

PRESIDENT GRANT OPPOSED TO A RECIPROCIDITY TREATY.

THE President of the United States has declared against a renewal of the Reciprocity Treaty with Canada; but he has done this in such terms, as to lead one to suppose that his Government were open to some other commercial arrangement, which will bear some other name. No one in Canada who reflected upon the present condition of the United States, expected that the old treaty would be renewed now upon the self-same conditions contained in the old. It is not the less evident that a treaty which recognized the present position of the United States, and permitted (as was proposed during Sir A. T. Galt's negotiation at Washington,) a small United States customs duty on our products as an equivalent of their internal revenue burthens—would be fair to us some years hence, when the reduction of their debt or the funding of it at a lower rate of interest, shall have allowed them to reduce or remove their taxes. What was fair before the war, would not now be fair to them. What would now be fair to them, will probably be unfair to us in a few years hence. It is obvious therefore that a Reciprocity Treaty such as we had before, cannot be now negotiated, perhaps not for ten or twenty years hence. But President Grant concludes his remarks upon this subject by saying:—"Some arrangement, however, for the regulation of commercial intercourse between the United States and the Dominion of Canada may be desirable."

It seems, therefore, that some "arrangement" may be made. But the obviously best arrangement for them is that they should so lower their duties as to secure cheap living to their laboring classes, even if some capitalists and monopolists should lose some money. It is upon the labouring men that the chief weight of the war debt falls, seeing that the cost of living has risen about 90 per cent., while their wages have only increased 60. Give them cheaper food and fuel and winter clothing, and our neighbours will have done well for themselves, whether they make a treaty with us or no.

The President, approving apparently of protection, yet sees the necessity of seeking some other than the much-vaunted home markets for surplus products. He purposes to do this by cultivating their relations with the Southern neighbours of the Republic and China and Japan. But until the United States can send their products to those markets at a less price than Britain or other European countries, they cannot hope to dispose of their supplies there; and that is really one of the best tests and strongest proofs of the vicious nature of Protection. Whenever your surplus of a protected article is unsaleable in any foreign market, depend upon it you are paying too much for it at home. No home market is big enough to depend upon exclusively. Canadians have been made at times to feel this. Their neighbours feel it now, with their much greater markets.

THE NORFOLK RAILWAY.

WE observe that a meeting was held at Simcoe, in the county of Norfolk, on Saturday the 27th ult., to take active measures in favour of a new railway. The project is by no means broached for the first time, but it has never previously assumed a shape which promised to render it an accomplished fact. The road is proposed to branch off from the Great Western Railway at the Harrisburg junction, going southwards to Brantford, from there to the flourishing town of Simcoe, and thence to Port Dover or Port Kyser, on Lake Erie. Up to this time, the county of Norfolk, one of the oldest and wealthiest in Ontario, has been shut out from railway communication, much to the annoyance and loss of the inhabitants. All previous efforts to effect railway communication with the rest of the Province have failed, and whatever may be the fate of the Southern lines—all of which are expected to touch Simcoe—it is to be hoped the Brantford and Simcoe line will be promptly proceeded with. By this road the people of a large and populous district will be brought into communication with our whole railway system, for at Harrisburg they will not only strike the main line of the Great Western, but also the Galt and Guelph branch. Among those at the Simcoe meeting, were D. Mathews, Warden of Norfolk, Judge Wilson, Col. Tisdale, W. Mathews, Mayor of Brantford, W. Imlsch, Brantford Board of Trade, Messrs. Clarke, McMichael and Dr. Duncombe, Councillors of Townsend, and other prominent local gentlemen. It appears the Norfolk Railway Company is prepared to build the line for a

bonus of \$7,000 per mile, and the meeting agreed to sustain the passage of by-laws by their respective municipalities granting the required aid. A committee was appointed to aid in "securing the successful construction of the line before the 1st of January, 1871."

TRADE RELATIONS WITH THE UNITED STATES.

THERE can be very little doubt that, if politicians upon this side of the boundary and the other, would let those interested in the true commercial and industrial progress of the two countries manage the matter, we should soon have, if not a reciprocity treaty with the United States, such legislation upon the one side and the other as would answer in a great measure, the same ends. There are immense manufacturing interests grown up in New England, New Jersey and New York, the result in some respects of a hot house system of protection. But they are now a fact; the investments are very large indeed, and it would be ruinous to great districts to have them unproductive. On the other hand is Pennsylvania, with as great water power, with coal and iron on the spot, and nearer to the cheap breadstuffs and other food products of the great west. The conditions necessary for cheap manufacture suit here therefore in a greater degree than in the other States named, unless indeed we take into account the fact of the greater facilities possessed by these latter for access to foreign countries, for materials to be imported, and for export of products. As to the export of products, the heavy taxation which so enhances the cost of production, renders that in a great measure impossible now. This advantage respecting the import of materials has been carefully neutralized by the tariff, which Pennsylvania has had so large a share in framing. As a matter of simple self preservation the New Englanders and their immediate neighbours need food as cheaply as it can be imported, to balance the cheap food of the States immediately bordering on Pennsylvania. They need coal and iron as cheap as they can be procured, to enable them to compete with a State having these things in its own midst. They need cheaper lumber for the homes of their labouring men. Their fishermen need free and undisturbed access to the fisheries on our coasts. The cotton-producing seaboard States, where manufactures are now growing up, have need of the same fiscal arrangement as New England. The great West, compelled to sell its food products at low prices now, needs to buy the manufactures which it consumes at cheaper rates than they can be procured at under the present tariff. New England has had a large share in building up the protective system. It is now fairly caught in the toils itself has woven. First, the Maine protectionists of lumber have had their ship-building destroyed, if we may believe some of the more intelligent and enterprising among themselves. That has only gone first. Other branches of manufacture will follow, unless with cheaper food, and cheaper fuel and iron, they can keep down the prices of their products. This belief is everywhere gaining ground among them; and would largely effect legislation, if no disturbing element were introduced to influence public opinion. Again, at Buffalo and Oswego, on the Lakes; and at Boston and Portland, on the Atlantic seaboard, were formerly numbers of men making fortunes as brokers, factors, agents, &c., dealing in Colonial products, or products exported to the several Provinces of the Dominion. Many hundreds of thousands—if not millions—of dollars, have been stupidly thrown away by the erection of the barriers which have diverted Colonial trade, and so lessened the volume of it passing through their hands. The far West suffering for cheaper transport to the seaboard, needs the free navigation of our glorious river and magnificent canals. It deprived itself of all these advantages, in some measure, as a mere matter of spite. It was, of course, to be expected that the old treaty would be abrogated or modified. The conditions of existence had so changed with the people of the United States between the date of the treaty and the time that notice was given of its abrogation, their burthens had become so much heavier, that it was not fair to the American producer to be asked to continue the competition on terms become so unequal. So far President Grant is right in his view of the matter, though not in the too broad inference drawn against the possibility of any fair treaty. But, if politicians had not inflamed prejudices, the notice to abrogate the old would have been accompanied with a proposition to negotiate a new treaty. First, some

spite towards us mingled with and disturbed the calculations of interest of our neighbours. Then came, after some delay, some time for calmer thought, the Detroit Convention, its good effect marred by the Potter-Wood conspiracy—of which much less was heard at Detroit, doubtless, than at Washington. Then came Nova-Scotian discontent with its Washington echo and apostles, Walker and Stiles. And later still Mr. Huntington's and Young's manifesto, declaring that we must give up our allegiance to the British Crown in order to reach the reward of freer commercial intercourse with the United States. Is it to be wondered at that when we have so many traitors to the cause in our midst, we should meet with delays and postponement abroad? If our neighbours could be assured of the truth—that we are not to be bought up at the price of a freer trade any more than the Mother Country or France is—if marplots did not go among them to tell, and did not proclaim here from our midst that our allegiance was a thing in the market, to be disposed of at a bargain, our neighbours would cease to be guided by their greed of territory or spite against Britain; but, taking counsel of their love of trade, would adapt their legislation so as at once to suit their interests and ours better than now. In the contest which is being waged, Pennsylvania monopolists would most assuredly go to the wall, and the better notions of trade which the greater number of the prominent journals of that country now advocate would soon prevail. If farmers or manufacturers of this country are disappointed during the present year, and for years to come of a treaty or freer access to United States markets, they should know whom they have to thank for it. They will owe it to the men who have led our neighbours to believe that they have only to wait a little, and they will secure a great political and territorial, as well as commercial advantage, in any bargain made with us.

SPECIE PAYMENTS.

SINCE the recent sanguinary battle between the bulls and bears in the New York gold room, the price of gold has not excited much interest till last week. During the early part of that week it sank to within a fraction of 121, which is the lowest point touched in about seven years. Not since the month of September, 1862, if our memory serves us right, has gold been at so a premium. This fact is, therefore, very significant; but we do not think the public would be justified in concluding from it that the price will sink below 120 at least for some time to come. Several circumstances greatly aided the bears in forcing gold down to 121 last week. Among these circumstances was the avowed intention of the Secretary of the Treasury to buy up \$18,000,000 of bonds during December, which would necessitate the sale of \$11,000,000 of gold. Then the rumour that the Republican party was really "feeling its way," preparatory to resuming specie payments, and that President Grant would recommend immediate resumption in his forthcoming Message, had considerable effect in forcing the gold barometer down. Since that time the premium has been gradually rising, and we incline to the opinion that it will go to 125, and linger around that figure, as it did so long about 183 some months ago. There appears to be difference of opinion among the statesmen and press of the Union, about returning to specie payments. Very many fear that the commercial upheaval which would follow, would be more disastrous than any crisis the Republic has ever experienced, and that it would be wise for them to remember the poet's words—

"Better endure the ills we have,
Than flee to others we know not of."

Horace Greeley and many others, on the other hand, maintain that the Government had better "take the bull by the horns" at once. We confess that we sympathise with this view. Better a short, sharp crisis, and a return to a healthy business condition, than for the United States to continue the gambling system now in existence. Did the Republican party once firmly adopt this as their policy, its effect on gold and government securities would immediately be seen, and it would not surprise us if the very announcement went far to bridge over the gulf between them and par. We fear, however, that no party has the courage necessary to make the first plunge. It looks like "a leap in the dark." We incline to think, therefore, it will not be attempted, and that gold will for some time linger about 125, with such occasional tossings and tumbles as the bulls and bears may be able to give it.