

of our own mines made use of for the purpose. Canadian coins alone should be a legal tender; silver to the amount of ten dollars, copper to the amount of twenty-five cents. Concerning the issuing of notes by banks or by the Government, we see no valid objections that can be raised to the present system. We would merely suggest that in renewing the charters of any bank, it should be conditional that a certain proportion, say twenty-five per cent., of the deposits and circulation be always kept on hand in specie and Government legal tender notes, any departure from this principle to be punishable by forfeiture of the charter. Had this rule been in existence, the managers and directors of the Bank of Upper Canada and of the Commercial Bank could not have ruined the proprietors of those banks as they have now in many instances succeeded in doing. Public confidence would be maintained, and a run on any bank would be impossible under almost any combination of circumstances. No one bank, however powerful, could then place in jeopardy the credit of any other institution and panics would become well nigh unknown. Against any introduction of irredeemable government paper, or a withdrawal from banks of the right, with proper limitation, to issue notes, we most strongly protest.

Next in order comes the important subject of customs, excise, and revenue generally. And that this is a subject requiring the most careful consideration and the fullest discussion, everyone must admit. The interests involved are vast and complicated, and above the question as to whether Free Trade or Protection is best adapted to develop the resources of the country, rises the fact that a revenue must be raised. How this revenue is to be raised so that taxation may not fall with undue severity on any class of our people, or tend to cripple their energies, will need the best intellect to be found among our rulers, aided by the widest acquaintance with the course of trade and commerce in these Provinces for many years back, and the statistics of exports and imports, manufactures and agriculture. We are, ourselves, opposed to any tariff which shall look to any other end than merely the raising of necessary revenue, and consider that such a scale of duties should be fixed as to fall most lightly on the poorer classes of the community, and press more heavily on those who can better afford to pay them. Direct taxation, by means of an income tax we look upon as the best in theory, but impracticable in this country at present, owing to the sparseness of its population, and the difficulty attending the collection of such a tax.

Then follows for consideration the adoption of one uniform postal system. We have frequently, on various occasions, written in favour of a reduction of the present very high rates of postage, both internal and foreign, and we trust the present occasion will be seized to bring about so needed a reform. We would suggest a uniform two cent rate, with compulsory prepayment, on all letters from one part of Canada to another, five cents at most to the United States, and, if it can possibly be arranged, ten cents to England; and we would also suggest that newspapers from the office of publication be carried free, as is now the case in the two Maritime Provinces. We are confident that a larger revenue would be raised in a very few years under such a system than at present, and that at all times the Department would be self-sustaining, which is all really that it should be, and any revenue beyond that should be used in increasing its efficiency.

Another subject, of a kindred nature, we are sorry to see has not been alluded to in the speech from the throne. We had hoped some measure would have been prepared by Government looking to its assuming control of all telegraph lines, and conducting the telegraph service as it now does the postal. We shall elsewhere, and at greater length, enter into the consideration of this subject, and show how greatly the public would gain in many respects by a change from the present high tariff system which gives enormous profits to corporations, and deprives so many people of the use of the telegraph wire, by reason of their inability to pay for it.

The construction of the Intercolonial Railway must be immediately commenced, and the selection of a route, and of contractors, engineers, &c., to carry it forward, must be made with great care, and a freedom from sectional bias that, we trust, will prove our statement to be true lovers of their country. Any mistake made in the spending of the money guaranteed by the Imperial Government, will be most deplorable in its results. The railway was made a part and par-

cel of the Union scheme, and a failure to construct it for the best advantage of all interested will be attended by the worst consequences, and a bitterness of feeling difficult to be conceived. As we have already, more than once, stated our views on the question of routes, we shall not attempt to do so on the present occasion, but merely point out that unless the railway, as far as possible, be so placed as to be for the most part self-supporting from the outset, it will fail of being anything but a burden to the country.

We sincerely hope that as the foregoing and other weighty measures are laid one by one before the legislators of Canada who have the work before them of initiating a course of policy, they will come to their discussion with a due sense of their importance and a sinking of all personal and party feelings; that, in the concluding words of His Excellency's speech, their aspirations may be directed to such high objects, and that they may be endowed with such a spirit of moderation and wisdom as will enable them to render the great work of Union, which has been achieved, a blessing to themselves and their posterity, and a fresh starting point in the moral, political, and material advancement of the people of Canada.

MR. GALT'S RESIGNATION.

EXPLANATIONS took place in Parliament on Friday afternoon last, as to the causes which led to Mr. Galt's resignation of his position as Minister of Finance. The remarks of Sir John A. Macdonald, the leader of the Government, were little more than a statement of the fact of the resignation having taken place, and his regret at parting with Mr. Galt as his colleague. The latter entered into the subject at some length, giving two reasons for the course which he had seen fit to pursue, the first being that private affairs of importance required his attention at the present time, and the second, and doubtless the more important one, was that he had either been so misunderstood or misrepresented in Ontario, that he was no longer a source of strength to the Administration, and consequently would not longer hold office under such circumstances. The real cause of Mr. Galt's withdrawal from the Government undoubtedly lies in this latter reason, and it is impossible not to believe that it has a close connection with the new banking policy introduced last session, and possibly a difference of opinion among the members of the Cabinet as to the effects of that measure. Whether correctly or not, it is evident that no insignificant portion of the community, particularly in the Province of Ontario, believe that the recent run upon the Western banks arose either directly or indirectly from the issue of Provincial notes solely by the Bank of Montreal. This is the all but universal opinion in the West, and there is a very strong feeling existing there, not only against Mr. Galt, but also Mr. King, the manager of the Bank of Montreal. We are not prepared to say that this feeling on the part of the public is altogether just; but the fact remains that it exists, and so strong has it become that it has evidently been felt within the walls of the Executive Council Chamber, and Mr. Galt has offered himself a sacrifice to endeavour to allay it.

Considerable speculation has been indulged as to what effect Mr. Galt's withdrawal from the Government will have upon the financial policy of the Government. Some will have it that, although no longer a member of the Executive Council, the views of the honourable gentleman will still prevail—that, in fact, Mr. Galt will pull the wires without official responsibility; others again take an opposite view, and hold that his withdrawal signifies that the Government has decided on a change of policy with regard to financial affairs, and more particularly with regard to the banking interests of the country. Time alone will disclose which of these views is the correct one, but we rather incline to the belief that Mr. Galt's withdrawal indicates some change or modification of the Government policy with regard to the banks. It is well known that the issue of Provincial notes last session was warmly opposed by Mr. Street, Mr. Cartwright, and other prominent Conservative supporters of the Administration, and the recent deputation to Ottawa with regard to banking affairs, in which Mr. Hillard Cameron and others took part, would go to indicate that many Ontario supporters of the Government are still opposed to the scheme introduced and partially put in force last session. We think, therefore, it will be found before the present session closes, that the Government has decided upon such changes in its banking

policy as would have rendered it rather undignified on the part of the late Minister of Finance to have remained in office.

As regards the general financial policy of the Government, we hardly think Mr. Galt's resignation possesses any particular significance. It is generally conceded that the tariff will be the subject of legislation, and doubtless of much discussion, before the session comes to an end. That changes are contemplated everybody is well aware, and in what direction is pretty generally understood. One of the chief objections to the Union held by the people of Nova Scotia and New Brunswick, was the fear that our tariff would be imposed upon them, and that consequently their taxation would be largely augmented. The feeling in Parliament appears to be in favour of going as far as possible to meet the views of our eastern friends, and it is supposed by many that reductions will be made so as to reduce the tariff to an average of 12½ per cent. Whether this rate of taxation would be sufficient to meet the demands on the Dominion Exchequer, is a question involved in some doubt; but with a due regard to economy on the part of the Government, we think it ought to be sufficient for all purposes. If Mr. Galt had remained in the Government, changes in the tariff in this direction, it was understood, would have taken place, and there is every reason to believe that whoever the new Minister of Finance may be, the same course will be followed.

In parting with Mr. Galt, the Government loses one of its ablest members. With the exception of Sir John A. Macdonald, he probably leaves no equal in the Cabinet as regards ability, but it must be confessed that many of his financial schemes are rather fanciful. This tendency of the honorable gentleman has, to some extent, detracted from his reputation as a financier, giving rise to a want of confidence on the part of many in the community as regards the caution and carefulness already displayed by him. This feeling, as we have already said, and as Mr. Galt admitted frankly in his explanations, is very prevalent throughout Ontario, and whatever the Government may lose from the want of their late colleague's talents, they will gain in increased confidence in the financial policy.

THE CANADIAN TELEGRAPH SYSTEM.

THE most vital subjects of interest to the people of the Dominion are undoubtedly the carrying interests. These, above all others, concern us in our most intimate and every day relations, in them extortion and mismanagement are the most keenly felt, and monopoly the most to be avoided. Unfortunately, monopolies are more practicable in these than in any other departments of industry or occupation. By carrying interests we, of course, mean any association whose end is the transport of man, his property, or his correspondence, from one place to another. This category naturally includes steamers, railways, express companies, the post-office, and telegraphs of a country. Where competition has its due development, reform is utterly unnecessary, as natural causes will combine for the benefit of the community. For this reason we deem it utterly unnecessary to advert to the steamer routes of the Dominion, or to suggest any desirable improvements in their management. Where there is water communication there is sure to be competition, as the river is a common highway accessible to all. In railways, express companies, and telegraph lines, it is in this country different. Each is all powerful from the consciousness that no rival line can loosen its hold on the public, and from the fact that it is a public necessity. You may grumble; but if you wish to go to Sherbrooke you must take the Grand Trunk or walk. If you wish to telegraph to Quebec, you must send your message via the Montreal Telegraph Company. What results naturally follow? The Grand Trunk Railway or the Montreal Telegraph Company may charge you any tariff they please. The consumer has no voice or election in the matter. Thus the first principles of equitable trade are violated. The producer gives you what he pleases, and insists on receiving in return what suits him, ignoring utterly your choice and convenience.

There are two ways in which such a state of affairs, which we believe hurtful to the public interests, may be avoided. The first is by competition. The second is by assumption or semi-assumption by the Government, or some party who has no personal interest to satisfy, and who consequently only seeks the equitable advantage of both parties.

We now intend at some length to review the different carrying systems of Canada, to point out wherein