

TINTS TOO BRIGHT TO LAST.

A PORTION of the American press entertain great expectations regarding the effect which the Pacific Railway will have upon their trade and prosperity. The importance of this great work is unquestionable. It must, of necessity, largely contribute to the opening up of the Great Western country, and add very materially to the advancement of the Pacific in material wealth. But we fear the highly coloured pictures which some New York Journals occasionally draw, will hardly be realised. The tints are altogether too bright, to stand firm under that trying process known as experience.

What is it that these prophets predict? Nothing less than that the completion of the Pacific Railway will produce a revolution in the course of Asiatic trade. The long famous East India men for which the English Navy is conspicuous are to become comparatively useless, for the great bulk of the merchandise of China, Japan and other Oriental lands, will be shipped to San Francisco thence by the Pacific Railway to New York, and finally by steamer to Great Britain and other European countries. New York is to rapidly become the commercial metropolis of the whole world. One Journal predicts that all houses on Fifth Avenue will yet become business shops. We consider this to use a Yankee expression pretty tall talking, and we fear not to be realized at least by trade obtained from the Orient. Such glowing pictures are probably pleasant reading to our American friends, who never consider anything said about the future glory of their Nation to partake of exaggeration; but to come down from the clouds of speculation, are there any good grounds for such large expectations?

We think not. The railway carriage across the American continent is altogether too great to make such a route practicable for heavy goods from Eastern lands. The Pacific line and its connections, from San Francisco to New York, will be about 3000 miles, and unless that Railway will carry freights much lower than present rates, we fear Asiatic goods would be rather costly when delivered in New York city. We incline to the opinion that the old fashioned East India-men would still be required—that they could still go all the way round by the Cape of Good Hope and deliver their cargoes in London or Liverpool cheaper than by the route across this continent. This might not be the case in all classes of goods but we consider it would hold good as regards the greater part of Oriental imports.

But there is another and more formidable lion in the way of New York becoming the world's entrepot for the important products which China, India and Japan annually export. That is the Suez Canal. The practicability of this work was long doubted but it is now certain of success and the months may be counted when it will be opened. The day this canal opens the dream of Asiatic trade with Europe via the Pacific Railway will vanish. There will then be a short water route from England, the centre of the Indian trade, to Western Europe, and it is expected that the largest hulks will be able to engage in the traffic. The distances from London to Canton by the different routes will be as follows:—

LONDON TO CANTON.

	Miles.
Distance by Suez Canal	10,300
" " Pacific Railway	13,100
" " Cape of Good Hope	16,100

The distance will be greatly less from Europe to the centres of Eastern trade, by the Suez Canal, than by any other way, and cargoes will not require to be re-shipped until they reach their destination. By the American route two re-shipments would be necessary—which fact, in conjunction, with the longer distance and more costly carriage must effectually extinguish any hopes of the merchants of London and Paris having to come to New York to make their purchases of Eastern goods. The distances from New York to Canton by the different routes are as follows:—

NEW YORK TO CANTON

	Miles.
Distance by Pacific Line	10,500
" " Suez Canal	17,000
" " (improved) Panama Canal	11,500
" " Cape of Good Hope	16,400

Judging from these figures—which we take from a source we believe to be correct—we dare say the Americans could increase their Oriental trade by some of these routes. The Panama Canal, if ever completed, would doubtless give them a short cut to the east, and might favourably affect their trade. But we hardly think, in any event, that they would be able

to supply Europe, on the contrary we feel assured that the Suez Canal will distance all competitors, and that the immense trade which has so long rounded the Cape of Good Hope will soon be turned through its narrow channel.

In expressing these opinions, it is from no desire to detract from the great future which lies before New York, or to depreciate the importance of the Pacific Railroad. Far from it. It is difficult to overrate the future either of the City or the Railroad, but our cousins are drawing too largely on their imaginations when they depict New York as the commercial metropolis of the world, and the cities of Europe as something like tributaries. The Pacific road must add materially to the progress of their nation. We do not doubt that New York, San Francisco and many other cities, will increase their already immense commerce from the day of its completion (about 1st July next), but the great expectations indulged regarding Asiatic trade, we do not expect to see realised.

Whilst on this subject, we may say, that if ever the trade of Europe with China and Japan could be brought over this continent, the best route would be found across British territory. A North Pacific Railway terminating at Vancouver island, would be the most direct way from Western Europe to the Orient. The late D Arcy McGee frequently drew flattering pictures of Eastern trade passing from the Pacific to the Atlantic through British America. For the same reasons we have already adduced, we think this is very similar to the American dream. But it is so far satisfactory to know, that if such hopes were ever to be realised, the Dominion would have the shortest route which could be selected.

THE HUDSON'S BAY COMPANY.

THE telegraphic announcement last week that Earl Granville had proposed as a compromise between Canada and the Hudson's Bay Company that the former should pay the latter £300,000 was only partially correct. The cash payment, as will appear, was to be only a small part of the consideration or which the company is asked to give up whatever rights it may possess to the North-West.

The following are the terms of Earl Granville's compromise:—

1 The Hudson's Bay Company to surrender to Her Majesty all the rights of government, property &c. in Rupert's Land, which are specified in the 81 and 82 Vols. c. 16, sec 4, and also all similar rights in any other part of British North America, not comprised in Rupert's Land, Canada, or British Columbia.

2 Canada is to pay to the Company £300,000 when Rupert's Land is transferred to the Dominion of Canada.

3 The Company may, within twelve months of the surrender, select a block of land adjoining each of its stations within the limits specified in article 1.

4 The size of the blocks is not to exceed acres in the Red River Territory, nor 3,000 acres beyond that territory, and the aggregate extent of the blocks is not to exceed 50,000 acres.

5 So far as the configuration of the country admits, the blocks are to be in the shape of parallelograms, of which the length is not more than double the breadth.

6 The Hudson's Bay Company may, for fifty years after the surrender, claim in any township or district within the fertile belt in which land is set out for settlement, grants of land not exceeding one-twentieth part of the land so set out. The blocks so granted to be determined by lot, and the Hudson's Bay Company to pay a rateable share of the survey expenses, not exceeding an acre.

7 For the purpose of the present agreement, the fertile belt is to be bounded as follows:—On the south by the United States boundary, on the west by the Rocky Mountains, on the north by the northern branch of the Saskatchewan, on the east by Lake Winnipeg the Lake of the Woods, and the waters connecting them.

8 All titles to land up to the 8th March, 1869, conferred by the Company, are to be confirmed.

9 The Company is to be at liberty to carry on its trade without hindrance, in its corporate capacity, and no exceptional tax is to be placed on the Company's land or trade or services nor any import duty on goods introduced by them previous to the surrender.

10 Canada is to take over the materials of the electric telegraph, at cost price, such price including transport but not including interest for money and subject to a deduction for ascertained deterioration.

11 The Company's claim to land under agreement of Messrs. Vankoughnet and Hopkins to be withdrawn.

12 The details of this arrangement, including the filling up the blanks in articles 4 and 6, to be settled at once by mutual agreement.

We publish elsewhere in other columns an article on this offer of Earl Granville's from the London Economist, which is worthy of careful perusal. It is, we think, an eminently fair statement of facts, and the weighing of the claims to consideration of Canada and the Hudson's Bay Company. It is apparently free from prejudice one way or the other, and while acknowledging that the company has been treated with the

utmost forbearance by the Imperial Government, even beyond what was their legal due, it nevertheless argues that Canada should accept the terms, rather than run the risk through delay of the settlement of the Red River Territory by American adventurers in numbers sufficient to establish a government.

For our own part, we can only look on this basis of settlement of the company as a compromise. Lord Granville stated himself that he did not think it would be acceptable to either party; but in making the offer to the company, he coupled it with a threat that if it were not immediately accepted, their rights would be referred to the Privy Council, in order to obtain a basis for any future legislation or executive action which may be found necessary. The very fact that this threat may have wrought with the company appears to us a reason why Canada should not be called upon to pay so heavily for the surrender of so-called rights which are liable to be set aside by a decision of the Privy Council. At the same time, there is much to be gained in every way by a prompt and amicable settlement of the question. A great deal of time has been lost already, and if the company's claims were now to be submitted to a legal investigation, it is certain there would be an interval of indefinite length before judgment could be pronounced, and before Canada would be permitted to enter into full possession of the territory.

The terms offered are doubtless more unfavorable to Canada than would be desired by Canadians. Under existing circumstances, however, what concerns us chiefly to know is, will the acceptance of these terms be for Canada the making of a bad bargain, from which will come loss, not profit. The reservations to the company of 50,000 acres contiguous to their stations, and of one-twentieth of all lands set out for settlement during the next fifty years in the fertile belt, will not be of a nature to press heavily on the Government of this country. The company must, to some extent, contribute to the revenue of this country; and as it will, after a time, be more profitable to them to induce colonization than to retain their lands in a state of nature, there will be an ever increasing consumption of goods, on which taxes will have been collected. The payment to the company of the net cost of the materials of their electric telegraph, less a deduction for deterioration, must be considered in this connection, as value in property will be given to which Canada has no claim. The only question, therefore, is, are we paying too dearly for our whistle, by giving £300,000, or, at 6 per cent interest, £18,000 a year, for the possession for governmental purposes of the whole North-West Territory, and of all the unsettled land therein in fee simple, less the reservations to the Company? Of course, the answer to this question will depend much on the rapidity with which the territory becomes settled, on its prosperity, and the amount of taxable goods which may there find consumers. We think, however, there can be little doubt that with a settled condition of government, with roads made, and lands thrown open to settlement, it would not be long before the more desirable portions of the fertile belt would be thickly peopled, and before the revenue directly or indirectly derived therefrom would be ample and more than ample to pay back to Canada the £18,000 annually she is called upon to pay.

GETTING SICK OF IT!

WE are really getting a little sick of the Annexation nonsense which Brother Jonathan is continually uttering. Occasionally, we don't mind to be bored with it, for as the old man said of his scolding wife—"It pleases her and don't hurt I." But to have a large portion of the Press of the United States, and every stump-orator in the land, dinnning it into your ears in season and out of season, is somewhat of a nuisance. We don't know how others in Canada feel about it. We confess we are getting a little sick of it.

That the United States is anxious to secure the annexation of Canada, every American is willing to admit. The Reciprocity Treaty was abrogated solely with that view. It was thought that our commercial interests would so suffer, that we would seek admission to the Union before twelve months. The sage Consul-General Potter found that cook wouldn't fight, for we have prospered without the treaty and are stronger against annexation than ever. At the present time, a new treaty is refused, simply from the same political motive, they know that the United States suffers from the barriers in the way of inter