

vessels, and the convention of 1815, with which it terminated, relating to the British Government exclusive trade with the Colonies; the Convention of 1818, relative to the settlement of the Fishery Question; the repeated efforts of Presidents Adams and Jackson to obtain reciprocal trade with the Colonies; the Treaty of 1842, which opened the navigation of the River St. John to the United States, and certain specified channels of the St. Lawrence, Detroit, and St. Clair Rivers to both countries; and the subsequent negotiations of Lord Elgin and Mr. Marcy, which resulted in the Reciprocity Act of 1854, are familiar with most persons who have at all studied the commercial relations with Canada and the United States, and a mere allusion to them, therefore, is all that is necessary here.

The present Reciprocity Act was concluded at Washington on the 5th June, 1854, and was ratified by the two Governments on the 9th of September, 1854, and proclaimed by President Pierce on the 11th of September, 1854; but the consent of the Parliaments of Canada, New Brunswick, Nova Scotia, Newfoundland, and Prince Edward Island, being necessary to give it effect, some little delay was occasioned before it went into full operation. The notice to repeal it has come from the United States, and as the ground on which they base their desire for its abrogation in its unilateral character towards Canada, it will be well to examine the Treaty and its operations, and see how far this charge is borne out by facts.

The first article of the Treaty secures to the inhabitants of the United States, subject to certain just restrictions, the right to take Fish of every kind, except Shell Fish, on the coasts of Canada, New Brunswick, Nova Scotia, and Prince Edward Island, and the Islands thereto adjacent (excepting Salmon and Shad Fish in the mouths of Rivers), and to dry their Nets and cure their fish ashore. Article Two gives to British subjects the same rights on the Eastern coasts of the United States, north of the 36th parallel of north latitude.

So large a portion of the Act is devoted to the question of the Fisheries, it would be but reasonable to infer that they were looked upon by the Americans as a boon to be procured at almost any price. Indeed in nearly all the Commercial Treaties negotiated between Great Britain and the United States during the last 100 years, their conviction of the value of the extensive and prolific Fishery grounds of British America, and the anxious desire of the latter to obtain free access to them have been apparent throughout; while in all the recent reports on the working of the Reciprocity Act, made by American Chambers of Commerce, or Congressional Commissioners, an acknowledgment of their immense advantages has been carefully evaded. It is, however, an indisputable fact that no commercial advantage which Canada could bestow would compensate the Americans for the loss of those Fisheries. As a source of profit to the large number of merchants and fishermen engaged in them from Cape May to the Bay of Fundy; as a means of employment to a large class of seafaring men who work on their waters; and as a nursery for the training of hardy and skillful sailors, free access to the Fisheries has always been a matter to our neighbours of great national importance. It is supposed by most persons, through ignorance, I presume, that Canada is not interested in that part of the Treaty relating to the Fisheries, and that it is a question more properly belonging to the Maritime Provinces. This is a palpable mistake. Canada has a sea coast larger in extent than either New Brunswick or Nova Scotia, and employs at least 20,000 men along her coasts. When it is remembered that the Fisheries of the whole North coast of the Gulf of St. Lawrence, of Anticosti, of the shores of Gaspé and Bonaventure, including one half the *Bas de Chaleurs*, and the most valuable Fishery of the whole Gulf, the Magdalen Islands, are the property of Canada, it will be seen that the fishing rights conveyed under the Treaty, the United States enjoy from Canada fully one half. The other half extends along the coast of the sister Provinces, over 2000 miles in extent, and both combined, furnish to the people of the United States a free source of commercial wealth and national benefit which they do not possess under any other Treaty in existence, and the future products of which, if thoroughly developed by human labour and enterprise, defy ordinary calculation.

Incidental to the question of the Fisheries are the Free Ports of Gaspé and Sault St. Marie. The Americans have complained that while our Tariff has been increased for revenue purposes, we have opened two large Free Ports at a considerable sacrifice of revenue to the Canadian Exchequer. A greater misapprehension never existed, and a correct statement of facts will, I trust, remove it. Gaspé, owing to its remote location, is comparatively barren and unproductive soil, and its space and somewhat indigent population required some material aid for the poor fishermen who live along its bleak but hospitable coasts; and the Government desiring to help those isolated and hard working people, removed all duties on imports for the space of ten years. And in the case of Sault St. Marie, the object, as stated by the Hon. Mr. Galt, is simply to encourage the rapid settlement of a remote and comparatively inaccessible region.

The following is a statement of the foreign imports at the two Free Ports of Gaspé and Lakes Superior and Huron during the year 1862, the latest returns I could procure:—

	Gaspé.	Sault St. Marie.
Imports for 1862.....	\$420,180.	\$90,420.

Thus it will be seen that the total import trade of both Free Ports amounts to \$510,600. Taking the average rate of duty in their importations at 20 per cent. the amount which the Government forego annually for the benefit of a poor and remote class of the people is only \$100,012—a very small sum, it will be admitted, in proportion to an annual Provincial Revenue of \$10,000,000 to \$12,000,000 Currency. While the establishment of the Free Port of Gaspé has been a great boon to the inhabitants, it has been equally beneficial to the American fishermen, who can now

obtain all their necessary supplies *free of duty*, an advantage which they do not enjoy in their own ports, when fitting out their vessels for fishing voyages.

One of the most important provisions of the Treaty, as far as its reciprocal character is concerned, is that which provides (in article 3,) for the admission into the two countries of certain articles, the growth and produce of each, respectively, free of duty, and I purpose, therefore, to give it some attention. In doing so, I wish to avoid falling into the error which some writers, American and Canadian, have committed, of underrating the several advantages which have accrued to each country from the operation of the Act. I am not disposed, like Mr. Sumner, to make the sweeping declaration that the Treaty is *altogether one-sided*, and that Canada alone, has been benefited by it. If I were actuated by prejudicial motives, or disposed to prevaricate positive facts substantiated by official confirmation, I might easily submit to an unreflecting public, statements apparently truthful that would convince them the best interests of Canada had been sacrificed to those of the United States.

But it would be unfair and unwise to do that. It must be candidly admitted that Canada has derived many advantages from the large commerce which has sprung up under the Act. While this fact is conceded, however, it can be proved beyond doubt, that the balance of *advantage* as well as of trade has been with the United States.

The following is a complete list of the articles specially named in the Act, admitted into both countries free of duty, shewing the value of each article separately imported by Canada from the States, and by the States from Canada during the year 1863:—

	Imports of Canada.	United States Imports.
Flour.....	\$ 898,029	\$ 2,216,440
Grain of all kinds.....	5,062,600	6,222,752
Meal.....	28,603	58,773
Animals of all kinds....	520,835	2,372,597
Fresh, salted, and smoked meats.....	1,238,923	128,723
Cotton wool.....	29,938	101,006
Seeds.....	87,545	78,398
Vegetables.....	47,729	12,450
Fish.....	168,570	104,612
Poultry and eggs.....	9,308	58,698
Hides and horns.....	384,951	114,719
Furs & skins.....	61,896	5,735
Stone and marble, crude	57,076	12,470
Butter.....	97,171	244,341
Cheese.....	294,327	954
Tallow.....	152,268	9,979
Lard.....	81,757	12,261
Manures.....	7,848	
Ores and metals.....	12,505	300,500
Coal and coke.....	548,846	
Pitch and tar.....	11,158	
Ashes.....	17,549	
Timber.....	62,241	4,017,130
Firewood.....	38,599	279,973
Plants shrubs and trees.	93,589	
Wool.....	208,858	974,153
Fish and oil.....	112,285	1,846
Rice.....	88	
Broom.....	34,987	
Bark.....	66,070	
Gypsum.....	13,829	7,504
Grindstones.....	13,759	
Flax, hemp, and tow....	75,464	
Tobacco unmanufact'd	1,827,810	185,150
Rags.....	11,333	61,612
Dye stuffs.....	69,176	
Fruit, dried and undried	454,634	7,055
Slate.....	1,914	
Turpentine.....	64	
	\$12,339,367	\$17,521,298

It is customary in stating figures on commercial questions to deal almost exclusively in totals, but I have thought it advisable in this case to detail the goods and their values so as to institute a comparison between the actual imports and exports of free articles under the Treaty. Let us digest the above table, and see what it proves. Canada and the United States are both large flour and grain producing countries, and both have a considerable surplus to dispose of. Under the Reciprocity Treaty there has been a free interchange of both these articles. If the United States have bought from us \$2,216,440 worth of flour, we have in return taken from them nearly one million dollars worth of the same article. And if they have purchased grains to the value of \$6,222,752, we have been buyers of their cereals to the large extent of \$5,062,610. Canadian flour from white wheat is a standard article in the American market, commands fully fifty cents per barrel more than the corresponding grade of United States manufacture, and is imported by them wholly for consumption. In the like manner flour from Western wheat is valuable for shipping purposes to our merchants, and it is an advantage to them to get it. In cereals if they have taken from us \$2,000,000 barley and rye, \$2,000,000 oats, and \$1,500,000 of wheat, we have bought from them of their staple productions \$4,000,000 of wheat, and \$1,000,000 of corn. They require our rye and barley for their distilleries and breweries, and our oats to supply fodder for their horses and cattle, while we stand in need of their corn and wheat for our distilleries, mills and bakeries.

Of animals, there has been a very large excess of importations by the United States, but this is somewhat fictitious and caused by the extraordinary demand for war purposes. Every impartial American will admit that it has been a great advantage to them during the long and disastrous war which has happily terminated, to enjoy free access to the markets of Canada for those articles, which owing to the enormous supplies required for the troops, they were unable to furnish at home. But if they have almost depleted this country of live stock, we have imported from them

smoked and salted meats to the value of \$1,238,972, and if we add to that sum the value of the hides, horns, furs and skins, we shall increase the amount to over \$1,500,000, a large offset, it will be admitted, to the immense proportion of animals. Of butter, than which there is no finer in the world than the Canadian, they imported in 1863 \$244,341, and of American cheese, which is fast rivalling the best Cheshire and Stilton, we purchased to the extent of \$294,327. If they took \$300,000 worth of ores and metals from us, we reciprocated by taking from them \$550,000 worth of coal and coke; and if, in the article of wool we appear at their credit for a balance of \$500,000, they are our debtors for tallow \$152,268, and fruits dried and undried \$454,634.

Lumber, the staple production of Canada, forms our largest item of Export to the United States. In 1863 we shipped them timber to the value of \$4,017,130. To enjoy a free market for so large an amount of the product of our extensive and valuable forests is a boon which cannot be too highly prized. It does not follow, however, that because our neighbours are such good customers for our lumber, that they derive no advantage from the unfettered importation. It may be that the timber dealer in the States, or the wealthy capitalist who is fast buying up the valuable pineries of the West, see in the abrogation of the Treaty, the possession of that dangerous power of monopoly which will place the general consumer at their mercy, and enable them to control the price of lumber. But the effect of such a change would undoubtedly be (to quote the Report of the Detroit Board of Trade) "to retard the building and improving of their cities, towns, and villages, and weigh heavily in their farming interests. We therefore," continues the Report, "consider it a great and fortunate thing for the people of the Great West, that we have the privilege of the Canadian lumber market to keep in check the desire of our own dealers in that article to raise it to an unreasonable price. Cheap lumber is a commodity of indispensable necessity with us."

A careful comparison of the statement will show that the excess of American imports over Canadian is represented by the four millions of lumber, and one million three hundred thousand dollars worth of flour over what we bought from them. Both these articles—Canadian timber and flour—the United States require to a very large extent, and if they form, as they unquestionably do, the balance of trade in free goods against us, the American people must not taunt us with the assertion that the Act is therefore one-sided, and that they are only customers. An examination of the figures ought to convince every impartial mind that the trade has been eminently reciprocal.

In connection with the question of the interchange of the commodities of the two countries, there is one very important feature which deserves particular attention, and which appears to have been overlooked by all writers on the subject, viz., the relative proportion of the imports of each country to their respective populations. It is now a generally received opinion that on all questions of representation and taxation the numerical strength of the people is the correct basis of legislation. It follows therefore that there can be no truer test of the result of international commercial relations than a comparison of the business done with the numbers by whom that business was transacted. Let me give a practical illustration of this theory, as far as it applies to our trading operations with the United States.

From the official trade and navigation returns of 1863 the following appears to be the total value of the free imports of the two countries under the Treaty:

Canadian Imports.	United States Imports.
\$12,339,367	\$17,521,298

Now assuming the population of the Northern States to be 25,000,000 of people and that of Canada 3,000,000, the average value of imports by the States from Canada is only 70 cents per head, while the average value of importations by Canada from the States is \$4.11 per head, or nearly 600 per cent. more per head of her population than Canada has taken from the States than the latter has purchased from Canada. But let me pursue the comparison still further.

Imports of duty-paying goods by Canada and the United States during the year 1863:

Canada Imports.	United States Imports.
\$23,109,862	\$20,050,470

Average Canadian imports per head \$7.70, or over 960 per cent. in favour of Canada.

The following figures exhibit the total trade in free and dutiable goods between the two countries from the year 1850 to the 1st June, 1864, and I reproduce them to show how greatly the result has been in favour of the United States.

UNITED STATES.	
Free goods—imports.....	\$155,407,056
Dutiable goods.....	26,912,838

CANADA.	
Free goods—imports.....	\$119,799,648
Dutiable goods.....	125,558,434
	\$245,358,077

Average U. S. trade per head \$ 7.28  
 " Canadian " \$81.78, being over 1100 per cent. per head in favour of Canada; or, to make it plainer, for every \$7.28 worth of goods each person in the United States has purchased from Canada, each inhabitant of the Province has bought \$81.78 worth of goods from the American people.

Further comment on these statements is unnecessary. They completely upset the notion entertained by many Americans that Canada has reaped all the advantages of the Treaty, and prove most conclusively that we are, without exception, the best customers the United States have.

(Will be concluded in our next issue.)