeller for considerably less than it ever can be by rail. There is no reason, therefore, why the requisite facilities for this traffic should not be afforded now, and it is to be hoped that during the present season some arrangement will be carried out for steamers with regular periods of sailing and not merely occasional trips. For the heavy business in flour and West India produce it is desirable, in order to avoid transhipment and extra charges, that Halifax, rather than Pictou should be the terminus for any line to Nova Scotia that would aim at something more than the local trade of the Gulf.

From St. John there have again been serious complaints of delay by way of Portland. Causes which, it is to be hoped, will be only temporary, but which certainly have lasted a long time, have frequently prevented the forwarding of goods by rail, but delay, we believe, has as often been caused by the want of adequate means for forwarding flour after it has arrived at Portland. The average time between Toronto and St. John is little short of three weeks. For purposes of heavy traffic, therefore, we are as near England as New Brunswick, though we can travel from Montreal to St. John in two days, with every comfort at any season of the year. There is a remedy to be had at once during the season of navigation by the Shediac route, if there were accommodation at Point du Chene for the landing of any considerable quantity of flour and its shelter from the weather. It is to be hoped

that under Confederation the paltry local politics which have hitherto stood in way of the terminus of a costly public work like the American and European Railway, being provided with moderate accommodation for receiving and housing freight, will no longer be allowed to interfere with what is so manifestly the interest of the leading community, or more especially that of St. John.

The miscellaneous traffic in small parcels has thus far been limited from a variety of causes. Of these the mere distance is the least important. In connection with commerce, distance is only a question of time and cost. As regards the latter, the charges are certainly moderate for heavy freight, but the time, as already remarked, is as great as to Europe and is much more uncertain. For the conveyance of light freight the time is short, but the cost is so great as almost entirely to prohibit traffic in commodities which the merchant cannot risk having two or three weeks on the road. Now it is well known that there is a large number of articles, besides those that are perishable, which must be quickly carried in order to make a trade possible. A large proportion of commerce is in commodities for which orders must be executed with promptitude and certainty. There can be no such trade between the Provinces under present arrangements. The means exist, but the facilities are withheld. It is only two days from Montreal to St. John, and the steamers leave three times a week from Portland, but transport for goods is not to be had in less than two or three weeks but at rates that are practically prohibitory of traffic, except in the most valuable description of commodities. Even for this class of goods there are no through arrangements, different express companies handling the parcels to each other, and each charging *pro rata* according to distance, very moderate rates according to their ideas, but utterly destructive in the estimation of those who would attempt to establish a mixed trade between the Provinces. The time between New Brunswick and Montreal is about the same as from the North of Scotland to London; and there being lines of communication both by way of Portland and the Gulf of St. Lawrence, it is hard to believe that it can be from anything else than gross mismanagement that facilities have not been afforded ere now for forwarding the thousand and one articles, the exchange of which might form an intercolonial trade little, if at all, inferior to that in flour. People are slow to believe in these things till they see them realised, but the means of communication ought surely to be organised on the assumption that there is ingenuity and enterprise in the community at both ends of the line, which will develop itself if proper facilities for interchange are afforded. We know of no reason why these facilities should not be afforded at once, and certainly the bonding system need be no obstacle to an extensive trade in "small" between the Provinces. The existence of such a trade is essential to our intimate connection, and we cannot afford to postpone all efforts to build it up till the possibly remote period when the Intercolonial Railway may be finished. It should be our business, for political as well as commercial reasons, to establish this trade now. Our doing so partially will not at all diminish the necessity for an independent line of railway, but will be calculated to make the value of such a line practically felt.

#### PLAN FOR A GOVERNMENT CURRENCY.

Having the following advantages—1. Introduction and circulation without disturbance of Mercantile Credit.—2. Instant Convertibility.—3. Facilities for Expansion.—4. Providing a large Government Revenue.—5. Retention of Specie at the Banks.

[FROM A CORRESPONDENT.]

If the bill providing for a substitution of Legal Tenders for Bank currency passes the House, the effects must be as disastrous as anticipated by Mr. Hague and others, mentioned in yours of the 17th of April.

The bank circulation averages about \$10,000,000 exclusive of Bank of Montreal Provincial notes. The reserve kept on hand for redemption may be stated at \$2,500,000, thus affording a capital of \$7,500,000 for the use of the country; and a source of profit to the banks—in addition to the paid up capital of the banks, \$25,000,000, excluding the Bank of Montreal. When the banks shall be called upon to withdraw this circulation, they can only redeem it by contracting their