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It is simple and economical in its operation, and has removed hundreds of custom houses, thousands of customs officers, and has reduced the cost of collection to a mere trifle. (App. No. 11.)

Under the commercial policy of the United States, the duties on imports are so adjusted as to produce a sufficient revenue for the support of the Government from articles which come into competition with their manufactures. Under this policy, capitalists have been induced to build up manufactories producing every description of the coarser fabrics, not only at less prices than they can be imported from any other country, but also furnishing them at less cost than from any part of Great Britain, while in Canada duties are imposed for revenue purposes alone on all articles alike.

The manufactures imported from Great Britain into the United States and Canada are of the finer materials, and are subject to higher duties; still, under the operations of the respective tariffs, such goods are furnished in the United States at lower rates than in Canada; therefore, so far from the proposed change operating against the trade of Great Britain, it would remove all useless restrictions, and open the shortest and cheapest route to the millions of people residing in the interior, and materially increase the demand for British manufactures.

The trade between the United States and Canada would still continue to increase, inasmuch as the manufacturing, shipping interest, coasting trade, and every other branch of commerce would be placed upon the same footing; and all the natural advantages of their respective internal communication would be opened alike to all.

Under the present system almost the entire trade of the Lakes has been diverted from Canada through the United States.

The operation of the present coasting trade is prejudicial to the shipping interest; manufactories cannot be established or supported, and restrictions on trade continue to exist from year to year, while almost every article consumed is furnished at less prices in the United States than on the Canadian side of the boundary; it is therefore indispensable that these restrictions should be removed and an equality of prices established.

Your Committee earnestly recommend for the consideration of the Provincial Government, the adoption of some permanent commercial policy as soon as practicable by which that object may be attained.

All of which is most respectfully submitted.