OUR BACK COUNTRY.

(*From the Peterborough Review.*)

FREE GRANTS IN THIS COUNTRY.

A FEW weeks ago we called attention to the anomalous position of the Crown Lands in our back country, as they were practically withdrawn from sale a year ago when a large tract extending west from Madoc was declared a mining region.

We now learn with pleasure that the subject was then engaging the attention of Government; and that the free grant system is to extend to the Crown Lands in our entire back country. Portions of the Townships of Cardiff and Monmouth are to be at once thrown open to settlement, and the vacant lands in other townships, both on the Burleigh and Bobcaygeon roads, are to be placed under similar regulations, so soon as lists of the lands can be prepared and other arrangements completed.

It appears to be the policy of the Government to place one or two townships only under the oversight of a local agent, whose duty it will be to point out lots as required, and otherwise assist in the location of settlers. The fee of $5 heretofore paid to Crown Land Agents is dispensed with. We understand that Mr. Wheeler Armstrong has received the appointment of local agent of Cardiff and Monmouth, the lands of which townships will be open for settlers immediately. No more suitable person could have been chosen. We hope soon to be able to announce the completion of arrangements for the free grant of land in all the townships of our back country, and the appointment of additional agents.

We understand also that the Burleigh Road is to be completed as far as the Monck Road, this season, and that the work to be done will be let by tender.

In addition to this arrangement regarding the lands in the newer townships, we are informed that it is the intention of the Government to publish lists of lands not patented, in the old townships, and these if not settled for, will be forfeited, placed in the market, and resold by public auction.

We are sure this announcement will give very general satisfaction; and that our local members, who have been assiduous in extending the free grant system to this county, will receive the thanks to which they are so fairly entitled in looking after the interests of our back country.

CONDITION OF THE GRAND TRUNK RAILWAY.

(*From Herapaths' Railway Journal.*)

REPORTS are current that the working expenses are being greatly reduced, although the traffic is increasing; that the negociations with the Canadian Government will result favourably; that the tide of emigration is rapidly turning in favour of Canada; that Montreal is becoming a great place; that whether the European and North American Railway is or is not carried, the Intercolonial will be made; that the Canadian winters are getting milder; and, in fact, that we are on the eve of another Grand Trunk "rise."

We have always taken one view of the Grand Trunk, that it would have in time a very good traffic, and managed with economy, it would pay a fair rate of interest on a moderate capital outlay. As fas as traffic goes we contend that those views are already realised, and that there is now on the line a considerable traffic, which if it were worked at the full rate of 55 per cent, would leave a profit equal to paying a respectable rate of interest on a capital cost of £8,000 or £10,000 per mile, at which we welieve the line could have been made had the Canadian Government been as considerate towards the railway interests of Canada as the Indian Government has been of the Indian lines, lines which are doing so well. But even as things are with the capital cost as it is, the results of the Grand Trunk would not be extremely disastrous, if the working expenses were at 55 per cent of the receipts. Take 55 per cent, or only 45 per cent for profit. Last year the traffic exceeded £1,300,000. This year it will probably be about £1,400,000. 45 per cent of £1,300,000 would give £585,000 as the year's profits; of £1,400,000 there would be £630,000. £585,000 a year profit would just about clear all the preference charges of whatever kind, and leave the ordinary stock in good position to receive dividend in future as the traffic increased £630,000 would pay all preference charges and some small ordinary dividend.

The great question then, it appears to us, is that of the working expense. If the working expenses be at a reasonably rate the preference bond-holders, 1st and 2nd, are as "safe as houses," the 3rd and 4th preference stockholders are covered, and the future of the ordinary stockholders is encouraging; also—which is equally important—the Buffs would be content.

The uncovering of the first and second preference bonds of their cash interest has permanently, or for years, reduced the marketable value of those securities. It will be difficult to get people to believe in them again as bonds whose interest will be regularly paid.

The *Journal* also contains the following communication:—

MR. EDITOR,—It may be interesting to you to know that I have received from my agents in Montreal and Toronto, for several weeks past, very promising accounts of the Grand Trunk Railway.

Not alone is there a large increase in the weekly traffic, but there is a considerable weekly decrease in the expenditure, more especially in one most material article, viz., fuel.

They further write me that the cost of renewals is and will be infinitely less than last year, the rails having stood the winter well, owing to better materials having been used last year than at any previous time. There is much more activity displayed and attention paid by the managers and staff to all matters of detail, and they seem at last to be aware that unless they can procure a better result from their operations than they have of late years shown, there must be a total and radical change in the administration and management, not alone in Canada, but here also. They inform me that it is in contemplation to raise the rates, both for passengers and merchandise. They express a very decided opinion that the traffic this year will far exceed that of 1867, and that with diminished expenditure to a large extent they think it highly probable that at the next half-yearly meeting a far more satisfactory report will be presented. It is very pleasing for us unfortunate Shareholders to see at last some little movement in the shares of this line.

I am decidedly of opinion that the shares in this undertaking are now far below their intrinsic value, and that with a steady and continuous weekly increase in the traffic, and a decreased expenditure we shall see all classes of shares considerably higher than at present, and that within a short time. I am convinced it is a good property.

E. M. R.

BRIGHTON, May 25th, 1868.

RECIPROCITY.

(*From the New York Albion.*)

MORE than two years have now elapsed since the Reciprocity Treaty between the United States and British North America ceased to exist. After more than ten years of mutually advantageous interchange of products, the United States Government deliberately determined upon the abrogation of a treaty under which transactions amounting to more than five hundred millions of dollars had taken place, and that, too, in defiance of the wishes, as well as the interests, of perhaps a majority of the collective American people. For it must be remembered that the Southern tier of States had no voice in the government when this suicidal act was perpetrated, while entire sections of the Northern States were almost a unit in favour of a continuance of the Treaty.

This foolish act can only be accounted for in one way, namely, in the unwarranted irritation, rashness, and impulsiveness of this sensitive people. Change, too, they *must* have. If it is not for the better, it must be for the worse. When we reflect, however, that the great manufacturing British nation admits the surplus cereals—ground or unground—of the whole United States, free of duty, and also opens her ports and her entire coasting trade to the ships and people of the United States; and, further, that under the Reciprocity Treaty United States vessels had access, on equal terms with British and British American, to the coasts, canals, rivers, and harbours of British America, as well as the sea coast of Great Britain and her vast possessions throughout the world: that still, nothwithstanding all this, the vessels of the comparatively feeble colonies immediately north of us, have never yet been allowed to participate, either in the markets, or the coasting trade of these—professedly liberal—United States.

But time will mend all this. We already see signs of returning reason. The general tone of the American press: the two or three "reports" recently presented to Congress, in quick succession, by the Secretary of the United States Treasury; and the still more recent introduction into the House of Representatives, of a bill for the better regulation of trade on the Northern frontier; all point in the same direction—namely, to a speedy renewal of liberal trade relations between the two kindred peoples, now controlling the destinies of this North American continent. When the British nation freely throws open the markets of her 250,000,000 of people, to the enterprise of American shippers, and the surplus cereals of the American farmers, how can this country long deny a like privilege to the barely 4,000,000 struggling colonists, now scattered along her borders?

If it is necessary to have a duty equal to the present internal Revenue tax of the United States, why, so be it; bnt let us have no one-sided bargain, like the one proposed in the bill of Mr. Beaman, now before the House of Representatives at Washington—the text of which we insert in another column of this day's paper. Why should the great and powerful United States of America ask the youthful, and comparatively feeble, Dominion of Canada, to grant her commercial advantages which she is not willing to reciprocate? Why ask of Canada the free navigation of her canals and rivers, without profering like privileges in return? Why ask the New Dominion to allow the United States vessels to coast, trade and fish on her entire Atlantic frontier, without reciprocating the favour in kind?

No, all this sharp practice will not effect its purpose; but the moment the United States Government and people, are prepared to enter into friendly and free trade relations with the neighbouring provinces on just and equitable terms—no matter how far extended—we promise on behalf of our Provincial friends, a speedy acceptance of such terms; be they by treaty, or by legislation; but the present overture—although in the right direction—will not do. Let us have a competent international commission appointed to look into the subject thoroughly and fully in all its bearings; with a view solely to a more perfect understanding of the whole question—purely on its merits; and then an arrangement may be come to, and that right speedily. But meantime we would say to the authorities at Washington, "first call in your Fenians, and then send a friendly, and intelligent, Trade Commission to the New Dominion, in their stead, and there will be but little difficulty in arranging a mutually acceptable treaty."

TRADE WITH CANADA.

(*From the Boston Post.*)

THERE was a double reason given for the sudden abrogation of the Canada Reciprocity Treaty—that the state of the Treasury demanded the abolishment of everything like free trade with the Provinces, and the conduct of Canada during the continuance of our civil war merited this visitation of punishment on her guilty head. These pretexts were not without plausibility for many minds, and possessed decisive force for certain others. That they were mere pretence, however, and without any foundation in sound reason, will readily appear to any one who chooses to attend to the proofs.

In order to make it out that the levying of high duties on Canadian products really "protect" American interests, and thereby increase our revenues, it must be shown that they are for the pecuniary advantage and profit of the United States; that is, it must appear that we get what we got before on better terms. But a carefully prepared tabular statement proves the fact to be just the contrary. What we have purchased from Canada since the abrogation of the Reciprocity Treaty, has cost us as much as we were obliged to pay under the treaty, with the new duty added. There are many articles which we are obliged to obtain in the Canadian market at any rate. Take that of lumber, for instance; our Eastern forests have ceased comparatively to yield their treasures for house and ship-building, and we have been compelled to seek supplies where we secured them before the treaty was hastily annulled. Pine lumber is received almost wholly, in the Atlantic States, from the Canadian forests, whence it reaches them from the Ottawa valley. A duty of twenty per cent was laid on this product. The figures of the official report alluded to show that nearly all this lumber, coming by way of Ottawa, is for the American market, reaching us through the Champlain canal. The abrogation of the treaty has had no effect to check the demand from that prolific source of supply. For example: there were 465,812 thousand feet of planks and boards exported from Canada in 1866, the total value of which was $4,583,075, and of which sum $4,408,554 was paid by the United States;—in 1867, there were exported 533,192 thousand feet in all, the total value of which was $5,104,342, and of which sum $5,049,367 was paid by the United States. Thus it will be seen that we buy more lumber of Canada since the abrogation of the treaty than we did before, and that we have to pay just as high a price for it as then, with the duty of 20 per cent added! Perhaps some profound political economist can demonstrate how this style of "protection" aids American interests and industry, merely making them pay what they did before, with 20 per cent on top.

And this increased tax, let it be kept in mind, is levied on every householder in the land. No man repairs his old house, or builds a new one, but is forced to pay higher for his lumber than he paid under the Reciprocity Treaty; and it is notorious that thousands have been obliged to deter the erection of homes for years, and consume their hard earnings in payment of increased rents, for no other reasons than that lumber was so much higher in consequence of the abrogation of the treaty and the levying of a duty. And it has worked in the same way with our ship building. Thousands of skilled mechanics have been driven from their homes to seek unaccustomed employment in other places, simply because the building of vessels has by the breaking up of the treaty, been monopolized by the Maritime Provinces. The report of the Special Commissioner of the Internal Revenue gave the facts and figures of the destruction of this branch of American industry in detail, and showed with what intelligent care Congress had "protected" the interests of the country, by the abrogation of the treaty, and with what a terrible weight of punishment it had afflicted the provinces for their demeanour during the rebellion. The fact is simply this: we have added one-fifth to the prices we have to pay for all our lumber, besides breaking up our business of shipbuilding and handing it wholly over to the provinces. Under these circumstances, where does the "protection" fall, and who feels the weight of the "punishment."

The mackerel fishery shows precisely the same result. We have only been offering a premium to smugglers. The fishermen demanded protection as well as the lumbermen, and they got it in the shape of two dollars per barrel on fish brought from the provinces. That duty works in this way: the fish are purchased at a reduced price off Canadian fishermen, and then transferred to American vessels, thus putting the additional two dollars which the people have to pay for their mackerel into the pockets of these smugglers. It all comes out of the people of the United States at last.

Other, and not less convincing, facts might be taken from the body of this official report, all showing the hardship and injustice of the abrogation of a beneficent Reciprocity Treaty, in order to follow it up with the imposition of oppressive duties in the name of protection. Here it is shown that certain important industrial interests are broken up and driven away, that the price of lumber is made 20 per cent higher for every man who is struggling to secure for his family a home, and that every mackerel on the table of the laboring man costs him more than it used to under the free trade arrangement with Canada. How this is to be called "protection" puzzles every brain that is not of itself a puzzle by natural construction.

It is insisted by this same class of reasoners that Canada was to be forced into the arms of the United States by the compulsory process of the abrogation of the treaty. It is an entirely new and original doctrine, that temper can compel trade, and thereby hasten political alliance. Trade follows its own natural channel.