

Governor-General of Canada, was instructed to endeavour to arrange for a reciprocity treaty with the United States, or in other words to ask a foreign country to give Canada trade advantages which would recompense her for what Great Britain had taken away from her. The United States Government, either influenced by the blandishments of Lord Elgin, or by a politic desire of turning Canada's trade in their own direction, and making her dependent for her business and the prosperity of her people upon a treaty which the United States would have the power of terminating in twelve years, consented to make the treaty.

It was concluded in 1854, and for twelve years during a most critical period, when railways and railway systems were beginning to be established, the great bulk of the trade of Canada was diverted to the United States, the lines of transportation naturally developed mainly from north to south, and the foreign handling of our products was left very much to the United States. The Crimean war broke out in 1853 and lasted till 1856, raising the price of farm produce two-fold, and adding largely to the prosperity of the Canadian people. The large railway expenditure during the same period also aided to produce an era of inflation, while during the last five years of the existence of the treaty the Civil War in the United States created an extraordinary demand, at war prices, for almost everything the Canadian people had to sell. The result was that, from reasons quite disconnected from the reciprocity treaty, during a great part of its existence the Canadian people enjoyed a most remarkable development and prosperity.

The United States Government, although the treaty is said to have been of more real value to them than