

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 intercourse with their powerful and enterprising neighbours, removed the existing differential duties, and admitted American manufactures, and foreign goods purchased in the American markets, on the same terms as those from Great Britain. Had Canada at that time stipulated with the United States, that in return for her admission of American manufactures the duties should be removed from her products, it would obviously 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 Gen. Dix urged it as an argument in favor of the reciprocity bill in the Senate, the fact was disputed. Most important results, however, 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 sea-board with the produce of American labor, and transported to that sea-board 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 ship owners, the railroads, and the canals. The consequence