

the United States. In our discussions about changes in the trade relations of the country, too much importance cannot be attached to the fact that during the twelve years of the continuance of the treaty of 1854 inter-provincial trade went swiftly "to the dogs."

From the trade returns of 1864 and 1865 we can ascertain the interprovincial exchange that took place after the treaty of 1854 had had for several years a strangling hand upon it. Without going into details (for which THE EMPIRE on the present occasion does not allow me space), I find that this trade averaged for the two years, in round numbers, \$1,900,000—representing the total trade in products of the provinces, and in imports from other countries shipped. Making allowance for goods, the produce of the provinces, shipped through the United States, and entered in the trade returns of the several provinces as imported or exported by the United States—though really belonging to the trade of the provinces with each other—the total trade between the Maritime Provinces and the Canadas averaged not more than two million dollars a year.

The Grand Trunk's Effort.

During the summer of 1866—after the repeal of the Reciprocity Treaty by the United States—the Grand Trunk Railway Company, with commendable enterprise, sought to develop interprovincial trade by means of steamers plying between St. John and Halifax and Portland in connection with their railway, having its terminus at the latter port.

A considerable trade rewarded their energetic action, the trade in flour alone increasing from 80,000 barrels (the average of 1864 and 1865) to 152,000 barrels in 1866.

The confederacy, however, was formed in 1867 with what, after all these efforts, was but a small interprovincial trade in existence; not enough, as one leading opponent of the Union said, to pay for axle grease for the Intercolonial. Moreover that little was largely done through a channel by no means satisfactory, the bulk of it being done *via* United States seaports under the bonding system, which imposed expenses adding to the cost of transport.

Trade at Confederation.

Our statistics were then, and, for that matter, are yet, lamentably deficient in such details as are necessary for an accurate statement of the dimensions of the interprovincial trade carried on between the Maritime Provinces and the St. Lawrence river provinces. We know that in 1867 a fortnightly steam service between Montreal and the gulf ports of New Brunswick and Nova Scotia was maintained, the steamer, however, having a capacity of only 800 barrels. Besides this, there were the "coasters." We have also to add the transit trade returns of the United States. I have made an analysis of the last named, and

find that in 1868 the interprovincial trade done *via* the United States was equal in value to \$3,500,000. Add to this the value of the goods exchanged *via* the gulf steam and sail coasters—the goods from Quebec (92 per cent. of which was flour), amounting to half a million dollars, and the return cargo to less than \$100,000—and for the first year of our confederated life we arrive at an interprovincial trade in this direction equal in value to somewhat over four million dollars.

The trade between the North-west and the two St. Lawrence river provinces was practically nil.

The interprovincial trade between Ontario and Quebec is very large, but it is not brought into consideration, the two provinces, for the purposes of this investigation, being considered as one division of the Dominion. In the same way the interprovincial trade between the Maritime Provinces themselves is very great, but in the present paper those provinces have been treated as one division.

What Has Been Done Since.

What has been done since 1867 in the way of developing interprovincial trade?

1. As to the efforts made to overcome the difficulties in the way of interprovincial trade.

Since 1876 we have had an addition to the channels of intercommunication in the Intercolonial railway opened that year. There have also been during the present year additional channels in the Canadian Pacific railway, whose cars entered Halifax for the first time early in June last, and in the Temiscouata railway, opening direct communication between the St. Lawrence river and the north-western counties of New Brunswick. We have had the completion of the Canadian Pacific westward, linking Manitoba, the North-west and British Columbia with the other provinces. Besides these great arteries we have had the National Policy. We have had a special committee of the House of Commons (1883) to assist, by its suggestions, in the development of interprovincial trade. We have had Montreal made practically a free port through the assumption of the Lake St. Peter's channel debt by the Central Government, and through the removal of wharf dues on steamers and sailing vessels. Finally, we have had the abrogation (1885) by the United States of the fisheries clauses of the Washington treaty, the effect of which abrogation has been largely to increase the direct business in fish from the Maritime Provinces westward.

The Results.

2. As to results: What have these efforts accomplished?

Well, in the first place, we may attempt to obtain a general view. Before confederation, as all the provinces stood to each other in the relation of outside countries, the re-