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Toronto, September 6, 1870.

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THE
Monetary and Commercial Times.

WITH WHICH HAS BEEN INCORPORATED

THE MONTREAL TRADE REVIEW.

TORONTO, CAN., FRIDAY, OCT. 14, 1870.

TRADE RELATIONS WITH THE UNITED STATES.

When Congress abrogated the commercial relations which existed between the United States and this country under the Reciprocity Treaty, it was felt that its members were actuated by political motives. Time has served to confirm the correctness of this view.

During the existence of the treaty, the commerce of the two countries increased with surprising rapidity. In the comparatively short space of eleven years, our transactions ran up to the large amount of \$450,000,000, the "balance of trade" being generally in favor of our neighbors. In disturbing the wise measure which produced these gratifying results, Congress struck a blow at international trade, and an explanation of such a suicidal policy could only be found in political intrigue—the vain hope that Canada could be "starved" into annexation.

This freak of American statesmanship, of which Consul-General Potter, of savoury memory, claimed to be the author, has proved an utter failure. Instead of bringing this country to its knees, as a humble supplicant for admission into the Republic, it has served to hasten the consolidation of British America under Confederation, and to teach our people many lessons of self-reliance and enterprise, of which they stood greatly in need.

We have learned, and so have our neigh-

bors, that the commercial prosperity of Canada is not dependent on their markets, or those of any other country. Five years ago, many among us did fear the results of the high duties placed by Congress on our productions; but during what period has this country ever been more prosperous? All fears have been disappointed, and all classes of our people find themselves more prosperous to-day without reciprocity than during the palmiest period of its existence.

Proofs of this are abundant. They can be found in the commercial activity which exists, the increase in number and excellence of our manufactures, the commencement of numerous railroads and other useful public works, the extraordinary increase of deposits in our banks, and the promptness and ease with which financial obligations are being met from one end of the Dominion to the other.

Whilst Canada flourishes without reciprocal trade with the United States, however, we are not insensible to its advantages. It may be, indeed we believe it is the fact, that the bulk of the high duties, imposed by Congress on our exports across the lines, come out of the pockets of the Americans themselves. This is certainly the case with their imports of lumber, of which they purchase more from us than of anything else; but notwithstanding all this, there can be no doubt that free commercial intercourse with our neighbours, would augment still more, our present prosperity. We would not—if we could—blot out the five years we have had of restricted trade relations with our best customer. Time alone will unfold the immense service its experience has been to British America. But we have learned its invaluable lessons, and recognizing the stimulating effects of Free Trade upon our Commerce, and the good which both countries would reap from it, Canada stands ready to consider any fair proposals which the United States may bring forward.

That the present commercial policy of Congress towards this country has proved a failure is generally admitted by the leading commercial writers across the lines. It has inflicted heavy loss upon many of their citizens by the partial diversion of our trade into other channels; as a political move in the interests of "manifest destiny," it has proved a blunder, and in some cases, an eminent writer tell us, a blunder is worse than a crime. The feeling grows steadily, that they have much to lose, and a great deal to gain, by returning to the policy of encouraging international trade with us, and we believe the main obstacle, which at present prevents the American Government from presenting proposals on the subject, is an unwillingness on

the part of the Republicans to admit the failure of their present legislation.

There have been rumours at various times, of proposals made by one or other of the two Governments, for the establishment of better trade relations. Shortly after parliament rose last session, negotiations of some kind took place between President Grant's Cabinet, or the Committee of ways and means, and the British Ambassador, Mr. Thornton, on the subject. The nature of the proposals made will not likely be known until Parliament again assembles; but it is evident, from the result, that they were not of a satisfactory character to our Government. The fact of the matter is, Congress has not yet screwed up its courage to the point of coming down from its present position, and meeting us on fair and equal terms, and any other terms no Canadian Administration dare propose for the acceptance of the people's representatives.

The present attitude of Canada on this important question is a wise one. We are as prosperous as at any period without reciprocity; but we believe we would be still more so with it. Having already made overtures to the Americans, which were rejected, we are not prepared to renew them, but we are prepared to consider any equitable proposition which they may see fit to make. It is the turn of our neighbors now to make a move in the matter, and until they consider it to the interests of the United States to do so, the people of Canada can well afford to wait.

GOLD MINING AS A COMMERCIAL ENTERPRISE.

Now that the excitement which was caused by the first discovery of gold in the province of Ontario, and the revulsion consequent upon the wholesale disappointment of those who were duped by the swindlers and parasites, that flocked to the scene of its discovery, like vultures to a battle field, into the expectation of finding a rich mine in every hole in the ground, have equally become a record of the past; this may be a seasonable time to enquire how far gold-mining is to be considered a legitimate branch of commercial enterprise, and what inducement it offers for the investment of capital, and the employment of labor.

In treating of this subject, we shall leave out of the account those mines whose exceptional richness warrants and invites the immense outlay, and the herculean labour requisite to reach the remote and rugged fastnesses in which they are situated; and also those in which the precious metal is found in such a state as to be obtainable by the simple and inexpensive process of pan or