

The average annual value of the above-mentioned importation was \$1,137,840, and the largest in any one year, \$1,393,389, in 1873.

The commerce and navigation returns of the United States give the importation from Canada in that year at \$1,400,562; or, including Newfoundland, at \$1,685,489, as follows:—

DESCRIPTION.	IMPORTED.		Rate of Duty.	Amount of Duty which would have been collected if entered for consumption.
	Quantity.	Values.		
Fish (fresh)	8,627,724 lbs.	\$278,707	Free.	.....
Herring	53,039 bbls.	179,377	\$1.00 per bbl.	\$53,039
Mackerel	89,698 bbls.	605,778	\$2.00 "	179,396
Sardines, &c., preserved in oil .....	.....	3,527	50 per cent.	1,763
All others not elsewhere specified .....	.....	552,032	13½ "	74,524
Oil, whale and fish	127,315 gals.	66,068	20 "	13,213
Total .....	.....	\$1,685,489	.....	\$321,935

Now, by reference to the U. S. Commerce and Navigation Returns for 1873 (page 311) it will be seen that the re-exports of foreign fish were as follows:—

	Barrels.	Amount.	Rate.	Duty.
Herring	19,928	\$ 81,775	\$1.00 per bbl.	\$19,928
Mackerel	36,146	178,328	2.00 "	72,292
All other .. . . .	.....	213,534	13½ per cent.	28,827
Oil (page 319) .....	.....	25,601	20 "	5,120
Total .....	.....	.....	.....	\$126,167

This sum, therefore, representing duties which never were collected must be deducted from the aggregate duties accrued as shown by the figures just previously given, viz

Deduct.	
Duties on re-exports	\$126,167
Estimated duties on fish products not covered by Washington Treaty, estimated at	10,000
	<u>136,167</u>

Thus leaving a sum of

in regard to which it remains to be decided whether or not its remission has inured to the benefit of the Canadian producer.

The United States contend, at page 31 of the Answer, that the remission of duties to Canadian fishermen during the four years which have already elapsed under the operation of the Treaty has amounted to about \$400,000 annually, which proposition it was explicitly stated would be conclusively proved in evidence which would be laid before the Commission. This extraordinary assertion which, it has been contended, has been contravened by the whole tenor of the evidence whether adduced on behalf of the United States or of Great Britain, was followed up by the laying down of the following principle, viz:—

“Where a tax or duty is imposed upon a small portion of the producers of any commodity, from which the great body of its producers are exempt, such tax or duty necessarily remains a burden upon the producers of the smaller quantity, diminishing their profits, which cannot be added to the price, and so distributed among the purchasers and consumers.”

It is contended in reply that this principle is true only in those cases in which the ability on the part of the majority of producers to supply the commodity thus taxed, is fully equal to the demand.

The question whether the consumer or producer pays any imposts levied upon the importation of certain commodities, does not depend upon whether the body of foreign producers is large or small relatively to the body of domestic producers, with whose products theirs are to come into competition, but simply upon the question whether or not the existing home production is equal to the demand. If it be not equal, and a quantity equal to one-third or one-fourth of that produced at home be really required, prices must go up until the foreign producer can be tempted to supply the remainder, and the consumer will pay the increased price not only upon the fraction imported, but upon the greater quantity produced within the importing country as well. And the tendency of all the evidence in this case, British and American, has been a most explicit and direct confirmation of this principle.

The British evidence to which I shall immediately call your attention, proves beyond a doubt that when duties were imposed upon mackerel of \$2 per barrel, British exporters to the United States realized a sufficient increase of price to enable them to pay those duties and still receive a net amount equal to the average price received before those duties were imposed, as well as after they were removed.

Upon a careful examination of the United States testimony, it will, I submit, appear that during these years when duties were imposed upon British-caught fish, the price of mackerel when landed by United States vessels from their fishing voyages in the Bay, was to the full extent of the duty in excess of the price they commanded after the duty was repealed, or before it was imposed.

It is impossible to conceive a clearer proof that the consumer and not the producer had to bear the burden of the duty, and not only that, but an equivalent burden upon every barrel of mackerel caught and landed by the United States mackerel vessels during the existence of that duty.

In the evidence adduced on behalf of Her Majesty's Government this point has been established beyond possibility of refutation. The average prices obtained by the following firms, viz.: A. H. Crowe, Lawson & Harrington, and Young, Hart & Co., in gold, at Halifax, after payment of duties and all other charges are given by the various witnesses as follows, the sales being made in all cases to United States buyers.