Now, by reference to the United States' Commerce and Navigation Returns for 1873 (page 311) it will be seen that the re-exports of foreign fish were as follows:—

	Barrels.	Amount.	Rate.	Duty.
		Dollars.	Dollars.	Dollars.
Herring..	19,928	81,775	1·00 per brl.	19.928
Mackerel	36,146	178.328	2·00 „	72,292
All other	..	213.534	13½ per cent.	28,827
Oil (page 319)	..	25,601	20 „	5,120
Total	..	..	..	126,167

This sum, therefore, representing duties which never were collected must be deducted from the aggregate duties accrued, as shown by the figures just previously given, viz., 321,935 dollars.

	Dols.	Dols.
Deduct—		
Duties on re-exports	126,167	
Estimated duties on fish products not covered by Washington Treaty, estimated at..	10,000	
		136,167
Thus leaving a sum of		185,768

in regard to which it remains to be decided whether or not its remission has inured to the benefit of the Canadian producer.

The United States contend, at page 31 of the Answer, that the remission of duties to Canadian fishermen during the four years which have already elapsed under the operation of the Treaty has amounted to about 400,000 dollars annually, which proposition it was explicitly stated would be conclusively proved in evidence which would be laid before the Commission. This extraordinary assertion which, it has been contended, has been contravened by the whole tenor of the evidence, whether adduced on behalf of the United States or of Great Britain, was followed up by the laying down of the following principle, viz.:—

"Where a tax or duty is imposed upon a small portion of the producers of any commodity, from which the great body of its producers are exempt, such tax or duty necessarily remains a burden upon the producers of the smaller quantity, diminishing their profits, which cannot be added to the price, and so distributed among the purchasers and consumers."

It is contended, in reply, that this principle is true only in those cases in which the ability on the part of the majority of producers to supply the commodity thus taxed, is fully equal to the demand.

The question whether the consumer or producer pays any imposts levied upon the importation of certain commodities, does not depend upon whether the body of foreign producers is large or small relatively to the body of domestic producers, with whose products theirs are to come into competion, but simply upon the question whether or not the existing home production is equal to the demand. If it be not equal, and a quantity equal to one-third or one-fourth of that produced at home be really required, prices must go up until the foreign producer can be tempted to supply the remainder, and the consumer will pay the increased price not only upon the fraction imported, but upon the greater quantity produced within the importing country as well. And the tendency of all the evidence in this case, British and American, has been a most explicit and direct confirmation of this principle.

The British evidence to which I shall immediately call your attention, proves beyond a doubt that when duties were imposed upon mackerel of 2 dollars per barrel, British exporters to the United States realized a sufficient increase of price to enable them to pay those duties and still receive a net amount equal to the average price received before those duties were imposed, as well as after they were removed.

Upon a careful examination of the United States' testimony, it will, I submit, appear that during those years when duties were imposed upon British-caught fish, the price of mackerel when landed from United States' vessels from their fishing voyages in the bay, was to the full extent of the duty in excess of the price they commanded after the duty was repealed, or before it was imposed.

It is impossible to conceive a clearer proof that the consumer and not the producer had to bear the burden of the duty and not only that, but an equivalent burden upon