

of stock; but making full allowance for profit from this source, we regard the result as quite handsome. The affairs of the Bank were probed to the bottom by the independent investigation made during the term of its suspension, and the experience of the year entirely corroborates the state of facts shown by Mr. Tarkir's report, there being only a small difference in favor of the Bank. A good deal of discussion arose at the meeting in reference to the proposed reduction of the stock by 20 per cent., and a good many witless words were expended by some in the endeavor to show that existing stockholders would suffer by the reduction. Such a step is rendered imperative by the near expiry of the Bank's charter, which would not be renewed with a capital so much impaired. Aside from this, the course is a wise one, and should not meet with opposition.

It is satisfactory, from the statement of expenses, to see that the President and Directors have not insisted upon heavy salaries. They can afford to wait; the credit of reviving the institution is of more account than a salary, and when that is fully accomplished nobody of shareholders would be so contemptible as not to suitably recognize their efforts. The Bank has an increasing number of first-class customers; its affairs are on a safe basis, and are being administered with a degree of judicious caution and skill which gives us hope of complete success.

THE COMMERCE OF CANADA.

THIRD ARTICLE.

As our transactions were larger with the United States than any other country until the last few years, and as to this day that country is the chief purchaser of our productions, a consideration of this portion of our annual commerce possesses special interest. The figures which we propose to place before our readers tell their own tale. They prove most conclusively, first: the great impetus which the Reciprocity Treaty gave in 1855 to our International trade, and secondly: that the abrogation of that wise measure has not only arrested its growth, but actually decreased the sales of our neighbors to us. Let us first glance at—

VIII.—TRADE OF ONTARIO AND QUEBEC WITH THE UNITED STATES.

As we can more readily detect the ebb and flow of our American trade, by taking the returns for the late Province of Canada only, we exclude those of the Maritime Provinces from the first exhibit. The following are the amounts of our exports to, and imports from the United States, beginning at the year 1850—four years before Reciprocity began—

and ending at 1866, at the beginning of which year the treaty terminated:

YEAR.	EXPORTS.	IMPORTS.
1850.....	\$4,951,159	\$6,594,861
1851.....	4,071,545	8,365,765
1852.....	6,284,522	8,477,690
1853.....	8,936,382	11,782,147
1854.....	10,418,883	15,533,098
1855.....	20,002,291	20,828,677
1856.....	20,218,654	22,704,509
1857.....	14,762,641	20,224,651
1858.....	13,373,138	15,635,565
1859.....	15,586,917	17,592,916
1860.....	20,698,398	17,273,029
1861.....	16,283,317	21,069,388
1862.....	16,980,810	25,173,157
1863.....	22,534,074	23,109,362
1864 half year...	8,699,093	10,426,572
1864-5.....	25,812,923	19,589,055
1865-6.....	34,770,261	20,421,253
Totals.....	\$264,385,008	\$284,801,693

Two facts are pointedly brought out by these statistics: the immediate increase of our trade with the United States, as soon as the treaty took effect, and the handsome proportions to which our annual transactions swelled under its fostering influence. In 1854, our total exports and imports amounted to 25,951,981; but the following and first full year of the treaty, they ran up at one bound \$49,830,863—an increase of considerably over 50 per cent! The total volume of our Commerce during the last eleven and a half years given above—which covers the Free Trade period—amounted to no less than \$464,770,649! This is a result of which both Countries have reason to feel proud, and shows how closely our commercial interests are allied.

IX.—WITHOUT RECIPROCAL TRADE.

But how do the returns compare since the United States has gone back to the exploded policy of erecting barriers in the way of trade by the re-imposition of heavy duties? The following statistics (of Ontario and Quebec only) indicate that the extent of our commercial intercourse is contracting instead of increasing:—

YEAR.	EXPORTS.	IMPORTS.
1866-7.....	\$25,583,800	\$19,589,055
1867-8.....	24,349,929	22,454,182
1868-9.....	20,815,085	20,758,981

Had the treaty been in existence, the returns for the past three years would in all probability have manifested the usual increase; but instead of that, we have a considerable falling off. In 1865-6, during only nine months, of which (but which were made good use of) the provisions were in operation, our joint trade amounted to over \$55,000,000 but the first year of duties, it fell off to some \$45,000,000, the next twelve months it was \$46,000,000, and last year it further shrank to \$41,000,000. It is gratifying to observe, however, that despite the high duties placed by the wisdom (!) of Congress on

our productions, our neighbours never purchased more largely from us in any one year, than in 1867-8, except on two previous occasions, and that even last year, our sales to them were above the average during the existence of the treaty. These facts indicate that the American demand for our lumber, cereals, animals, &c., continues as strong as ever, and may possibly give our neighbours a little light on the vexed question "who pays the duties?"

X.—TRADE WITH THE LOWER PROVINCES.

The illiberal commercial policy of the United States has been much more disastrous to their trade with New Brunswick and Nova Scotia than to that with Ontario and Quebec. There has been a very large falling off both in exports and imports, no doubt to the loss of each and all concerned. This is particularly the case with Nova Scotia, whose American trade has decreased to a very serious extent, as the returns for the last five years clearly testify:

YEAR.	IMPORTS.	EXPORTS.
1864.....	\$4,303,016	\$2,446,770
1865.....	4,325,857	3,619,797
1866.....	4,041,844	3,228,550
1867-8.....	2,640,887	1,958,291
1868-9.....	2,560,023	1,831,054

The total commerce of Nova Scotia last year, (1868-9) is set down in the Dominion returns at \$13,492,844, and in 1867-8 at over \$14,560,000—a fact which shows that if the Americans are foolish enough to drive away their profitable trade, the Nova Scotians are able to find for themselves other markets. The effect of the stoppage of Reciprocity upon the trade between the Republic and New Brunswick, has not been so great as in the case of that of the sister Province, but it is still marked and significant. The returns are as follows:—

YEARS.	IMPORTS.	EXPORTS.
1864.....	\$3,316,824	\$1,266,148
1865.....	3,056,362	1,737,208
1866.....	3,743,896	1,855,944
1867-8*.....	2,219,983	1,226,072
1868-9.....	2,154,701	994,600

The United States ought to enjoy the greater portion of the New Brunswick trade, but last year they only obtained a trifle over \$3,000,000 worth, whereas the total transactions of the Province foot up within a fraction of \$12,000,000. The dealings of our neighbors with the maritime provinces have always been very one-sided—that is, they have invariably sold much more largely to them than they have bought from them in return. This trade must have been very profitable, one which it would have paid any nation to cultivate in every possible way. Congress has by means of hostile legislation, driven it off

*As the returns are defective, we have added \$1,000,000 for free goods, which is about the average.