the advantage without themselves contributing anything towards it.

By next Monday Mr. Weir expects to have all the details of his plan in working order, till which time he trusts his supporters will not ask him to receive their silver, his arrangements with the banks and their agencies not being yet quite complete. He will then announce by circular at what banks he will receive and pay for silver delivered to him under his contract, and whatever other information may be necessary.

We hope the enterprise may be successfully carried out, now that it is inaugurated, and that the results therefrom may equal the expectations of Mr. Weir and all those who are giving it their support.

A GOVERNMENT CURRENCY AND THE OBJECTIONS TO IT.

ONE of the most important questions to come up for the consideration of the Dominion Parliament will be that of Banking and Currency. The charters of the banks now in existence are shortly to expire, and it becomes necessary to determine whether in renewing them, the powers and rights at present enjoyed by the banks are to be secured to them for another term of years. We do not know the views of our Government on this point, although there are rumours afloat that in some way Mr. Rose proposes to restrict the power of banks in the matter of their issues of notes, to give to Government practically the sole control of the currency.

The principal objections to the extension of the present issue of Government irredeemable notes may be briefly stated. They aver, firstly, that in times of panic, the note-holder would have no security that the note would be paid in gold on demand, that possibly or probably the Government might elect to suspend specie payments, and that the usual result of depreciation would follow, and, secondly, that there would be no manner in which the expansion of the currency, necessary to move the crops at certain seasons, could be obtained. There are other objections raised against the plan of a governmental currency, but they are of less importance than the foregoing.

Theoretically, the right to issue notes, equally with the right to coin money, rests with the Government of a country and practically, too, this has always been conceded in Canada. Until the passage of the Provincial Note Act, the sole right to issue notes had been left in the hands of the banks; but since then the Government has exercised the right directly as well indirectly, and so far the mixed system appears to work well and to facilitate business. We now desire to consider whether the objections against would outweigh the advantages offered by a Government currency, and by a Government we mean in this connection a legal tender currency redeemable in gold, and for the redemption of which a certain proportion of gold is always to be kept on hand.

Would the note-holder be liable to suffer loss, or would he not be more secure than if he held a bank promise to pay? We are accustomed to think of the double liability of the bank shareholders as the most admirable security for the note-holder in case of any bank ceasing to redeem, but, when it comes to the test, we find that although shareholders may have ultimately to pay their just debts, they are allowed a long time to do it in, and the majority of those who happen to hold their notes are unable to wait, and compelled to accept an immediate loss of twenty, forty, or fifty cents on the dollar. Of course, this might be altered, and its outstanding notes might be made the first claim on the assets of a suspended bank, with provisions to prevent any preference to depositors or other creditors. In the case of a Government note, legal tender as between man and man as between one bank and another, as between each individual and the tax gatherer, for the due payment of which the whole country with its aggregate wealth stands pledged, it appears to us the chances are stronger in the first place that there will be no run for gold, and in the second place that redemption will be surer and more prompt, should a general panic cause a temporary suspension of specie payments.

The other objection raised of want of expansive power in a Government currency is most serious, and which, if it could not be obviated in some way, would be sufficient to counterbalance all the advantages which a Government issue might otherwise offer. We must, in the first place point out that if the banks could give their customers gold or silver with which to purchase wheat or barley or cash their drafts against shipments of grain to the English or United States markets, there would be no necessity to have an expansive currency. Under the present system, however, the banks first obtain credit themselves by having the right to issue notes, and then give this extra credit to their customers. Now, under a Government note system, this credit might still be given to the banks, and it might be done in this manner. A special account might be opened with each bank by the Receiver General, in which a credit should be given according to its capital, the bank to pay say three, or four or five per cent. interest on this credit, and to have the right to obtain from Government at any time legal tender notes to the amount of the credit, and to be repaid interest on all balances of which from time to time it did not make use. Under the present system, the credit is given to the Bank by the individual note holder; in the way we suggest, the credit would be given by the Government, representing these note holders, and all other members of the community as well, and thus distributing the risk more fairly over the country. Of course, we would have the affairs of the Banks open to Government inspection, and make the Government debt a first charge on the assets of the Bank in case of suspension or failure. We do not offer a scheme perfect in all its details; we simply suggest a mode through which the most serious objection to Government's retaining its right of issue in its own hands may be neutralized, and by which the expansiveness of the currency, or rather of credit rendered necessary by our circumstances, may always be secured without detriment to our commercial interests.

THE DOMINION TELEGRAPH COMPANY.

"THEY have been unable to show the slightest foundation for the alleged connection between Mr. Reeve and the Grand Trunk Telegraph Company or the relationship between him and Mr Snow or any business relations between these two parties, or any interest which Mr Snow has in the Dominion Company. On all these points their allegations have been denied, and the denials have been allowed to stand without any attempt at refutation."

The above is an extract from another letter from Mr. Cayley, President of the Dominion Telegraph Company, and refers to the charges which we have made against that Company. We leave our readers to decide whether or not we have made out our case. We first alleged that Josiah Snow was the originator of the Dominion Telegraph Company. It was denied, over the signature of the Secretary, that he had ever had any connection with it. We proved the fact by quoting from the official records at Ottawa, in which Mr. Josiah Snow and his son W D Snow, were set down as holders of nine-tenths of the stock, on the first application for Incorporation Is there need of fuller proof? We next stated that as this application had been refused by the Government, for reasons best known to themselves, a second application was put in by Seela Reeve, H B. Reeve and Martin Ryan, and that we believed these were but the "stool pigeons" of Snow. We proved this allegation in the way—we ascertained that Seela Reeve was a bankrupt in New York, and could by no possibility be possessed of means sufficient to float an enterprise of this character that he was a relative of the Snow's that he was a witness to the *first* application for incorporation, showing a connection with the scheme when the Snow's first thought to carry it out themselves Second we showed that Martin Ryan had been engaged by Snow himself in Chicago, to return to this country to aid in manipulating the enterprise. We further showed that Mr. Snow had approached Mr. Dwight, of the Montreal line, when in New York, for the purpose of assimilating tariffs, in order that there might be no ruinous competition Were not these circumstances sufficient to show Snow's connection with the scheme? We are sure the public think so. The large number of extracts from the press, which we published a few week's ago, and the complete stoppage to the floating of the stock, all go to indicate what a distinct and emphatic verdict the people have given in the matter. Snow's connection was enough to damn the scheme; and Snow's connection was too clearly traceable to permit of a mistake. The resignation of two of the leading Directors in Hamilton, and their damaging report that the Company was unworthy of public confidence, goes to confirm the verdict of the public. And yet Mr Cayley has the hardihood to say, we "have been unable to show the *slightest* foundation for the alleged connection between Mr Reeve and the Grand Trunk Telegraph Company We never sought to show Reeve's connection with the Company, but we *did* show Snow's connection with it, and with the Dominion Company in a way that Mr Cayley won't easily explain As to the relationship between Snow and Reeve, we remind our readers of Reeve's own letter, in which he says, he admits that W. D. Snow and his wife are *third* cousins. He is careful not to say that Mrs Reeve is a niece of the original Josiah, and hence that he is nephew by marriage of that redoubtable promoter. This relationship—slight though it is—taken in connection with the other circumstances is sufficient justification for the assertion that they *were* related.

But we leave the matter as there is no necessity to further pursue it. Mr. Cayley and his fellow directors are in a bad box, and squirm as they may the public cannot be gulled into taking stock in the Company, by any amount of the Presidents *jejune wordiness.*

IMPROVEMENT IN THE MANUFACTURE OF IRON.

MR Francis Ellershausen, whose name bids fairs to be more widely known than that of the inventor of Bessemer Steel, and who is a man of great scientific knowledge, and a patient experimentalist some time ago believed he had made a valuable discovery in the manufacture of cast steel. Not having the means to carry on his costly experiments himself, he inspired some of our Montreal merchants with sufficient confidence in his plans to give him liberal aid, and not a little money was spent. So far as the cast steel was concerned, we believe the experiments resulted in partial failure: but accident gave Mr Ellershausen a secret which he has turned to good account. He learned how to make the best of iron without the expense of puddling, by a process which it is stated enables the manufacturer to effect a saving of from $12 to $14 per ton The great importance of the discovery was immediately perceived by those interested, and the experiments were then pursued with the view of perfecting and testing the process. In September last, Mr Ellershausen went to Pittsburgh, and succeeded in interesting a prominent firm of that city, Messrs Shoenberger, Blair & Co., in his discovery They carried out his experiments on a practical working scale, were satisfied with the results, resolved to make use of the process in their works, and proceeded to introduce the requisite machinery into their works. One furnace only in the "Juniata Works" out of twelve has as yet been altered, but the remainder will also be altered as fast as possible. Patents have been taken out in the United States, England and elsewhere, and it is confidently believed that the inventor and his friends will reap a rich harvest. Those who assisted in the experiments here and gave their aid to Mr. Ellershausen at a time when it was much needed will now be amply rewarded, and their expenditure be repaid a hundred fold.

The following is the technical description of the process, as given in the specification in the letters patent:—

"The mixing of solid oxides into and among fluid cast iron, or of fluid oxides with solid cast iron, granulated or minutely subdivided, in such a manner and in such quantity as to produce a solid conglomerate of the two substances, and also in effecting this mixture, and producing the resulting pig bloom or pig scrap, without the application of other heat than that of the fused cast iron or oxide, as the case may be, thus dispensing with the use of a furnace for any part of the process of mixing after the melting of the cast iron or oxide, whichever of them is used in a fused condition.

"The material thus produced may be used in like manner as any wrought iron of similar shape, so that when raised to a welding heat, the pig bloom, manufactured as hereinbefore described, may be pressed squeezed, hammered, rolled or worked, in any of the methods employed in the treatment of wrought iron and with like results, except that the article of wrought iron produced by our process is superior in quality to that obtained in the ordinary way."

The manner in which the mixing of solid oxides with the fluid cast iron is accomplished is as follows, premising that the oxides are the pulverized crude iron ore.

On the casting-floor of the smelting furnace, a cast iron turn-table about 18 feet in diameter, is revolved on rollers by a small steam engine. Upon the outside edge of the table stand a row of cast-iron partitions, forming boxes, say 24 inches wide and 10 inches high open at the top Just above the circle of boxes stands a stationary, wide-mouthed spout, terminating in the tap hole of the furnace When the furnace is tapped the liquid iron runs down this spout and falls over it in a thin stream into the boxes as they slowly revolve under it, depositing in each a film of iron, say