office, and his voice is entitled to some respect. What does he say? Whilst denouncing the existing policy towards the Colonies as "selfish and unworthy of a great nation, he afterwards goes on to maintain that "much as he deplores the virtual dissolution of our Colonial Empire by the adoption of the policy in question, it ought not to be abandoned," except the Colonies allow the Imperial Government to exercise greater authority over them than is now the case. So we see, whether we take Earl Grey or Goldwin Smith they are at least agreed that changes in the Colonial relations for the benefit of the mother country must hereafter take place

The gravity of this question to England and her Colonies cannot be exaggerated. We are inclined to think there are not many either in England or in her dependencies who fully perceive its importance or the difficulties in which unwise counsels may land us. We regard the views of those at home, who seem to consider the Colonies as of little or no consequence to the Empire, as unworthy of men calling themselves statesmen, and we feel assured that, without that cordon of protected colonies which gird the world, the British isles would inevitably sink in the scale of National existence. So far as the Colonies are concerned, they strongly desire to continue the connection with the parent state, but it is quite time, we think, for us to point out that if the policy of the Manchester politicians is to be pushed to the extreme, the dissolution of the Colonial Empire will only be a question of time, and that even the "better terms" of statesmen like Earl Grey are fraught with danger to the continuance of that connection

In deciding upon the Colonial policy Imperial statesmen ought to consider the rights of the Colonies as well as their own. To-day, nearly all of them are warmly attached to the British Crown, and interest and sentiment combine to produce this result But how long will this state of things last, if, as in the case of this Dominion, we are constantly being told we have become an adult Colony and had better soon set up for ourselves? Or how long will it last, if the weaker Colonies are to be left like New Zealand, a prey to a horde of semi-savages, whilst a single regiment of regulars asked for in their extremity is withheld? The present policy appears to be to withdraw the troops from the Colonies, to withhold all protection except in case of foreign attack, to relieve the Imperial Treasury of all expense on account of the Colonies, and thus endeavour to render them self-reliant instead of dependent. And even Earl Grey, who is so shocked with the idea of a dissolution of the Colonial Empire would not abandon this policy, unless to those Colonies which allowed "a larger measure of authority" to the Home Government. No doubt one of the objects which the noble Earl thinks an extension of authority would secure, would be the reduction of the Colonial tariffs to suit Birmingham and Manchester traders. But we hardly think any of the Colonies would consent to a reduction of its powers of self government in this or any other respect

We are of the opinion that the Colonial Convention, called to meet in London, if it ever assembles, will have considerable work upon its hands. There is evidently danger that serious misconceptions, if not difficulties, may arise out of our Colonial relations, if some understanding is not speedily come to. As we have already said, we believe all the Colonies would rather remain united to England. They are prepared even to agree to some parts of what Earl Grey calls a "selfish policy, unworthy of a great nation," rather than sever the happy union which now exists. But it is quite evident that if the Colonies are only to be allowed connection with the Empire in future according to conditions which clash with their interests or are unpalatable in themselves, the dissolution of the Colonial Empire is indeed closer at hand than was imagined. We doubt if there is a single Colony which would agree to allow the Crown greater authority over its affairs than it exercises at present, or would be willing to make its tariff such as English manufacturers might desire to see it. We see no sense in disguising those facts. The time has come when there should be plain speaking and it is only by so doing that we can hope for a settlement of the Colonial question which shall preserve British connection, and at the same time prove satisfactory to the thousands of English colonists scattered throughout the world

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Wool dealers in Des Moines, Iowa, have this season purchased about 175,000 pounds of wool, 125,000 pounds of this have been shipped to the Eastern markets. The clip in that section, it is said, falls short fully one-half.

CAN THE BUSINESS INTERESTS OF THE U. S. SUSTAIN SPECIE PAYMENTS?

THE condition of the National Treasury and the general business interests of the whole country concur, at the present time, in rendering the transition to specie payments comparatively easy and safe There is now a larger stock of gold on hand than has been held for a number of years, and more than is likely to accrue for some time to come. On October 30, the Secretary of the Treasury had on hand a total of \$116,696,711. Of this sum, \$28,771,520 were held for depositors. Since then there has been a disbursement of over \$23,483,000 on account of the November coin interest. The balance, deducting the amount represented by gold certificates, was \$63,779,191. The usual monthly sales of gold, to be continued during November by order of the Secretary, will still further deplete the Treasury. But it is to be noted that this reduction of the Treasury gold balance will not diminish the specie resources of the country, but would strengthen the mercantile and banking interests to a corresponding extent, and, at the same time, reduce the drain on the National Treasury in case of resumption. Most of the gold paid out during the present week will soon find its way back to the Sub-Treasury in payment for customs duties. The balance will still further strengthen the city banks, which held October 30, a sum of \$21,926,947, an increase, during the week of \$2,526,846

This sum of \$21,926,940 in specie, held at the close of last month by the city banks is larger than the average of coin held by them in the old hard-money days. So far as the banks of New York are concerned, they require very little to strengthen them against the first strain of resumption. On this point they could soon strengthen their position so as to leave no doubt of their ability to sustain specie payments. The next weekly bank statement will no doubt show a large increase of specie by the banks and the total may be expected to reach nearly \$30,000,000 before long. The requirements for customs will be nearly covered by the monthly sales of gold, and there is nothing in foreign exchange to draw off any large amounts for exportation. The cotton crop is beginning to move forward, and will afford a sufficient basis for exchange for some time to come.

It is to be regretted that the National Banks throughout the country are in a less favorable position than our city institutions in regard to their coin balances. Take the average of banks in the interior, and it is not too much to assume that the amount of specie held by them is merely nominal. But in this respect the country banks are not materially different from what they always were. In specie-paying times, perfectly solvent banks got along with a balance of a few hundred dollars in coin. And in fact local banks, secured by actual capital in real estate and merchandise, and ministering to the business wants of the community, do not require a much larger amount in coin so long as they maintain a sufficient reserve in New York, or other financial centres, for the redemption of their currency at par. The great trouble of the bulk of the National Banks is that their capital is not secured by real values, but by evidences of indebtedness. Hence their credit is affected by every fluctuation in the value of government bonds, and they lack the essential element of security derivable from the old system. This was illustrated during the suspension of specie payments in 1857 when the credit of the New England banks was in no respect injured by the lack of coin. The reason is that they were secured by farms, factory and other property, and their business was on a sound basis. In this respect we have reason to believe that there is a marked improvement in the business and management of nearly all the National Banks, and very few would suffer from resumption. The most essential point, as was shown in last week's *Economist*, is not to make contraction a condition of resumption.

In considering the probable effects of resumption upon business interests, it is to be observed that the present time is highly favorable for the change There is very unusual contraction in credits, and the volume of business is just now considerably diminished. The new crops are coming to market, and afford a basis of real values as good as gold. Our cotton exports in 1868 amounted to \$152,820,733 This year they will exceed that amount, and in 1870 will reach more than \$200,000,000 in specie. Last year our breadstuffs exports reached a total of \$79,046,187; and will amount to over \$100,000,000 for the current year. The productive capacity of the country is steadily increasing, and affords a constantly increasing balance of real values for home and foreign trade that cannot fail to inspire confidence in the ability of the country to sustain specie payments.

By a curious anomaly, the South is now in a better position to resume specie payments than the North The reasons for this condition of affairs are to be found in the comparatively larger proportion of its export trade and the absence of banking accommodations. The Southern people have drawn their resources from the soil and their own labor. This year's crops of cotton, tobacco, sugar and rice, have been raised without credit, and without indebtedness. The advances of former times to planters are things of the past. The planters are out of debt. This is more than can be said of the Western farmers. The period has now arrived when the South requires and must obtain larger banking facilities. The question for it to decide is whether the banking system of the future shall be based upon irredeemable paper money or upon coin, or its equivalent

A correct solution of this question will exercise an important influence upon the future of the South. By demanding coin, or its equivalent for cotton, and by making specie the standard of values, it can do much to recover its prosperity, and establish its industry upon a permanent basis. Two-thirds of their cotton crop, or all of it that goes to Europe, is settled for ultimately upon a coin basis. But the planter never knows how much he is to receive in currency. A spasm in Wall Street may reduce his profits a couple of cents a pound. He may lose both on the sale of cotton and by the settlements for labor and other charges.

If the South sells its cotton and other products on a coin basis, the change will induce the establishment of specie-paying banking facilities to meet the wants of the people. In this respect the Bullion Banks proposed at the Louisville Commercial Convention would serve as an excellent basis. A few of these banks established in New Orleans, Mobile, Savannah or Charleston, would do much more for Southern prosperity, and render that section financially independent of the North. They would also attract capital southward, and ultimately force the rest of the country to resume specie payments, in advance even of the action of the Federal Government. We are glad to see that this subject is favorably discussed in the South. What is now required is prompt and energetic action. Any remissness will probably lead to the more extensive introduction of the irredeemable banking system, which the country is so anxious to get rid of; and make ultimate specie payments, which must be adopted sooner or later, more difficult and hazardous.—*U. S. Economist.*

THE MONOPOLISTS AND THE COAL QUESTION.

THE defenders of the coal monopoly deny that any benefit to consumers of Nova Scotia coal would follow a repeal of the duty. Let us see whether this logic will hold water. The price of any natural product to the consumer depends, first, upon the cost of its production, and, secondly, upon the cost of its distribution; provided always that there is no monopoly or artificial restraint upon either. The average cost to the consumer is governed by the cost of labor expended upon it during these two processes, and the profit upon the capital employed. A further fixed charge—and in the case of Nova Scotia coal the duty is that fixed charge—must fall on the consumer. The price of that coal, before the lapse of the Reciprocity Treaty brought the duty into force, was \$4 25 to \$4 50 per ton, in gold, and contracts can be made for the same price now, excluding the duty. The highest price asked for coal by the Nova Scotia General Mining Company during the last fifteen years has been \$2 50, or equal to \$2 40 United States coin, and the lowest \$2, equal to \$1 95.

It is further affirmed that the duty has helped to make and operate a good many miles of railroad. No doubt of it, and that is one of the strongest arguments against the system which now exists. The duty has rendered necessary transportation of coal to markets which, if left without Government interference, could have supplied themselves. That is to say, the Atlantic coast is forced to pay for labor which, left alone, it would not need. The truth is, that the only bituminous coal transported to tide water is carried either by the Pennsylvania Railroad and its branches or by the Baltimore and Ohio Railroad, and much of it is far beyond the reach of competition from Nova Scotia. Nor can these great roads pretend that they depend in any way for their prosperity upon this business, especially when we consider that they charge for freight only one-half that charged upon the cheapest cereals. If these corporations will bring these cereals from the Ohio Valley to the seaboard at the same freight charge as that upon coal, they will not only enhance their revenues, but confer a real benefit upon the country.

It is claimed by the monopolists that the repeal of the duty would arrest the developement of the coal fields of Middle Pennsylvania, West Virginia, Ohio, Indiana and the Southern States. Were there no other refutation of this error, another assertion which they make would be sufficient. For when they admit, as they do, that the duty only affects points lying within a hundred miles of the seaboard, they flatly contradict themselves. But leaving these opposite statements to be reconciled by others, the objections to the duty may be briefly summed up as follows: It increases the price of a prime necessary of life, and the source of that power which enters more and more into all industries, and upon the growth of which prosperity and civilization depend. It is a tax which is unjust because of its unequal assessment. The whole burden of it is borne by but a small portion of the country—New-York, New-Jersey, and the New-England States.

Take the case of one of the largest and most successful iron manufactories in Pennsylvania. It is situated where nature offers her wealth of rich coal, good iron and lime-stone; is on a fine line of transportation, and near the head of navigation of the main eastern branch of the Mississippi—a region where iron will be profitably manufactured long after iron and coal shall have ceased to be protected. In making a ton of finished iron, its owner uses perhaps four tons of coal, delivered at his own door at about \$1 75, and so adds about \$7 to the value of the iron. Suppose, however, that to this cost of manufacture were added the tax of \$1 75 (currency) which the Portland or Boston iron-master, who uses bituminous coal, must pay—would not the question of taxing Nova Scotia coal appear in a new light? And this is an exact statement of the case; for the iron mills of the Atlantic coast are to-day importing Nova Scotia coal, the duty on which alone equals the entire cost of the coal used by the iron mills on the Ohio and its tributaries. The bare statement of this fact is a sufficient reply to the charge of "malevolence" against those who only desire to see fair play.—*N. Y. Times.*

At an industrial exhibition in Vienna, there were exhibited various articles of spun glass, such as head-dresses, ribbons, cuffs, collars, watch-chains, and the like. The threads, which are as fine as a spider's web and as strong as wool, but more beautiful in appearance, may be used for knitting or sewing.