

## APPENDIX No. 10.

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### CORRESPONDENCE RELATING TO THE RECIPROCITY TREATY.

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(No. 37.)

(COPY.)

*Government House, Halifax, N. S.,  
27th April, 1864.*

MY LORD DUKE,—

I have the honor to forward, for your Grace's information, copy of despatches I have received from their Excellencies Lord Lyons and Viscount Monck, upon the subject of the Reciprocity Treaty, together with a copy of the Report and opinion thereon of the Executive Council of this Province.

I have, &c.,

(Signed)

HASTINGS DOYLE

His Grace the DUKE OF NEWCASTLE, K. G.

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The undersigned members of the Executive Council having had under their consideration Lord Lyons' despatches of April 7th and 8th, covering a copy of the Report of the Committee on Commerce upon the Reciprocity Treaty, and a copy of the Resolutions thereon submitted to the House of Representatives at Washington, on the 1st April, instant; and also a despatch from Her Majesty's Governor General, enclosing two minutes of the honorable the Executive Council of Canada, upon the same subject, beg leave to report as follows :

The undersigned are of the opinion that the operation of that Treaty has been mutually beneficial to the United States and the British North American Provinces, and concur with the Government of Canada as to the advantage that would result to all the parties interested from opening negotiations, with a view to the adjustment of the Treaty and arrangement for its continuance in time to avoid the injurious consequences likely to happen to all parties concerned, from notice being given on either side for its abrogation. At the same time it is proper that the undersigned should take this opportunity to express the universal sentiment pervading this Province, that in the construction of that Treaty fair consideration was not given to the interests of Nova Scotia, whose inexhaustible fisheries of priceless value were given away, without the coasting trade or the right to register Colonial built shipping having been secured in return, to these British American Colonies—privileges which the undersigned hope will not fail to be secured in any re-arrangement of the Treaty.

(Signed)

J. W. JOHNSTON,  
CHARLES TUPPER,  
W. A. HENRY,  
JAMES McNAB,  
ISAAC LEVESCONTE,  
JOHN MCKINNON,  
ALEX. MACFARLANE,  
S. L. SHANNON,  
JOHN CREIGHTON.

Council Chamber, 26th April, 1864.

(COPY.)

*Government House, Quebec, April 2nd, 1864.*

SIR,—

I have the honor to transmit, for your information, copies of two approved Minutes of the Executive Council of this Province, dated respectively the 19th February and 31st March, 1864, in reference to the course which it is desirable to ask Her Majesty's Government to pursue, in connection with the Reciprocity Treaty between Great Britain and the United States of America.

As all the British North American Provinces are interested in the provisions of this Treaty, and it is desirable that the suggestions made by them to Her Majesty's Government should be accordant, I shall feel much obliged if you will lay these documents before your Ministers, in order that they may, if they see fit, make a similar application to the Imperial Government.

I have already transmitted these Minutes to the Secretary of State for the Colonies.

I have, &amp;c.,

(Signed)

MONCK.

His Excellency MAJOR GENERAL DOYLE, &amp;c.

*Copy of a Report of a Committee of the Honorable the Executive Council, approved by His Excellency the Governor-General, on the 31st March, 1864.*

The Committee have had under consideration a memorandum, dated 31st instant, from the hon. the Minister of Finance, representing that in view of the action proposed to be taken by the United States Congress, in reference to the Reciprocity Treaty, it is most important for the Canadian interests, so largely affected by it, that your Excellency should represent to Her Majesty's Government the propriety of opening negotiations with the United States Government for the purpose of maintaining the existing commercial arrangements between the two countries. That it is most desirable that such negotiations should be opened before the expiring of the ten years provided in the Treaty before notice can be given for its abrogation, and he suggests that in the opening of such negotiations it would be most important to arrange as a preliminary step that neither Government do give notice for the abrogation of the Treaty pending such negotiations.

He further suggests that the co-operation of the Lower Provinces in this important matter be requested. The Committee submit the above recommendations for your Excellency's approval.

(Certified)

WM. H. LEE,

C. E. C.

*Copy of a Report of a Committee of the Honorable the Executive Council, approved by His Excellency the Governor General, on the 19th February, 1864.*

The Committee of the Executive Council deem it their duty to represent to your Excellency, that the recent proceedings in the Congress of the United States respecting the Reciprocity Treaty, have excited the deepest concern in the minds of the people of this province.

Those proceedings have had for their avowed object the abrogation of the treaty at the earliest moment, consistent with the stipulations of the instrument itself.

Although no formal action indicative of the strength of the party hostile to the continuance of the treaty has yet taken place, information of an authentic character as to the opinions and purposes of influential public men in the United States, has forced upon the committee the conviction that there is imminent danger of its speedy abrogation unless prompt and vigorous steps be taken by Her Majesty's Imperial advisers, to avert what would be generally regarded by the people of Canada, as a great calamity.

The committee would specially bring under your Excellency's notice, the importance of instituting negotiations for the renewal of the treaty, with such modifications as may be mutually assented to, before the year's notice required to terminate it shall be given by the American Government, for they fear that the notice if once given would not be revoked, and they clearly foresee that owing to the variety and possibly the conflicting nature of the interests involved on our own side, a new treaty could not be concluded, and the requisite legislation to give effect to it be obtained, before the year would have expired and with it the treaty. Under such circumstances, even with the certain prospect of an early renewal of the treaty, considerable loss and much inconvenience would inevitably ensue.

It would be impossible to express in figures with any approach to accuracy, the extent to which the facilities of commercial intercourse created by the Reciprocity treaty, have contributed to the wealth and prosperity of this province, and it would be difficult to exaggerate the importance which the people of Canada attach to the continued enjoyment of these facilities.

Nor is the subject entirely devoid of political significance. Under the beneficent operation of the system of self-government which the later policy of the Mother Country has accorded to Canada in common with the other Colonies possessing representative institutions, combined with the advantages secured by the Reciprocity treaty of an unrestricted commerce with our nearest neighbours in the natural productions of the two countries, all agitation for organic changes has ceased—all dissatisfaction with the existing political relations of the province has wholly disappeared; although the committee would grossly misrepresent their countrymen, if they were to affirm that their loyalty to their Sovereign would be diminished in the slightest degree by the withdrawal through the unfriendly action of a foreign government of commercial privileges, however valuable these might be deemed. They think they cannot err in directing the attention of the enlightened statesmen who wield the destinies of the great empire, of which it is the proudest boast of Canadians that their country forms a part, to the connection which is usually found to exist between the material prosperity and political contentment of a people, for in doing so they feel that they are appealing to the highest motives that can actuate patriotic statesmen, the desire to perpetuate a dominion founded on the affectionate allegiance of a prosperous and contented people.

The Committee venture to express their hope that your Excellency will be pleased to bring this subject and the considerations now submitted, under the notice of her Majesty's Imperial advisers.

(Certified)

WM. H. LEE,  
C. E. C.

(COPY.)

Washington, April 7th, 1864.

SIR,—

I have the honor to enclose, for your Excellency's information, a copy of a Report on the Reciprocity Treaty, which was made to the House of Representatives by the Committee of that House on Commerce.

I have, &c.,

(Signed) LYONS.

His Excellency MAJOR GENERAL DOYLE.

#### REPORT.

*The Committee on Commerce to whom were referred the various memorials in relation to the treaty between the United States and Great Britain, commonly known as the "Reciprocity Treaty," report as follows:*

The Committee on Commerce of the last (37th) Congress having made an elaborate report\* upon the extent, population, position, and resources of the British

\* Report No. 22, 37th Congress, 2nd session.

North American provinces and possessions, the operation of the reciprocity treaty, condition of our commercial and fiscal relations with Canada and the other British provinces, the line of policy most conducive to the interest and welfare of the respective countries, and the mutual relations of Great Britain and her North American colonies, so far as they affect the United States, it is only deemed necessary to exhibit such facts and statistics as show the working of the treaty down to the present time.

The following statement exhibits the aggregate annual commerce of the United States with Canada and the other British North American provinces :

*Exports to both Canada and the Provinces, with the total imports from both.*

PERIOD.	Domestic exports.	Foreign exports.	Total exports.	Imports.
Fiscal year ending Sept. 30, 1821..	\$2,009,336	\$455	\$2,009,791	\$490,704
Do.....1822..	1,881,273	16,286	1,897,559	526,817
Do.....1823..	1,818,113	3,347	1,821,460	463,374
Do.....1824..	1,773,107	2,617	1,775,724	705,931
Do.....1825..	2,538,224	1,740	2,539,964	610,788
Do.....1826..	2,564,165	24,384	2,588,549	650,316
Do.....1827..	2,797,014	33,660	2,830,674	445,118
Do.....1828..	1,618,288	56,386	1,674,674	447,669
Do.....1829..	2,724,104	40,805	2,764,909	577,542
Do.....1830..	3,650,031	136,342	3,786,373	650,303
Do.....1831..	4,026,392	35,446	4,061,838	864,909
Do.....1832..	3,569,302	45,083	3,614,385	1,229,526
Do.....1833..	4,390,081	81,003	4,471,084	1,793,393
Do.....1834..	3,477,709	57,567	3,535,276	1,548,733
Do.....1835..	3,900,545	147,343	4,047,888	1,435,168
Do.....1836..	2,456,415	194,851	2,651,266	2,427,571
Do.....1837..	2,992,474	296,512	3,288,986	2,359,263
Do.....1838..	2,484,987	238,504	2,723,491	1,555,570
Do.....1839..	3,418,770	144,684	3,563,454	2,155,146
Do.....1840..	5,895,966	204,035	6,100,001	2,007,767
Do.....1841..	6,292,290	364,273	6,656,563	1,968,187
Do.....1842..	5,950,143	240,166	6,190,309	1,762,001
Do.....1843..	2,617,005	107,417	2,724,422	857,696
Do.....1844..	5,361,186	1,354,717	6,715,903	1,465,715
Do.....1845..	4,844,966	1,209,260	6,054,226	2,020,065
Do.....1846..	6,042,666	1,363,767	7,406,433	1,937,717
Do.....1847..	5,819,667	2,165,876	7,985,543	2,343,937
Do.....1848..	6,399,959	1,932,696	8,332,655	3,646,467
Do.....1849..	5,932,166	2,172,161	8,104,267	2,826,880
Do.....1850..	7,758,291	1,790,744	9,549,035	5,644,462
Do.....1851..	9,060,387	2,954,536	12,014,923	6,693,122
Do.....1852..	6,655,097	3,853,919	10,509,016	6,110,299
Do.....1853..	7,404,087	5,736,555	13,140,642	7,550,718
Do.....1854..	15,204,144	9,362,716	24,556,860	8,927,560
Do.....1855..	15,806,642	11,999,378	27,806,020	15,136,734
Do.....1856..	22,714,697	6,314,652	29,029,349	21,310,421
Do.....1857..	19,936,113	4,326,369	24,262,482	22,124,296
Do.....1858..	19,638,959	4,012,768	23,651,727	15,806,519
Do.....1859..	17,029,254	6,622,473	23,651,727	19,727,551
Do.....1860..	18,667,429	4,038,899	22,706,328	23,851,381
Do.....1861..	18,883,715	3,861,098	22,745,613	23,062,933
Do.....1862..	18,652,012	2,427,103	21,079,115	19,299,995
Do.....1863..	28,629,110	2,651,920	31,281,030	

In forty-two years, from 1821 to 1863, the domestic exports of the United States to these provinces, have increased from \$2,009,336 to \$28,627,110, and the exports of articles of foreign origin \$445, to \$2,651,920—in all, from \$2,009,791 to \$31,281,030.

The imports from the provinces increased from \$490,704 in the fiscal year ended September 30, 1821, to \$19,299,995 in the year ended June 30, 1862.

The amount of these imports in 1862-'63 is not yet known, but assuming it to have been the same as in the previous year, the whole trade during the period in question has been multiplied more than twenty-fold; the increase, although by no means so great as would unquestionably have been the case if the trade had been wholly unfettered and allowed to take its natural course, having been \$48,080,495, or from \$2,500,495 in 1821 to \$50,581,025 in 1863.

An examination of the preceding table shows that the ratio of increase was much affected by the treaty, which did not come fully into effect until the fiscal year 1855-'56. From that time to June 30, 1862, our exports had been as follows:

Foreign.....	\$31,603,362
Domestic .....	135,522,179
Total .....	\$171,628,779

During the same time our imports were less than our exports by \$26,445,683, having amounted to \$145,183,096.

It would be inconsistent with the most obvious rules of commerce, and of the motives and actions of mankind, to suppose that the people of both countries, left to their own free and individual choice, would year after year have persevered in augmenting this vast interchange of commodities if it had not, upon the whole, been mutually beneficial; but a closer analysis will show the reason why the treaty has been regarded with dissatisfaction, and throughout the greater part of our co-terminus frontier, with the populous portion of Canada, the most important of all the provinces, has failed to produce the friendly international relations which were anticipated, and at first realized as the natural results of a vast series of reciprocal benefits or extended commercial relations.

The treaty, although nominally made between the United States and Great Britain, required the assent of seven different governments or legislatures before it fully took effect; each of the various provinces of Canada, New Brunswick, Nova Scotia, Prince Edward's Island, and Newfoundland, having a separate tariff, and practically controlling its own financial affairs, independently of any other power. All these provinces, unitedly, contained 3,253,000 inhabitants in 1860. Of these more than 2,500,000 were the population of Canada, and less than 700,000 of the provinces. An estimate of the comparative importance of our trade with these different regions may to some extent be inferred from these numbers. Canada also is an inland country, whose best route to the ocean for a considerable part of the year is through the territory of the United States, while the others are appropriately designated the maritime provinces. Her territory includes both sides of the St. Lawrence, and the large peninsula of Upper Canada, separating several of the northwestern and grain producing—together with much territory belonging to the United States, but yet unoccupied—from the commercial and manufacturing States in the east. Considering the importance of this subject, and the fact that so far as the committee are aware, no complaint has been made as to the commercial relations of the United States with any of the provinces except Canada, the statistics of our trade with it are worthy of separate investigation.

The following table shows the condition of our trade with Canada from 1849 to the most recent dates.

NOTE—Previous to 1849 the trade with Canada is not distinguished from the total to all British North American colonies.

PERIOD.	Domestic exports.	Foreign exports.	Total exports.	Total imports.
Fiscal year ending June 30, 1849..	\$2,320,323	\$1,914,401	\$4,234,724	\$4,285,470
Do.....1850..	4,641,451	1,289,370	5,930,821	4,956,471
Do.....1851..	5,835,834	2,093,306	7,929,140	4,589,969
Do.....1852..	4,004,963	2,712,097	6,717,060	5,278,116
Do.....1853..	4,005,512	3,823,587	7,829,099	6,721,539
Do.....1854..	10,510,373	6,790,333	17,300,706	12,182,314
Do.....1855..	9,950,764	8,769,580	18,720,344	17,488,197
Do.....1856..	15,194,788	5,688,453	20,883,241	18,291,834
Do.....1857..	13,024,708	3,550,187	16,574,895	11,581,571
Do.....1858..	13,663,465	3,365,789	17,029,254	14,208,717
Do.....1859..	13,439,667	5,501,125	18,940,792	18,861,673
Do.....1860..	11,164,590	2,918,524	14,083,114	18,645,457
Do.....1861..	11,749,981	2,611,877	14,361,858	15,253,152
Do.....1862..	11,282,107	1,560,397	12,842,504	18,816,999
Do.....1863..	18,430,605	1,468,113	19,898,718	

The sum total of our exports to Canada alone since 1855 was \$134,614,376, and during the same time our imports were \$133,144,600, leaving a balance of \$1,466,776 in our favor.

Of our exports (exclusive of articles which passed through the United States in bond) \$26,664,465 consisted of commodities of foreign origin, which are purchased with productions of the United States, and yield employment not only to the farmer and manufacturer, but to the shipper and sailor as well as profit to the merchant.

Our exports in 1863 include the unusual sum of \$3,502,180 in gold coin, but during the same year our imports include the yet larger sum of \$4,892,195 in gold and silver coin entered at Champlain alone.

The gradual diminution of our foreign exports to Canada is shown by the last preceding table. In 1855, when the treaty was partially in operation, they amounted to \$8,769,580, and in 1863 they declined to \$1,468,113. In 1855 there was an unusual expenditure of British and other capital in the construction of railroads in the province. Hence that year may be regarded as an exceptional period, but this portion of our trade was in 1863 only one-half the amount it reached on the average in each of the five years preceding the treaty, and less by 25 per cent. than in 1849. The means by which this diversion from the ports of the United States was effected consist in the enactment of a system practically differential and discriminating against this country, by levying duties on the value of merchandise at the place where it was last bought, and is fully set forth in the former report of this committee, (No. 22, 37th Congress, 2nd session,) by the following quotation from the financial minister of Canada in 1860 :

“By extending the *ad valorem* principle to all importations, and thereby encouraging and developing the direct trade between Canada and all foreign countries by sea, and so far benefitting the *shipping interests of Great Britain*, an object which is partly attained through the duties being taken upon the value in the market where last bought, the levy of specific duties for several years had completely diverted the trade of Canada in teas, sugars, &c., to the American markets, (our Atlantic cities,) and had destroyed a very valuable trade which formerly existed from the St. Lawrence to the lower provinces and West Indies. It was believed that the competition of our canals and railroad system, *via* Portland, together with the improvements in the navigation of the Lower St. Lawrence, justified the belief that the supply of Canadian wants might be once more made by sea, and the benefits of this commerce obtained for our own merchants and forwarders. Under this conviction, it was determined by the government to apply the principle of *ad valorem* duties.”

“In pursuance of this discriminating system, it was also provided, (see consolidated statutes of Canada, chap. 17, sec. 24) that the Governor of Canada, by a departmental order, might discriminate in favor of particular routes through the United States—a singular violation of the comity or hospitality of the United

States in extending unusual facilities not required by any treaty for the transfer of goods on the Grand Trunk railroad, *via* Portland, into Canada."

The Boards of Trade in the chief cities of Canada West presented petitions against the objectionable tariff. Several of them were in the following words :

"Your petitioners are of opinion that so uncalled-for and unwise a scheme is calculated to affect the existing pleasant commercial relationship between Canada and the United States in the working of the reciprocity treaty, the great advantage of which to this province is well known to your honorable house, inasmuch as the proposed policy of the inspector general practically shuts the door to the admission into Canada of the leading articles of commerce hitherto purchased in the great markets of the United States, and *forcing Upper Canada to import via the St. Lawrence, or otherwise pay an enormous increase of duty.*"

It is not unreasonable to expect that, as the legislation by which the United States are injured is also an injury to the Canadian consumer, compelling him to pay increased prices for many articles, the difficulty on this point may be removed by negotiation. At present, owing to the method by which *ad valorem* duties are levied, and to the increased tariff of Canada in other particulars, the merchants of that province have almost entirely ceased to be customers in our frontier cities for American manufactures and merchandize of foreign origin.

On most articles produced in the United States, and not included in the treaty, the Canadian tariff in 1856 levied an uniform duty of 12½ per cent. This presented no great obstacle to trade, and contributed not a little to the satisfaction with which the principles of reciprocity were regarded on this side of the frontier. By gradual changes in the Canadian tariffs the duties have been increased, until the trade of the United States in this class of our exports has been greatly diminished, and that of our frontier cities with Canada in their own manufactures has been destroyed.

The report of the Committee on Commerce, in 1862, uses the following language in reference to this subject:—

"It can create no surprise that much indignation was excited, without exception, in all those cities on the Canadian frontier which are daily and hourly witnesses of the one-sided nature of our dealings with Canada in the products of American labor. Some parts of Buffalo, for instance, are scarcely half a mile from the Canadian shore. Fort Porter, until lately unoccupied on this side, and Fort Erie, in ruins on the other, attest the long cessation of warlike aggression on both sides. But the natural benefits of peace do not exist. Under the full operation of these causes Buffalo would be the commercial and manufacturing metropolis of a large region in Canada, greatly for the common good. With a view to this natural advantage she advocated the enactment of this treaty. She expended large sums of money on a railroad extending across Canada from Niagara river to Lake Huron, and has been ready to assist in constructing a bridge over the river. Many of her citizens, and those of Rochester also, have been compelled by the Canadian tariffs to leave their homes and remove their families to Canada. The daily and hourly view of a country close to their own doors, and into which their manufactures and goods are almost forbidden to enter, although the chief products of that country are admitted free of duty, under the name and disguise of "reciprocity," into all ports of the United States, must be a cause of frequent irritation to the citizens of Buffalo, and in the early periods of this discussion such projects of a retaliatory policy naturally arose as, from other points of view, seem less likely than more moderate counsels to accomplish the desired object."

In 1856 the value of our manufactures exported to Canada was nearly \$8,000,000. The following table shows that the value of the same articles declined gradually from \$4,185,516 in 1858-59 to \$1,510,802 in 1862-63; plainly demonstrating the effect of the Canadian tariffs in diminishing this important branch of our exports.

Articles.	1858-'59.	1859-'60.	1860-'61.	1861-'62.	1862-'63.
Cotton manufactures, . . . . .	\$363,016	\$314,491	\$403,591	\$246,442	\$64,495
Hemp manufactures, (including cordage,) . . . . .	32,762	21,971	43,664	16,378	10,565
Iron manufactures, (all other than pig,) . . . . .	761,619	716,597	839,421	773,381	395,997
Leather boots and shoes, . . . . .	211,147	137,475	106,648	66,770	22,860
Tobacco, manufactured, . . . . .	1,205,684	863,934	683,875	203,681	76,026
Glassware, . . . . .	85,232	77,061	83,950	121,381	87,032
Earthenware, . . . . .	9,350	11,151	12,347	12,147	8,244
House furniture, . . . . .	136,765	123,251	124,250	188,829	66,718
India-rubber manufactures, . . . . .	13,217	5,936	10,158	1,151	528
Carriages, . . . . .	20,449	109,419	11,117	35,054	11,501
Books, . . . . .	154,034	79,134	106,324	62,838	25,164
Paper and stationery, . . . . .	78,825	61,433	74,272	72,376	55,171
Jewelry, . . . . .	15,960	5,760	12,954	11,046	5,044
Hats, . . . . .	116,150	90,100	79,016	49,505	14,078
Tin manufactures, . . . . .	15,451	20,565	4,362	1,375	
Marble and stone manufactures, . . . . .	53,883	109,009	97,977	97,002	48,293
Trunks and umbrellas, . . . . .	5,470	1,575	2,577	1,967	1,434
Clothing, . . . . .	9,373	16,655	11,163	8,494	1,328
Wood manufacture, . . . . .	45,146	49,547	36,593	49,061	58,302
Candles and soap, . . . . .	11,450	8,079	9,558	4,583	2,428
Paints and varnish, . . . . .	27,193	32,521	39,903	39,646	30,094
Copper and brass manufacture, . . . . .	60,511	49,658	16,909	32,238	50,874
Musical instruments, . . . . .	104,534	91,732	122,800	100,907	67,445
Printing materials, . . . . .	1,771	3,437	5,534	4,259	1,260
Other enumerated, . . . . .	21,990	5,595	12,776	8,190	4,784
Unenumerated manufactures, . . . . .	624,534	542,028	549,903	388,229	401,227
Total, . . . . .	4,185,516	3,548,114	3,501,642	2,596,930	1,510,802

Notwithstanding the irritation produced by the unexpected obstacles interposed by Canadian legislation to the former course of trade, and to the results properly expected to flow from the treaty, no memorial in favor of its unconditional abrogation has been presented to this committee, although its ultimate termination, if the causes of dissatisfaction cannot be removed, is generally preferred to the continuance of a system embarrassed as at present.

No complaint has been made as regards the provinces of Nova Scotia, New Brunswick, Prince Edward's Island, and Newfoundland.

The tendency of a just reciprocal system of trade between the two countries is to some extent illustrated by the broad fact that, the year before the treaty came into operation, the value of direct imports to Canada, *via* the St. Lawrence was \$21,171,756, and of exports \$12,501,372, making the whole trade by that route \$33,673,128. In the following year, when transit through the United States was facilitated by the treaty, the imports by the same river were \$11,494,028, and the exports \$8,195,500—in all, \$19,689,528. Thus there was a decrease of the business by the St. Lawrence, amounting to \$15,203,600—an amount which was immediately transferred to the carrying trade of the United States.

The following table shows the nationality of the vessels employed in the carrying trade between the United States and the British North American provinces during the last five years.

ENTERED.			CLEARED.		
Year.	American tonnage.	Foreign tonnage.	Year.	American tonnage.	Foreign tonnage.
1857-58: From Canada,	1,240,159	1,105,356	1857-58: To Canada,	1,133,584	1,104,650
Other B. N. A. prov.	138,640	382,712	Other B. N. A. prov.	319,985	461,245
1858-59: From Canada,	1,344,717	922,920	1858-59: To Canada,	1,364,580	1,012,358
Other B. N. A. prov.	171,024	390,926	Other B. N. A. prov.	242,407	475,329
1859-60: From Canada,	1,936,955	957,063	1859-60: To Canada,	1,982,586	1,083,566
Other B. N. A. prov.	229,749	411,432	Other B. N. A. prov.	371,257	516,646
1860-61: From Canada,	2,617,276	658,036	1860-61: To Canada,	2,678,276	896,124
Other B. N. A. prov.	184,062	475,051	Other B. N. A. prov.	291,812	599,430
1861-62: From Canada,	1,996,892	684,879	1861-62: To Canada,	2,025,670	731,123
Other B. N. A. prov.	196,709	465,141	Other B. N. A. prov.	297,172	509,928
Total, . . . . .	10,056,183	6,453,520	Total, . . . . .	10,707,329	7,391,399



Some considerations of a more general character are essential to an adequate knowledge of the intentions and effect of the treaty. The important and necessary measures known as the "repeal of the corn laws," by which grain and flour are admitted into the British islands from all parts of the world, subject only to a nominal duty, and laws discriminating in favor of colonial produce, were abandoned, while they made radical changes in the policy of the Empire, and vastly increased its commerce, had a disastrous effect upon the trade of the colonies, and compelled them to search for new markets and a more liberal intercourse with their natural allies and friends upon this continent. The old system of colonial duties, discriminating in favor of British manufactures and against those of the United States, was abolished, and ultimately the present treaty was made.

Besides arranging for the free navigation of the St. Lawrence and Lake Michigan to the vessels of both countries, that citizens and inhabitants of the United States shall have the right to navigate the canals in Canada used as the means of communicating between the great lakes and the Atlantic ocean, as fully and freely as the subjects of her Britannic Majesty, and that no duty shall be levied on American timber cut in the State of Maine and floated down the St. John's River to the sea, when shipped to the United States from the province of New Brunswick, some of the most important provisions of the treaty were the settlement of questions as to the fisheries, which were not unlikely to have involved the two countries in war.

The inhabitants of the eastern States, among whom Daniel Webster was the most conspicuous and zealous on this subject, were quite as desirous to obtain uninterrupted access to the coast of the provinces for fishing purposes, as the colonists were eager to gain admission for their products to the American markets. Free access to the fisheries was then, as it now continues to be, justly deemed of great national importance, not only for their direct profits, but as constituting a great training-place for hardy, adventurous and skilful sailors. By the convention of 1818 we had no right to fish within three miles from the provincial coast. The agreement had been loosely enforced, but Great Britain and the colonies refused to part with their legal rights or to negotiate in reference to them unless the question of reciprocal trade was also at the same time settled. A difference of opinion existed between the two countries as to those points on the coast whence the line marking the distance of three miles should be drawn, the government of the United States contending that it should continue equi-distant from the indentations of the shore, and the authorities of Great Britain and the colonies deciding that it should be drawn to and from certain specified headlands. Mr. Webster held that, by a strict and rigorous construction of the convention, fishing vessels of the United States were "precluded from entering into these bays." Large fleets belonging to each country were near the coast, sailing under instructions founded on conflicting views. The bold and adventurous population employed in the fisheries, deeply interested and excited, were ready to claim and seize by force what, in its own judgment, were its rights. The danger of collision was imminent. It is difficult to devise any plan more likely to embroil the two nations, and a settlement was exceedingly desirable for the welfare of both countries. We acquired for our fishermen by the treaty, "in common with the subjects of her Britannic Majesty, the liberty to take fish of every kind, except shell-fish, on the sea-coasts and shores, and in the bays, harbors, and creeks of Canada, New Brunswick, Nova Scotia, Prince Edward's Island, and of the several islands thereunto adjacent, without being restricted to any distance from the shore, with permission to land upon the coasts and shores of those colonies and the islands thereof, and also upon the Magdalen Islands, for the purpose of drying their nets and curing their fish; provided that in so doing they do not interfere with the rights of private property, or with British fishermen, in the peaceable use of any part of the said coast in their occupancy for the same purpose."

Into many points, fully discussed in the report already made, this committee does not deem it necessary to enter; on others, a recapitulation has been deemed advisable.

We find that in Minnesota and Dakota, where a knowledge of the climate and fertility of the British northwestern possessions prevails, a strong and uniform feeling as to the value of this commerce exists. At Milwaukie, the Chamber of Commerce reported in favor of actual reciprocity, but stated its inability to dis-

cover any fair or equitable equivalents for the present advantages received by Canada. Chicago, conscious that by the interposition of the great chain of lakes stretching northward from her through seven degrees of latitude, she is the "inevitable gateway to and from the British possessions in the northwest," and that being within striking distance of the navigable waters falling into the Gulf of Mexico, and having both railway and water communication with it, she will collect within her storehouses the products of every zone, as the great commercial metropolis between the north and the south, the east and the west, and through her Board of Trade demanded "even a much more liberal reciprocity treaty, urging earnestly the extension of a more free and liberal system." The senate and legislature of Illinois, on the 14th February, 1863, unanimously passed concurrent resolutions authorizing the governor of that State to appoint commissioners, with full power and authority to proceed personally to the government and parliament of Canada, and, if deemed advisable, to those of Great Britain also, to solicit from them their earnest consideration of one portion of the subject embraced in the treaty, free navigation for the United States through the lakes and rivers of Canada. The gentlemen who were thus selected expressed their conviction that the commercial spirit of the age forbids international jealousy to interfere with great natural thoroughfares, and that the governments of Great Britain and the United States will appreciate this spirit, and cheerfully yield to its results.

Detroit, of which the neighboring region of Canada is naturally a suburb or a part, finds that the sale of manufactures and goods of foreign origin is almost prohibited in Canada, while the winter wheat and other productions of her State meet those of Canada in eastern markets free of duty. Her Board of Trade expressed its preference of a cessation of intercourse with Canada to the present system, but is in favor of a fair and equal reciprocity. Cleveland desires a complete and harmonious development of the resources of each country. Buffalo and Rochester see, in their proximity to the coal of Pennsylvania, and the absence of this valuable mineral in the geological formations of Canada West, and in other causes, an inexhaustible source of mutually profitable commerce between themselves and Canada, yet cannot deem that system reciprocally free which admits the products of the province free of duty, but closes American manufactories and removes them to a foreign country. At Oswego, the Board of Trade declared itself in favor of a Zollverein.

No States are more interested than those of New England, whose manufacturing industry would thus become free throughout the entire north. The conclusion at which the people of the frontier have thus unanimously arrived has not been reached at any moment of passing excitement. It is the deliberate opinion of practical men, whose daily interests are involved in the question, who perceive that the attainment of the objects at which they aim may be retarded, but cannot be prevented, and who ask of the statesmen of their country to cast the sentiment of the frontier into a useful and permanent form, by the removal of restrictive laws, and by opening such channels of trade as, beginning at the frontier, will enrich the interior of their various States, concentrating wealth and commerce at our seaports, increasing our shipping, and adding materially to our national resources.

The Committee on Commerce would recommend that the President be authorized to give notice to the government of Great Britain that it is the intention of the government of the United States to terminate the reciprocity treaty made with Great Britain for the British North American provinces, at the end of twelve months from the expiration of ten years from the time the treaty went into operation, to the end that the treaty may be abrogated as soon as it can be done under the provisions thereof, unless a new construction shall before that time be concluded between the two governments, by which the provisions shall be abrogated or so modified as to be mutually satisfactory to both governments; and that the President be also authorized to appoint three commissioners, by and with the advice and consent of the Senate, for the revision of the treaty, and to confer with other commissioners duly authorized therefor, whenever it shall appear to be the wish of the government of Great Britain to negotiate a new treaty between the two governments and the people of both countries, based upon true principles of reciprocity, and for the removal of existing difficulties.