

A VOICE FROM NEW BRUNSWICK.

WE have received a private letter from an esteemed and able correspondent in St. John, N.B., and we attach great weight to his opinions. He combats an opinion recently expressed in the *TRADE REVIEW*, respecting the extension of the Grand Trunk Railway to some Canadian port on the Bay of Chaleurs, for the purpose of enabling Canada to carry on a foreign trade throughout the year. He states that in St. John they consider such a scheme is quite impracticable, not only as regards the Bay proper, but even ports outside the Bay. And he goes on to tell us that the Bay itself in ordinary winters is impassable by craft of any description; that the harbours are all completely frozen over, and that the amount of ice floating in the Gulf at all times during the winter, renders navigation so dangerous as practically to put an end to all traffic by water from the Bay of Chaleurs to the Gut of Canso. New Brunswick shipmasters have a dread of the north shore navigation, even in the fall, on account of the low-lying land and the strong easterly gales which there prevail.

Business men in New Brunswick consider that the cheapest way for Canada to get an outlet to the sea, in winter, is by completing the Canada and New Brunswick Railroad from Woodstock to River du Loup. She can thus secure an open port the year round at St. Andrews. St. John, however, on account of its importance as a shipping port, would be the best place of export for Canadian produce. The distance from Canada to St. John is short, compared with the distance to Halifax. Besides, there is the certainty that the St. John harbour will never freeze over, as that at Halifax does sometimes. This, our correspondent tells us, is a cause of much jealousy; but with respect to the fact, only a short time ago, there was good skating in the Halifax harbour, and teams drove over to Dartmouth. At Halifax the tide rises only six feet,—at St. John from twenty-six to thirty-three feet at spring tides. And it is claimed for St. John that it is a place which is specially adapted for graving docks, where no engines, pumps, jacks or inclined planes, would be wanted.

But our correspondent tell us there are difficulties in the way of New Brunswick again undertaking a share of the cost of the Intercolonial Railroad. He says:—

"You will remember that an agreement was made in 1853, by the Government of Canada, Nova Scotia and New Brunswick, to pass Acts simultaneously charging the respective Provinces with certain proportions of the cost of building that road. The Governments of Nova Scotia and New Brunswick legislated, and locked up their revenue, in accordance with the terms of the agreement; but after action was taken in the Lower Provinces, party difficulties in Canada led the Government of that Province to refuse to act up to their promise. By reading the despatch of Governor Gordon to Lord Monk of 7th October, 1863, you will see how indignant Mr. Tilley's government were at being, as they considered, tricked. This belief of the people here, joined to George Brown's denunciations, for years past of Cartier, Galt *et al.*, had much to do in influencing the elections last March."

The Act locking up the New Brunswick revenue for Intercolonial Railroad purposes expired last April, when other Acts were passed applying the revenue thus liberated to the building of Western and Eastern Railroad extension, viz., from St. John to Bangor, Me., and from Moncton to Truro. The former was begun in October last (but its occupation's gone), and the latter must be commenced not later than the 1st June next. It is the opinion of our correspondent that but for the Canadian Government, the Intercolonial Railroad might now have been an accomplished fact.

It thus appears that the ordinary revenue of New Brunswick is locked up. But if Canada were seriously to propose to complete the Canada and New Brunswick Railroad, the St. John people would be roused by the fear of St. Andrews being built up at her expense, and would call out for an extraordinary revenue to be raised, so as to enable New Brunswick to bear her proper share of the cost of building the road by the central route, through a country which would be settled when opened up; and which would strike the present St. John and Shediac Railroad thirteen miles to the Eastward of St. John.

We subjoin another extract from our correspondent:—

"As commercial men we have nothing to do with the trumpety politics of parties, with all the attendant corruptions used to enable them to meet the passing exigencies of the hour. Your aim, if I mistake not, is to advocate a plan by which British North America can achieve commercial prosperity, and to build up a country whose greatness will enable it to exist inde-

pendently, and not by the sufferance of the Washington authorities. We want a British North American policy to be enforced in our commercial conflict with the United States. They will force that upon us. Let the Americans pay the cost of building the Intercolonial Railroad. We need not alter our tariffs professedly in a retaliatory spirit, but simply because the alteration will prove beneficial under circumstances which have been controlled in spite of us by the American Government. In the commercial centres of New Brunswick, the feeling tends towards a low tariff and direct taxation."

"I am satisfied no duty will be levied on American flour; such a tax would be most unpopular among our operatives, who possess considerable power at elections. The revenue under the altered tariff would be about the same, and the change would throw our trade into new channels. Of course our sales to Americans would be greater than ever. If smugglers, or smuggled goods were seized American interests alone would suffer."

"Any one who is familiar with the opinions of Ricardo, Mill or Senior, on underselling, taxation, international trade, production, labour, &c., can see that we can beat the Americans, having our own coal beds, and an open port. They have manufactures on the large scale, with less cost of superintendence, and also greater division of labour; but we have not the vexatious interference of revenue officials, and the absorption of capital by prepaid taxes. This always checks production. But this subject is too extensive to go into. American manufacturers are investing capital here, and send their products to Europe and other countries. It is more advantageous to them to remove their entire plant, than to continue paying ruinous taxes."

The necessities of Americans caused by the war, led them to introduce New Brunswick merchants to the West Indian and South American trade. Now, at the termination of the war and the Treaty, they have an outlet for their wood goods, which the Americans cannot wrest from them, and which will enable them to do without the Reciprocity Treaty. The action of the American Government has caused a feeling of antagonism in New Brunswick as well as in Canada; and they will find that instead of crushing the colonists they will build up a trading interest which will injure their foreign commerce in the future. Within four years, St. John city men have built quite a fleet of small highly finished vessels, just suited for trading in the tropics.

At present, New Brunswick ships take only sawn lumber and shooks to the W. Indies and South America, yet that trade pays very well; but how much better for all concerned would it be, owners and shippers, if the merchant had the power of making up assorted cargoes with Canadian staves, butter, lard, pork, and small produce of the farmer. Such goods have heretofore been generally sent from United States ports. Then how much interest, leakage, &c., would be saved if sugar importers and refiners could receive their raw sugars, &c., the year through, instead of having to keep large stocks.

Our correspondent thinks that if Canada wants Confederation, she can get it by taking steps which can be relied on, towards building the Intercolonial Railroad. Bluenoses have a great idea of making money. The expenditure on the work would cause an increase in their present prosperity, (at any rate temporarily) and it would be considered as the "first fruits" of Confederation. When completed, business connections will be formed, prejudices swept away (as by the French Treaty) and confidence engendered. Trade would prove how mutually dependent the Provinces were upon each other, and the benefit of union would be so obvious that the Provinces would, as it were, coalesce spontaneously.

We quote the following extract from our correspondent in conclusion:

"I may mention that the American government have made a concession which will prove of incalculable benefit to us. All lumber, cut or sawn, the produce of the State of Maine, coming by way of the St. John River, and belonging to Americans, will be admitted free, as under the Reciprocity Treaty. This, no doubt, has been done through the agency of several Americans here, who have extensive saw mills. We shall have others coming here to share the privilege."

"I may also mention that you are much quoted by our newspapers here."

United States Internal Revenue.

The following are the gross receipts for the past three years, showing a very large annual increase.

1863	\$41,003,193
1864	117,145,748
1865	211,129,520

In 1865, the tax on manufactures yielded \$104,379,609; the receipts from Income Tax, were \$20,740,451; from Special Income, \$28,929,312; from Banks, Railroad Companies, &c., \$14,385,606; from Stamps, \$11,162,392; and from Licenses \$12,613,478.

WAGES AND LAND.

LAST week, in discussing the relative wages of labour in Canada and the United States, we touched on some of the causes which gave rise to the higher wages in the latter. We showed that while wages were kept up by an unjust fiscal legislation in the States, they were by the policy of the Government of the country, regarding its crown lands, kept down below what they ought to be. Let us now look a little more particularly into these causes.

The United States Government have for years back, under the provisions of the Homestead Act, been granting lands in the far West almost unconditionally to actual settlers. This policy has for years been successful. The desire which exists, perhaps more amongst the Saxon race than any other, of possessing a home, has attracted to the new lands of the West immense numbers of the natives of the New England States, as well as the greater part of the immigrants from Great Britain and Germany; and this has had the effect of regulating the supply of labourers in the Eastern and Northern States. Under this condition of things, whenever work gets slack in those States for a season, hundreds and thousands make their way to the West.

This was more particularly the case before the war for the dissolution of the Union. That war has slightly but not materially altered the case. The necessity of raising revenue to defray the interest of an immense debt had to be met. To accomplish this object there were two ways open to the legislators of that country. One—that which was discarded by Great Britain thirty years ago as being obsolete. The other—that by which that country now raises its immense revenue with a growing surplus every year. Of these two methods, they, in their wisdom, chose the former, in the hope that they might by that means collect the required sum of money. But what is the result? The higher the duties they impose, the more manufacturing increases; and this is what has effected such a rise in the wages of mechanics. Instead now of families pouring off the East to farm in the West, the tide threatens to roll the other way. And they who have farmed in the Western States, and who before the war could live comfortably by their farms, now find that the excessive protection has so raised the profits of manufacturing and stimulated its increase, that they have not only been obliged to double the wages of their hired labourers, but also raised the price of every thing which they consume. And all this without raising at the place of growth the produce of the soil. The cause of this is that the produce of the soil has to compete with other countries in the markets of the world, whereas the manufactured goods have only to compete amongst themselves, and are therefore all equally taxed. But this sort of thing cannot go on for ever. The farmers who cannot longer hold out against such unjust legislation will have to succumb, and return to the labour market, until it has overstocked itself; for even the highest tariffs cannot increase manufactures indefinitely. They must reach a limit. A time must come when the markets will be glutted, and when the cost of manufacture and a fair profit will be the highest price realized for goods which at present are a price just below that at which foreign goods can be entered duty paid.

No doubt under the influence of a redundant currency, if confidence is maintained, that time will be longer postponed, than under other circumstances. When this arrives, as it soon must, the Western lands will be as they were before the war, the only escape from overstocked labour markets; and accordingly as the nearest waste lands recede, so must wages inevitably be lowered, for that is undoubtedly the regulator of them. How long that time is off may be judged of by the fact that even now within easy access of railroads in the far West, it is cheaper to burn corn than any other description of fuel.

The Barley Crop

An enterprising produce buyer of Brantford has received a letter from a Buffalo house, in a position to be well posted in such matters, from which the following is an extract:

"If your people will only sow Barley largely the present spring, we can assure them it will be wanted at good prices. We solicit your aid in inducing your farmers to raise their usual crop of Barley. A combined effort is being made to reduce the tariff on Barley to 5 cents per bushel, and we think it will be successful."