

importations from other parts of their own country and from Canada. Even in the North eastern States a very considerable market for lumber existed. Now, what would be the effect of the United States imposing a duty on lumber, it would either raise the price so as to induce the article to be brought from portions of their own country, whence it cannot at present be brought on account of the distance, or they will have to import it from this country, paying the duty themselves and paying us the same price as now; they might raise the cost of the material used in their houses and ships, but they could only do so at the expense of the consuming interest, unless the effect of the increased cost was to diminish the consumption, they must necessarily go either to Canada or to the more remote districts of their own country for the supply. He contended that where a country was compelled to consume an article on which they charged duty, they not merely paid the duty themselves, but absolutely made a present of a similar amount of duty to all the products of the article within their own country. There will be an increase of price on the whole production of lumber in the United States; and he believed that in the case of so bulky an article which would not bear a long carriage, they could not supply their market without coming to Canada. The exports of the next class, animals, and their products, reached a very large and exceptional amount in 1864 and 1865. In that year there were no less than \$1,800,000 worth of horses, and \$1,761,000 of cattle exported to the United States. If anything were wanting to shew the extent to which the Northern States were exhausted by the war, it was the exceptional amount of exports from Canada under the head of animals during the past year. In 1861 they amounted to \$1,397,000, in 1862 to \$1,262,000, and in '64 '65 to \$3,367,000, being an enormous and exceptional amount of exports in that year, and one which we could not reasonably expect to continue, now that the cause to which it could be traced had been removed. It was clear that being compelled to come to Canada for this large supply if they had put duty on it, they would have had to pay it themselves. As regarded oats, we had only exported to the United States one half of what we imported. The exports amounted to \$484,000; the effect of their imposing a duty would be, that instead of our exporting to them \$484,000 and importing \$876,000 worth of beef, bacon and pork, chiefly pork, for our lumbering establishments, our lumberers would get their supplies from our farmers, instead of buying western pork; of butter and cheese the exports and imports were about alike in amount but with the singular difference that we exported 320,500 dollars worth of butter to them and they exported 306,000 dollars worth of cheese to us. Our exports of wool was considerable, and was growing;

last year it amounted to 135,000 dollars, against an import of \$176,000. The description of wool we exported to the United States was essential to their manufactures, and they took it from us because they could not get a better article, or one more suitable for their purpose anywhere else. If they impose a duty so as to exclude our wool, they would have either to change their mode of manufacture or to find what would answer their purpose in some other part of the world. Of other products of animals, there was an import of \$814,000 against an export of \$391,000.

With respect to agricultural productions, the trade naturally consisting in wheat and flour, the prices of which are governed by the consumption of the European market, and in coarse grain, of which the price was chiefly fixed by the consumption of this continent. The trade in wheat and flour might be considered as a transit trade, the price was not regulated by the American market, the American market did not consume these articles; the United States exported to the Maritime Provinces about as much as they imported from us. (Hear.) Being a transit trade, the Americans reaped the benefit of it, they had the advantage of transporting it, and of the commercial profits that arose from transacting it; the effect of preventing the continuance of that trade would be that if we succeeded as well as he trusted we should in establishing proper commercial relations with our maritime brethren, the trade would be conducted directly with the Lower Provinces, instead of as now with Boston and New York. (Hear, hear.) As to the trade in coarse grains, the case was somewhat different, but the same argument held good which he had used with reference to lumber; indeed it applied more strongly to coarse grains than to lumber, if lumber could not be carried far except by water, it was clear that grains like barley and oats could not. Now the market for these articles was to be found with manufacturing districts of the United States, and we knew that by imposing duties on them the cost of manufacturing would be enhanced, in which case it was plain that while the New England manufacturers were now complaining of the difficulty of competing with foreign manufacturers, still more would they complain then. (Hear.) We should hear an outcry from them which the American government would have to meet either by allowing these grains to enter again free, or by increasing the customs duty on foreign manufactures, which increase the north-west would resist and resent, (hear,) but while we exported a large amount of oats, barley, &c., worth about four and a half million dollars, we imported nearly 800,000 dollars worth of Indian corn. Now Indian corn was used to a great extent in this country in our distilleries, and if the Americans refused to take our coarse grains it would become necessary for our distillers to