

on our manufactures, and on foreign products which she has been accustomed to purchase in our markets, and also in circumventing our Debenture Laws, and in thwarting our restrictions on Lake coasters. Your Committee will address themselves to these infractions of the Treaty before they examine its working and its merits.

### TREATY VIOLATED.

Mr. HATCH says, a treaty broken is a treaty no longer ; and proceeds to show that Canada has violated this Treaty by raising her tariff of duties on our manufactures (from 12 to an average of 16 per cent. according to Mr. TAYLOR), and also by protective and discriminating duties, intended to shut out our manufactures from her markets, and divert our trade from its accustomed channels. This being the great feature of his Report, has been sedulously labored and skillfully elaborated through many pages of the work.

Canada, like the State of New York, has embarked in an expensive system of Canals, without much regard to revenue. Both parties, and both systems were avowed rivals, and competitors for the same trade, viz : the trade of each other and the trade of the West beyond and remote from both. New York in this sharp competition has embarrassed herself, and has been driven for relief to direct taxation ; but for the Federal Government standing in her way, she would have sought this relief in the more secret and insidious method of taxing imports and consumption.

Canada has even outdone us in extravagance and improvidence, and has well nigh swamped herself ; not only by her unproductive Canals, but she too, like ourselves, has committed the folly of subsidizing her railroads ; not like us, to the tune of three or four, but twenty millions, and all hopelessly sunk.

She must seek relief in revenue or repudiation. More fortunate than New York, the Imperial Government having left the door wide open for indirect taxation ; she has taken