

frozen on the trees, and the potatoes have also been injured. It is rather a strange sight to see the tops of carrots and turnips just above the snow, and that, too, in the month of October! The extent of the damage which has been done to the crops above mentioned, has not yet been definitely ascertained, but it must amount to considerable; the farmers are, however, well pleased in general with their principal productions, and will probably not make very wry faces over what they have now suffered. "Are we not going to have any good weather at all this fall?" is a common query in the West. It really looks as if we were not. The weather-wise say the new moon will make a change, but judging by appearances, there appear every sign that winter is close at hand, and that the sooner we get out our furs and mufflers the better. The fact that the remarkable character of the weather is not confined to Canada, but that even cities so far south as St. Louis, have been visited with snow, seems to support those who predict an early and severe winter. But who can tell? It would only be in keeping with the whole of 1869 since the 1st of January, if after giving us a taste of winter in October, it turned round and gave us our Indian summer in November and December! This would be strange, but not more so than we have already experienced, for it has been pretty much as an old man accounted to us for the phenomena we have been describing, the other day. He declared that during 1869 the summer and winter weather had got mixed up together, and when it was winter, we got a glimpse of summer, and when summer, a touch of winter. We hardly think this will account for the remarkable character of the year, the phenomena of which affords an interesting field for scientific investigation.

NOT QUITE SO BAD AS IT SEEMED.

WHEN the official statement of the Revenue and Expenditure of the Dominion, for the month of July last, was published, shewing an income very much less than the out-go, occasion was immediately taken by newspapers published in the United States, to belittle the ability of our financiers, and to injure if possible the credit of our Government. Contrast was made between the healthy condition and able management of United States finances on the one hand, and the sickly state and weak mismanagement of Canadian finances on the other hand. We pointed out at the time, the gross error into which ignorance had led the authors of such statements, but we are not aware that their enlightenment has even led to a candid acknowledgment of their mistake. We do not find them equally rapid to give publicity to the subsequent monthly statements of Revenue and Expenditure of the Dominion, all of which show a large surplus of income over expenditure, the gain being sufficient in the three months ending October 31st, not merely to provide for the deficiency in July, but to leave to the good a surplus of not less than \$447,594 as will be seen by reference to the statement which we give to-day.

We do not pretend to say that at the end of the present fiscal year, there will be a surplus of three times the amount which appears on the first third of that year; but we have quite as much right, and rather more, to assume that such will be the case, as had those who assumed that the returns for one month might be taken as an index to the result for the whole year. One paper that we are aware of, published in Ontario, inserted without contradiction, and even in a sort of approving way, an article from a New York Journal most depreciatory of Dominion finances. Will that paper now have the honesty to put its readers in possession of the simple facts of the case acknowledging at the same time the fault, to use a very mild term, it committed in publishing without contradiction that which it knew—if we are not greatly mistaken—to be utterly false.

We do not claim any wonderful skill in financiering for either of the men who have recently filled the office of Finance Minister; but we do claim that they have performed their duties with fair ability, and we believe honestly, and they have been so aided by the natural and rapid growth of the trade and resources of the country, that they have succeeded in making both ends meet, with even a small surplus over.

For the future, there will be plain sailing, provided only, in respect to capital expenditure, that is on money sunk in improvements, be kept down to the ability of the country to pay, without the necessity of resort to increased taxation. We can, under the present scale of duties and internal revenue taxes, obtain an in-

come sufficient to pay the cost of carrying on the Government and also the interest on the public debt. But we are about to considerably increase that debt, and it will be necessary that the revenue be increased also, so as to provide interest and a sinking fund for the ultimate extinction of that debt.

If the mode in which money is being spent for public improvements be of a character, either to directly yield a revenue equivalent to the interest on their cost, or to so stimulate settlement of wild lands and cause increased production, there is no danger of going too far; there is more likelihood that timid statecraft will halt behind, and fearing to too greatly increase the public liabilities, will fail to secure the rate of progress that otherwise might be attained. But great care nevertheless must be used in distinguishing between public works such as those just mentioned, and public works from which no direct returns will be received by Government, and from which the benefit to the country will not be of a nature to repay in any way the money expended upon them.

THE RECIPROCITY TREATY.

A LOBBY interested in renewing the Reciprocity Treaty with Canada, has been established in Washington, and the tariff men have become alarmed. Judge Kelly of Pennsylvania, visited the President yesterday, on behalf of the tariff men, and demonstrated by his statistics that a renewal of the treaty would be equal to paying the Canadians \$2,000,000 bonus to keep out of the Union."

The above was telegraphed from Washington last Saturday, and was duly published in Canada and throughout the different States, on Monday morning. We are not astonished to learn that some of the many friends of Reciprocity in the United States, are taking steps to bring the subject before Congress. The fact is, many interests across the lines are suffering from the duties imposed, and in addition to those persons who are thus influenced, many are being converted by the Free Trade League to sounder principles of political economy. This movement in favour of a new treaty, is wholly an American one. We are glad of this! Any efforts made by our Government in that direction would be misunderstood and only injure the object had in view. Even as it is, it will be seen by the above paragraph, that the tariff monopolists have begun to excite public prejudice against the movement. Judge Kelly of Pennsylvania, no doubt one of the champions of the coal and iron interests of that State, actually demonstrated, if the telegram be correct, that a renewal of the treaty would be equal to paying the Canadians two million dollars bonus to keep out of the Union." We should like to see the learned Judge's figures, and thus learn the *modus operandi* by which he arrives at that result. We hardly think the reference to Annexation will deceive any well informed politician at Washington, whatever effect it may have in country districts. Neither a bonus of two nor twenty millions would have any effect in determining us to enter the Union. That has nothing whatever to do with the question of Reciprocity, and none know it better than the leading statesmen at Washington. Judge Kelly appears still to have some faith in Porter's starvation policy, at least he is ready to use it as a means of keeping up the tariff monopoly in which he and others are interested. We hardly think, however, the people of the United States will allow themselves to be gulled any longer with such nonsense, but rather think they will insist that the commercial barriers which now disturb the trade of the two countries—from which both derive so many advantages—shall no longer be kept up, either from the silly notion that they will influence our political position, or for the benefit of a few monopolists among themselves. So far as Canada is concerned, any impartial American could soon satisfy himself here, that we are prospering without Reciprocity, that new avenues of trade have been opened up, and that we are getting on very well with things as they are. At the same time, we do not lose sight of the fact, that Free Trade in certain commodities and manufactures would be for the benefit of both countries, and we are prepared to consider any just and fair propositions for a new treaty which our neighbours propose. Whether the lobby in favour of Reciprocity mentioned above, is strong or weak, we know not; it has been established without any interference from the Government or people of Canada, and will succeed or fail without any countenance from us. The people of the United States ought to know whether freedom of trade with 4,000,000 British Americans is an advantage to them or not, and if they are not now assured of that, we can wait patiently until they are.

AN IMPORTANT DESPATCH.

ON the 14th of August last, there was penned in the Colonial Office, Downing Street, a very important despatch. This was sent to Governor Musgrave, of British Columbia, and very pointedly and plainly brings before the people of that Colony the importance of uniting their fortunes to the Dominion of Canada. Earl Granville informs them that the Queen will probably be advised before long to issue an order in council, which will "incorporate in the Dominion of Canada, the whole of the British possessions on the North American Continent," except British Columbia. This refers to the admission of Newfoundland, Prince Edward Island, and the North West Territory. The very firm manner in which the Colonial Secretary makes the foregoing statement, is worthy of remark, and affords additional proof, if that were needed, of the settled determination of the Imperial Government to place every foot of British America speedily under our Government. Earl Granville advances very strong reasons in favour of British Columbia joining the Dominion. He urges that general questions affecting the Colony will be more wisely and comprehensively dealt with in a large body like our House of Commons, and their local affairs more carefully and dispassionately considered when separated from the larger politics of the country. A single Government would render more feasible a British line of communication from the Atlantic to the Pacific, and the San Francisco of British North America would hold a greater commercial and political position than simply as the capital of an isolated colony. This argument is very suggestive. It indicates very clearly that in Imperial Councils a Canadian Pacific Railway is regarded as a necessity of the Dominion, at least as soon as British Columbia unites its fortunes with ours. Whether the Mother Country is prepared to assist or not in its construction is, of course, a difficult question; but that the Home Government fully comprehends that such a road must soon become a practical question, which must be grappled with, is quite evident from the noble Earl's despatch. The document is one of the most outspoken which has been transmitted from Downing Street in many a day. Indeed, it so plainly tells our Pacific fellow-colonists that their union is settled upon as a part of the policy of the Imperial Government towards their possessions on this continent, that the Colonial Secretary refers to the fact that the constitutional connection between that Colony and England is closer than that with any other part of North America, as a reason for giving such an "unreserved expression of their wishes and judgment." The despatch has produced considerable excitement in the Colony, as it could hardly fail to do. A large portion of the people are in favour of immediate union; but there are others again who strongly oppose it. The principal objections to a union arise from the barriers which nature has put in the way of our intercourse,—the mountains and unsettled districts between us. There is no disguising the magnitude of this difficulty; but Earl Granville says, this very difficulty will hasten the opening up of easy communication, and it is best to accept it as a temporary drawback on the advantages of union. It is quite probable that at the next session of the Dominion Parliament the admission of British Columbia will come up for consideration. It is quite possible there may be delegates from the Colony; but if not, very possibly our Government may in view of this important despatch of the Colonial Secretary, ask power to treat with the representatives of British Columbia, should any be sent during the recess.

THE SOUTHERN RAILWAY PROJECT.

FOUR CHARTERS TO BE ASKED FOR—A GLIMPSE AT WHAT IS GOING ON.

MATTERS appear to be getting so mixed up in regard to what is commonly known as the Southern railway, that many of the good people along the line of the proposed road cannot make heads or tails of it. A grand battle appears to be impending before the Ontario Legislature with regard to charters, the end of which it is at present quite impossible to foretell. Now, we are in a position to throw a little light on the subject, and it is only right that the readers of the TRADE REVIEW should be placed in possession of it.

We need not recount the first history of the Southern project, by which the Niagara and Detroit rivers were to be united. The connection with it of the late Mr. Morton, of Kingston, Hon. Isaac Buchanan and