

often done before—that over trading is the almost inevitable result of such large and rapidly increasing importations. Did our exports keep pace with our foreign purchases, there would be no need for the warning; but during the year our exports amounted to \$74,173,618, which is only an increase of \$600,128. The nature of exports will be seen by the following general statement:—

Produce of the mine.....	\$3,221,461
“ “ fisheries.....	3,994,275
“ “ forest.....	22,352,211
Animals and their produce.....	12,582,925
Agricultural produce.....	9,853,146
Manufactures.....	2,201,331
Other articles.....	387,554
Ships.....	558,144
Goods not produce of Canada..	9,853,033
Coin and Bullion.....	6,690,350
Short returns.....	2,448,668
Manitoba (three months).....	30,520
Total.....	\$74,173,618

Compared with our exports during the previous year, there was a considerable increase in all the branches of our products except that of agriculture. Our shipments of flour, grain and other produce of the farm decreased by the considerable amount of \$3,823,473. This is quite a falling off, and indicates either that the crops reaped during the year fell much below the estimate, or that there was a very great increase in our home consumption; a short crop was doubtless, the principal cause of the deficiency. We are glad to observe, however, that all the other branches of our exports exhibit a healthy increase.

Our mines increased.....	\$734,423
“ fisheries increased.....	385,726
“ forests.....	1,411,777
“ animals &c. “.....	444,794
“ manufactures “.....	67,672

The rate of increase in our exports evidenced by these figures is not so rapid as we would like to see it. There is it must be admitted, plenty of room for further development. But the progress is sufficiently general to show that the sources of our production are in a healthy condition, and by during the twelve months. Now that silver mining is being vigorously carried on at Thunder Bay, and a powerful English Com- no means languishing. We are specially gratified in observing that the produce of our mines increased nearly thirty per cent. pany, with a capital of £200,000 stg. has purchased and is about to energetically work the copper mines of Quebec, we may soon expect the products of our mines to make a very respectable figure in our annual trade returns.

As the great bulk of our commerce is carried on with Great Britain and the United States, the fluctuations in our transactions with these two powerful countries are always of the highest importance. During 1870-71 our trade with the Mother Country continued to expand, the total volume being \$73,341,394—of which we took from them goods to the amount of \$49,168,170 and sold them in return to the value of \$24,173,224. The balance of trade against us, as will be observed, was nearly twenty five millions. In the case of the neighboring republic, our total transactions amounted to \$59,998,029. The amount of our exports to them was \$30,975,642, and our imports from them \$29,022,387 which shows a balance in our favor of nearly two millions of dollars.

During the year our exports, both to the United States and the mother country fell off slightly—the decline being two millions in the case of the former, and less than one in that of the latter. The increase in our purchases from both, however, was marked, being 27 per cent. more than in Great Britain, and 17 more from our neighbors. Our American imports increased by the value of \$4,274,221. This fact is somewhat significant, inasmuch as for some years past, notably since Confederation, our purchases from across the lines have been gradually decreasing, whilst our sales have been augmenting. So much has this been the case, that during the four years ending June, 1870, the balance of the trade was against the States to the tune of nearly \$10,000,000. But in 1870-71 a change took place—whether temporary or not it remains to be seen—for they sold us four million and a quarters more than the previous year and bought from us two millions less. We believe the secret of our increased imports from our neighbors is to be found in heavy purchases of western grain during the year under consideration, for milling and exporting purposes, and not in increased purchases of manufactured goods or other articles really consumed in this country. The balance of trade, however, as we have already said, still continues to be two million in our favor.

THE GRAND TRUNK OF CANADA.

(From Herapath's Journal.)

We know it is the fashion to cry down the Grand Trunk, and to speak of it as an utterly worthless concern—a line that works great good for Canada but will never do any good for its proprietors. We admit that it has done the latter harm enough, and may continue to yield them no dividend for some time longer, but we cannot allow that the property is as bad as its present dividend results represent. The proprietors must remember that they cannot spend revenue on the line, and expect to have it too. But it is as certain as day will succeed night that after the line is completed and improved to the required extent, revenue will be relieved of the extraordinary charges it thus sustains and that then the two-fold advantage will suddenly appear—of a revenue charge greatly lightened, and a volume of revenue greatly increased; for while, year after year the renewal expenses have increased, the gross revenue has also increased, and the very expenditure for steel rails, new stations, siding &c., brings more traffic on the line. A sound, well finished railway earns naturally an increased traffic.

The managers are doing, we believe the very thing, to make the Grand Trunk at some future day a great property; yet these very exertions to raise the condition of the line necessarily reduce the net profits for the time being. What was the capital expenditure of this Grand Trunk Line, 1,377 miles long, last half year ending 31st December, 1871? It was (of course not including the Paper interest given the Proprietors) £6,198. On the other hand, the revenue expenditures for renewals were, as we have seen, high, and every one allows that the Grand Trunk line with its equipments is in course of rapid improvement. Whether the renewal operation be allowed to completely work itself out, at the cost of revenue, or whether the period of prosperity shall be anticipated by the adoption of such a plan as we have named above, this is perfectly evident, that ultimately the Grand

Trunk must be a success. It would be a moderate success if it had no more revenue than it now has—say £1,900,000 for the present year—but there is every probability, from a variety of causes, that in a very few years time the Grand Trunk traffic will be much increased. Mr. Newmarch on one occasion, said it would have fifty thousand pounds a week, two million six hundred thousand pounds a year, and so it might when at one end the Inter-colonial railway completes its route to Halifax, and at the other the International Bridge at Buffalo is up. Such a traffic would infallibly render the Grand Trunk a very great property.

THE TREATY OF WASHINGTON

The Canadian Government have received through the Governor General, the following letter from the colonial office in acknowledgment of the way in which they deal with the Treaty of Washington in Parliament:

Downing Street, 20th June, 1872.
Canada, No. 153.

“ My Lord.—I have to acknowledge the receipt of the despatch No. 147, of the 30th May, reporting the passing, by the Dominion Legislature of the Bill to carry into effect the provisions of the Treaty between Great Britain and the United States, signed in the city of Washington on the 8th of May, 1872.”

“ Her Majesty's Government desire to express their high sense of the high and able manner in which this measure has been brought forward by the Canadian Government, and they have observed with great satisfaction the marked cordiality towards this country, and attachment to the Crown which has been manifested in the discussions which have taken place in the Legislature on this subject.

I have at the same time, to convey to your Lordship, Her Majesty's entire approval of the ability and judgment with which you have brought to a close your successful administration of the Government which has been entrusted to you.

I have &c.,
(Signed)

KIMBERLEY.

Governor General, the Right Honorable Lord Lisgar, G. C. B., C. M. G.

As a result of Canada's adoption of the Treaty, England and the Dominion stand to day in the most warm and friendly relation to each other. The tie which binds them together has been drawn tighter instead of being relaxed. Peace too, is assured, and the country can go unchecked on its career of posterity. Who played the part of statesmen? Who were the poor miserable factious?

A Roman telegram to the *Daily News* says that fresh efforts are being made to induce the Pope to leave Rome. Mgr. de Merode has offered him a vast estate near Brussels. The Italian Cardinals are endeavoring however, to dissuade his His Holiness from going away, and hope to succeed in checkmating the intrigues of the Ultramontanes.

The German Emperor has given the celebrated military library of Metz to the general staff at Berlin. The library comprises 40,000 volumes, many of them exceedingly rare, and a great number of valuable manuscripts and drawings. It is the result of 300 years' collecting.