

"Next to the magnitude of our own natural and unparalleled resources, the free exchange of the products of industry, with untrammelled transit, between the States, contributes more than any other single cause to our prosperity. Without it our markets would be petty and our resources would to this day have remained comparatively undeveloped. The extension of the same commercial liberty between our people and those of Canada is no less necessary to the due welfare of each than free intercourse between the people of our several States is to them. The Canadians are more numerous than the inhabitants of all the six New England States, and nearly equal in number to the people of the State of New York. In the area of her territories and the magnitude of her various resources the Dominion has all that is needful for one of the strongest empires on the face of the world. The resolute enterprise and steady progress of her people are already shown, not less in the success of their war upon the wilderness than by the fact, that, with a population small in comparison with that of France, Austria, Italy or Spain, they rank as the fourth power on the globe in the extent of their mercantile navy, taking precedence of all countries except Great Britain, the United States and Germany.

"The obstacles to such free commercial intercourse with us as exists between our various States have deprived Canada of her natural prosperity, while it has also injured the business of many of our States, and most seriously impeded the progress of those portions of our country which are near the Canadian frontier. Notwithstanding the adverse laws in both countries, preventing the free exchange of the products of the industries of their people, the exports of our productions to Canada, according to the report of the Treasury Department, amounted in 1873-4 to no less than \$42,505,914, being more than twenty times as large as those to China, whence we draw so large a proportion of our imports, and larger than our exports of a similar character to any country in the world, excepting only Great Britain, Germany and France. Our exports to Canada of goods of foreign origin, in the same year, amounted to \$4,589,343, and the total trade with her to, at least, the vast sum of \$85,257,168.

"Until 1873-4 the trade between the United States and the Dominion never equalled that during the last year of the former treaty, and if further negotiations, conducted with due regard to the interests of both countries, had then taken place, there is no room for doubt that the mutually beneficial exchange of the products of labor in the two countries would have doubled. During the last three years of the treaty the exchanges were four times as large as in the three years preceding it—the amount in the former period having been \$56,018,710, and in the latter \$223,354,933.

"It is obvious that the people on both sides found the results of the treaty profitable or they would never have continued, year after year, to exchange their products of the industries. But Canada is in many respects like our north-western countries—producing a large surplus of products from her forests and farming lands; and these, under a fair system of reciprocity, would have been exchanged for a vast