

nary expenditure there would require to be provided on account of public works, &c., \$2,450,000, and for redemption of debt \$1,618,267, making a total of \$4,068,267. He, then, referred to the changes he was about to propose in the tariff, which we have already laid before our readers. He estimated for the revenue of 1863-69 as follows:—

From Customs	\$9,100,000
Excise	4,614,000
Miscellaneous sources	2,500,000
	\$ 6,114,000

Or an estimated surplus of \$1,071,833 of the revenue over expenditure.

Mr. Rose then proceeded to state the estimated annual charge on the country during the next five years for building the Intercolonial Railway, a work of absolute necessity as without it there would have been no Union, and for erecting fortifications, without which all expenditure for Militia purposes would be useless. The following are the figures:

For the 1st year	\$ 800,033
For the 2nd year	618,066
For the 3rd year	527,100
For the 4th year	1,236,183
For the 5th year	1,289,668

The latter year gives the maximum of the annual charge for both interest and sinking fund in the guaranteed loans. At the rate mentioned the debt would continue for twenty-eight or thirty-two years, according as the sinking fund was invested at five or six per cent. After which the annual payment would diminish for five years in the reverse order in which it increased, until the whole debt was extinguished, which would be in thirty-eight or forty-two years. To prove that he was justified in thinking the resources of the Dominion would enable these amounts to be met without undue pressure, the Finance Minister referred to the very great increase which had taken place in the trade of Canada during the last nine years, namely 81 per cent. in the imports, and what was a far better indication of her wealth—91 per cent. in the exports, during the same period in Nova Scotia, the imports had increased 72 per cent. and the exports 20 per cent., and in New Brunswick the increase of imports and exports was 33 and 25 respectively. He did not wish it to be supposed that in calling attention to these indications of future prosperity, he was desirous that they should rush into undue expenditure, but that they should be most careful in their outlay, and consider well every shilling that they expended, and he claimed that Government had shown a desire to administer public affairs thriftily and economically. It was necessary, however, to develop the wealth of the country, to ensure the reasonable and progressive development of its resources, not to allow its treasures to remain hidden in the bowels of the earth, nor to neglect the means necessary to bring products of all kinds to a profitable market. Before closing, Mr. Rose refuted the idea that Canada was groaning under a heavy load of taxation, showing that while in the several Australian colonies, the interest on the public debt varied from \$151 to \$602 per head, in this country it was only \$11.22, and that while in New York State the total annual taxation was about \$45 per head, in Canada it was only a little over \$5. The debt of the State of New York amounts to \$168 per head, but in Canada to only \$23 per head. These facts, taking also into account the valuable debts owing to them, and the property they hold in connection with the burdens they had to bear, must lead any dispassionate observer to say that contrasting their condition with that of the neighbouring State, the balance was entirely in their favour.

GOVERNMENT TELEGRAPHY.

THE plan of transferring the telegraph lines in the United Kingdom to the Government, and working them on a system analogous to that of the Post-office and in connection with it, will shortly be carried into effect. A Blue Book has recently been issued, containing two reports of Mr. Scudamore to the Postmaster-General, and one or two official letters between the Post-Office and the Treasury, on which the Government measure has been based. Having more than once stated our belief in the advantage of placing the wires in the hands of our Government, we shall adduce, in support of our opinion, a few facts from Mr. Scudamore's able and exhaustive reports.

Mr. Scudamore's first report was made in July, 1862, and much of its space was devoted to explaining the working of the Swiss and Belgian as compared with

the British system, and on all points of comparison the superiority was shown to be with the Continental systems of Government administration. For example, the miles of telegraphic line to every 100 square miles of territory in 1865 were, in the United Kingdom 11 2-10ths, but in Switzerland 13 7-10ths, and in Belgium 15 1-10ths. Again, the number of telegraphic offices to every 100,000 persons in the same year was, in the United Kingdom 5 6-10ths, but in Belgium 6 1-10ths, and in Switzerland 9 9-10ths. In Mr. Scudamore's second report, in February, 1863, he gives the changes in 1866 as to miles of line, miles of wire, telegraphic offices and instruments; the per centage of increase being in all cases very much higher in Belgium and Switzerland than in the United Kingdom. In the third place, while in all countries the proportion of telegrams to letters has been increasing since 1860, the United Kingdom is beaten in the race. The proportion there of telegrams to letters in 1860 was 1 to 236; in Switzerland, 1 to 84; and in Belgium, 1 to 218. In 1866, in the United Kingdom the proportion was 1 to 121; in Switzerland 1 to 63, and the Belgian, which had shown the most remarkable progress, 1 to 37. This increase is attributed, and correctly, to the reduction of the tariff from 1½ francs to 1 franc in 1863, and from 1 franc to ½ franc in 1866.

The fear of cheap business choking the lines receives no sanction from the report. In 1865, in Belgium, the messages received at each telegraphic office were nearly equal in number to those received at each office in the United Kingdom, the figures for the three countries being, in the United Kingdom, 2,285; Belgium, 2,136, and Switzerland 2,346. Nevertheless, the Belgian Government did not hesitate at a reduction of the tariff which was expected to double, and "did actually double, without in any way choking their lines, the total number of inland messages." And in 1866, the messages per mile of wire, while only 78 in the United Kingdom, were 163 in Switzerland, and 181 in Belgium.

With regard to delays in despatch of messages, Mr. Scudamore, speaking of time occupied in sending various telegrams to English offices from his own department, viz., from 1h. 16m. to 3h. 45m., says:—"The time occupied in the transmission of these messages did not, at the date thereof, appear unusually long, or excite any surprise, or give rise to any complaint of delay, though the delay was in such case as would have appeared to the Belgian telegraphic administration to be unbearable. It appears tolerably clear, therefore, that the delays for which the Belgian administrators a clog, are not such as are charged against the English system, and that in apologizing so frequently for delays which would pass unnoticed here, they furnish a striking proof of the superiority of their arrangement."

The objections to increasing the duties of Postmasters by giving them charge of the telegraph system, the report meets by showing that in other countries postal and telegraph duties are combined without injury to efficiency, and that, while telegraphy is an art found to be easy of acquisition, the advantage, especially in country offices, of adding to their business, is very great. The remuneration is necessarily increased, and a superior class of men can be attracted, equal, not only to the performance of the new duties, but also more competent to the discharge of the old duties. The Post-offices in the United Kingdom to which money order offices are attached are best managed for postal purposes; the addition of telegraphic business will enable further improvements to be carried out. The report further shows that in the United Kingdom, in taking up a new business the Post-Office brings with it the possession, rent free, of 12,000 offices distributed equally over the Kingdom, the ability to find labour for a portion of the day without paying for it through the whole day; a vast force of officers increasing daily in efficiency; and "an organisation which enables the central office to hold and control every fibre of the system."

Mr. Scudamore, besides proposing to establish a greater number of telegraphic offices than exist at present, proposes in addition "to open deposit offices, offices at which messages may be deposited, and the charge thereon paid, at every Post-Office in the United Kingdom at which no telegraphic office is established," and "to permit the pillar boxes throughout the Kingdom to be places of deposit for messages, provided such messages be written on stamped paper." On all messages, the proposed charge of one shilling sterling for twenty words and sixpence for every ten words additional, is to include

the delivery by special messenger within the town delivery of the terminal office, being a head Post-Office, and within one mile of the terminal office, not being a head Post-Office. For delivery beyond these limits an extra charge is to be made.

We cannot conclude without urging upon our Government the advisability of following in this country the example set them by the Imperial Government, and the importance of becoming the proprietors of the existing telegraph lines at the very earliest date as each year will, of course, add to the cost by the extensions made. In the English plan it is estimated that the net profit obtained in working the lines, less interest on capital account, will be sufficient for a sinking fund to extinguish the debt incurred in 25 years. We see no reason why a similar system could not be carried out here; and if so, in a rapidly growing country like this, there is no time in the future which can be as advantageous as the present.

THE FINANCIAL SITUATION IN THE U. S.

(From the Commercial Bulletin.)

OUR anticipations last week of an easier money market have been fully realised. The extreme pressure induced by the sudden break in the Atlantic mail stock and also by the disturbances in Erie, has passed away, and money, although still tight, is comparatively easier, with a prospect of a still more favorable turn. There is now a decided tendency of capital towards New York. The country banks are strengthening their balances in the city. Currency is gradually flowing in from the interior and money is temporarily scarce at Chicago, Cincinnati, St. Louis, and other places where an active demand exists for funds for the transportation of breadstuffs. The Western banks so far seem to have been able to meet all business demands for money, but speculators have found it difficult to obtain accommodations upon terms short of full collateral values for bills. The conservative character of the general business of the country is one of the most marked features of the times, and affords the surest guarantee against the excesses of speculation.

From a careful review of the present peculiarities of the market, we are warranted in anticipating a speedy return of general confidence. The disturbing influences of the last few weeks are rapidly passing away. The bitter Erie rivalry has been compromised upon terms that are exercising a beneficial influence upon the market. There is an upward tendency of all kinds of stock, although the recent experiences will long continue to produce a greater watchfulness in the market. The active demand for breadstuffs for foreign markets will stimulate the transportation of large quantities of grain to the seaboard which will balance the Eastern flow of currency, and restore ease to the Western as well as to the Eastern markets.

With respect to the action of the Treasury agents during the recent crisis there is much discrepancy of opinion. That the government increased the stringency of the market by sales of gold that withdrew a large amount of currency from circulation, and that the purchases of seven-thirtieths by no means covered the sales of gold, appear to be indisputable. But it is held that this action was entirely conservative and beneficial, as it prevented an undue advance in the price of gold. Without going fully into the merits of the important questions involved, it is to be observed that the interference of the government to affect the price of gold, or of any commodity, must always be regarded with more or less distrust. Our past experiences in this direction are not very reassuring. The public Treasury has suffered severely from the efforts to regulate the prices of gold arbitrarily, and it cannot be shown that the public interests have been promoted to a corresponding extent.

COMMERCE OF GREAT BRITAIN.—The city article of the London Times of April 14, has the following account of the commerce of Great Britain:—

The export trade of the United Kingdom the year before last attained an amount fourteen per cent in excess of all former experience. The returns for last year show a diminution of four per cent from the unprecedented total thus reached. But, allowing for the recent considerable reaction in the price of many of the principal articles of the raw material employed in our manufactures, there is reason to believe that so far as it represents the money return for the labor, capital and skill employed, the total of 1867 is the most favorable ever attained.

Of the aggregate of £181,183,971, about 23 per cent was to our own possessions, but large as this proportion is, it is not quite equal to that of preceding years, since, although there was a recovery in the trade with India, that with Australia and Canada experienced a heavy reduction. As regards our shipments to foreign countries the worst feature consists in a heavy falling off in the total with the United States, notwithstanding the very large increase in the quantity of breadstuffs and cotton we have drawn from their markets. On the other hand, Germany, under her new organization, has made a great stride towards compensating us for this loss of business with America. France, Holland and Egypt, likewise continue to advance. Brazil figures show a rather heavy falling off, but the Argentine Republic has maintained the large increase of the preceding year, and now takes the lead of Belgium. Chili likewise presents a goodly increase, while Mexico exhibits the falling off that was to be expected. China shows no reaction from the remarkable increase attained in 1866, and Japan presents an increase on the previous satisfactory total.