

proportion. The long period during which navigation is closed, the high rate of insurance during the months of October and November, added to the length of the route for West India produce, will always force a large share of the traffic through the United States, and it will be well for Upper Canada to see that no attempt is made to put heavier duties on articles passing through the United States, in bond, than are levied on similar goods coming by the St. Lawrence. The general impression, and even the expressed opinion of the Inspector General, that the direct trade by the St. Lawrence will be greatly promoted by his scheme, may induce further legislation in the same direction; and while we yield to none in our desire to build up the trade of the St. Lawrence and to increase the earnings of the Grand Trunk Railway, we should be sorry to see any attempt made to deprive Upper Canada of the advantages of the New York route, as we believe such an attempt would speedily sever the Union of the Provinces if it did not throw Western Canada into the American Confederation.

*Ad valorem* duties, while the fairest in principle, are not without serious inconvenience to the importer as well as to the retail merchant and consumer. By such duties, when an article is high in price the duty is high also, thus increasing the dire effects of a short supply. In like manner when prices fall, duties fall with them, thus increasing the losses of holders and the risks of business.

Upon the whole, we regard the recent changes in the Tariff as calculated ultimately to direct a much larger share of the trade of Canada to Montreal, Toronto and Hamilton—to inconvenience for a time the trade of these cities, particularly the two latter—to decrease the trade between New York and the smaller towns in Canada—to largely increase the business of the St. Lawrence and the Grand Trunk, west of Montreal, and to some extent east of that city—to encourage importation from the place of growth, and to throw a large share of the grocery business of Upper Canada into the hands of the Toronto agents of New York houses, to the injury of the merchants of Toronto and Montreal.

Whether the recent changes will be advantageous or otherwise, time will alone determine. To some it will be injurious, to others beneficial. Existing arrangements will be broken up and existing credits rendered unavailable. That Canada should take steps to inaugurate a national policy, few will deny; but that a time of stagnation and distress is the proper time to interrupt the regular course of supply, or to curtail our credit abroad, is a proposition which few will be found to defend.