

*Surplus Revenue and Canadian Relations.*

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*Philadelphia, November 28, 1887.*

HON. JUSTIN S. MORRILL,

*Chairman Finance Committee, United States Senate ;*

DEAR SIR :

During the last ten years I have had the honor of addressing you upon questions of public interest,—national revenue reduction, and reciprocity treaties with Mexico and Spain,—and I now venture to offer for consideration and discussion a memorandum on the National Revenues and their Surplus, and the adjustment of our Trade Relations with Canada, which has been prepared under my direction. The distribution of the national surplus revenue has long seemed to me a proper measure of relief for the burdens of local taxation, and the only measure that would make sure the maintenance of the American system of Protection. In June, 1883, in a letter to the Honorable Charles J. Folger, then Secretary of the Treasury, I urged the view that "reconstructing the tax system of the country, reforming its old abuses and absurdities,