

## TRADE WITH THE WEST INDIES.

It would seem that, notwithstanding the repeal of the Reciprocity Treaty, the Americans still find it to be expedient to purchase most of our commodities, and also to pay the heavy duties which were intended to be imposed upon the Canadian producer. Although, so far, Canada has not experienced much, if any, inconvenience or loss, from the repeal of the Treaty, we must not thereby be lulled into a false repose, and wait for our products to be sought by the Americans as usual. We must not trust to purchasers coming, but must rouse ourselves to seek new markets for our goods. If we secure purchasers for what we have to sell, and the Americans should still find it to be convenient or profitable to purchase from us, so much the better, for competition will bring us higher prices. But if the Americans should not be purchasers, then having provided ourselves with new markets, we shall not be quite without hope, as some of the Potter school would have us believe.

Let us then look at things from the worst possible point of view, and we shall surely not be disappointed. Mr. Brydges, in his excellent letter, has shown us how we can dispose of all the flour we have heretofore sent to the States. He has done all he can for the Western farmers and millers. He has shown them a market, and has provided facilities for getting to it. They are now as well placed as their competitors in the States; all they have to do is to manufacture as good an article, and to offer, at the least, as liberal terms in prices: the merchants of the Lower Provinces do not want credit.

Some of our products which we have hitherto sold to the States, and with which they have carried on their West India trade, will remain on our hands during the coming winter, unless an outlet be provided for them. We have not yet exported much direct to the West Indies, but we do not see why we should be less successful in competing with Americans than our friends in New Brunswick have been. To give an instance of the increase of the trade of St. John with the West Indies, since the beginning of the war. In 1862, the export of sugar box shoeks was 80,000, in 1863, 182,000, in 1864, 290,000, in 1865, 480,000, and in 1866, the number is likely to be nearly a million. Cuba requires not more than a million and half, so that in 1867, it is likely that the Americans will be beaten out of that market. As the value of a shoek is about \$1.25 in Cuba, the sale of this article alone is of importance to the manufacturers and ship-owners of St. John. The export of other wood goods has also increased in a like ratio. Among other goods which are required for the West India trade, may be mentioned the following products or manufactures of Canada:—Beef, Pork, Hams, Cheese, Lard, Butter, Hard-bread, Corn starch, Peas, Oats, Whiskey, Tobacco to B. W. I., Petroleum, Candles, Soap, Leather, Matches, Shoes, Trunks, Brooms, Pails, Furniture, Blacking, Staves, Agricultural Implements. It will cost little more to send these goods to St. John than it used to do to send them to New York and Boston. We shall, therefore, not be in a much worse position at the start than we were last year. Nova Scotia merchants do not require outward cargoes, as they are able to load with fish, but the St. John shippers would be glad of an opportunity of making up general cargoes with our products. The St. John factories can produce shoeks and manufactured spruce and pine in all its forms, beaten-pressed hay, nails and sewing machines, and with these articles they have generally made up their cargoes.

The Lower Province merchants are eminently straightforward in their dealings, enterprising and ready-minded, and they need only to be put into communication with our Western producers, to at once arrange trade which will be mutually advantageous. The export trade to the West Indies is carried on by them chiefly in the winter months; and with the arrangements which Mr. Brydges has perfected for a speedy and cheap transmission of goods, we see no difficulty in beginning to export this fall. The return cargoes of West India produce would arrive within sixty days from the date of clearance of the outward cargo. Thus the operation would be completed in a short period. At present there are five steamers plying weekly between Boston and St. John, and one between New York and St. John, and the competition has depressed freights very much.

We have now to urge upon the different Boards of Trade in Canada and the Lower Provinces, the importance of appointing delegates to interchange visits, not to be journeys of pleasure, but strictly for busi-

ness purposes. Theorists, talkers, and paid officials ought not to be appointed. We want our men of means and enterprise brought together, who, when they have satisfied themselves of the practicability of trade operations, will not hesitate to make trial shipments, or purchases, on their own account, which will serve as an example. As long as we remain ignorant of each others resources, we shall do nothing. The Canadian delegates can visit the Lower Provinces, become acquainted with ship-owners and exporters, find what is required, and satisfy themselves as to profits. They would also gain much information of great importance, regarding the West India trade, which none but those engaged in the business can impart.

The Lower Province delegates can visit the fall Exhibitions of Canada, see what productions are likely to suit the West India and South American market, and become acquainted with producers. Any discussions at meetings of Boards of Trade, on the subject, can then be published for general formation.

If practical men be brought together, and if only a dozen shipments be made, the profits which will certainly result, will lead to the building up of a great trade. We are satisfied that, comparatively free as we are from debt, and unfettered by internal tax restrictions, our people cannot fail to undersell the American producer.

## THE NEW TARIFF.

THE irregularities which existed under the tariff regulations, with regard to the importation of sugar, and the injurious consequences to the trade have been plainly demonstrated in the report on sugar duties of the committee appointed by the Council of the Board of Trade of Montreal. Mr. Galt's proposed change is a slight improvement on the present tariff, but it is also liable to similar objections as affecting the direct importation of sugar from Cuba, and the West India Islands. Without repeating the objections which have been fairly and clearly stated by the committee of the Board of Trade, we may assume that the proposed alterations are chiefly objectionable, on account of being specific instead of ad valorem. The ad valorem system of duties always affords a certain amount of incidental protection to the importer, and consequently of favor to the St. Lawrence route, as regards Canadian commerce, whilst the specific system has a contrary effect. It is undoubtedly the duty of the Government to foster a Canadian policy, by a legitimate, consistent and reasonable legislation. The trade with the West Indies increased under the ad valorem system of duties, and a direct trade with Cuba and Porto Rico was rapidly springing up. The specific system checked it, and gave to the American Ports the advantage as importing points for the supply of Canada. The present system being wholly specific, will be still more detrimental to the interests of direct importation by the St. Lawrence. We have reason to know that under the ad valorem system a very large increase in the direct imports via the St. Lawrence would take place, whilst under the proposed specific system, nearly all the importing business from the West Indies would be turned to New York as heretofore. Now this is a very important consideration. If we are to have confederation, (and we take it for granted that we are) the interests of all the Provinces become united, and in a great measure identical. It is the duty of the Government of this Province to so shape any legislation which shall take place at present, as not to be against the interests of the Maritime Provinces. The proposed tariff to a great extent adopting the specific instead of the ad valorem system of duties strikes the marine interests of the Maritime Provinces, and helps to build up the marine of the United States in opposition thereto. By an ad valorem duty the marine of the Provinces is supported in a carrying trade which legitimately belongs to them, and Canada reaps a direct advantage in the prospect of obtaining a market for Canadian products, the chances of which are a thousand times increased by an independent and direct home trade. The marine interests of the Maritime Provinces as well as Canadian are quite large, and should be gravely considered by the Government of Canada. We cannot afford to build up a carrying and importing trade for New York. If for revenue purposes a very large duty is forced to be laid on sugars, it might as well be ad valorem as specific; and by that system the West Indians cannot complain, because an equal chance will be offered them in Canadian markets, which is all they desire. The marine interests of Canada and the Lower Provinces should be considered as having great weight

in shaping a legislative policy at this time. There is already too much advantage in favor of importations of sugar from the West Indies, by New York and Portland routes, without any legislation to favor that foreign interest. The Upper Canadian and Montreal importer via New York or Portland, gains in time, in insurance, and often in freight. But there are other material advantages to be considered. Whatever benefits Canada, as a whole, is incidentally beneficial individually to all her people. If by encouraging direct importation by the St. Lawrence route, the marine interests of the Provinces are encouraged, and a market secured for Canadian products, the advantages gained by an independent home trade far exceed the occasional individual advantages of importing by way of New York or Portland. The same may be said with regard to the importation of teas. What has been the course of the United States Government upon this subject? About four years ago, the New York merchants found Canadian importers of teas interfering with their Western United States trade, which they could well do, because the transportation to Chicago and St. Louis was much lower by the Lakes than by Railroad from New York; besides the packages were received in the West in better order. The trade was just budding into life, when at the instigation of New York importers, it was nipped by a legislative blast from Washington, which levied ten per cent differential ad valorem duty upon all teas from Canadian importers. Thus instead of giving an advantage to the United States importers, the Government of Canada might more properly have levied a similar duty of ten per cent on all teas from the United States coming into Canada, until the impost referred to is removed by the American Government. It is due to our own importers that fair play should exist in their own market, and as legislation in the States has shut them out in some degree from reciprocal advantages, a similar course of legislation might be adopted in Canada to cause its removal, and create commercial equivalents. Before the present tariff measure, the duty on teas was 4c. per pound specific, and 15 per cent ad valorem, which made the average duty about 9½ cents. The present tariff measure adds 3c. per pound to this, which will make the duty 12 to 12½ cents per pound. We believe that this will cause a decrease in the revenue rather than an increase, as it will tend to lessen consumption, and of course greatly lessen transactions with the States. The importer at New York, has, it is true, no advantage over the importer in Canada, in so far as the Canadian markets are concerned, but he has the advantage of the ten per cent differential duty on Canadian imported tea in the market of the United States, which was expressly levied for the purpose of killing off Canadian imports from China. Thus whilst the importer at New York can glut the markets of Canada unimpeded, and thereby when an overstock is cheap in New York kill the importing business here—the Canadian merchant has no such advantage in the New York market; he has a ten per cent bar against him, but as we are dealing with only two articles of merchandise at present we deem it unnecessary to cite further instances of American legislation against the commercial interests of these Provinces. There are plenty on record, and no gratitude is due from Canada that she should legislate to build up a trade for their cities and a business for their marine at her own expense and the ignoring of the interests of the commercial marine of her sister Provinces.

The Finance Minister has made several modifications in his original draft of the tariff, and several concessions have been granted to manufacturing interests but not one modification has been made, nor one concession granted tending to amend the tariff in the interests of commerce. The only concession to importers (if it may be called such) consists in the privilege granted for two days, to take goods out of bond and pay the former rates, because of the blunder made by the telegraph company in giving the notification. In all cases where modifications have been made, the principle is just and proper, but a higher interest than any of those re-considered by the Finance Minister has been neglected, namely: the commercial interest and its connecting branches, including the maritime interests of the Provinces, and the West India and other trades.

The whole argument, however, may be summed up thus:—It is the great interest of Canada to build up a direct and independent import and export trade, which shall give employment to her own marine and those of the maritime Provinces, and which shall give encouragement to her own importers. Whatever policy will best carry out these measures consistently with the interests of Canada as a whole should be adopted. The ad valorem system is beyond all doubt the most effectual, and the fairest to accomplish the purpose without detriment to any class or loss to the Government and it should therefore be adopted.