

mercial community. The present fatness and losses of business are mainly due to themselves. The country ought not to be blamed, for we maintain its condition is generally sound and prosperous; but the rage for getting rich at railroad speed is the true cause of the difficulty. Let fewer goods be sold, and better profits obtained. Let customers be fewer, and credits more cautiously given. In a word—let business be more carefully and prudently conducted, and after the approaching harvest is gathered in, there will not be so many sour grapes to swallow.

A PACIFIC RAILWAY.

THAT, before many years have passed away, the Atlantic and Pacific Oceans will be joined together by a continuous line of rail running through Canadian territory, few now deny. Its feasibility is conceded; and were it not, the successful completion of a line through a much more difficult country proves it. The only great obstacle to overcome is distance, and that merely means expense. The cost of building a railway of nearly 8,000 miles, would undoubtedly be very great, certainly not falling short of one hundred millions of dollars, and probably considerably exceeding that sum ten or fifteen millions. To provide a sum, to Canada so colossal, would be impossible except by loan under Imperial guarantee. With such guarantee, the money could be raised at four per cent, or an annual charge of some four million dollars. The two questions that here suggest themselves are whether the Imperial Government will grant a guarantee, and whether Canada, even with all its newly acquired territory, will be able to stand such an increase to its yearly burdens. Of course, we cannot say what the British authorities would be willing to do; we can only point out what they might do. The opening of a short and direct route to China and the East is of much importance to English commerce; and although we do not dream impossible dreams of seeing railways across this continent busy to their utmost capacity in carrying the products of oriental climes, a very large trade would undoubtedly grow up, and to a Canadian line, and not to any that are or may be hereafter built in the United States would the bulk of this traffic flow. Increased mail facilities and quicker communication would be provided, and advantages would therefrom be derived which would give to England a reasonable plea for affording its guarantee to a Pacific Railway loan. The construction of such a railway would also have a strong tendency to consolidate the British North American colonies into one strong and united Dominion, and such consolidation has for a number of years been a marked feature of British policy towards this country. We do not hesitate, then, to declare our conviction that under proper representations made, it would be quite possible to obtain a guarantee, if not for the whole amount needed, at least for a very large proportion of it; and with such guarantee, a loan could almost always be effected on most favourable terms. Its magnitude would secure the attention of the greatest capitalists, and its security would be undoubted.

The other question to be solved is whether Canada can afford to increase its yearly burdens by four millions of dollars, during the time of construction of a railway and the period during which it would not be likely to more than earn its working expenses and renewals. The answer to this question involves a number of other considerations, the chief one of which is the prospective progress of the country, and the effect to be produced by the building of the railway. Canada, taken as a whole, or province by province, has been growing in wealth and population very rapidly; and the rate of increase is probably not diminishing, but rather becoming greater. Every additional public work undertaken of general utility, will accelerate this rate of increase, and offering more and more employment for labour, attract hither crowds of those who are willing to work, but who are unable, with the swarming population of the old world, to find a fair field for their exertions. As, also, a large tract of very fertile country would be brought within reach of markets, such inducements would be offered to settlers as would attract large numbers of emigrants and population would soon increase in the future, in a ratio greater out of all proportion than it has done in the past. A few years would add at least two millions, and with so many more tax payers, the individual ability to bear the burden of taxation would be greatly increased. In fact, with a population of six millions, which for growing purposes would ne-

cessitate very slight additional over present cost, we could easily raise six millions more revenue, and that too with no increase, but rather a diminution of present burdens.

It thus appears to us that supposing we have to raise annually for some time four millions of dollars, we could do it, and do it advantageously. But as for a long distance, a Pacific Railway would pass through unoccupied lands of great fertility, these might be so utilized that companies would gladly undertake to find the means for building the road, provided they received a certain proportion of these lands as a guarantee against loss. The encouragement of railways by means of land grants, has been a favourite policy of the Western States, and its success has been almost marvellous. Railways have developed in a few years tracts of land, that without them would have been for centuries perhaps uninhabited and uncultivated. Now they are among the most productive states on this continent, and supply a world with food. We can do no better than to follow the example which experience has shown to be so exactly suited to the situation; and by giving up lands profitable to the country only when settled, endeavour to secure their early settlement and the occupation of hundreds and thousands of other lands access to which will have become impossible.

The subject is altogether one of the greatest importance, and well worthy the best attention of our Government. It is one too that presses for an immediate consideration, and will not brook delay. The North-West must be opened up; it is most desirable that communication should be opened up between Canada and the country beyond the Rocky Mountains; and the present is the time when the advantages to be obtained can most surely be realized.

COMING EVENTS.

OUR FUTURE COMMERCIAL POLICY!

IT must be evident to every sensible Business man that the present commercial relations between the United States and this Dominion, cannot be much longer maintained. There must be a change of some kind, and that before very many months elapse. Either the friendly commercial intercourse—so profitable to both countries—which distinguished the existence of the Reciprocity Treaty, must be resumed, or else the Dominion must regard Free Trade with our neighbours as impossible, and adopt a new commercial policy—a policy at once bolder in the assertion of our commercial rights, and more generous to every branch of industry established on Dominion soil.

We have no hesitation in saying which of these two policies we prefer. It is at once our desire and our interest to have almost unrestricted intercourse with the United States. The ten year's experience we enjoyed of Reciprocity, proved that by no other policy would our International Trade swell to such dimensions, or so largely promote our wealth and prosperity. The truth of this admits of no cavil. And we are also free to admit that, for this Dominion to place barriers in the way of American trade with us, as they have placed barriers in the way of our trade with them, would not best promote commercial prosperity. But, at the same time, the people of Canada are not willing that the present state of matters should much longer continue, and demands have already been made in Parliament and through the Press for the adoption of a National and purely Canadian policy, if so be, our neighbours are determined to continue to close their markets to our productions.

The homely phrase "What's sauce for the goose is sauce for the gander," contains a good deal of truth. Individuals find it so, and Nations are made up of individuals. Since the abrogation of the Treaty of 1854, however, for which no adequate excuse was ever given, our Government—to its credit be it said—has not acted on that principle. Three or four years have since elapsed, and during that period we have studiously avoided imitation of the restrictive and unwise legislation of our cousins across the lines. Upon our lumber, our grain, our live stock, our dairy produce, our wool—in fact almost all our products—they have levied high imports, in some cases so high as practically to seal their markets against us. As if the duties were not enough, frequent "orders" have from time to time been issued from the Department at Washington, which served still further to embarrass and restrict our Trade relations. But we have kept on the even tenor of our way—allowing the people of

the United States as free access to our markets as when the Reciprocal Treaty was in existence. On the one side of the boundary, there is barrier after barrier to be found in the way of commerce; on the other, no barrier, no hindrance appears.

This arrangement is manifestly one-sided, and it might be asked why our Government has so long allowed it to continue. The main reason has been the belief, that the heavy taxation caused by the rebellion rendered necessary, to some extent at least, an increase in the American Tariff, and that it would not be very long until our neighbours would desire to re-establish the close commercial intercourse which proved so advantageous from 1854 to 1865. Under this belief, we have continued to return good for evil for several successive years, and we consider the policy to have been as wise as it is generous. But sufficient time has now elapsed to show that Canada has done her whole duty in the way of liberality, and patience, and to justify us in now claiming from the United States equal favours, or if those be refused, in terminating an arrangement which is entirely one-sided and unfair.

We are not without hopes that a new Commercial Treaty may speedily be enacted between us. There is good evidence that the advocates of Free Trade are rapidly augmenting across the borders, and it is well known that the Committee of Ways and Means took action on the subject during the late Session of Congress, and that some steps towards the opening of negotiations have been taken between President Grant's Cabinet, and Mr. Thornton, the British Minister. These proceedings to re-adjust our commercial relations, must either succeed or fail. If they succeed, well and good—both countries may be justly congratulated on the result. If they fail, then we submit that our Government will not perform its duty if it does not lay before the first Session thereafter of the Dominion Parliament a new commercial policy suited to our peculiar circumstances.

What the details of that policy should be is a question upon which there may justly be much difference of opinion. But the tone of the principal speakers during the recent Reciprocity debate in the House of Commons, points the direction in which it should go. As was well said then, the Dominion has prospered without Reciprocity and can live with it or without it; but if once it is clear that our neighbours are determined to continue their present policy of isolation, we cannot continue to allow them free access to our markets. If they are to meet our products with duties at the frontier, we are bound, at least, to protect our interests from unfair, and often ruinous competition. Wherever the duties imposed would not fall upon ourselves, duties should be imposed. Whilst the fish of our sturdy fishermen are shut out of American markets except on payment of ruinous duties, our magnificent Fisheries should not continue to be given away to American fishermen for a trifling tonnage duty. Our vessels are completely shut out from the American Coasting Trade, why should vessels floating the Stars and Stripes be permitted to coast from one British port to another all round the world? If we are barred from using American lakes and canals, what good reason is there why those of the Dominion should be at their service almost without money and without price? On these and other points which might be raised, this Dominion will be forced, if the United States continues its present restrictive system, to adopt a bold and manly commercial policy—not in a spirit of retaliation, but simply in self-defence and as an act of justice to our own people.

We are sincere in expressing the hope that the necessity for this legislation may pass away before our Parliament meets at Ottawa again. But there is no mistaking the signs of the times. The people of Canada are tired of the present system. Under it our American friends reap all the advantages and we all the disadvantages. Indeed, the very liberality of our commercial policy renders it a matter of little consequence to our neighbours whether they agree to a Treaty or not. If they can obtain the riches of our Fisheries, the benefits of our Canals, and free access to our Markets, without any Treaty or without giving any thing in return, what's the use of doing it? This is doubtless the reasoning of thousands of Americans, and the people of Canada are not willing that such an arrangement should continue any longer.

Either we must adopt a joint commercial policy, framed to promote the prosperity of both countries and based on fair and equitable terms, or Canada must imitate the Republic, and strike out a new and patriotic policy of its own.