

territory. The policy of England in effecting this union does not concern us, except as it looks toward the commercial isolation of the Dominion from the continent to which it belongs, and its commercial dependence upon a continent with which it has only artificial relations.

“The financial position of the Dominion, whether under its recent policy of Free Trade, or its present policy of moderate Protection, has not been satisfactory. She has \$170,000,000 of debt, the interest of which presses more heavily upon her resources than does that of our debt upon those of the United States, as is shown by the annual deficits in her budget and the all but bankruptcy of most of the Provinces. She contributes to our country a larger quota of immigrants, in proportion to her population, than does any other country. She is, therefore, more than ready to accede to any reasonable arrangement which will give her a larger freedom of trade with her neighbors on our side of the line. She indicated this in her proposal for a Reciprocity Treaty in 1873, and only the failure of that Treaty in the Senate prevents her from making renewed offers. Her present Tariff, as was avowed by its chief author, Sir Leonard Tilly, was intended to force us to make concessions as regards commercial relations.

“In these circumstances it seems to many of us a perfectly wise and proper thing for the United States to take the initiative towards an adjustment of our mutual interests. But that this should not be in the direction of Reciprocity, but towards a continental *Zollverein* or Customs Union, like that which Prussia in 1828 formed with the lesser German states. Such a Union would establish absolute freedom of trade between the two countries. It would be based upon a common Tariff, enforced on the seaboard only; and the receipts from duties would be divided between the two countries according to population, or on some other just basis. My reasons for urging this as preferable to Reciprocity are briefly as follows:—