

Countries.	Value of Total Imports and Exports in	
	1857. (1=\$1,000)	1884. (1=\$1,000)
Chili	6,645	3,773
Peru	716	3,120
China	12,752	20,242
British East Indies	11,744	14,261
Australia	4,728	13,598
Mexico (half of trade only)	4,800	10,050
Central America	425	9,225
Japan	—	13,791
Dutch East Indies	904	5,617
Totals	42,724	93,677

Besides this great volume of traffic with foreign countries, the United States would be likely to greatly profit by having communication opened *via* the Panama Canal with their own territories on the Pacific Slope. Until the year 1869, the commerce between the Pacific Coast and the States east of the Rocky Mountains was carried on either in sailing-vessels, that followed the Cape Horn route, or by the Panama route, formed by the steamer line from New York to Aspinwall, the railway line across the Isthmus of Panama, and the steamer line from Panama to San Francisco. But since the Union and the Central Pacific lines were united on the 10th of May, 1869, traffic has been deflected from the Panama route. Meanwhile the Compagnie Universelle du Canal Inter-oceanique—which means M. de Lesseps and his friends—have succeeded in acquiring a controlling interest in the Panama Railway. Opened in 1855, this interoceanic line has since become a great commercial highway between the nations on the coast of Western Europe and Eastern Asia, as well as between San Francisco and New York. The length of the railway, from Aspinwall on the Atlantic to Panama on the Pacific, is forty-seven miles and a half, or just about the same mileage as the canal. Since 1877 the number of passengers annually carried by this line has increased from 22,110 to 304,000, and there has been a great increase in the merchandise carried over the same period; while for canal purposes it has been invaluable.

So far as the United States alone are concerned, it is probable that the necessity for the canal is not by any means so urgent now as it was some years ago. Since the 8th of March, 1884, there has been continuous railway communication between the United States and the City of Mexico, the main line of the Mexican National Railway from Paso del Norte to the capital of the Mexican Republic, a distance of 1,225 miles, having then been opened. The commerce between Mexico and the United States is now very considerable, the imports from Mexico for 1884 having been upwards of \$22,000,000, while the exports to Mexico amounted to over \$13,000,000. It is regarded as probable that the greater part of this trade will now in any case be transported by rail. The same remark applies to the commerce between the Atlantic and the Pacific States. Within the last few years the reductions of freight on both the Union and the Central Pacific lines have been such as to encourage traders to make much more extensive use of these lines, and hence it appears that the classified freight forwarded over the former railway in 1883 amounted to no less than 5,166,500,000lb.—an increase of 963,000,000lb. on the quantity carried during the preceding year. It may be doubted whether any railway in the world carries freight at so low a cost as this one. Between Pittsburg and California, a distance of 2,876 miles, the rates of freight had been greatly reduced in 1882 as compared with 1874. In the former year the rates charged over the Union Pacific Railway for heavy traffic were probably the lowest in the world, and certainly much below any rates known in this country. As examples, it may be stated, on the authority of the official report on the internal commerce of the United States for 1884, that bar and rod iron was only charged 0.52 cents, nails and spikes in kegs 0.45 cents, and grain 0.60 cents per ton per mile, the rate being in these and many other cases about or a trifle over a farthing per ton per mile. On the same authority we learn that, while the average rate for the transport of wool from San Francisco to New York, a distance of 3,320 miles, was 0.91 cents per ton per mile, or about \$29 for the whole distance, the through rate charged by the Pacific Mail Steamship Company for the transport of the same commodity from San Francisco to New York *via* Panama was not less than \$50, or about 70 per cent. more. This is perhaps a somewhat extreme case, as rags were carried by the same company over the same distance for \$17½, lead for \$14 and barley for \$20; but the fact remains that there have been no reductions of rates in steamship transport corresponding to those that have happened in railway carriage, and hence the latter have been getting the better of the former.

To the shipping and commerce of the United Kingdom the canal across the Isthmus of Panama is perhaps not so important as to those of the United States; but it is nevertheless a matter of real concern, and is likely to be so in an increasing degree. If such a canal were immediately available, it would be likely to be used by us for practically all our commerce with the Pacific States of North America—and our trade with these is now represented by the respectable tonnage of over seven hundred thousand tons a year, and by a value of nearly nine millions sterling; it would be used for about one-half of our trade with Mexico, which employs 180,000 tons of shipping annually, and has a declared value of about two millions and a half; and it would absorb