

"CLEVELAND, *October 20, 1868.*

"The chief articles of importation at this port are lumber and barley. The lumber market here is entirely controlled by the Saginaw market, and Canadian markets do not in the least influence us. The Canada market, to a great extent, is controlled by American markets, and the result is that the Canadian producer has to conform his prices to our market figures here; this virtually makes the Canadian pay the duties on foreign merchandise imported here, as he is compelled to sell his goods so as to enable the importer to pay the duties, and still not overshoot the American market. As the demand in Canada is not equal to the production, the producer is compelled to look to a foreign market for sale of his merchandise, and for this reason he must necessarily regulate his prices by that market to sell. The purchaser in buying always makes allowance for the duties, and the Canadian in his sales deducts the amount, and thus in reality pays the duty himself."

"OSWEGO, *July 23, 1868.*

"The effect of the abrogation of the reciprocity treaty, in my opinion, has been the addition of several millions of dollars to the United States revenue, at the expense of our Canadian friends.

"There never appeared to me to be any true reciprocity in it, but rather the payment of a very large sum to them for something that was of little benefit to us. As it now is, the import duty is paid by the Canada producer or manufacturer, and not by the American consumer. Any reduction in the rate of duties on importations from Canada would benefit them just so much, and would not lower the market value here."

"BUFFALO, *December 18, 1868.*

"The termination of the treaty of reciprocity between the United States and the Canadian Provinces, and the subsequent imposition of duties under the tariff enactments on articles of importation, has been a source of large revenue to the United States government, the burden of which has been borne by the foreign producer or manufacturer, and any abatement or reduction of rates would, of course, redound to the advantage of such producer or manufacturer, and would not tend to reduce the value of the article imported in this market. Our market establishes the price, or rather limits the same, for such products or manufactures as come into competition with home products or manufactures; and while the rates of duty under the tariff, on some articles, amount to a prohibition, as articles of general traffic; and while other articles much needed are admitted duty free, still the bulk of the importations into this district from our neighboring foreign soil are of such a nature as that they enter into competition with the products of our own soil, and any rate of duty established on such articles of importation must necessarily fall upon the producer."

APPENDIX B.

CANADIAN TARIFFS.

A conspicuous point of difference in recent Canadian tariffs, compared with the tariff of 1859, is a general reduction of five per cent. in the duties on manufactures.

The latest changes in the Canadian tariff were assented to in May,