

to the Republic. It soon, as I have said, became perfectly manifest that these false impressions so created must be removed if satisfactory progress was to be made in the Reciprocity negotiations. Reliable returns of the traffic for a long series of years between the countries must be compiled, balances struck, comparisons with other countries exhibited. All this was done—every figure having been taken from the official returns of the United States, and a memorandum on the commercial relations of the two countries was prepared, which is now, I believe, in the hands of hon. gentlemen. How entirely erroneous were the impressions of our neighbors as to our traffic with them in past years, is shown beyond cavil in that document. It shows that the B. N. A. Provinces in the 34 years, from 1820 to 1854, bought merchandise from the United States to the extent of \$167,000,000; that the United States bought from us in the same period goods to the extent of \$17,000,000; and that the so-called "balance of trade" was, therefore, \$100,000,000 against the Provinces. It shows that from 1854 to 1866—being the thirteen years during which the Treaty of 1854 was in operation—according to the United States returns (for there is a great discrepancy between their returns and ours) the balance was \$20,000,000, and according to Canadian returns, \$95,000,000 against us, and in favour of the Republic. A large portion of this discrepancy occurred during the last two years of the Treaty's existence, and no doubt arose in a large degree from the loose valuations at the Custom-houses on the lines during these years. The memorandum shows further that the gross traffic between the United States and the British Provinces rose in the eight years immediately before the Treaty went into operation, from eight millions of dollars in 1845, to nine millions in 1846; to ten millions in 1847; to twelve millions in 1848; to fifteen millions in 1850; to eighteen millions in 1851; and to twenty millions in 1853. In 1854 the Reciprocity Treaty went into operation, and at one jump the traffic went up in that year to no less than thirty-three millions of dollars. In the following year it went

to forty-two millions; in 1857 to forty-six millions; in 1859 to forty-eight millions; in 1863 to fifty-five millions; in 1864 to sixty-seven millions; in 1865 to seventy-one millions; and in 1866 (when the Treaty came to an end) to no less than eighty-four millions of dollars. The gross amount of traffic between the countries during the thirteen years of the Treaty's operation amounted, according to the United States returns, to no less than \$571,000,000, and according to the Canadian returns, to \$630,000,000,—either of them a sum which, considering all the circumstances, must be admitted to be marvellously great. I know not where, in the history of commerce, a parallel of success to this can be found, if we keep in mind that one of the parties to the Treaty had at the time but three millions of population. The memorandum shows also that the purchases from the United States by the British American Provinces during the thirteen years of the Treaty's operations were greater than the purchases from them of China, Brazil, Italy, Hayti, Russia and her possessions, Venezuela, Austria, the Argentine Republic, Denmark and her possessions, Turkey, Portugal and her possessions, the Sandwich Islands, the Central American States, and Japan, in the same years, all put together. It shows further that our purchases during the existence of the Treaty were of the most valuable character—there having been no less than \$150,000,000 of farm products, \$8,500,000 of timber, \$24,000,000 of miscellaneous, and no less than \$151,000,000 of general merchandise—a sum to which no other country approached in these years. The memorandum shows also that, in addition to these great commercial exchanges between the countries, an enormous transportation traffic was carried over United States Railways and Canals between the Provinces and Atlantic ports, and *vice versa*. Accurate returns of this traffic do not appear to have been kept until very lately, but in the six years—namely, from 1868 to 1873—for which we have returns, it appears that the merchandise transported for the British American Colonies over American lines was of the total value of \$162,-