

future tendency, and having arrived at a good understanding on this point, estimate the necessity and value of our projects accordingly. It is generally believed that there is a larger and more influential representation of our commercial interests in the present House of Commons than there has been for many years. It is to be hoped that their experience and business ability may over-rule the efforts of machine politicians, who are more anxious to adopt the popular views of trade policy than to investigate and impartially decide in favor of such measures as may be shown to be most conducive to the best interests of the country. There is considerable danger to be apprehended from the fact that in the discussion and consideration of the above two policies, some members of the Government and many members of the House will find themselves strongly biased by their former speeches and pledges in favor of reciprocity with the United States, which they have so frequently represented as absolutely necessary to the progress and prosperity of the Dominion. It is universally admitted that the period embraced under the old reciprocity was one of wonderful prosperity in Canada. It has been much easier to persuade the people, especially the farming community, that reciprocity now would produce a similar state of prosperity, than it has been to show that the conditions existing in the two countries at the present time are so different from those of forty years ago, that a policy which was then so beneficial might now prove actually injurious. It is hardly worth while to go into any discussion as to the proportions in which the prosperity of Canada during the term of the old reciprocity treaty was attributable to the co-terminous events—the Russian war; Grand Trunk and other railway construction; the war of secession, etc.—but admitting that a large measure of the success was due to reciprocity, the main consideration is, whether under existing conditions, a like result should now be anticipated from a similar policy. The figures showing the increase of the commerce between Canada and the United States from 1854 to 1866 are apt to prove very misleading, as that commerce consisted largely of exports through United States channels to the Maritime Provinces and to Great Britain and other countries; also of imports from Europe, the West Indies, China, etc.; the bulk of the export and import trade of Upper Canada being then transported over American routes.

This leads to the consideration of a very important change in the conditions as to transportation now and then. During the old reciprocity treaty, the channel of navigation through the lower St. Lawrence was so defective, the harbor accommodation at Montreal so insufficient, the Gulf navigation so full of risk, and the St. Lawrence canals of such small capacity, that rates of inland and ocean transportation and insurance, via the St. Lawrence route, were so high that the longer route via the Oswego and Erie canals and New York to Europe, was actually cheaper. As this is an important point in the way of comparison, the following figures are given, showing the rates of freight by canal from Buffalo and Oswego to New York for the following years; the figures being the average for the different seasons, per bushel of wheat:

	Buffalo to New York. Cents.	Oswego to New York. Cents.
1857.....	15.39	10.69
1858.....	12.52	7.45
1859.....	12.80	10.72
1860.....	14.94	10.77

	Buffalo to New York. Cents.	Oswego to New York. Cents.
1861.....	15.75	11.11
1862.....	15.84	11.05
1863.....	15.39	10.89
1864.....	18.78	13.09
1865.....	16.84	12.31
Average.....	15.36	10.90

During all these years, and up to 1870, New York State was obtaining a large direct revenue from canal tolls on all merchandise, equal to about three cents per bushel on wheat, and a much higher rate on general merchandise. Now, the Canadian water route, via Welland and St. Lawrence canals to Europe is so much improved, that a far greater value and bulk of United States produce is now moving through Canadian channels than there ever passed of Canadian produce through the United States routes. In two more years the whole of our canal system will be complete, and a still greater superiority and cheapness over American routes attained. In this respect there is no analogy between existing conditions and those of forty years ago.

Equally striking are the changes in the conditions of the two countries with respect to the great staple of wheat. During the existence of the old reciprocity treaty, the cities of the Eastern states were largely dependent upon Canada for the supply of wheat and flour, especially white winter wheat of the superior quality which was then produced here. At the beginning of the treaty term, during the year ending August 31st, 1855, the total exports of the United States to Europe, in wheat and flour, were:—182,972 barrels of flour, and 329,399 bushels of wheat. Is it any wonder that all the eastern cities favored free trade in wheat and flour? In the last year of the treaty, ending August 31st, 1866, the exports of wheat and flour from the United States to Europe were:—151,853 barrels of flour, and 1,589,321 bushels of wheat. During the year ending June 30th, 1866, Canada exported to the United States 855,558 barrels of flour, and 2,339,588 bushels of wheat. Under these conditions, the United States market was of much value and importance to Canada. How is it now? During the year ending June 30th, 1895, the United States exported 15,268,892 barrels of flour, and 76,102,704 bushels of wheat, and during the year ending June 30th, 1896, 14,620,854 barrels of flour, and 60,650,050 bushels of wheat. Under such conditions, is it not a piece of mischievous imposture to attempt to delude farmers with the idea that reciprocity could possibly furnish them with a profitable market for their wheat in the United States? Is it not clear that if at any time the Canadian market should be higher than in the United States it would at once be flooded, if under free trade, with part of the enormous surplus of the western states.

This journal proposes to discuss some other features of reciprocity in next issue.

#### THE CONTINENT TO WHICH WE BELONG.

The Toronto Globe gets up a Christmas re-hash of the continent to which we belong business as follows:

A large part of the prosperity which the United States, with some unfavorable intervals, has enjoyed results not from protection but from the free trade which exists among the various parts of the Union. Using the protectionist argument, says the Boston Herald, there is no reason why a barrier should not be raised where Massachusetts abuts upon