

The effect produced on foreign imports is equally striking; last year the value of foreign goods, first imported into the United States and then purchased for consumption in Canada, was \$3,847,762 (Appendix 10, Statement 3), upon which the consumer in Canada paid a *double* duty; while not a single article first imported into Canada from beyond sea, paying duty, was afterwards exported to the United States; it is therefore quite clear that (without including excise) the inhabitants of Canada pay far higher duties per head than the people of the United States.

Your Committee have also examined the operation of the trade of the United States and Canada with foreign countries.

In 1858, the value of the foreign trade of the United States amounted to \$607,257,571, and the foreign trade of Canada the same year was \$50,364,452, averaging \$20 21 and \$20 15 per head respectively (Appendix No. 10, Statements 4 and 5).

The value of the trade of the United States with Great Britain and her dependencies amounted to \$332,684,764, and the trade of Canada \$21,826,278, averaging per head \$11 89 to \$8 73 (Appendix No. 10, Statement 4 and 5).

In 1854, the value of imports into Canada from Great Britain was \$23,963,328; from the United States, \$15,553,296 (Appendix No. 10, Statement 6)—making a difference in favor of Great Britain of \$7,410,032.

In 1858, the imports from Great Britain to Canada were \$12,287,053, and those from the United States were \$15,635,565, leaving a difference in favor of the United States of \$3,348,512 (Appendix 10, Statement 4)—showing a gain in the imports from the United States over those from Great Britain in the four years of \$11,758,744; the same year the amount of revenue collected in Canada on imports from the United States was \$1,381,389; from Great Britain, \$1,855,552; and, from the rest of the world, \$144,448 (Appendix 10, Statement 7).

From the above figures, it is clearly shewn that the trade of Great Britain with the United States, under the tariff of that country, has increased in a far greater ratio than it has with Canada, under her former tariff, and also that the trade between Canada and the United States has increased in a greater ratio than that with Great Britain. This result is to be attributed to the Reciprocity Treaty of 1854.

In view of the beneficial effects anticipated under that treaty, the Committee on Commerce in 1855, recommended the principle of reciprocity to be extended to manufactures, the shipping interest, the coasting trade, and every other branch of commerce between the United States and this Province, and also to extend the same to all the British American Colonies, in which the Committee on Trade and Commerce in 1858 concurred.

In view also of the results since produced under the operation of that treaty, it is worthy of consideration whether it would not promote the general interests of Great Britain, the United States and Canada to adopt the tariff of the United States; remove all Customs establishments between them, which would effect a saving of a very large expenditure; (App. No. 12;) collect the duties for Canada at the port of Quebec only, and for the United States at the different ports bordering on the Atlantic, and divide the entire revenue in proportion to the population of the two countries. This could be effected without any political change, and without injury to any existing interest in either country, simply by adopting the same principles as exist between the different independent German States of Europe.

This German Commercial Union (or *Zolverienne*) was commenced in 1818, and progressively extended, until it comprised more than three-fourths of the German States, with a population of thirty millions of people in 1851. It is based upon the principle of reciprocity, and has done more to promote the industry and prosperity of the people than any other measure which could have been adopted.