

the increase in the annual average being \$368,049, of which increase \$27,460 was due to fresh fish, leaving \$340,589 as the increase upon articles previously subjected to duty. From these figures it is clear then that as respects the advantages arising from an increased market the United States and not Canada has been the greatest gainer. It may be remarked, before leaving this part of the subject, that although the statistics put in by the Government of the United States, as to the total imports into the United States from Canada, approximate very closely to those put in by Her Majesty's Government in respect of the exports from Canada to the United States; there is an important discrepancy between the exports from the United States to Canada, as put in evidence in Table XIV of Appendix O, and the imports into Canada from the United States as put in evidence by Her Majesty's Government.

This has already been referred to during the course of the evidence, but the attention of the Commissioners is now again directed to the explicit admissions of Mr. Young, the Chief of the Bureau of Statistics at Washington, in his reports of 1874, '75 and '76. With regard to this subject, for example, he says, at page XV of his report for 1876: "During the year ended 30th June, 1876, the total value of domestic merchandize and produce exported to Canada, and which was omitted in the returns of the United States Custom officers on the Canadian border, as appears from the official statements furnished by the Commissioner of Customs of the Dominion, amounted to \$10,507,563, as against \$15,596,524 in the preceding year, and \$11,424,566 in 1874."

2. I beg now to call the attention of your Excellency and your Honors to the fact that a considerable proportion of the products of the British-American fisheries, exported to the United States for many years past, has been re-exported to other foreign countries, where they may be fairly presumed to have entered into competition with the direct foreign exports of Her Majesty's British-American subjects.

This will clearly appear, by a reference to statement No. 11, to be found on page 437 of the British Evidence, which shows that the exports of dried and smoked, pickled and other cured fish (exclusive of California) to all other foreign countries, from 1850 to 1876, averaged annually (at a gold valuation), as follows, viz:—

1850 to 1854.....	\$755,165, Non-reciprocal years.
1860 to 1866... ..	1,001,984, Reciprocal years.
1866 to 1873... ..	1,196,554, Non-reciprocal years.
1873 to 1876.....	1,640,426, Reciprocal years.

Now, comparing these exports from the United States to all foreign countries, with the imports from Canada into the United States, it would appear that they are largely inter-dependent. The imports referred to are as follows:—

1850 to 1854 .....	\$ 792,419
1856 to 1866 .....	1,377,727
1866 to 1873 .....	1,137,839
1873 to 1877 .....	1,505,888

With regard to this matter, I call attention to the following assertion made at page 9 of the "Answer" of the United States, viz: "But while the result (of the Washington Treaty) to them (Canadians) has been one of steady development and increasing wealth, the United States codfishery even has declined in amount and value." If, then, the domestic production of the United States has decreased, and the exports to foreign countries have increased in about the same ratio as have the importations from Canada, is it not evident that the increased imports have been made *mainly* with a view to the supply of foreign markets—or what is equivalent—to supply the hiatus in the markets of the United States due to the exportation of a greater quantity of their own fish products than the yield of their fisheries warranted, in view of their own requirements for home consumption? It would seem from an examination of the statistics that the increased importations from Canada during those years in which no duties were levied on Canadian fish were largely due to an increased foreign trade, and it is contended that Her Majesty's subjects gained no substantial pecuniary advantage from supplying those foreign markets by indirect rather than direct trade. On the other hand, the tendency of this class of trade is to throw the foreign carrying trade hitherto conducted by subjects of Her Majesty more and more into the hands of the shipowners and brokers of the United States.

A close examination of Canadian exports confirms this view. Of the entire exports, those to the United States and to other foreign countries compare as follows:—

Years.	Percentage sent to the United States.	Percentage sent to other Foreign Countries.
1850-54.....	31½	68½
1856-66 .....	34 7-10	65 3-10
1866-73.....	28½	71 ½
1873-76. ....	31 1-10	68 9-10

If any further reasoning is required in support of this very evident contention, the following extract from page 529 of the United States census report for 1860 may be useful: "By the Warehousing Act of 1846, foreign fish were allowed to be imported and entered in bond, and thence exported without payment of duty; but under the Reciprocity Act, Colonial fish are admitted free of duty. These acts have caused our principal fish distributing cities, such as Boston, New York, and Philadelphia, to become exporters of large quantities of foreign fish."

Although therefore, the export trade of Canada has progressively increased from year to year, it is plain that the removal of fiscal obstructions on the part of the United States, has had the effect, more or less, of turning a certain proportion of our foreign trade, with other foreign countries, into American channels. In other words, a larger proportion of the West Indian and South American fish trade of Canada has been done through United States merchants, whenever tariff restrictions have been removed.

Now, the able Counsel and Agent of the United States has chosen as the basis upon which to determine the question of remissions of duty, the year 1874.

It is contended that it would be manifestly unfair to take as a basis upon which to estimate such remissions, those years during which it is alleged the exportations from Canada to the United States have (*mainly in consequence of such remissions*) considerably increased.

The United States imports from Canada and Prince Edward Island of fish and fish-oil from 1867 to 1873, during which period duties were imposed upon such importations, were as follows:—

1867.....	\$1,108,779
1868.....	1,103,859
1869.....	1,208,805
1870.....	1,129,665
1871.....	1,087,341
1872.....	933,041
1873.....	1,393,389