

minds that the frontier route over the St Andrews line cannot be thought of, for putting aside any objections on the score of its close proximity to the boundary for a large portion of its entire length, its evident injustice to Nova Scotia by the increase of distance to Halifax, must be held to be fatal to its claims on the support of any but those immediately interested. Then, again, will come up the knotty subject of mode of construction. No doubt great efforts will be made, and much interest brought to bear, to obtain heavy contracts, which will be let and sub-let perhaps several times. To this course we should be steadily opposed, and would again call attention to the remarks made on this branch of the subject in a previous number of the *Review*. Taking all things into consideration, perhaps the best plan would be to build the line under the management of a Government Commission, giving out the contracts in small sections to as nearly as possible actual operators. The whole work should be under the inspection and control of one thoroughly competent engineer, with an adequate staff. By these means we think the country would get more work for their money than by any other plan, and the work would certainly be better done. We did not intend to be led thus far into the subject when we commenced writing. Our object was rather to call attention to the fact that long before the Intercolonial Railway proper can possibly be completed, Halifax, St. John and Fredericton, will be connected with the Grand Trunk, and through it, of course, with the whole railway system of Ontario and Quebec. This will be effected by means of the so-called Western Extension Railway, now in course of construction, and which connected at St. John with the line from Shediac, joins the Grand Trunk and American Railway systems at Bangor. The link connecting the Nova Scotia Railways with the Shediac line at Moncton is also progressing, simultaneously with the Western Extension, and it is beyond a doubt that the first railway communication between the Provinces will be over this route. It is useless now speculating on what might have been the case had the agreement between the Provinces for constructing the Intercolonial Railway, made a few years ago, been promptly carried into effect. It is more than possible that in that event this line would never have been undertaken; but it is pretty certain that as long as the United States allow our traffic a free pass through their territory, a very considerable portion of the traffic will be carried over this Western Extension Road, and this will be more particularly the case if a route should be chosen for the Intercolonial proper, by which the direct distance to Halifax will be at all materially increased.

### GROWTH OF INTERCOLONIAL TRADE.

WITH the view of aiding in the development of Intercolonial Trade, we have compiled from official sources the accompanying statement of imports into the Province of New Brunswick during the year 1866, together with the names of places from whence imported. The articles selected are those which, it seems to us, the Western Provinces of the Dominion ought to be able to a very large extent to supply, and we have appended the New Brunswick rate of duty, as well as in most cases that imposed under the present Canadian tariff from which it is unlikely there will be any material departure. It will be observed that we have omitted all mention of the trade in flour and bread stuffs, and have confined our statement to those departments of trade which appear to us to be most capable of being diverted from their present channels and retained within our own borders:—

Articles	United Kingdom.	United States.	Canada.	N. B. Rate of Duty.	Canada Rate of Duty.
Apothecary wares.	38,679	33,250	183	15 1/2 p.	15 p.c.
Agricultural implements.	4,483	18,116	61	17 1/2 p.	15 p.c.
Beets and shoes, including India Rubber shoes.	6,858	31,919	6,674	18 p.	15
Bees and honey.	4	5,018	500	Free	
Brass, horse feed & pig feed.	—	21,0 p.	9	Free	
Chairs and parts of chairs.	14	5,600	6	18 p.	15 p.c.
Fruit (dried).	6,569	19,641	434	Free	
Furniture.	791	13,183	330	18 p.	15 p.c.
Indian corn.	—	29,337	116	Free.	10 p. U.S.
Barley.	—	9,763	108	"	"
Hops.	3,423	8,540	697	15 1/2 p.	Free
Glassware.	25,829	17,130	324	15 1/2 p.	15 p.c.
Hardware.	114,507	80,634	1,453	15 1/2 p.	15
India Rubber wares, other than boots and shoes.	431	14,134	402	15 1/2 p.	15 p.c.
Leather.	1,190	25,047	4,144	15 1/2 p.	15 p.c.
Meats, salted and smoked.	—	172,823	19,110	15 p.	15 p.c.
Machinery.	5,022	29,681	—	15 1/2 p.	15 p.c.
Petroleum.	—	28,673	612	6 p.	15 c.
Tallow and soap grease.	—	27,948	125	Free.	15 c.
Vegetables.	—	17,431	174	"	15 c.
Total.	227,832	662,463	27,886		

These figures tell their own story. A total of nearly a million of dollars for the single Province of New Brunswick, a very large proportion of which, probably one-half, could with very little exertion be kept within the Dominion, to the very great benefit of its domestic trade. More particularly is this true of that portion of the amount which is represented by articles coming from the United States. We find that while nearly \$700,000 was paid to the United States, less than \$30,000, or about one twenty-third, came from Canada, although if we look down the list we can scarcely avoid the conclusion that (even without the incidental protection which the duties in many cases undoubtedly give) successful competition would be quite possible. It is no doubt difficult to divert trade from any channel to which it has been long accustomed, but we nevertheless think the attempt should be made, and feel confident that perseverance will be rewarded with a large amount of success.

### RECIPROCITY.

HOW WE THRIVE WITHOUT IT.

THE policy of the United States Government in repealing the Reciprocity Treaty is now confessed to be a failure, and, that, too, by the most competent commercial authorities in the States. When the repeal of the Treaty was only threatened, it will be remembered that all the commercial and financial interests in the States—with the exception of a few carrying monopolies—protested against such an illiberal policy, and advocated in its stead the adoption of a new treaty. At that time able minds in the States and in Canada predicted that a repeal of the treaty would be injurious to the commerce of the States, while it would not be detrimental to that of the British Provinces. Now that the treaty has been repealed, we see these predictions fulfilled. A New York Journal that devotes itself exclusively to commerce and finance, and which is a high authority on those subjects, recently made this confession:—"One motive for the repeal of the Reciprocity Treaty was an idea that the Canadians might thereby be made to feel their dependence upon our trade, and to infer hence the desirableness of a political union. Events, however, have proved that the means adopted were ill suited to the end sought: Canada has suffered little, while a heavy penalty has fallen upon our own interests."

This is a frank and damaging confession, and the authority that makes it follows it up with the following facts. The United States shipbuilding, we are informed, has been injured, while a premium has been placed upon the shipbuilding of St. John and of Great Britain. The import trade of Canada with Great Britain during the last fiscal year increased six millions, and during the same period our import trade with the States showed a proportionate falling off. Our export trade with Great Britain for the same period shows a falling off of five millions as compared with the previous year: because in that year we exported largely in excess of our wants in view of the expiring treaty. But as compared to the year before that, our exports this year are fifteen millions in excess. Thus showing, as our authority admits, that Canadians are by no means dependent upon the United States for a market for our products. The journal before us argues the question very skillfully from a foreign point of view. "Is it wise," it asks the people of the Union, "to shut ourselves out from a people thus circumstanced, and to drive them as competitors into other markets where we are ourselves sellers?" And, in conclusion, it rejoices that there are palpable symptoms in the States of a desire to negotiate a new treaty; and expresses the trust that the question will be introduced into Congress at the coming Session.

Thus are being fulfilled all the warnings and predictions made by Canada at the time the repeal of the old treaty was announced. We said then that the abrogation of reciprocity would never drive Canada into annexation. We pointed out that under the treaty we sold our products to merchants and forwarders in the States who made a double profit out of them, first by transporting them over their own railways and canals, and secondly by selling them in foreign markets. We hopefully affirmed that if the United States markets were closed to us, that we should set to work to find out new ones, and that we would try and realize ourselves all the profit that was to be made by carrying our own products and selling them directly in foreign markets. We are rejoiced to learn from so unimpeachable an authority that these anticipations

opened up to us, old ones have been still further developed, and we have entered into competition with the States in countries where hitherto they have had a monopoly of selling.

Nor have our farmers and agriculturists reason to bewail any reduction in prices since the repeal of the treaty. Wheat never brought so much a bushel as with the past year, and the value of horses, sheep, oxen, and all livestock, is in no way diminished. We may also set down to our advantage that several new manufactures and industries have come into existence lately that might never have been started if the old state of things continued. And better still, the country has exhibited a national spirit, worthy of a free and a brave people, who know the value of independence and are determined to maintain it. Thus good, through the blessing of Providence, has come out of what some of us regarded as an unmixed evil. And now we are in such a favorable position that we can afford to wait patiently until the States politicians see the folly of their Chinese policy. We desire to see a new, liberal, and fair treaty, negotiated. We freely confess that But we are getting on very well as we are.

Should a new treaty be negotiated, however, one of its first effects, we anticipate, will be an increase of our trade. The United States will then be to us as new customers to whom we shall sell and exchange commodities in addition to those whom we already deal with. There will also be a demand for more wheat than we at present grow, and an extra cultivation of our wild lands. An increase in the demand for our agricultural products we should like to see followed by an increase in the improvement of our system of agriculture. The impoverishment of our soil must, at all hazards, be avoided, and the rotation of crops must be judiciously adopted. If these things are not attended to, our farmers will have themselves to blame if they see new markets opened up to them and an increased demand for their products, and yet a decrease in their incomes of fifty and a hundred per cent.

What will come of the "palpable symptom" that are said to exist in the States in favor of a new treaty cannot be asserted. Everything rests with Congress, and it must be remembered that that body is not remarkable for liberal views on trade and commerce. Should the people of the States, however, speak out in favor of negotiations being commenced, Congress could not long remain inactive. The intelligent minds on the other side must also appreciate the fact that under Confederation, with all the Provinces united, it will be easier to negotiate a new treaty than under the old system, by which every separate Province had to be treated with. The unsatisfactory state of the fisheries is also another reason why the United States should seek a new treaty without delay. For manifestly our neighbours cannot expect to be allowed to enjoy much longer valuable fishing privileges in our waters at a nominal rate, while our fishermen are excluded from the markets in the United States. There are many strong reasons, then, for the United States taking the initiative to negotiate a new treaty. It is for them to take the first step. They rejected our last overtures, but they will not find us unwilling to listen to new ones from them. In the meantime we can afford to wait, for much as we would desire a new treaty, we must confess that we are getting on very well without any treaty at all.

### IMMIGRATION.

WHAT WILL ONTARIO DO?—WHAT WILL BECOME OF THE NORTH WEST?

THE subject of immigration has lost none of its importance since Confederation. On the contrary, it is now more important than ever. The New Dominion already extends to the Atlantic, and the Parliament at Ottawa has been called upon to declare that it is advisable to extend it to the Rocky Mountains, and even to the Pacific. This proposed increase of territory without an increase of population to settle it would be a source of weakness to us, not strength. We must therefore understand that our legislators are alive to the importance of immigration, and that they are willing and anxious to adopt all the measures that are necessary to attract to our fertile valley and plains the millions that it is confidently affirmed they will sustain. What position the Confederation Government will occupy towards the North West and the Hudson's Bay territory, cannot of course be predicted. If a local government is set up over those regions with control over the local lands, then the question of im-