

known as the works she has constructed. The Hon. A. T. Galt, the Canadian minister of finance, in a late speech, on behalf of the government, said:

We have no trade ourselves which would require enlargement of the canals; no trade which would justify us in enlarging them; we could only be repaid for such improvements by obtaining the American States' trade and making it pay tolls or otherwise contribute to our revenue.

How far our government will be willing to surrender its trade and revenues as a tribute to this policy of a gigantic British-Canadian rivalry, will depend upon the character of American statesmanship.

CANADIAN TARIFFS—THEIR INFLUENCE ON UNITED STATES RAILROADS, SHIPPING, ETC., ETC.

A statement of the changes in the Canadian tariff, since July 6, 1866, as required by the resolutions of the House of Representatives, will be found in the appendix hereto, (see B.)

It will be seen that Canada, with a view to exportation and the demands of the maritime provinces, now admits wheat and flour free of duty. She has no crop so cheap and profitable, for various manufacturing and other purposes, as corn bought from us. It is a domestic necessity with her to purchase it, as she cannot produce it so cheaply as she can buy it, and any duty levied by her upon wheat and corn, our two staple articles of agriculture, must be paid by her people. Owing to the geological formation and the position of the most populous and rapidly-increasing portion of Canada, she will always be compelled to carry her coal from distant mines, chiefly from the United States, her own consumers paying whatever duties may be imposed on it.

A characteristic feature of the Canadian tariffs is, that although the usual rate of duty levied on textile fabrics and other manufactures is 15 per cent., the materials used in manufacturing are carefully exempted from taxation. Many articles already in part manufactured are also included in the exemptions for this purpose. This course is carried to the fullest extent in reference to shipbuilding, all articles used either in building or furnishing a ship being imported free of all duty.

A similar policy exists as to railroad iron in all its forms, to locomotives, and engine frames, and to everything used in the constructing of railways. To so great an extent are facilities for shipbuilding carried out, that such a vessel as would cost about \$100 a ton in the seaports of the United States can be made for little more than half that sum in the ports of the provinces, estimating in the currency of the United States. The influence of this great advantage in favor of provincial shipping and foreign industry over those of our own country, both in competition for inland commerce on the lakes and rivers, and for trade carried on between the two countries on the coast, and with all regions beyond the sea, deserves grave attention; and the concessions made in the same way to provincial lines of railroads, also competing with our own, are scarcely less worthy of consideration. The coasting trade of the British provinces has never been conceded to the vessels of the United States. Foreign ships might go from one colony to another, but even this limited privilege is now taken away by the confederation of the British North American provinces. The imperial act 16 and 17 Victoria, chapter 107, section 163, is as follows:

"No goods or passengers shall be carried from one part of the British possessions in Asia, Africa or America, to any other part of the same possessions, *except in British ships.*"