

" the colonial system, the differential duties were so onerous, that the
 " trade between the United States and Canada was of the most limited
 " and unimportant character. In 1846, the Canadian Legislature having
 " been authorized, by an Act of the Imperial Parliament, to regulate
 " their own tariff, and being anxious to cultivate a free commercial inter-
 " course with their powerful and enterprising neighbors, removed the
 " existing differential duties, and admitted American manufactures and
 " foreign goods purchased in the American market, on the same terms
 " as those from Great Britain. Had Canada, at that time, stipulated with
 " the United States, that, in return for admission of American manufac-
 " tures, the duty should be removed from her products, it would ob-
 " viously have been the interest of the United States to have agreed to
 " such an arrangement. No such proposition, however, was made, and
 " the very important concession in favor of the United States, to which
 " I have adverted, seems scarcely to have attracted the attention of your
 " Federal Government, and so little was it understood, that when
 " General Dix urged it as an argument in favor of the Reciprocity Bill
 " in the Senate, the fact was disputed. Most important results, how-
 " ever, have followed from the legislation of the Canadian Parliament.
 " Since 1846, the manufactures of the United States, the teas, sugars,
 " fruits and other foreign luxuries, purchased by the merchants on the
 " Atlantic seaboard with the produce of American labor, and transported
 " to that seaboard in American bottoms, have been poured into Canada.
 " The duties at the port of Toronto have increased, within a few years,
 " from about \$30,000 to nearly \$400,000; and Hamilton, Kingston and
 " other ports contiguous to the United States, would show a similar
 " result. This increase is to be attributed mainly to the American trade
 " which has sprung up since the removal of the differential duties, and
 " which, I need hardly say, has been most profitable to the various
 " American interests, to the manufacturers, the shipowners, the rail-
 " roads and the canals. The consequence of this trade, however, has
 " been, that the Canadians have been led to export their raw products
 " to the same markets from which they have drawn their supplies. Here
 " they are met by a heavy American duty on their staple commodities—
 " lumber and breadstuffs.

" As I have frequently heard it asserted, that the reciprocity asked
 " would be all on one side, and that the Americans are not exporters to
 " Canada of any of the articles named in the Bill, permit me to call your
 " special attention to the operation of the present tariffs on two leading
 " articles. One of the great staples of the Western States is pork, which
 " can be produced there at such rates as to defy competition in Canada.
 " This article is the principal food of the Canadian lumberer, and lumber
 " is the principal Canadian staple. Canada charges a duty on pork,
 " which swells the price of the lumber which is sent to the markets
 " of Buffalo, Albany and New York. The consequence is, that the eastern
 " consumer of lumber actually pays the Canadian duty on the pork fur-
 " nished by the western States, from which the entire supply is obtained
 " for the lumbering districts. It has been urged, and with some plausi-
 " bility, that Canadian products, being similar to those of the United