

The balance of trade has, therefore, been in favour of the United States by \$45,177,987 in nine and a half years. This sum Canada has had to pay in gold or its equivalent, being nearly 25 per cent. of the whole amount of our purchases.

AMERICAN TRADE WITH THE MARITIME PROVINCES

If we add to the above transactions the trade between the United States and the Maritime Provinces—which properly comes into the account—the balance will be found still larger in favour of the former. According to the report of the Hon. Mr. Chase to Congress last year, the exports and imports of the United States to and from Nova Scotia, New Brunswick, Newfoundland and Prince Edward Island, from 1854 to 1863 inclusive, were as follows:—

United States exported to the Provinces	\$84,507,722
Provinces exported to United States	11,229,930

Balance against Provinces in 10 years \$43,277,792

This profitable trade between the United States and the Maritime Provinces has arisen principally under the fostering influence of the Reciprocity Treaty. The volume of trade, which in 1850 was only \$3,977,296, had swelled to \$16,589,736 in 1863. And of the latter amount, the United States sold to the value of \$11,332,212, whilst they only bought \$5,257,424 worth in return. Adding the balances against Canada and the sister Provinces together, as above specified, it will be seen that since the adoption of Reciprocity, we have had to pay our American neighbours \$88,555,049 to square off accounts.

LOCAL ADVANTAGES TO THE UNITED STATES—THE FISHERIES

How any candid American can assert, in the face of the above facts, that the Treaty is unfair to the United States, is inexplicable. But surprise increases, when we consider the special advantages conferred upon them by the Treaty. Article 1st confers upon the American people the same right "to take, cure and dry fish on certain coasts of the British North American Colonies," as are enjoyed by British subjects. This was a valuable concession. From as early as 1783 the fishery question had been a constant source of trouble and irritation. After the war of 1812 a dispute arose between Great Britain and the United States as to whether the latter enjoyed the same fishing privileges as before the war. This led to the Convention of 1818, by which the United States renounced *in toto* all right to take, cure or dry fish within three marine miles of (nearly) all British coasts. The American fishermen found this provision to work very disadvantageously, and disputes soon arose louder than ever, the Colonists contending that the three miles must be measured from headland to headland, and their opponents claiming that they had a right to enter the bays which indent the shore, so long as they kept within three miles from any point of land. These views were supported by their respective Governments, and the dispute nearly resulted in hostilities. Lord Ligon said in Liverpool in a speech on the subject: "A British Admiral and an American Commodore were sailing on the coast with instructions founded on opposite conclusions; and a single indiscreet act on the part of either of these officers would have precipitated all the horrors of war."

This vexed question was entirely set at rest by the Reciprocity Treaty, and a boon conferred upon the New England States. The American census returns show that the cod and mackerel fisheries of Maine, New Hampshire, Massachusetts, and Connecticut for 1860 amounted to \$3,977,296, and in 1860 they had increased to \$4,181,793. A large number of vessels are engaged, and a large number of men find profitable employment in the trade. The value of the fisheries as a nursery for the American navy, was thus added to by the Hon. Daniel Webster in a speech in 1852.

"The most important consequences are involved in this matter. Our fisheries have been the very nurseries of our navy. If our flag ships have met and conquered the enemy on the seas, the fisheries are at the bottom of it. The fisheries were the seeds from which those glorious triumphs were born and sprung."

The abrogation of the Reciprocity Treaty would be a serious blow to this valuable interest of the New England States, and would re-open the fishery disputes in a more vexed form than ever.

NAVIGATION OF THE ST. LAWRENCE AND CANADIAN CANALS.

The Treaty also conferred upon Americans the right to navigate the River St. Lawrence and the Canals

in Canada. These privileges were urgently solicited by the North-western States, and every day become more necessary, and therefore more valuable to them. In a recent speech in Congress, Senator Ramsay quoted the values which passed through the St. Lawrence, from United States ports, at \$4,605,511 for 1861, and \$5,198,920 for 1862. The number and tonnage of American vessels passing through our canals (see Trade and Navigation returns for the last five years, were as follows:—

Year	No. of vessels.	Tonnage of vessels.
1859.	568	106,944
1860	592	108,830
1861	657	123,185
1862	693	123,579
1863	686	130,586

Total vessels 3196 Total tonnage 533,021

These figures are respectable; but they afford little indication to what extent American traffic through our canals may yet increase. It has been urged in the Senate that the St. Lawrence has been very little used by American sea-going vessels. This trade is yet in its infancy. It could not be expected to grow up like Jonah's gourd—in a single night. But a promising commencement has been made. Ocean vessels are now occasionally seen at Detroit, Milwaukee, and Chicago; and before many years the St. Lawrence bids fair to fulfil its destiny as the great highway for Western produce to the ocean.

IMPORTANCE OF THESE FACILITIES FOR TRANSPORTATION TO THE WESTERN STATES.

The importance to the Western States of the facilities for transportation afforded by the St. Lawrence and the Provincial canal and railways can hardly be over-estimated. Cheap transportation is to them of vital importance. Every cent saved in the carriage of a barrel of flour or a bushel of corn, goes into the producer's pocket. Of the millions' worth of produce from the "far West" sold in Eastern markets annually, at least 60 per cent. is eaten up by the cost of transportation, commissions and other expenses, in other words, for every dollar obtained for corn at the east less than 40 cents is received by the farmer. So rapidly have the productions of the West increased, that all the present means of transportation are inadequate to convey them to market as early as desirable. Mr. Duncan Stewart, of Detroit, in an able letter to the "Free Press" of that city, thus alludes to this point:—

"Twenty thousand tons of freight are waiting shipment in the City of Detroit to-day, that cannot be sent forward for want of the means of transportation, even at the present exorbitant rates of freight—rates ruinous to the interests of the purchaser. The means are utterly inadequate to the task—utterly incapable of carrying forward this vast accumulation. This twenty thousand tons remains after the Grand Trunk and Western Railways of Canada have worked night and day all winter, to their utmost capacity, in order to accommodate the traffic thrown upon their lines. This twenty thousand tons is simply the surplus that cannot be sent forward after all the facilities for transportation have been exhausted. There is to-day detained at various points on the lines running from the West to the seaboard, for the same reason, not less than one hundred and fifty thousand tons of freight."

"Millions upon millions will be lost, owing to this delay, and yet men can be found so blinded by partisan frenzy and prejudice, who will rise in their seats in Congress, and talk of our fostering 'rival' transportation lines through a foreign country." "Such unparalleled stupidity could nowhere else be found, except in the Congress of the United States."

If millions are lost to the Western States under present circumstances, Mr. Stewart justly asks, "What would the state of things be when entirely cut off from the St. Lawrence, and also the Grand Trunk and Great Western railways?" Instead of it being the interest of the United States to shut themselves out from the facilities of transportation afforded by Canada, nothing can be clearer than that the marvellous progress of the West will soon render the enlargement of the Provincial canals, if not the construction of the Ottawa or Georgian Bay canal, a matter of urgent necessity.

ADVANTAGES OF RECIPROCITY TO CANADA.

The advantages of Reciprocity to this Province are so obvious, that they need not be dwelt upon. As a

country largely devoted to agriculture and ready market was our great necessity, and that Reciprocity gave us. The immediate effect of the measure was to enhance the prices of farm produce, of all kinds of stock, of dairy produce, wool, lumber, and many other articles of exportation. With improved prices, farm property and to some extent other classes of real estate, became more valuable. In short, the prosperity of Canada during the past ten years has been largely dependent upon this enlightened measure.

PRINCIPAL OBJECTIONS TO THE TREATY CONSIDERED.

Having thus endeavoured—and I trust not without success—to demonstrate the advantages of Reciprocity, both to the United States and Canada, let us glance very briefly at some of the principal objections urged by the Hon. Mr. Sumner and others, to its renewal. Some of these have been incidentally disposed of already, but there are others worthy of specific mention. They may be briefly stated thus:—1st. Increase of Canadian tariff; 2nd. Decrease of Canadian purchases of foreign goods in American markets; 3rd. Loss of revenue by the United States from the Treaty; and 4th. Canada has more of her exports freed from duty by the treaty than the United States have. Let us examine what force these objections really possess.

INCREASE OF THE PROVINCIAL TARIFF.

That this Province has increased its tariff is no valid objection to Reciprocity, for the best of all reasons *the duties imposed touch no articles mentioned in the Treaty*. Nor is it apparent that the decrease in our purchases of American manufactures has arisen from this cause. Statistics show that the first important falling off occurred in 1853, and was undoubtedly attributable to the stagnation which followed the financial crisis of the previous year. Before Canada recovered from that blow, the rebellion broke out; war taxes had to be levied, and the prices of all commodities rose. For many articles we required, the American ceased to be our "cheapest market," and our purchases very naturally declined. The Provincial government was forced to increase the tariff for revenue purposes. If this is a just ground of complaint, the American government is much more to blame, for its tariff has been raised much higher than ours.

HAVE OUR IMPORTS OF FOREIGN GOODS FROM THE UNITED STATES DECREASED UNDER THE TREATY?

The Hon. Mr. Chase says in his report, "It is obvious that the Canadian supply of foreign goods is no longer purchased in the importing cities of the United States as before the Treaty." In reply to this objection, I bring as witness the relative amounts of Canadian imports supplied by Great Britain and the United States *before and since the Treaty took effect*. These two powers supply nearly all our foreign goods, and the immediate effect of Reciprocity was to increase our purchases from the United States, and decrease those from the mother country. The first year the Treaty was in force, our imports from Great Britain fell off \$9,623,870, whilst those from the United States rose \$5,295,578! From 1850 to 1855—the five years preceding Reciprocity—our imports from Great Britain were (in round numbers), \$73,000,000 as against \$50,000,000 from our neighbours. But during the following five years the United States sold us to the value of \$96,000,000, but the mother country only \$76,000,000. Our total imports from both countries since the Treaty became law were as follows:—

Bought from United States from 1855 to	
July, 1864.....	\$134,944,746
Bought from Great Britain from 1855 to	
July, 1864.....	165,632,537

Canada imported more from U. S. by... \$28,971,919

If further testimony is required on this point, it is to be found in the fact that, while in 1850 the United States supplied us with 39 per cent. of our total imports, they have, since the Treaty, supplied us with 57 per cent. in a single year, and for the past ten years the average has been nearly 52 per cent.

LOSS OF REVENUE TO THE UNITED STATES BY THE TREATY.

In his speech in the Senate, on the 11th January last, the Hon. Mr. Sumner based his opposition to the renewal of the Reciprocity Treaty on account of its effect on the National Revenue. He said:

"If no treaty had been made, and the trade had increased in the same ratio as before the treaty, Canada would have paid to the United States in ten years of the treaty at least \$18,373,800, of which she has been relieved. This sum has actually been lost."