

variety of necessary manufactured articles produced in our older States. No provisions for this had been made in this treaty, and the Canadians, needing increased revenue, not only levied heavier duties on manufactured goods, with a most injurious effect upon our manufacturers, but made certain other discriminations intended to divert from New York, Boston and the other American ports on the Atlantic, the benefits naturally resulting from the relative geographical positions of them and Western Canada, and to send trade to Quebec and Montreal. Thus, much discontent with the old treaty was justly produced on this side of the frontier; it caused efforts for a more perfect reciprocity, to which a majority of the House of Representatives was favorable, but the sentiments engendered by it led to the termination of the treaty without providing remedies for its defects.

" Estimating the commercial transactions between the two countries solely by the test of what is called 'the balance of trade,' it is found, on reference to the reports of the Secretary of the Treasury, that during the first ten years of the treaty there was a cash balance in our favor of \$62,013,545. During the remaining three years the demand created by the war for horses, cattle, and other Canadian products, increased the importations with manifest benefit to this country. Yet, on the basis of thirteen years of the treaty, the 'balance in our favor' was \$21,453,744. Ever since the termination of the treaty in 1866, until 1874, when the pressure in our affairs tended to force sales at low prices, there has been a large balance against the United States in the trade with the Dominion.

" The 'balance of trade' is by no means the true test of the advantages of intercourse with any single country, but it has been so often, though erroneously, considered as the criterion, that the condition of affairs shown by the reports of the Secretary of the Treasury, is well worthy of notice. Since the termination of the treaty the proportion of the foreign commerce of Canada which was transacted with this country has been reduced from 52 to 35 per cent. Thus we are driving her trade from us.

" The test of our trade with any country is mainly whether it is conducted on just and equal principles, not what the respective amounts of our purchases may be. The same rule as between individuals is the true test, and that is whether the purchaser supplies his wants and the seller makes a fair profit, not whether the laborers or other consumer buys more flour from the miller, or more sugar from the grocer than those who sell these articles buy from him.

" Since the termination of the treaty, the press and chief commercial bodies of the United States have frequently given proofs of their appreciation of the benefits which would accrue to the people from a fair arrangement of reciprocal trade in Canada. The New York Chamber of Commerce, for instance, regards it as 'specially desirable on political as well as economical grounds, that all unnecessary hindrances should be removed from the commercial intercourse between the United States and the great Dominion, which borders our northern frontier for so many thousand of miles,' and 'strongly recommends the proper authorities at Washington to enter into such treaty stipulations whenever the