

Article XXII. "Inasmuch as it is asserted by the Government of Her Britannic Majesty that the privileges accorded to the citizens of the United States under Article XVIII of this Treaty are of greater value than those accorded by Articles XIX and XXI of this Treaty to the subjects of Her Britannic Majesty, and this assertion is not admitted by the Government of the United States, it is further agreed that Commissioners shall be appointed to determine, having regard to the privileges accorded to the United States to the subjects of Her Britannic Majesty, as stated in Articles XIX and XXI of this Treaty, the amount of any compensation which, in their opinion, ought to be paid by the Government of the United States to the Government of Her Britannic Majesty in return for the privileges accorded to the citizens of the United States under Article XVIII of this Treaty; and that any sum of money which the said Commissioners may so award shall be paid by the United States Government in a gross sum within twelve months after such award shall have been given."

The advantages which might be expected to flow from the reciprocal freedom of markets, provided for by Article XXI, might be of two kinds:—

1. Increased trade.
2. Increased profits upon the volume of trade already existing.

The latter, however, could only obtain upon the supposition that the duties previously levied had been a burden upon the foreign producer.

In reference to the first of these questions it is contended—

1. That the increase of consumption in the United States of British caught fish has not been equal to the increase in Canada of the products of the United States fisheries.

2. That a considerable portion of the products of British American fisheries exported to the United States for many years past, has been re-exported to foreign countries where they have entered into competition with other foreign exports of Her Majesty's British American subjects; and it must be borne in mind that these fish have not paid any duty.

These propositions will be dealt with seriatim.

By reference to statement No. 8, to be found on page 435 of the British evidence, it will be found that for the seven years following the abrogation of the Reciprocity Treaty (*when duties were payable upon importations*) the imports of fish and fish oil from the United States into the Dominion of Canada and Prince Edward Island were as follows:—

									Dollars.
1867	..	..	..	..	..	..	..	..	172,366
1868	..	..	..	..	..	..	..	..	170,156
1869	..	..	..	..	..	..	..	..	99,563
1870	..	..	..	..	..	..	..	..	99,409
1871	..	..	..	..	..	..	..	..	123,331
1872	..	..	..	..	..	..	..	..	123,670
1873	..	..	..	..	..	..	..	..	279,049

the average annual value being 152,506 dollars.

During the years 1874, 1875, 1876, 1877, *when no duties were payable*, they have, under the operation of the Treaty, been as follows:—

									Dollars.
1874	..	..	..	..	..	..	..	..	728,921
1875	..	..	..	..	..	..	..	..	727,587
1876	..	..	..	..	..	..	..	..	697,657
1877	..	..	..	..	..	..	..	..	750,382

the annual average having been increased to 721,637 dollars.

The increase, therefore, of United States exportation of fish and fish oil annually to Canada has been 569,131 dollars, of which 179,030 dollars consisted of fresh fish, leaving 390,101 dollars as the increase upon articles previously subjected to duty. As against this gain to the United States the British producers have gained an increased market in the United States of only 340,589 dollars, as will be seen by the following figures to be found in the same statement.

During the seven years immediately preceding the Washington Treaty, *when duties were payable*, the United States imported the fish products of Canada and Prince Edward Island as follows, viz.:—

									Dollars.
1867	..	..	..	..	..	..	..	..	1,108,779
1868	..	..	..	..	..	..	..	..	1,103,859
1869	..	..	..	..	..	..	..	..	1,208,805
1870	..	..	..	..	..	..	..	..	1,129,665
1871	..	..	..	..	..	..	..	..	1,087,341
1872	..	..	..	..	..	..	..	..	933,041
1873	..	..	..	..	..	..	..	..	1,293,353

the annual average being 1,137,839 dollars.