

## THE ANNEXATION QUESTION.

(ARTICLE V.)

THE issue which Canadians have to decide regarding "the Future of our Country," lies virtually between annexation to the United States and the establishment of an independent Government. Our position as a Colony nears its close. It therefore becomes us as intelligent freemen to give heed to the great issues which are pressing upon us for solution.

The advocates of annexation rest their case on one great argument: *the increased prosperity which (they assert) Canada would enjoy from amalgamation.* This is a vital point to a nation, and merits candid consideration. That some commercial advantages would accrue to Canada from annexation, it would be as silly as it would be futile to deny. Placed by Providence side by side with each other, having a joint interest in the magnificent lakes and rivers which roll between us, our commercial interests are closely connected. An American paper recently endeavoured to illustrate our position by a picture of the Siamese twins. This was a bit of Yankee exaggeration; but reciprocity has abundantly demonstrated the benefits of free commercial intercourse; he will admit that, before the civil war broke out, the commercial argument was a strong one in favour of union. Mr McGee is reported to have said at that time, that if annexation was to turn on the point of commercial advantage, the argument must be considered closed. But, notwithstanding this fact, very few Canadians then favoured annexation; and four years of war have seriously weakened, if not entirely destroyed, the only argument on which it has been supported.

What advantages would annexation confer upon us? Its advocates tell us it would secure to us American markets for our produce and manufactures, and bring an influx of Americans and American capital. As regards the latter, they have greater inducements to enter Canada under present circumstances, for taxation, labour, living—everything—is cheaper than they would be after amalgamation. And as to the American markets, we have no fears that we shall be permanently shut out from them. From political motives, our liberal and intelligent cousins may "try on" the commercial policy of the Chinese; but they are too sensible of the advantages reciprocity has conferred upon them, to long continue so retrograde a policy if Canadians act with proper independence. But under any circumstances, we unhesitatingly assert that the people of Canada could not afford to purchase reciprocal trade at the price of the great burden of debt and taxation which annexation would entail upon us.

How would annexation affect us as regards our public indebtedness? At the present time, Canada owes about \$75,000,000. But were we united to the Republic, our share of its debt would amount to something over \$200,000,000! The population of the United States is set down at thirty millions, and its debt at three thousand millions. Comparing these sums with the population and debt of Canada, we find that whilst their population is only about *twelve times* as large, their debt is *forty times* greater than ours! To-day, we could square off our liabilities for \$30 per head; annexed \$100 would barely be sufficient. The United States debt must therefore be considered a very formidable Lion in the path of annexation.

Now let us glance at taxation. Great Britain is generally considered to be very heavily taxed, but the United States is no longer able to taunt it in that respect. The taxes to be levied in Great Britain for 1865 are estimated at £66,392,000; those of the United States at \$350,000,000. To raise these amounts it is calculated it will take \$11.25 cts. from every British and \$10.15 cts. from every American subject. This apparently shows an advantage of \$1.10 cts. in favour of our American neighbours. But if we were to add to the above amount, the cost of their different State Governments, and the interest annually accruing upon their States' debts, the tables would be more than turned. It is stated upon good authority, that the present Federal State and municipal taxation of New York city amounts to no less than \$23 per head! We are therefore quite safe in asserting that American taxation has become more excessive than that of the British people.

But let us make the comparison nearer home. The annual expenditure of our Government averages about \$12,000,000—and we think it hard enough to pay. But what would our contributions to the support of the Federal Government require to be, if annexed? Taking their debt at three thousand millions, the in-

terest upon it at 6 per cent. would be \$180,000,000. Before the rebellion, the Federal Government spent about \$100,000,000 per annum, and for the support of the army, navy, and civil officers, who will be required until all Southern troubles cease, we might safely add \$50,000,000 more. But let us consider their whole expenditure at \$300,000,000. As a State of the Union, our share of this annual expenditure would reach *somewhere in the neighbourhood of \$25,000,000!* To raise \$12,000,000 per annum, our tariff averages about 20 per cent., and we have excise, stamp, and other dues besides. What would our taxation be if we had to raise more than double that sum annually?

The American markets are very valuable to the people of Canada, but we cannot afford to pay \$13,000,000 per annum to gain admission to them. Should reciprocity be abolished, we suppose, at the worst, no higher duty than 20 per cent. would be imposed. Now, for the last ten years, our free exports to the United States have been of the average value of \$15,000,000. The duty upon this sum at 20 per cent. would be \$3,000,000. If Canada had all this duty to pay—which would be far from the case—a simple sum in subtraction will prove to anybody that we had better pay it than purchase the costly luxury of "a closer union."

But we have not finished the expense of annexation yet. Twenty-five millions would pay off all Federal demands; but we have added nothing for the cost of State Governments for Upper and Lower Canada. This expense could not be less than \$10,000,000, and would bring up our annual expenditure to \$35,000,000! Whatever doubts may have previously existed, we are sure this fact must convince every candid Canadian, that the commercial argument in favour of annexation—the only one on which its advocates build their case—has become as unsubstantial as

"the baseless fabric of a vision."

"But," some one may say, "heavily taxed or not, 'all is prosperity in the States, business is brisk, wages 'high, and money abundant.' Not so fast, friend. 'All is not gold that glitters.' The immense issue of greenbacks since the war began, has stimulated business to the verge of excitement, and gilded over the losses and horrors of the carnage with an artificial prosperity. But what intelligent man believes the United States as rich as before the strife began? Business may seem brisk and wages high, but with a depreciated currency, with food and clothing double what Canadians pay, with an almost prohibitory tariff on imports, with taxation pressing upon incomes, upon trades, upon everything which can be bought, sold, manufactured or grown,—such a prosperity must soon appear in its true garb, as *evanescent as it is unreal.*"

Before the rebellion, the commercial argument for annexation possessed much force. Now its weight is thrown into the opposite scale. This being admitted, annexation falls to the ground, for our national and political feelings all point us to another destiny. We respect the Americans, but we do not wish to join them. We admire many of their institutions, but we dislike universal suffrage, elective judges, and mob influence. Add to these considerations, our duty to Great Britain; and we think every true-hearted Canadian must acknowledge that, as between annexation and independence, interest, feeling, and duty, all conspire to urge us to decide in favour of the latter.

## BARLEY.

WITHIN the last few years the Barley crop has become of great importance to Canada. The failure in the cultivation of Winter Wheat, and the necessity of rotation in crops, induced the farmer in all sections of the province to resort to this among other grains. Fortunately it has been a most profitable cereal. Large sums of money have been realized from its sale, and the profits of its cultivation have exceeded those of almost anything else which has engaged the attention of the farmer. It is somewhat singular that the demand should have kept pace with the rapid increase in the production of this grain. The causes which induced the cultivation of this crop in Canada had also caused a large increase in the production in New York and other States; but notwithstanding that the yield in all sections of the country was largely augmented, the demand has been sufficient to absorb the product at very satisfactory prices.

Inasmuch as there is no Barley exported from the United States, this largely increased demand indicates some interesting changes in the social habits and economic condition of our neighbours. The introduction of

a large German element has resulted in the large consumption of lager beer, immense quantities of which are manufactured in many localities. But the consumption of this light and pleasant drink has not been confined by any means to the Germans, but it is now used largely by all classes of the community, and is regarded as almost an article of necessity where five years ago it would not have been thought of, in New York, for instance, where among the most wealthy and fashionable citizens it is a common household drink. The ladies, too, find it beneficial to their health, and pleasant to take. In the Western cities again, such as St. Louis, where the water is generally impure, lager beer has become an almost universal drink. The consumption, also, of all descriptions of ale, porter, &c., has been largely on the increase, and especially since the imposition of the heavy excise duties on spirits. Two dollars a gallon on Whiskey, places among the luxuries that beverage once so universal, and the far less injurious and less expensive article of beer has been substituted. The influence of the change upon the health and general appearance of our American friends remains to be seen; if among other things it results in giving them the rosy and jovial appearance for which John Bull is so deservedly famous, a great improvement will be effected. The transformation of "a lean Yankee" into a corpulent jolly and good-natured American, will certainly be among the wonders of the nineteenth century; but if the consumption of beer is any indication of this desirable result, it is likely to be realized. Whatever may be the cause or result, it is certain that the consumption of this class of liquors among our neighbours has of late years largely increased; and to it alone must we attribute the rapid absorption of the increasing crop of Barley.

Thus far, the demand has, always absorbed the supply, notwithstanding a large yearly increase in the latter. This year however the production is far in excess of former seasons. The high price which grain has hitherto brought has stimulated its cultivation in all parts of the Northern States and Canada. In the Upper Province this year not only has a much greater quantity of land been under this crop, but the yield will be extraordinary. From every section of the country, whatever the complaints may be as to other cereals, there is but one universal report of the success of the Barley crop, and it is estimated that the production of Canada West alone this year will exceed that of last year by a million and half of bushels. In Lower Canada the same success is indicated, and although we hardly anticipated so large a gain in the production there is no doubt that the surplus will exceed that of any previous period. In New York State the crop was largely sown, and has yielded magnificently; and in many of the Western States although recent rains have somewhat spoiled the beauty of the sample, the production is more than usually large. We are quite prepared for even a much larger demand than over, but it is almost impossible to conceive that the increase in this demand will be sufficiently large to absorb the supply this year. Whether it will be so or not, cannot yet be ascertained; but in the meantime the impression is very general among those who handle the crop, that there will be at any rate a sufficiency to supply the most exorbitant demands of the trade.

Barley is unlike almost any other staple product of the soil in the mode in which it reaches the consumer. All other products immediately on reaching market find a wide diffusion in numberless avenues reaching to the people. Barley, on the contrary, converges to one or two points, is controlled by the concentration of capital, and undergoes a long process of manufacture before it is ready for consumption. The consequence is that the influences which affect its price are of a character far less variable than almost any other product. Some fourteen individuals, we believe, in New York, Albany, Philadelphia, and Baltimore, held at one time last year seven eighths of the whole Barley crop which had reached an Eastern Market, in the United States; hitherto these individuals, knowing that the demand was likely to be in excess of the supply, have rarely acted together. Each of them, anxious to secure his stock for the ensuing season, has not hesitated to pay a good rate therefor, and, competition being induced, the general tendency of prices during the first two months of the Fall has generally been towards an advance. This year it is urged by these gentlemen that as there is an abundance in the supply, there need not be such activity in the demand. Hence without any combination on their part they conclude that prices can hardly be expected to be so high as heretofore. It is admitted that during the early part