

in Maine, that their interests might be injuriously affected in this respect. But the bill is so shaped as to avoid all interference with them. It applies only to the direct trade with Canada. Articles coming through New Brunswick or the other British provinces will continue on the old footing. The lumber interest in Maine, therefore, will not be touched by the bill; and in all other respects that State will in all probability be as much benefited by it as any other. When the railway between Portland and Montreal is completed, the free commerce secured by the bill must be of the greatest advantage.

Flour, in fact, is the only Canadian product likely to come into competition with our own. Of all the others—animals, hides, cheese, meats, &c.—we shall export more largely into Canada than she will export into the United States. The same remark is applicable to corn, and indeed to most if not all the breadstuffs, except wheat.

It is possible that in certain years—years of scanty production in the United States, provided they are years of abundance in Canada—we may receive some wheat from her. But I do not believe that the amount will even in those years (which are very unlikely to occur) be sufficient to influence prices in the United States in a perceptible degree. If the importation, however, shall in such extraordinary cases prevent the price of grain from becoming extravagantly high, it will be a public benefit, by relieving the poor from the necessity of eating dear bread. In years of ordinary abundance I do not believe prices in the United States will be at all affected by the importation of wheat from Canada. The production of wheat in the United States yields a surplus. Whenever prices abroad are sufficient to sustain exportation, our wheat finds its way to foreign markets; and in these cases it is the price in those markets which fixes the price at home. I believe it may be stated as a principle that the price of a product, which is exported in any considerable quantity, is regulated in the markets of the exporting country by the price in the markets of the country to which the export is made. Our own experience proves the truth of this proposition. In 1847, when we were exporting breadstuffs, the price of flour in New York, the chief port of exportation, rose and fell with the fluctuations of price in the British market with as much certainty as the mercurial column in the thermometer rises and falls with the variations of external temperature. This fact should relieve us from all apprehension as to the influence of this bill on competition with Canada in the production of wheat. She may send her flour to foreign markets now, either by the St. Lawrence, or

through the United States in bond under the act of 1846, allowing a drawback of duties in certain cases. It enters into competition with ours in those markets now. The bill gives no new facility or advantage in this respect, except to relieve her from custom-house formalities. I hold, then, that the wheat of Canada can only have an influence on the price in the United States in very extraordinary years not likely to occur, and in years of exportation, by competition with us in the foreign market, and that, in the latter respect, this influence is as sensibly felt now as it would be under the provisions of this bill. These considerations become the more significant if it be true, as I suppose, that wheat is henceforth to be one of our regular exports.

What, then, are the advantages to be expected from the proposed free interchange of products? The first is, to relieve the inhabitants of both countries, and especially those on the frontier, from the inconvenience of the custom-house in respect to necessities of common production and daily use. The next is, to enable the Canadians to export their produce through the United States to foreign markets without paying duty at the frontier, and with a deduction of two and a half per cent. on the drawback at the place of exportation. The custom-house formalities seem to have been a great obstacle to the use of our canals and internal channels of communication by the Canadians. From December 1, 1846, to July 1, 1847, we received from all the British North American Provinces 929 bushels of grain of all kinds, and no flour, while we sent them more than two millions of bushels of wheat during the year. During the previous five months we received from all the rest of the world 309 bushels of wheat and 54 cwt. of flour—equal to 27 barrels. The last year the Canadians have used our canals more extensively. The returns are not yet printed, but I understand that at least 70,000 barrels of flour have been exported through the United States. Whether the experiment will succeed remains to be seen.

Mr. CLARKE. Will the Senator from New York state where he obtained this information?

Mr. DIX. I have ascertained the fact from some statistical statements published in a newspaper at Oswego, containing the transactions at the collector's office. This information is given in an official form in the annual report on commerce and navigation received yesterday; but I have not been able to examine it. From the source I have before referred to, I learn that 50,000 barrels of flour were received at Oswego. At Buffalo the amount was probably less.

The bill will undoubtedly lead to a free inter-