

products.* Mr. Derby says:—"Is not America designed for Americans and are not Asia, Africa and Australia sufficient for Great Britain."

MR. DERBY'S REPORT.

In 1867, Mr Derby presented his report to which the report of 1866 was preliminary. It was transmitted to the Senate of the United States Congress by Hon. William H. Seward. In it Mr. Derby said: "I learn from the most conclusive evidence that seven-eighths of the people of British Columbia wish to be annexed to the United States." "Two Provinces have been consolidated into one, without satisfying either, and the question now presents itself, will Great Britain permit her colonies, who are induced by their position, interest and trade, to unite their fortunes and their future with ours, to gratify their wishes? * * * If a perfect union cannot be effected, the plan of a Zollverein presented by our Secretary of the Treasury in his able message (Hon. W. H. Seward) is a near approach to it and offers to each country many advantages. * * * A Zollverein has been successful in Germany, why should it not be successful in America? Under its influence and partly by its aid the Kingdoms, States, Principalities and Dukedoms of Germany have been reduced one-third and are blending into one. Should we fail to secure the Zollverein by negotiations, there is reason to believe a commercial Treaty will eventually prove the most simple and effective to revive our commerce."

He suggests a new principle and an important departure from the old treaty, namely, the adoption of several distinct schedules; the first schedule "A," limiting the duty on certain productions imported by either country from the other, the second, schedule "B," giving a liberal free list for the productions imported from the provinces into the United States. The third schedule "C," gives an equivalent, in a free list for the United States, to the free productions exported from the provinces.

According to Mr. Derby's plan schedule "A" was to include certain dutiable articles, as follows:—

Animals, horses and mules.....	\$10 00 each.
Cattle.....	5 00 "
Sheep, swine and calves.....	0 50 "
Barley.....	0 16 per bush.
Peas and beans.....	0 16 "

* In Mr. Hatch's 1st report (1867) there appears another reason for the opposition to the Reciprocity Treaty which may be mentioned as showing the high estimate Americans formed of the Canadian North-West, the determined efforts of United States railway men to prevent trade passing through the St. Lawrence route, and the changes which have taken place in consequence of the abrogation of the Treaty of 1854. Mr. Hatch dwells upon the fertility of the soil and the capabilities of the country for cattle raising; points out that "the great channel of access from the east through Lake Superior to this vast region is of much interest in estimating the extent of the commerce soon to flow through the United States to the Sea Coast," and declares that "it is not the language of exaggeration but such an irrefragable statement, as all who will examine the subject for themselves can easily verify, that by making adequate means of communication between the Great Lakes and the North-West, yet so little developed and so insufficiently known, the trade of the Commercial Metropolis (of New York) and our other Sea Port cities with these regions alone will, within the lifetime of men now living, be greater than it is at present with all the western states together." Mr. Hatch further declares that a railway leading from the North-West to the St. Lawrence River, through the region of country west of Lake Superior, or from Red River around the northern shore of Lake Superior "is absolutely impracticable." There was, in his opinion, nothing to prevent the trade of all the vast North-West becoming tributary to New York and a powerful factor in the general prosperous development of the railways of the United States. No stronger evidence of the changes produced by Canadian energy, forced thereto by the abrogation of the Treaty of 1854, can be adduced than the fact that the railway pronounced by Mr. Hatch to be "absolutely impracticable" has been constructed, and is now engaged in conveying thousands of cattle and the large surplus of the potatoe and wheat yield of Manitoba and the North-West to the St. Lawrence at Montreal.