

MORRILL AND HATCH ON RECIPROCAL TRADE.

THE agitation springing up in the United States in regard to a new Reciprocity Treaty, has been increased rather than diminished by the recent utterances of Mr. Hatch and Mr. Morrill. Both of these gentlemen are well known to the commercial public of the Continent—the former as the unwavering advocate of Buffalo and Erie Canal interests, and the latter as one of the most extreme Protectionists to be found anywhere. The fact that these gentlemen have come out together in full bay against the adoption of more liberal commercial regulations between the two countries, is not a little significant, and indicates very plainly, we think, that they have felt the necessity of endeavouring to stem the tide of opposition which is arising in the United States against the absurd barriers which have been placed in the way of International trade.

There are many leading men and journals in the United States which are now quite outspoken in favor of Free Trade between the two countries in certain articles. A new school of politicians is arising there, which favours Free Trade principles being adopted by the Republic with the whole world. Their ideas are making considerable progress. But the advocates of a new Reciprocity Treaty with our Dominion, comprises not only all these Free Traders, but very many others who do not share their views. In fact, it is undeniable that, the Starvation-Annexation policy having failed, the desire for close commercial intercourse with Canada has again rapidly increased—and this it is which has stirred up Mr. Morrill and Mr. Hatch. It would be folly to deny that these gentlemen exercise considerable influence, and that not a few will endorse their opinions on this question. But we do not think their views are either so disinterested or so much entitled to weight as those of such gentlemen as Mr. Derby and Mr. Brega—both of whom are well versed in commercial matters, and have pointed out unmistakably to the people of the United States, not only the great injury to Trade which is arising from the present order of things, but also the immense advantages which would flow to both countries from unrestricted Trade in raw products, and possibly in manufactures.

Surely our friends across the lines have suffered sufficiently from their nonsensical Protective system not to desire its continuance. One would suppose at least, that the ultra views of Senator Morrill would no longer be blindly followed. What has been the effect of their extreme protection? Conjoined with the taxation caused by the great Rebellion, they have protected their manufactures until their foreign commerce may be said to be completely destroyed. Their large trade with South America has dwindled down mightily. Ship-building has almost ceased in their dock-yards. Countries like England, which act on Free Trade principles, can quite undersell them in foreign markets, even in South America, although three thousand miles further distant. Their home trade is also in a bad condition—not so bad, possibly, as their foreign, but still very far from a satisfactory state. Such Protectionists as Mr. Morrill are very much to blame for the present position of American Trade, and we should think his advocacy of a continuance of the policy of isolation with regard to Canada, would not have a great deal of weight with his countrymen.

As regards Mr. Hatch, whilst doubtless a very estimable individual, even the people of the United States do not require to be told that he views every commercial question through Buffalo spectacles. No route which does not make that city a chief *entrepot*, no canal which does not act as a feeder to the "Erie ditch," and that, too, at the Buffalo end of it, ever receives a smile from him. Any more which might benefit Oswego, or increase the means of transportation for the Great West by any other way than past the Buffalo elevators, is sure to find a hearty and clever opponent in Mr. Hatch. This kind of selfishness is all very well for Buffalo, but the interests of the Western States, and of several American cities, demand that they should not be sacrificed for the benefit of any one place. The Buffalo people were told these truths very bluntly at the Detroit Commercial Convention held about two years ago, and Mr. Hatch should have learned a lesson from them. If he had profited by what Buffalo was then told, possibly he would not now take such strong ground against a new Reciprocity Treaty. But Mr. Hatch is apt to sniff danger from afar. With a new Treaty, Canada

might undertake to enlarge and deepen our canal system so as to pass ocean vessels, and if this were done might it not affect Buffalo interests—break up the Erie Canal monopoly, and take away business from "our" elevators.

We mistake the signs of the times very much, if the growing popularity of Reciprocity, is at all checked by the utterances of the gentlemen referred to. Rather do we believe the wise and liberal sentiments of Messrs. Derby and Brega will prevail. We hold that the old Treaty would never have been abrogated had not Washington politicians believed it would drive us into Annexation. That idea now lies dead, and our friends love a good bargain too well, long to throw stumbling blocks in the way of a commerce so profitable to them as ours has been in the past.

Before concluding this article, we deem it prudent to state plainly the position of Canada regarding a new Treaty. If any parties in the United States believe that the Dominion is being seriously injured by the present order of things, and is eagerly desirous of a new Treaty, they are deceiving themselves. With a view to make Canada appear to be in this position, the *canard* was recently started that our Government had engaged Mr. George Brega to engineer a new Treaty through Congress, and that wholesale bribery would be resorted to. This story has not a shadow of foundation, and we can assure all and sundry, that this country is quite comfortable under its present circumstances. We believe that less restricted commercial intercourse, would increase International Trade, and thus benefit both countries; but at the same time, Canada was seldom ever more prosperous than at present, and the fears which we confess, once existed, are all dissipated. When our neighbours propose more sensible commercial regulations, we will be quite willing to consider their proposals in a fair and candid spirit. But Canada is getting on quite prosperously without any Treaty, and until the American Government sees fit to reverse its policy of isolation, we can afford to wait.

GREAT BRITAIN AND THE UNITED STATES.

THE first step has been taken towards a settlement of the claims preferred by these Governments against each other on behalf of certain of their citizens, including the "Alabama" claims and claims of British subjects resident in the Southern States during the war. Lord Clarendon, English, and Reverdy Johnson, United States plenipotentiary, have signed a treaty, (the text of which is published) which only awaits ratification by the President and Senate of the United States to become binding on the two countries.

This treaty takes the questions in dispute altogether out of the region of diplomacy, and refers them for adjudication to four Commissioners, two for each country, or failing agreement amongst the Commissioners, to an umpire or arbitrator.

This course is eminently wise, so far as the claims are allowed to exist at all, and only their amount requiring to be decided upon. If England admits that she has to foot the bill for the losses caused by the depredations of the "Alabama," the course now adopted is by far the most prudent and least costly. And in a pecuniary sense, it is the most prudent mode of settling the dispute, even supposing that England was not legally responsible for the claims referred to. A war, which the temper of the people of the United States rendered quite possible, would have been a more costly, and after all a much less satisfactory mode of arranging the difficulty. Both countries would have been poorer and sadder at the close of such a war than when they commenced it, and besides the sword would not have cut the Gordian Knot, would not have decided the question of principle which was at stake. We do not profess to belong to the "peace at any price" party, who would be willing to yield up everything almost for the sake of peace and commercial prosperity; but we do believe that a nation should go to war against another nation only in defence of its own rights or those of its allies, or when war can be avoided only at the expense of national honour. In a case like the present, we consider that England has done right; and it must be remembered that the demands made and insisted upon by the United States, may in the course of years become a precedent to be used against herself when circumstances are reversed, and her ship yards furnish vessels to prey on the commerce of a power with which she herself was at peace.

THE INTERNATIONAL RAILWAY GUIDE for January, 1869. Published by the Montreal Printing and Publishing Company. Price 10c.

When this publication was first commenced two years ago, it did not contain nearly as much information as it now does, and in its present shape we find in it everything that could be of value to a traveller in Canada, or any of the roads in the United States connecting with Canada. The Time Tables of over forty Railways are now given in full, besides condensed time tables of through Express trains East and West, North and South over the principal routes. A valuable feature of this publication is a list of places in the vicinity of the Grand Trunk, with distance from nearest station and mode of conveyance thereto.

THE ALABAMA CLAIMS TREATY.

THE following is the text of the Alabama claims treaty, negotiated in London on the 14th of January, by Lord Clarendon and Reverdy Johnson, and now before the United States Senate for ratification.

ARTICLE I. The high contracting parties agree that all claims on the part of individuals citizens of the United States, upon the government of her Britannic Majesty, and all claims on the part of individuals, subjects of her Britannic Majesty, upon the government of the United States, which may have been presented to either government for its interposition with the other, since the exchange of ratifications at London, February 8, 1865, which yet remain unsettled, as well as any other such claims which may be presented within the time specified in Article III, hereinafter, shall be referred to four commissioners, to be appointed in the following manner, that is to say, two commissioners shall be named by the President of the United States, and confirmed by the Senate and by her Britannic Majesty. The aforesaid commissioners shall meet at the earliest period after they shall have been respectively named, and before entering on the discharge of their duties shall make a declaration under oath that they will impartially and carefully examine and decide, to the best of their judgment, and according to justice and equity without fear, favour or affection to their own country, upon all such claims as shall be laid before them on the part of the governments of the United States and of her Britannic Majesty, respectively, and such declaration shall be entered on the record of their proceedings. The commissioners shall then, and before proceeding to any other business, name some third person to act as an arbitrator or umpire in any case or cases on which they may themselves differ in opinion. If they should not be able to agree upon the name of such third person, they shall each name a person, and in each and every case in which the commissioners may differ in opinion as to the decision which they ought to give, it shall be determined by lot which of the two persons so named shall be the arbitrator or umpire in that particular case. The person or persons so to be chosen to be arbitrator or umpire shall, before proceeding to act as such, in any case, make and subscribe a solemn declaration in a form similar to that which shall already have been made and subscribed by the commissioners, which shall be entered on the record of their proceedings. In the event of the death, absence, or incapacity of such person or persons, or of his or their omitting, or declining, or ceasing to act as such arbitrator or umpire, another and different person shall be named as aforesaid, to act as such arbitrator or umpire in the place and stead of the person so originally named as aforesaid and shall make and subscribe such declaration as aforesaid.

ARTICLE II. The commissioners shall then forthwith proceed to the investigation of the claims which shall be presented to their notice. They shall investigate and decide upon such claims, in such order, and in such manner, but upon such evidence or information only as shall be furnished by or on behalf of their respective governments. They shall be bound to receive and peruse all written documents or statements which may be presented to them by or on behalf of their respective governments in support of and in answer to any claim and to hear, if required, one person on each side, on behalf of each government, as counsel or agent for such government, on each and every separate claim. Should they fail to agree in opinion upon any claim they shall call to their assistance the arbitrator or umpire whom they may have agreed to name, or who may be determined by lot, as the case may be, and such arbitrator or umpire, after having heard the evidence adduced, for and against the claim, and after having heard if required, one person on each side, as aforesaid, and consulted with the commissioners, shall decide thereupon finally and without appeal. Nevertheless, if the commissioners, or any two of them shall think it desirable that a sovereign or head of friendly state, should be an arbitrator or umpire in the case of any claim, the commissioners shall report to that effect to their respective governments, who shall thereupon, within six months, agree upon some sovereign, or head of a friendly state, who shall be invited to decide the claim. In the event of a decision involving the question of compensation to be paid, being arrived at by a special arbitrator or umpire, the amount of such compensation shall be referred back to the commissioners for adjudication, and in the event of their not being able to agree, it shall then be decided by the arbitrator or umpire appointed by them, or who shall have been determined by lot. It shall be competent for each government to name one person to attend the commissioners as agent on its behalf, and to answer claims made upon it, and to represent it generally in all matters connected with the investigation and deci-