

## COMMERCIAL DEPARTMENT.

## END OF THE RECIPROCITY TREATY.

**S**INCE our last issue, the Reciprocity Treaty has expired. An arrangement which created a vast trade between the British Provinces and the United States is brought to a close, and we have entered upon a new order of things. As a retrograde step, the change is to be regretted. The termination of reciprocity is an evil in the sense that all obstructions to commerce are evils. Fortunately, however, our position is such that we have no cause to be alarmed at the loss of the Treaty, or to be apprehensive as to the future. We know, from the progress of the country before the Treaty was negotiated at all, that it is not an absolute necessity to us; and we know also, that there has been no time since the Treaty was negotiated when our country has been so well prepared for the effects of its abrogation. Not only has the bountiful harvest of last year enriched the Province by millions, but a number of incidental circumstances conspire to lessen the inconveniences which may arise from the change in our commercial relations with our neighbours.

A large portion of the articles which we have been exporting to the States under the Treaty, are in such demand in that country, that they will still be bought, and the duties paid by American consumers. That this is true of the lumber trade, no one doubts. The supply of American lumber is too small for the demand, and the markets which we supply are distant from the lumber districts of Maine and Michigan. It may be true that the advance in price which will be occasioned by the imposition of duties will lessen the demand a little, but probably to no great extent. In the same way, the American manufacturers require our wool, for the reason that the wool-growers do not produce either the quantity or the quality required. If the Americans are to continue the manufacture of worsted goods, they must have Canadian wool, and pay any duties which may be levied upon it. If our wool is not sent to the States it will be manufactured here, and the cloth will very likely be made by our neighbours. Already our Canadian woollens are largely sold in New York, and the tax on them is paid by advancing the price

make American woollens still dearer, and give our manufacturers a still better chance to compete. In either case, the tax on wool will cause little or no loss to us. The article which will be most affected is undoubtedly wheat, and ordinary descriptions of wheat will hereafter be shipped direct to England, instead of being sent by way of New York. But the Americans have been in the habit of paying very high prices for Canadian white wheat for domestic consumption. There is a demand for flour made from that wheat, and it commands prices quite unwarranted by the quotations at Liverpool. We are by no means sure that the well-to-do people in New England, who insist upon having the best quality of flour, will be content with an inferior article because there is a tax upon Canadian wheat. It is very likely that a portion, at least, of that trade will be continued on terms advantageous to us. We believe, too, it will be found that the demand for other articles of Canadian growth is not to be entirely stopped by taxation. Altogether, the Washington protectionists will be astounded at the extent to which they have imposed taxes upon their own people.

Undoubtedly the change in our commercial relations with the States will call forth important changes in our agricultural system. We shall not want to raise so much wheat as formerly. Our farmers will be forced to make a change in that respect, which might well have been made long ago. They have been too much disposed to sow wheat year after year. Attention can be profitably turned to other crops. The experiments in flax-raising, which have been made in various parts of the Province, by hundreds of our farmers, have proved most successful. The yield is both more certain and more profitable than that of wheat. Large mills designed for the manufacture of linen goods are already in operation at Doon and Streetsville—a guarantee that a market will be afforded for flax, and that some of our most enterprising capitalists have faith in the success of the efforts being made to introduce the cultivation of flax

Too little attention has been given to the establishment of Canadian