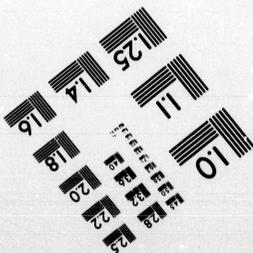
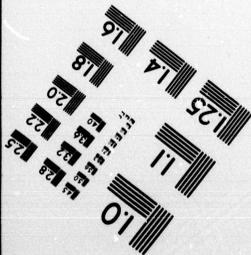
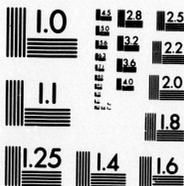


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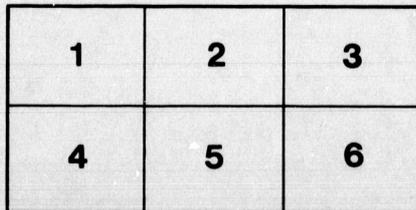
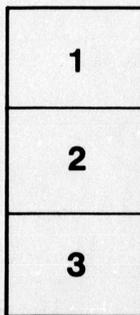
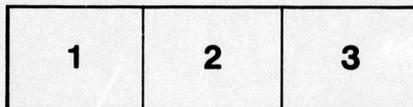
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OUR TRADE WITH CANADA.

ARGUMENT

OF

HON. SELWYN Z. BOWMAN,

OF MASSACHUSETTS,

IN THE

HOUSE OF REPRESENTATIVES,

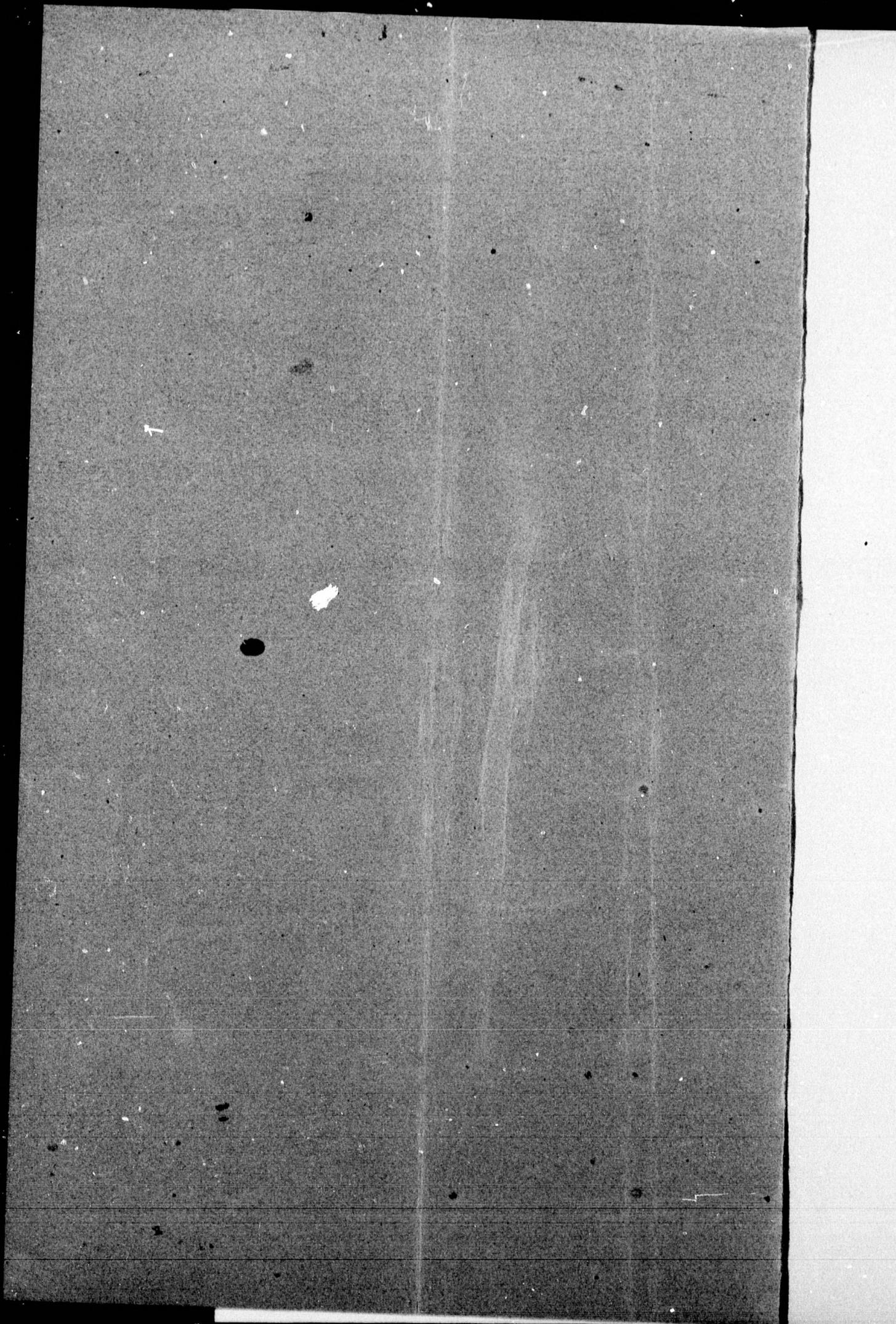
TUESDAY, JUNE 1, 1880.

**"The care of our national commerce redounds more to the riches
and prosperity of the public than any other act of government."**

ADDISON.

WASHINGTON.

1880.



12

OUR TRADE WITH CANADA.

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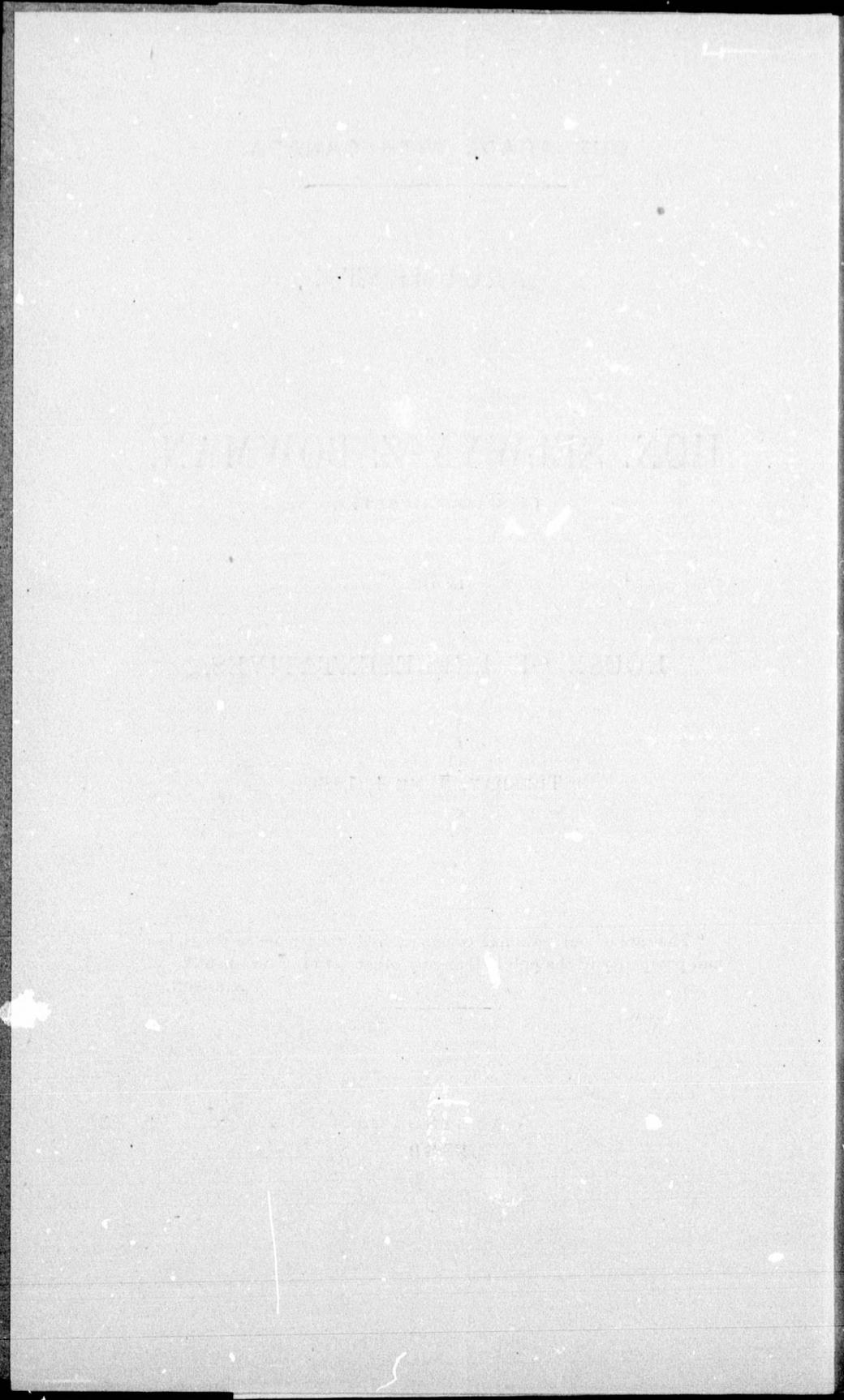
"The care of our national commerce redounds more to the riches
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WASHINGTON.

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ARGUMENT
OF
HON. SELWYN Z. BOWMAN.

On the "joint resolution (H. R. No. 149) for the appointment of commissioners to ascertain and report a basis for a reciprocity treaty between the United States and the British provinces," (report No. 1127.)

Mr. BOWMAN said:

Mr. SPEAKER: The questions underlying this resolution and seeking an investigation and a solution, are of vast magnitude, and directly or indirectly have had, and will have, a great effect upon the interests of the people and the various branches of industry of our country. Our commercial or trade interests are the mainspring of our prosperity. To protect and foster these interests, in view of our enormously increased and increasing productions, to preserve for our commerce all the foreign markets which it has had, to open up and extend those markets to the greatest possible extent, to make our powers of sale advance at an equal pace with our powers of production, these questions merit and will receive the earnest consideration of Congress.

However members may differ as to the expediency of the proposed resolution, I am confident that they will agree as to its importance and as to its being worthy of full investigation.

To show the importance and extent of our commercial relations with the Dominion of Canada, to demonstrate the necessity of their careful investigation with a view to their protection and further growth, is the object of this argument; and if I am obliged to treat of the subject somewhat at length, I am sure that members will pardon it, if thereby I am enabled to throw any light upon these long-discussed questions, which in one way or another at different times have threatened the mutual prosperity and even the peace of the two countries.

I shall present what I have to say upon this question according to the following

ABSTRACT OF ARGUMENT.

1. Resolution is for information only.
2. Reciprocity does not mean free trade.
 - A. Present idea of reciprocity is not of free trade.
 - B. Old reciprocity treaty did not mean free trade.
 - C. This movement does not mean the old reciprocity treaty.
3. Is Canada worth treating with?
Importance of Dominion as to—
 - A. Location;
 - B. Area;
 - C. Population;
 - D. Shipping and transportation;
 - E. General commerce;

- F. Special commerce with the United States.
4. Did the former treaty benefit us?
 - A. What that treaty was.
 - B. History of former treaty and of repeal.
 - C. Effect of former treaty.
 - D. Effect of its repeal.
 - E. Immateriality of the question here.
 5. Is the condition of affairs at the present time such as to make an inquiry advisable?
 - A. The new Canadian tariff.
 - B. Comparison of new and old tariff.
 - C. Results of new tariff.
 - D. Critical importance of question at present time.
 6. Is there any need of extending or enlarging our markets?
 - A. Extent of our productions.
 7. Is this the best way to meet these questions?
 - A. Magnitude of the question.
 - B. Why commission is necessary.
 1. To collect facts.
 2. To ascertain law.
 8. Is there any general demand for this?
 - A. In Canada.
 - B. In the United States.
 - C. Immateriality of this question.
 9. Injustice and discrimination in refusing this investigation.
 - A. Investigation for commercial interests.
 10. Are there any objections to the resolution?
 - A. Feeling of hostility to Canada.
 - B. Desire to force annexation.
 - C. Feeling as to fishery questions.
 - D. Objections to former reciprocity treaty not pertinent here.
 - E. That it is impossible to agree.
 11. "Fishery" question.
 - A. A question of money, not of feeling.
 - B. Desirability of a commission to settle this question.
 12. Are there any legal objections to the proposed resolutions?
 - A. Only a resolution for information.
 - B. Treaty-making or tariff powers of different branches of Government.
 - C. "Favored-nations" clauses in treaties.

I.—RESOLUTION FOR INFORMATION ONLY.

I desire to call the attention of the House particularly to the words of the resolution now under consideration. It reads as follows:

Joint resolution for the appointment of commissioners to ascertain and report a basis for a reciprocity treaty between the United States and the British Provinces.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled. That the President of the United States be, and hereby is, requested to appoint three commissioners, by and with the advice and consent of the Senate, to confer with other commissioners to be appointed by the government of Great Britain, whenever it shall be the wish of that government to appoint commissioners on its part; such commissioners on the part of this Government to ascertain and report on what basis reciprocal trade, for the mutual benefit of the people of the United States and the said provinces, can be established.

This is simply and solely a resolution of inquiry. No powers whatever are given to the commissioners, except to investigate the questions referred to in the resolution and to report the facts and their conclusions thereon to Congress for its action. Neither directly nor by implication can Congress be regarded as in any way adopting a

policy or giving a pledge by the adoption of this resolution. It can thereby neither declare for or against reciprocity with the Dominion of Canada, or in any way express an opinion in regard to tariff or free trade with Canada or with other countries. By the adoption of this resolution Congress will leave itself entirely free to act in the future as its judgment shall dictate, and simply says to the commercial world and to all others interested in the important questions referred to by the resolution that it in no way prejudices the case, but before deciding it or in any way expressing any opinion upon it desires to obtain the fullest possible information.

For my own part, I desire it to be distinctly understood that I do not pledge myself to the support of a system of reciprocity like the former one between this country and the British provinces, or beforehand to any system of reciprocal trade which may be advised by the commission. I simply say that the subject is of great importance, should be thoroughly and systematically investigated by a commission of competent experts, and that upon their report, either as to accepting, rejecting, or modifying it, I should act (if I had any opportunity to act upon it at all) as my judgment as to what is best for the interests of our own country should dictate. Selfish considerations should and must govern nations. The first duty of a nation is to itself. In regard to this and similar questions the only thing to be discussed is whether the proposed action will be a benefit to the people of this country. If the building up of a Chinese wall to cut off all commercial intercourse between this country and Canada would be of benefit to our merchants, manufacturers, laborers, and farmers, and to our people generally, I should feel it to be my duty to do what I could to build up such a wall, whether composed of prohibitory tariffs or any other material. Self-protection is a nation's first law, and in regard to questions of our commercial policy with other countries it is inadmissible to discuss what the effect on the other countries will be until we have thoroughly considered and disposed of the question as to what the effect on our own country will be.

In regard to the great questions of tariff in their broadest aspect, the only question which carries weight in my mind is, as to whether our people are to be most benefited by tariffs which shall protect our industries and keep the wheels of business in active motion, or by free trade, which shall open up our markets to the competition of the world. I would therefore treat this question of reciprocity as a practical business question, to be considered and decided only as it affects our own interests. It is simply a dollar-and-cent, or what the Germans call a bread-and-butter question. These fine-spun and pleasant theories of the fraternity of nations can well be considered and have a place, when we are called upon by the cry to which our people always nobly respond, for us to stretch out the hand of charity and of loving sympathy to the poor and distressed of other countries; but when the questions recur to us, as legislators for the country, of making laws and adopting policies of trade or other intercourse with foreign peoples, it is necessary for us to remember the vast interests intrusted to our charge and the multitudes of citizens who look to their law-makers for protection. Where material interests are concerned, and in the fierce struggle for existence, as strong between nations as individuals, and while the doctrine of "survival of the fittest" prevails, the old Ishmaelitic doctrine must govern a nation, and for the protection of its people its hand must be against every other man's hand, and every other man's hand against it.

If a reciprocal trade with the British provinces can be in such a

manner established that it will be for the benefit of our people as a whole, then it is our duty to favor any such scheme of reciprocal trade; but if it would injure our country, it will be our duty to oppose any such scheme. Our Canadian neighbors might as well thoroughly understand that we shall approach this question (just as they will consider it) in a business way, and only for the purpose of benefiting our country. It is not a question of feeling, of sentimentality, or of brotherly love or hatred between the two countries, but simply a question of material benefits. Let it be demonstrated that such trade will be of benefit to this country, and we certainly shall favor it by all proper legislation; let it be demonstrated that such trade will not be a benefit to this country, and we certainly will destroy it by all proper legislation. That is the only question in this case, and that is the question that we desire to have investigated in the most thorough and complete manner by this commission. I may say here that, the question being as I have stated, it is no argument whatever against it to reply, as many have done, that a reciprocal trade will be of more advantage to Canada than to this country; for while that might be true, it might also still be true that such reciprocal trade would still be of advantage to this country. If Ireland was starving and we sold her corn, it would be of more advantage to her to get the corn and relieve her sufferings and save her population than to us to sell it; but thence no argument could be drawn that it was not an advantage to us to have that trade. The question is, whether such trade would benefit us in fact, and not whether it would benefit any one more than us. It cannot be laid down as an axiom of political economy that a trade between two countries which benefits one more than it does the other is an injury to the country which is benefited the least.

I do not by any means admit that either history or reason teach us that a reciprocal trade between the provinces and the United States would be of more advantage to the former than to the latter, and I think that the converse of that proposition can be shown to be true, or that it can be shown that no system of reciprocal trade can be devised which will not be of less advantage to us than to them. But still I submit that it is no argument against a reciprocal trade, even if you admit it to be true. I have seen a boy "get mad" and refuse to take any because he could not have the biggest part of the apple; it would be singular to see a nation refuse to take any of the trade because it could not have the biggest part. The boy should have recognized the political axiom that because he could not have the whole apple it was injurious to him to take any. This is the argument which has constantly been pressed forward by those who believe that the idea of a trade with Canada is so delusive that it is not even worth investigating, when they say with triumphant iteration that a trade with the provinces will do them more good than it can accomplish for us. The conclusive reply to this is to enter a demurrer to the proposition. One of the chief-justices of England once said that a demurrer meant "what of it?"

This, then, is the question to be investigated: Can any system of reciprocal trade be devised between the United States and the Dominion of Canada which will be an advantage to our country? All that the advocates of this resolution say is that they want this question fully investigated, in order that Congress and the people may have all the facts before them to enable them to judge intelligently in so important a matter. All that the opponents of this resolution can say is that they desire that no light shall be thrown upon this

question; that Congress and the people shall not obtain the facts, but shall be kept in the dark and away from any authentic information; and that, so far as they are concerned, they will refuse to allow any information, instruction, or investigation as to the merits of this case. Upon what ground they can possibly stand in maintaining so extraordinary a proposition, I am unable to conceive.

I am informed that a distinguished member of Congress, a most bitter opponent of all ideas of reciprocal trade with Canada, replied when asked about this resolution, "Why, of course we can't oppose a resolution for information and inquiry only!" And it seems to me that all members will come to the same conclusion who will only carefully read and consider the effect of the resolution under discussion.

Will gentlemen state what there is in the resolution that is objectionable; what parts of it are open to criticism? It may be divided into two parts; in the first place, that which provides for a commission to consult with a similar commission to be appointed by Great Britain; and, in the second place, that part which provides for the object of the commission, namely, to consider whether any reciprocal trade between the United States and the British provinces can be negotiated. Which of these two parts is objectionable? Will any one say that, if the question of the possibility of the establishment of reciprocal trade is worth discussion, it is improper that it should be considered by a joint commission of the kind proposed by the resolution? If the object of the resolution is to examine the subject, and it is desirable to have any trade at all with Canada, it is impossible that the objectionable part of the resolution can consist of the subjects being considered by a commission of experts who may gather the fullest information possible and thus help to educate Congress and the people. It cannot be this part of the resolution that can be considered objectionable by any member. What, then, of the other part of the resolution which provides for obtaining information as to whether any reciprocal trade can be negotiated with Canada? Will any gentleman present say that he is opposed to this doctrine of mutual trade on principle, and from its foundation, and so much opposed that he does not wish even to consider the question? Will any gentleman present say that he is under any and all circumstances opposed to any reciprocal trade with Canada, and that he believes all commercial intercourse should be cut off between the two nations? Will any gentleman present say that he believes that by years of retaliatory tariffs all the great trade which has heretofore existed between these two countries shall be absolutely destroyed, and the mercantile, manufacturing, and producing industries of our country shall be injured, to which this reciprocal trade has been heretofore an advantage? If gentlemen present take this broad ground, then they are perfectly consistent in their opposition, and can legitimately face such opposition upon the ground that the second part of the resolution is objectionable in that it provides for an investigation of the question whether there can be such reciprocal trade, whereas they are opposed to having any reciprocal trade at all, or under any possible circumstances which the commission or any one else can devise. These are the only two answers that can be made to the proposition under discussion, and if there are any members here who logically, consistently, and reasonably can occupy either of these two positions, I should like to hear from them.

Our opponents may allege, however, that the subject is not of sufficient importance, and the chances of benefit under the resolution or

in consequence of reciprocal trade with Canada great enough to justify us in going to the trouble and expense of the appointment of this commission. This is, to a certain extent, a legitimate argument, and I shall consider these two allegations hereafter more in detail; but in reference to them let it be remembered that all we have to do is to show what is called in legal phraseology "probable cause." When they allege that the subject is not of sufficient importance, or the chances of benefit sufficiently great to even justify an inquiry, we are only obliged to show that the probabilities of benefit from an investigation are sufficiently great, and not to go beyond this and demonstrate to an actual certainty that the desired results would follow. If the latter were the case and we could demonstrate to such certainty that a reciprocal trade could and should be established, and by what means, there would be no need of a commission at all, as this is the very subject that a commission is called upon to investigate. If we can make out the "probable cause;" if we can show by the past history of the commercial intercourse of the two countries and by the present condition of affairs and by the probabilities of the future that there is reason to believe there is a chance that a reciprocal trade in some way or other can be established which may be of benefit to this country, then it is our duty to have an investigation made, and not to set aside and lose even a possible chance of great benefits being secured for our country. In a word, we need not discuss the question itself but the probabilities of the question. But I think I shall succeed in convincing all unprejudiced minds, open to conviction and to argument, that at any rate this subject has sufficient importance and sufficient probability of some success to render it unpatriotic, unwise, and absurd to reject this resolution.

II.—RECIPROCITY DOES NOT MEAN FREE TRADE.

Nearly all the arguments against the resolution or the idea of reciprocity which I have heard have been based upon the assumption that reciprocity means free trade, whereas this is by no means true. The opponents of any trade with Canada assume that free trade is meant, and then proceed to argue against it. They build up by ingenious devices and at great pains and trouble and with great skill a man of straw, entirely a creature of their imagination and of their prejudices; and then they proceed to attack him with great vigor and with ingenious arguments and with statistics, and to tear him to pieces. They construct from the fertile soils of their fears an imaginary treaty, such a treaty as they think might be open to objection, and with all kinds of articles in it which may be made legitimate subjects of criticism; and then they pick this imaginary treaty to pieces, tearing it limb from limb, with cries of rejoicing, and shout out to Congress and their constituents that they have destroyed all the ideas of reciprocity. They assume that the human mind is incapable of evolving a new system which shall not be in all respects free trade, and that it is beyond the mental powers of a mercantile community to devise any system whatever of sending goods to and fro across the border which shall not consist in wiping out on both sides all duties on those goods.

The present idea of reciprocity is not one of free trade. Advocates of this resolution are not free traders. I am free to say that I do not believe, at this stage of progress in this country, in free trade. It may come when we can manufacture our goods and produce the crops of this country so low as to defy the competition of the whole world. And when we arrive at that point at which England arrived many

years ago, when it seemed to be proved that her labor and material were so low that no other country could carry them down to a lower point, then free trade may turn out to be an advantage to us as it was an advantage to England in many respects. We cannot now compete in all directions with the labor and supplies of other countries. Our great manufacturing and producing industries are the life-blood of the nation. If these are injured and trodden down, not only are all capitalists of the country injured, (in which term I include not only those popularly known as capitalists, but the widows and orphans and poor men with capital invested in the savings-banks and all those who otherwise have money invested in these manufacturing enterprises,) but also the laboring-men who are employed in all parts of the country almost wholly in work which is only carried on and can only be carried on by means of the money furnished by the capitalists of the country.

It is foolish in this country to talk about the contest of capital against labor. The stocks of our large mills are to a great extent held by poor people—widows, children, and poor men who have laid up a little for a rainy day and invested it in stocks, and by many people in general, to whom the loss of the dividend means a loss of the comforts and necessities of life. Our labor and our materials, the cost of which depends on the cost of labor, have not dropped to the low point to which they have sunk in foreign countries. When our laboring-men, our workers in the mills, our toilers on the farms, and our workmen on the railroads can live as those live in England—eat meat only once a week, and not be sure of that; live in dirty and nasty hovels, have no education, and have neither rest nor recreation, mental or otherwise, will toil early and late, and give up all eight-hour ideas and other ideas of comfort or of benefit to themselves, then they can afford to work at the same wages paid to the English workmen, and in that time we can compete in the markets of the world with the English manufacturers. None of us want to see that day come. The people of this country, in my opinion, will prefer, as a whole, to pay a few cents more for the articles which they eat or otherwise consume than to see our whole laboring population leveled downward to the condition of those in European countries. Our laborers themselves, who complain, perhaps, the most of the tariff, if they will consider this question and reason about it will see that by the removal of the tariff they themselves will suffer more than any other class, because the removal of the tariff would make one of two things necessary: either the giving up of all our manufacturing industries or the reduction of wages to a point which will enable us to compete with the English, Belgian, French, and other manufacturers.

A modification of the tariff is necessary; its wiping out is unwise and suicidal. But let me tell the high-tariff men and those who believe in the protection of American industries that it is wise and in the interests of both producers and consumers that some wise, systematic, scientific, and well-considered modification of the tariff should be made. Aside from the propriety of this measure at the present time and the good results which it will have upon the country, an equitable modification will save the tariff; stubbornness and stupidity in objection to all reductions of the tariff may destroy it utterly. By damming back all the waters of the rushing stream they will rise against the barrier, fret and chafe and whirl around within their narrow boundaries, constantly re-enforced by fresh currents rushing down from above, until finally the force of the angry waters becomes so great that it sweeps away utterly all the dams and barriers which

kept them back. If those who are interested in the protection by a proper tariff of our American industries absolutely refuse to treat with those who look toward free trade, refuse to consult with them concerning any reduction at all, and insist on maintaining the tariff at the highest figures, they will dam back the force of public opinion, which will gather and grow and increase in force and in angry vehemence until it will rise to a point when it may sweep away all the barriers and utterly destroy the tariff. I would suggest to those who are inclined to oppose this resolution that this doctrine may apply to them, and that it will be well for them to consider whether it is not best now to have a commission to consider these questions fairly, impartially, and patiently, rather than to run a risk at some future time of some reciprocal trade with Canada, which may be a scheme of free trade, rushed through by hot-headed impulses and by crude and unconsidered laws.

PRESENT IDEA OF RECIPROcity IS NOT OF FREE TRADE.

What we mean by reciprocity is simply this: that there is at the least a chance that a reciprocal trade may be established with Canada which shall benefit both countries, while it may protect by its proper tariff any peculiar industries of either country which shall need protection. There are some things that Canada wants to sell and that we want to buy, and there are other things that we want to sell and Canada wants to buy; and the question is, whether matters may not be so arranged between the two countries that those goods may be in some way transferred which both countries desire to have transferred. For example, both countries will agree on this proposition: that it is for the interest of our country that we should have the right of fishing in Canadian waters, and it is for the interest of the Canadians that they should be allowed to sell their fish in our markets, and that their vessels should be allowed to have what they can get of our carrying trade. The question in regard to this subject to be investigated is whether it is possible to meet the wishes of both countries. It may be impossible, but certainly it is worth while to make the trial and find out whether it is not within the powers of the human mind to make some satisfactory mutual arrangement. I only use this as an illustration at the present time, as I shall refer to this fishery question hereafter.

There are some things proposed which cannot be agreed upon between the two countries, but those things we can leave out. The question will be, is there not some common ground upon which the two countries can stand, some common trade upon which the two countries can agree, and which shall be for their mutual benefit? Is not full protection of our interests compatible with some trade with Canada? And, if so, with what branches of trade? Here is a part of the vast question which this commission will settle: To look over the whole ground, to look to the fishery interest, the lumber interest, the manufacturing, the iron, and the agricultural interests of our country, to keep their eyes on the East and West and South, to consider Maine, Massachusetts, and Michigan, and, having looked over this vast field to see if in concert with the Canadian commissioners it cannot pick out something which can be agreed upon, and at least some of these great interests which will be benefited by a commercial union of some kind with Canada—this is the duty of the commission. The commercial interests between these countries have been of vast extent. Can anything be done to help them, or shall we abandon them in despair and proceed to cut each other's throats in all political and tariff

ways? Here is the question which confronts us, and it is of special importance at the present time, as I shall show hereafter. Let one thing be fully understood in all discussions of this kind, that the interests of our country are to be fully protected, no matter what the sacrifice shall be to Canada, and that the first object we have in this resolution is to endeavor to benefit the manufacturing and producing industries of this country.

THE FORMER RECIPROcity TREATY WAS NOT FOR FREE TRADE.

I shall describe more particularly hereafter what the provisions of the former reciprocity treaty were. The opponents of all ideas of reciprocal trade constantly argue that the proposed resolution looks toward a treaty identical with the former treaty, and then proceed to argue that the former treaty was for free trade and therefore opposed to all our ideas of a tariff for either revenue or protection. It is sufficient to say under this heading of my argument that only certain specified articles were admitted under that treaty free of duty, and these may be broadly described as mostly natural articles, and generally in a crude or unwrought state. They were mostly productions of the soil or animal productions. In regard to the most of these the United States could compete with Canada on equal grounds, as the results of the treaty and the statistics of the time it was in operation prove. The manufacturing industries, the coal and oil interests, and various other mercantile interests of the country were not affected either in one way or the other, and in fact the treaty had no operation whatever upon any articles or branches of trade, except those expressly specified, which were comparatively very few in number. So that the operations of the treaty were exceedingly limited in extent. The framers of that treaty only picked out certain articles of trade which they thought might be made free; all others were untouched. On the consideration of the treaty hereafter, it will therefore be seen that the argument against this resolution as tending toward a free-trade treaty is entirely fallacious and falls to the ground.

THIS RESOLUTION IS NOT ONE FOR THE OLD RECIPROcity TREATY.

Here again the arguments of the opponents of this resolution utterly fail; they proceed to argue at great length against the old reciprocity treaty; they assume that the new treaty, if any is to be made, must be the same as the former treaty, whereas there is no connection whatever between this subject and the old treaty. Even if they prove that the old treaty was an injury to this country, which I am prepared to deny, their argument is utterly worthless in this discussion. They have no right to assume that the new treaty will be the same as the old treaty, or that it will even be founded upon the old treaty as a basis. Some of the evil effects of the old treaty have been recognized, and it is incredible that they will be restored in the new treaty. This question is now taken up as an entirely new one, and the subject is to be investigated by this commission as a new subject, with all the light thrown upon it during all the years elapsing since the expiration of the former treaty, and by the operations of the former treaty. The difficulties of the old treaty are to be considered by the commission, the evils of it avoided, and out of all the materials made ready for their hand by the experience of so many years, they are to try to find something with which they can build up a new and unobjectionable treaty.

It is useless to argue now whether such a reciprocal treaty has been or can be of benefit to the country, or to argue for or against the re-

sults of the appointment of this commission. There is no possibility of foretelling the results of a commission. For all that we know, it may turn out to be an anti-treaty commission, and may demonstrate that no reciprocal treaty of any kind can be made between the two countries. The opponents of this resolution might in fact favor it on their own assumptions, and on those assumptions their only logical position would be to so favor it. Why do not they reason in this way, and crystallize such reasons into votes: that they desire a commission to be appointed, because it is absolutely certain that there can be no reciprocal treaty between these countries, and that a commission will be sure to so report; and, therefore, they wish to use the influence of the report of this commission to finally and thoroughly crush out all ideas of a reciprocal treaty with this country. For all that this resolution now shows, it may be in point of fact regarded upon the arguments of the anti-treaty men as an anti-treaty resolution. Therefore upon any doctrine it seems impossible that any one can offer any opposition to the adoption of this resolution.

III.—IS CANADA WORTH TREATING WITH?

This is a legitimate inquiry in regard to the resolution. Our opponents may say that Canada is not worth treating with under any circumstances; that she is of very small importance, almost worthless; that her exports exceed her imports, so that she has not any trade worth anything to supply; that the same may be true of her special trade with the United States, so that under no circumstances shall we find a market in that country, while she will find a market in this country. If all this is true and is demonstrated as a fact, there may be no need of a commission. It is undeniable that it is not worth while investigating a worthless subject, and if our opponents can show to us in the commencement of this investigation that the question of a commercial treaty with Canada is a worthless subject, that there is no trade there to seek, that there is no importance there either in a commercial or other view to be found, that Canada is a frozen country of the North without any goods to sell that can benefit us, and without any money to buy which can go into the pockets of our merchants, manufacturers, and farmers, then the question is ended, and we need not trouble ourselves with the delay and expense and trouble of a commission. Our opponents will not be so foolish as to formulate such ideas in such a way, and yet such an argument would be almost their only one against the resolution, and is in substance used. Canada is of great importance in a commercial point of view, either as regards her location, area, population, shipping, transportation, general commerce of the world, or the special commerce of the United States, and I ask the attention of the House to a consideration of the question of her importance in these respects, for I am sure it is not understood or appreciated, except by those who have made a special investigation of the subject.

LOCATION OF THE DOMINION OF CANADA.

The location of Canada in reference to the United States is worth being considered in regard to this question of whether we could or should have any trade with her. Here is a great country stretching across the continent from the Atlantic to the Pacific Ocean, separated from us mostly by imaginary boundaries, with the most intimate relations between the two countries, with a border which it is impossible to have thoroughly guarded, and with peoples who are neighbors in language, sentiments, and to a great extent in commercial inter-

ests. The boundary between the Eastern States and the Dominion consists of small rivers and mostly of imaginary lines. Then come the boundaries between the Dominion and this country of the Saint Lawrence and the great lakes, and beyond the lakes the only boundary is the imaginary one of the forty-ninth parallel. Nearly, if not quite, one-half the whole boundary-line between the countries is an imaginary one existing only on the maps. The railroad connections between the two countries are most intimate. Many of our great railroads connect with the West by Canadian connections. Their railroad systems mostly connect with foreign countries, and with the ocean by roads within our boundaries. The water communications by canal and lake are similarly intimate. All the vast commerce of our great lakes only reaches without transshipment the ocean through the Canadian territory. With a country thus situated, contiguous to ours, with intimate connection of rail, of canal, and all other water communications, we should have friendly commercial relations if possible. A constant commercial war between the two countries, the endeavor to see which country can injure the other the most, this constant smuggling across the border and trying on the part of either country to break up the commercial relations of the other is to be avoided by all means compatible with the true interests of this country. The countries touch each other at every point. Our railroads reach out into her all along the line. We can supply her more cheaply than any other nation if we have an opportunity. England must send her goods across a wide ocean to Canada, paying the charges on freight, while we can, within twenty-four hours, and, in cases where there is direct connection between commercial centers, within twelve hours, place our goods in Canada ready for delivery and use. The mere difference in ocean freightage would give us the markets of Canada in preference to foreign countries, provided the Canadian markets can be thrown open to us on just and equal terms, and such as foreign countries enjoy. Especially at the present time is our connection with Canada of importance in securing her trade if possible. The Dominion formerly extended only to the eastern end of the great lakes; now it is pushing itself forward across the continent. It is building up just across the border from us its territories, which are becoming settled throughout those sections of the country. It is opening up settlements, and before fifty years we may, perhaps, see the southern borders of Canada nearly as thickly settled as the adjacent northern borders of our country. This question, then, looking at it from the point of view of location alone, of hostile or harmonious, of reciprocal or adverse trade, of helping each other or fighting each other, is a question of great importance and cannot well be exaggerated. In the case of a country like France, which has also been desirous of reciprocal trade, these considerations will be wholly eliminated. Either as to the "favored-nations" clause in treaties or otherwise, the position of Canada is utterly different from what that of any other country can be. No other country has, or can possibly have, the same comparative value to us in regard to this question of reciprocal trade, and any basis upon which reciprocal trade with Canada will be established must be on the ground of its peculiar connection with and relations to us, and entirely independent of reasons which might apply to any other country.

AREA OF THE DOMINION.

The Dominion of Canada comprises the entire region embraced between the northern boundary-line of the United States and the Arctic

Ocean, with the exceptions of Alaska and the islands of Greenland and Newfoundland. It includes the territories formerly, and in some instances at present, known as Upper and Lower Canada, Nova Scotia, Cape Breton, Prince Edward Island, New Brunswick, Manitoba, British Columbia, Vancouver's Island, and the Northwest Territories. The area is estimated at 3,580,310 square miles.

The following table shows the area in square miles of provinces in British North America :

Ontario	107, 780	Prince Edward Island	2, 100
Quebec	193, 355	Newfoundland	42, 000
Nova Scotia	21, 731	Manitoba	14, 000
New Brunswick	27, 322	British Columbia	356, 000

The following tabular statement, compiled from the census of 1871, shows the quantity of land owned, occupied, and improved in each of the provinces named therein :

Provinces.	Owned.	Occupied.	Improved.
	<i>Acres.</i>	<i>Acres.</i>	<i>Acres.</i>
Ontario	19, 605, 019	16, 161, 676	8, 833, 626
Quebec	17, 701, 589	11, 025, 786	5, 703, 944
New Brunswick	5, 453, 962	3, 827, 731	1, 171, 157
Nova Scotia	6, 607, 459	5, 031, 217	1, 627, 091
Total	49, 368, 029	36, 046, 410	17, 335, 818

POPULATION OF THE DOMINION.

The following table, showing the population of the United States and British North America for the years therein named, may be found interesting, as showing not only the comparative population of the two countries, but also their comparative growth since the first decade before the beginning of the present century. It will be seen that, starting from the population of 1790 as a standard, the population of the Dominion has increased in about an equal ratio with that of the United States, and that, in other words, as to the United States, the population of the Dominion was about as large proportionally in 1871 as in 1791 :

United States.		British North America.	
Year.	Population.	Year.	Population.
1790	3, 926, 214	1791	279, 000
1800	5, 308, 483	1801	342, 000
1810	7, 239, 881	1811	479, 000
1820	9, 633, 822	1821	790, 000
1830	12, 866, 020	1831	1, 200, 000
1840	17, 069, 453	1841	1, 656, 700
1850	23, 191, 876	1851	2, 487, 855
1860	31, 443, 321	1861	3, 294, 654
1870	38, 558, 371	1871	3, 730, 774

Including Indians, British North America contained 3,833,132 per-

sons in 1871. The following table shows the population of the provinces named therein for 1851, 1861, and 1871 :

Names of provinces.	Population.		
	1851.	1861.	1871.
Ontario.....	952,004	1,396,091	1,607,873
Quebec.....	890,261	1,111,566	1,184,528
Nova Scotia.....	276,854	330,857	386,134
New Brunswick.....	193,800	252,047	284,191
Prince Edward Island.....	62,678	80,857	93,698
Newfoundland.....	102,600	122,250	146,536
Manitoba.....	.....	.....	12,228
British Columbia.....	.....	.....	10,386

Thus, whether you look at the great area of the Dominion, the inhabited and cultivated and productive portions of which are increasing from year to year, or at her population, which keeps equal pace in its increase with that of our own country, it will be found difficult for the opponents of this resolution, as against these facts alone, to shuffle this question aside with the sneer that Canada does not "amount to anything"—that her trade cannot benefit us in any way, and that we do not want, commercially or otherwise, to have anything to do with her.

SHIPPING AND TRANSPORTATION OF THE DOMINION.

Statement showing the number and tonnage of vessels built ; also the total number and tonnage of sailing-vessels, canal-boats, and barges owned by the United States and Canada in the years therein given.

	1874.	1875.	1876.	1877.
United States :				
Number of vessels built	2,147	1,301	1,112	1,029
Tonnage	432,725	297,638	203,585	176,591
Total number of vessels owned.....	.....	.....	25,934	25,366
Total tonnage owned .....	.....	.....	4,279,458	4,242,599
Dominion of Canada :				
Number of vessels built	496	480	420	432
Tonnage	190,756	151,012	130,901	127,297
Total number of vessels owned.....	6,930	6,952	7,192	7,362
Total tonnage owned	1,158,353	1,205,565	1,260,893	1,310,468

Of the provinces, Nova Scotia owned 541,579 tons ; New Brunswick, 329,457 ; Quebec, 248,399 ; Ontario, 131,761 ; Prince Edward Island, 55,547 ; British Columbia and Manitoba, 3,725 tons.

When compared with the leading maritime nations of Europe, these comparatively young countries occupy an important position in regard to merchant shipping, as the following statistics show :

In 1877 the tonnage of Great Britain, including her colonies, was 7,677,024 ; Norway, 1,391,877 ; Italy, 1,360,425 ; Germany, 1,053,229 ; and France, 870,225 tons. These figures do not include the inland tonnage of the sailing-vessels of these nations, or of steamers under one hundred tons register, or barges.

The United States take rank as the second ; and we feel safe in placing Canada as fifth among the ship-owning countries of the world.

In the provinces, the first railway opened was in Canada proper, in 1847. In 1861 British North America had 2,162 miles constructed ; and in 1876 the aggregate number of miles of railroad owned by the Dominion of Canada was 5,494, exclusive of double track.—*The United States and the Dominion of Canada*, by Alexander Munro, esq. ; Saint John, New Brunswick, 1879.

As was stated by J. C. Bates, esq., of the Boston Board of Trade,

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in a very valuable argument on this subject before the Committee on Foreign Affairs of the House—

To-day in the matter of tonnage Canada has one-sixth of the tonnage of the British Empire. In 1877 the Canadian tonnage was 1,310,468 tons; the tonnage of the British Empire 7,667,024, and that of the United States, exclusive of the lakes and rivers, 2,564,980 tons.

As an indication of its transport trade in one direction alone, the tonnage passing the Welland Canal in 1877 was 1,216,659 tons, and the Saint Lawrence canals 1,341,156 tons.

GENERAL COMMERCE OF THE DOMINION OF CANADA WITH OTHER COUNTRIES.

This question is especially pertinent in this discussion, for the reasons which I have stated. If Canada has a great general commerce it certainly is useful to us to consider how we may obtain a fair share of that commerce in competition for it with other nations of the world. But if such commerce of Canada is insignificant, we need not pay any attention to the question of how to obtain a share of it. Any one who will consider the facts and figures in relation to this branch of the subject cannot fail to come to the conclusion that the commerce of Canada is large and growing, and that we cannot afford to set it aside as insignificant and allow it to be monopolized by other nations to our exclusion, if by any means compatible with our interest a fair share at least of it may be obtained for this country. I think any man unfamiliar with the subject and investigating it in an unprejudiced way, and with a desire for information, will be surprised at the importance not only of the general commerce of Canada with other countries, but of the special commerce of Canada with the United States. Her commerce is large and growing. It will increase as her territory fills up, and it is as hard to tell what the Dominion will be fifty years from now as to prophesy what the United States will be as to its extent of cultivated land, its industries, and its population. Let it always be remembered in the present discussion of this question that the only point is whether this subject is of sufficient importance to investigate. We maintain that we have made out our case if we show that the commercial importance of Canada is of so great extent as to justify us in the appointment of a commission to consider it and its bearing upon the interests of our country. The following table gives some indication of the commerce of the Dominion of Canada from 1872 to 1878, and of its importance :

Table of imports and exports of the Dominion of Canada.

Year ending June 30—	Exports.	Imports.	Excess of imports over exports.
1872	\$82, 639, 603	\$111, 430, 527	\$28, 790, 864
1873	89, 789, 922	128, 011, 281	38, 221, 359
1874	89, 351, 928	128, 213, 582	38, 861, 659
1875	77, 886, 979	123, 070, 283	45, 183, 304
1876	80, 966, 435	93, 210, 346	12, 243, 911
1877	75, 875, 393	99, 327, 962	23, 452, 569
1878	79, 323, 667	93, 081, 787	13, 758, 120
Total.....			200, 511, 786

It will be seen by this table that the annual aggregates of the exports and imports of the Dominion are very large, and that every year the imports into Canada were very largely in excess of the ex-

ports. Canada has always bought more than she has sold. She has been a purchaser to a much larger extent than she has been a seller, and thus she comes into the markets of the world, not upon the whole as a seller, trying to take away from other countries their markets and to compete with them, but as a buyer, with money in her pockets to spend for the purchase of goods for the use of her people. I believe that even on a small scale the traders are much more anxious to make the acquaintance of buyers who come to them to spend money for goods than that of those who desire to sell, and it is a question with us whether we cannot afford to make some terms with Canada as a buyer every year of a very large amount of articles principally for domestic use. For every year in the preceding table there is shown a large excess of imports over exports. The largest excess was in 1875, and amounted to the sum of \$45,183,304; and the smallest excess was in 1876, and amounted to \$12,243,911; and the total excess of imports over exports for the seven years from 1872 to 1878 amounted to the enormous sum of \$200,511,786. Canada, then, is certainly to be regarded as a purchaser—and a very large purchaser—in the markets of the world.

As was stated by Munro in the book hereinbefore quoted, referring to the last table, "it will be noticed that the Dominion imports are comparatively large according to population, being one-fifth that of the United States, while her exports are only about one-ninth of the latter country. Hence, what is called the balance of trade is largely against the Dominion. In the three years named in the table, the excess of imports amounted to \$69,000,000." Canada, then, has to annually buy, according to the average, goods to the value of somewhere from \$93,000,000 to \$128,000,000, a large part of which are manufactured articles. The question is, where shall she buy them and how much of that trade can we get? Shall we set it all aside as not worth striving for and allow it to go to England, France, or other nations, or endeavor by all proper means to secure a fair portion of it for our country? The natural market of supply for Canada is clearly in the United States. The disadvantages of trade with England are the delay in obtaining goods and the consequent uncertainty of the state of the Canadian markets when the goods shall arrive, the impossibility of personal inspection of those goods before purchase, the increased cost by reason of insurance, and the cost of ocean freightage; all these disadvantages give to the United States the power of controlling to a large extent the purchasing trade of Canada, provided we can have equal terms, or terms not so unequal as to balance the increase of cost of obtaining goods from foreign countries. Here is this great country with this great purchasing power, just across our borders, connected with us by most intimate connections of rail or water all along the line. Is it not true that the question of obtaining our share of this great trade lying at our very doors is worth careful and full consideration? Is a purchaser of goods to the value of \$200,511,786 over and above what she sells in seven years worth trying to secure by honorable and fair means? I put this question on the practical ground of commercial expediency, England has been called a nation of shopkeepers and is said to look out for the almighty dollar.

It may be of advantage to us to consider ourselves a nation of shopkeepers, and to treat these questions from the point of view of commercial usefulness and financial gain, rather than from the point of view of mere political expediency, or of hatred or prejudice against

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our Canadian neighbors. Shall we have intercourse with that country, or allow a thick barrier to be built up between the two nations, shutting us out from her great trade and shutting her out from ours?

SPECIAL COMMERCE BETWEEN THE DOMINION AND THE UNITED STATES.

I have shown the great general commerce of Canada with foreign countries, and the above question of her special importance, as trading with the United States, is worth careful consideration. If history and figures and statistics are to be believed and are productive of information, the magnitude of this special question can hardly be appreciated and is little understood. The following table shows the extent of this special commerce during the years therein stated:

Commerce of the United States with Dominion of Canada and other British North American possessions.

Year ended June 30—	Exports.			Imports.	Total imports and exports.
	Domestic.	Foreign.	Total.		
1851.....	\$9,060,387	\$2,954,536	\$12,014,923	\$6,693,122	.....
1852.....	6,655,097	3,853,919	10,509,016	6,110,299	.....
1853.....	7,404,087	5,736,555	13,140,642	7,550,718	.....
1854.....	15,204,144	9,362,716	24,566,860	8,927,560	.....
1855.....	15,836,642	11,999,378	27,806,020	15,136,734	.....
1856.....	22,714,607	6,314,652	29,029,349	21,310,421	.....
1857.....	19,936,113	4,326,369	24,262,482	22,124,206	.....
1858.....	19,638,959	4,012,768	23,651,727	15,806,519	.....
1859.....	21,769,627	6,384,547	28,154,174	19,727,551	\$47,881,725
1860.....	18,667,429	4,038,899	22,706,328	23,851,381	46,557,709
1861.....	18,883,715	3,861,898	22,745,613	23,062,933	45,808,546
1862.....	18,652,012	2,427,103	21,079,115	19,299,995	40,379,110
1863.....	28,629,110	2,651,920	31,281,030	24,021,264	55,302,294
1864.....	26,567,921	2,419,926	28,987,147	38,922,015	67,909,162
1865.....	30,032,283	1,809,862	31,842,145	37,308,468	69,150,613
1866.....	26,874,888	2,481,684	29,356,572	54,704,959	84,061,531
1867.....	20,548,704	3,774,465	24,323,169	33,604,178	57,927,347
1868.....	23,600,717	2,661,555	26,262,272	30,362,221	56,624,493
1869.....	20,891,786	3,305,446	24,197,232	32,090,314	56,287,546
1870.....	22,570,439	4,278,885	26,849,324	41,089,801	67,939,125
1871.....	29,790,894	4,711,832	34,502,726	37,424,351	71,927,077
1872.....	27,774,091	4,984,989	32,759,080	40,961,432	73,720,512
1873.....	34,368,811	4,203,745	38,572,556	43,809,070	82,381,626
1874.....	42,505,914	4,589,243	47,095,157	38,158,004	85,253,161
1875.....	34,309,761	3,986,770	38,296,531	32,763,870	71,060,401
1876.....	33,583,231	3,477,716	37,060,947	30,930,607	67,991,554
1877.....	38,131,706	2,698,020	40,829,728	26,046,090	66,875,818
1878.....	35,740,494	3,355,349	39,095,843	27,971,191	67,067,034

For the term of twenty years, from 1859 to 1878, the total imports and exports between the United States and the Dominion of Canada amounted to \$1,282,106,384, the total exports being \$625,996,689 and the total imports \$656,109,695. I call the attention of the House to the fact that these figures only apply to the special trade between the United States and the Dominion of Canada. The following table

shows the excess of exports over imports, and the reverse, from 1851 to 1878 :

Year.	Excess of exports from the United States to Canada over imports.	Excess of imports into the United States from Canada over exports.
1851.....	\$5,321,801	.....
1852.....	4,398,717	.....
1853.....	5,589,924	.....
1854.....	15,639,300	.....
1855.....	12,669,286	.....
1856.....	7,718,928	.....
1857.....	2,138,186	.....
1858.....	7,845,208	.....
1859.....	8,423,623	.....
1860.....	.....	\$1,145,053
1861.....	.....	317,320
1862.....	1,779,120	.....
1863.....	7,259,766	.....
1864.....	.....	9,934,868
1865.....	.....	5,466,323
1866.....	.....	25,348,387
1867.....	.....	9,281,069
1868.....	.....	4,099,949
1869.....	.....	7,893,082
1870.....	.....	14,240,477
1871.....	.....	2,921,645
1872.....	.....	8,205,352
1873.....	.....	5,236,514
1874.....	8,937,153	.....
1875.....	5,532,661	.....
1876.....	6,130,340	.....
1877.....	14,783,638	.....
1878.....	11,124,652	.....
Total	125,308,303	94,189,979

It will be seen from the above table that during the years when there was an excess, the excess of imports into the United States from Canada over exports amounted to the sum of \$94,189,979, while the excess of exports from the United States to Canada over the imports for the years stated amounted to \$125,308,303; so that the balance in favor of the United States during this term of twenty-eight years as an exporter of goods rather than an importer amounted to \$31,118,324. The great magnitude of this question becomes at once apparent on a study of these tables, and demonstrates that it is not to be decided superficially, hastily, or on account of prejudice, but only after the most careful investigation. It is apparent that the normal condition of trade between the United States and Canada is that Canada should be a buyer rather than a seller and that the balance of trade should always be against her. Under natural conditions this is always the case, and it is only when unnatural conditions come in to disturb that balance that it turns against us and in favor of Canada. From 1851 to 1859 the balance of trade was largely and invariably against Canada; then in 1860 and 1861 she had a comparatively small balance in her favor, while in 1862 and 1863 the balance came again in our favor. From 1864 to 1873 the balance

(and in some years to a very large extent) turned in favor of Canada, while since 1873 the balance has been very largely in our favor, amounting in 1877 to the sum of \$14,783,638.

I say that the normal condition of trade makes a balance in our favor, and a balance against us may be directly traced to unusual conditions of trade. The regular balance against us commenced in 1864, and the reason is easy to understand. A great rise in the price of goods and of labor, the immense consumption of articles in this country, the enormous inflation of prices, the turning of hundreds of thousands of men into consumers instead of producers, the great waste of material, and all the usual results of war, combined to carry up our goods to a price at which Canada could not afford to purchase. Canada remained in a state of peace; her wages were not much increased; her commerce was not interfered with, and she could afford to manufacture goods and create natural productions at a price which would give her a great profit by selling to the United States. The natural condition of affairs could not have been otherwise, and the proof is shown from the tables. When our affairs began to return to their normal condition, and the communities had settled down to the natural works and industries of peace, and the gold premium had disappeared, and business began once more to be on a firm and stable specie basis, then trade began to flow into its old and natural channels, and the balance of trade with Canada began to run steadily in our favor.

A further proof that the natural condition of trade with Canada is a balance in our favor, is the conclusive argument that Canada must buy somewhere more than she sells; that somewhere or somehow she must buy every seven years, according to the average from 1872 to 1878, goods amounting in value to \$200,511,786 more than she sells. And it is a further self-evident proposition which needs only to be verified by an inspection of the maps, that this is her natural market to buy in. In other words, there must always be a great trade in our favor, except under unusual circumstances, provided we can have a fair chance. I have shown that there is, then, a natural and great general trade to be obtained by us from Canada, and I desire for a few moments to refer only to the special products of that trade, and the special articles which we have heretofore sold to Canada in large amounts.

Munro, in his said book, page 111, writes as follows in regard to the coal trade:

In 1877 the proprietors of coal-mines in Nova Scotia petitioned Parliament to impose a duty on coal imported into the Dominion. The amount Canada imported from the United States in that year was 789,696 tons, including 415,869 tons of anthracite and 20,032 tons of coke. The whole was valued at \$3,176,154; while the exports of coal to the United States only amounted to 178,772 tons, worth \$689,663. So far as known there is no anthracite coal in the lower provinces, hence the importations of this class of coal into the Dominion are very large. Even Nova Scotia and New Brunswick imported anthracite coal from the United States to the value of \$137,383 in 1877. Of the importations Ontario imported coal from the United States amounting to 623,187 tons, valued at \$2,506,244, and Quebec 126,067 tons, worth \$510,539.

I quote also the following from Munro's book:

The United States coal-fields are immense; much larger, it is said, than those of all the world put together. A well-informed writer says: "There are two hundred thousand square miles of coal-lands in the country, ten times as much as in all the remaining world." Between the Atlantic and the Rocky Mountains her coal-fields are scattered here and there in all directions; and near the Pacific coast she has abundance of coal.

And the means of transit by rivers, lakes, canals, and railroads are so widespread that both the States and the Dominion can be readily supplied.

Ontario has to depend upon the Union for all her coal; and the Cleveland and Erie Railroads have brought Montreal and other parts of Canada into near connection with the anthracite coal-fields of the United States.

And again, as follows, as to the trade in breadstuffs:

But there is another side to the subject. Ontario has flour to sell, and the lower provinces of the Dominion are purchasers of breadstuffs from the United States to the value of \$1,876,146.

Hence, if Ontario has to pay a duty on coal, it would only be fair play to protect her breadstuffs by imposing a duty on importations from the States, which duty the maritime provinces would have to pay into the Canadian treasury.

In 1877 the Dominion imported wheat, flour, corn, and meal of all kinds to the value of \$13,200,384: of this the value of \$12,958,945 was from the United States. Of this large amount the wheat imported was valued at \$3,992,793, and Indian corn at \$3,236,864. In the three years previous to 1878 the Dominion imported wheat, wheat flour, corn, and corn-meal to the value of \$36,018,737, or an average of twelve millions of dollars' worth per annum, and exported of breadstuffs to the value of \$34,322,404, or eleven and a half million dollars' worth per annum. But a large part of the Canadian exports consisted of barley, oats, pease, and beans, valued at \$7,428,762. In this year Ontario exported of these and other coarse grains to the value of \$5,429,774. Of barley alone she exported 6,042,632 bushels; and imported of breadstuffs from the States to the value of \$2,228,565 more than she exported.

The year previous to the Dominion tariff of 1874 we exported to Canada 1,034,945 gallons of petroleum according to the Canadian returns of imports. As stated by Mr. Bates, in his argument before referred to, "our exports to Canada up to the time the tariff went into operation, in breadstuffs alone, were some ten to twelve million dollars per annum; in sugars, some four millions, and in coal, some three millions of dollars." A few other articles or items of our trade with Canada may be referred to, taken from the statement of trade for 1879. In that year we sold to Canada agricultural implements worth \$127,447 only, according to the imperfect returns made to the Treasury Department, but of the value of \$227,745, as more correctly given by the trade accounts of the Dominion customs. We made also the following sales, namely: 335,210 tons of anthracite and 165,542 tons of bituminous coal to Canada, according to our Treasury statement, but 468,827 tons and 390,653 tons, respectively, according to the Canadian returns; \$21,243 in brooms and brushes; \$103,579 in carriages, carts, &c.; 1,381,833 pounds of cordage; \$138,652 in drugs, &c.; \$146,295 in fancy articles; \$3,338,777 in iron and iron articles, more than one-fourth of our whole sales, Canada being our best customer; \$158,851 in India rubber, &c.; \$142,982 in leather, and \$299,043 in manufactures of leather; over 9,000,000 pounds of unmanufactured cotton; 4,700,000 bushels of breadstuffs; 355,975 barrels of wheat flour; 7,293,275 bushels of Indian corn; 2,219,315 bushels of oats; 3,500,000 pounds of bacon and hams; 12,750,000 pounds of pork; 12,408 bushels of onions, and 8,500,000 pounds of tobacco. These are a few of the articles in which we have a special trade with Canada. Next to our trade with Great Britain is that of Canada, and Canada trades more with us than with any other country.

As was stated by Mr. Bates in his argument, "of the imports in 1877 \$37,000,000 came from Great Britain, \$48,000,000 from the United States, and \$8,300,000 from all other countries. It will thus be seen that much the larger amounts of the imports made by Canada were from the United States, and that the importance and magnitude of this question cannot well be exaggerated. Of all the exports of Canada in 1877, for example, \$45,500,000 went to Great Britain, while only \$25,000,000 went to the United States, and \$9,000,000 to all the other countries."

According to the Report on Commerce and Navigation for the year ending June 30, 1879, our trade with the Dominion of Canada ranks

as the fifth in the list, and amounted to \$30,843,702 in exports and \$26,133,544 in imports, making a total commerce with Canada for the year of \$56,977,256, or 4.92 per cent. of the whole foreign commerce of the United States. The value of the commerce with Canada was only inferior to that with Great Britain, France, West Indies, and Germany, and exceeded that with Brazil, China, Italy, Russia, British East Indies, Japan, Turkey, or Mexico, and was very greatly in excess of most of them.

Let it also be remembered that correct tables would make the aggregates of exports from the United States to Canada much larger than the above amounts, and would materially, and in some years perhaps wholly, change the apparent balances against us to our favor. The Canadian accounts show much larger aggregates of our exports to Canada than do our accounts. The reason is easy to understand. Our authorities do not keep accurate accounts of goods sent across the border, as it is of no pecuniary interest to them to do so. It is not the exports but the imports that we get a revenue upon. Hence men may, so far as we are concerned, take goods across the border without any reference to entries or custom-houses.

Here, for example, is an account taken from the Commerce and Navigation Report of the United States for 1879, showing the difference between the accounts of the United States and Canada as to the exports from this country into the provinces of Quebec, Ontario, and Manitoba, for year ended June 30, 1879:

Exports into said provinces, as per Canadian accounts.....	\$37,925,922
Exports into said provinces, as per United States accounts.....	24,768,418

Here in one year is a difference of \$13,157,504 between the accounts of Canada and the United States.

I take the following from the United States Commerce and Navigation Report for 1876:

TRADE WITH CANADA.

During the year ended June 30, 1876, the total value of domestic merchandise and produce exported to Canada, and which was omitted in the returns of the United States customs officers on the Canadian border, as appears from the official statements furnished by the commissioner of customs of the Dominion, amounted to \$10,507,563, as against \$15,596,524 in the preceding year, and \$11,424,566 in 1874.

The following statement shows the character of the articles exported to the provinces of Ontario and Quebec during the last fiscal year, of which no returns were made to this bureau from the United States collectors of customs on our northern border:

Statement, according to Canadian accounts, showing the imports into Canada from the United States in excess of the domestic exports from the United States to Canada, as returned to the Bureau of Statistics by United States collectors of customs, during the fiscal year ended June 30, 1876.

Blackening.....	\$11,394
Books, pamphlets, maps, and other publications.....	325,854
Brass and copper, manufactures of.....	258,500
Bricks.....	14,853
Brooms and brushes of all kinds.....	86,913
Carriages, carts, and parts of.....	102,128
Cars, railroad, passenger and freight.....	21,598
Clocks, and parts of, (including watches).....	151,456
Coal.....	538,508
Cordage, rope, and twine of all kinds.....	22,538
Cotton, manufactures of.....	1,593,285
Drugs, chemicals, and medicines.....	60,904
Dye-stuffs.....	85,768
Fancy articles.....	268,320
Fruits.....	60,264
Furs and fur-skins.....	31,275
Gas-fixtures and chandeliers.....	42,791
Jewelry and other manufactures of gold and silver.....	63,008

Hair, and manufactures of.....	\$30, 976
Hats, caps, and bonnets	246, 869
Hides and skins, other than fur	728, 695
India-rubber and gutta-percha manufactures	82, 969
Iron and steel, and manufactures of	2, 223, 947
Leather, and manufactures of	158, 153
Boots and shoes.....	110, 466
Musical instruments:	
Organs, melodeons, &c.....	81, 448
Piano-fortes, and all other	225, 626
Naval stores	11, 943
Oils:	
Mineral	34, 733
Whale and other fish	84, 959
Linseed	11, 186
Ordnance stores, gunpowder.....	28, 187
Paints and painters' colors.....	63, 777
Paintings and engravings.....	45, 729
Paper and stationery.....	279, 832
Printing-presses and type.....	87, 959
Provisions:	
Fish, including oysters.....	410, 688
Potatoes and other vegetables.....	72, 108
Rags	71, 282
Seeds, clover, timothy, garden, and all other.....	10, 208
Sewing-machines, and parts of.....	41, 966
Spirits of turpentine.....	24, 217
Tobacco, and manufactures of:	
Leaf	75, 519
Cigars.....	17, 179
Snuff, and other manufactures of.....	19, 434
Varnish	28, 096
Wine.....	16, 498
Wool, raw and fleece	189, 512
Wool, manufactures of	349, 439
All articles not enumerated:	
All other unmanufactured articles.....	541, 139
All other unmanufactured articles	363, 467
Total.....	10, 507, 563

It will be observed that the greater portion in value of these articles exported to Canada, of which no official returns are made to this bureau, consists of manufactures of cotton, wool, iron, copper, &c., which require in their production the employment of no inconsiderable amount of capital and skilled labor. Where such important interests are involved it is highly desirable that our accounts of exports shall show as completely as is possible the amount and character of the surplus produce and manufactures sent out of the country, and the exact amounts taken by each country. Especially is it important that in all legislation affecting our friendly business intercourse with Canada our accounts of commercial exchanges with that country shall be of such a character as to furnish a safe guide to wise legislation, instead of being liable to mislead, as they now may be by reason of their incompleteness.

In the reports for the fiscal years 1874 and 1875 attention was directed to this subject and the defective legislation, which rendered it almost if not quite impossible to obtain full and accurate statements of our exports to Canada, pointed out. As no legislation has since taken place providing a remedy for this defect, the undersigned again respectfully but earnestly requests that the facts already submitted be brought to the attention of Congress at the ensuing session, and that legislation be asked for extending to railroad cars and other land vehicles passing from the United States into adjacent foreign territory, requirements in regard to the filing of lists or manifests of their lading similar to those now provided by section 337 of the Revised Statutes with respect to vessels clearing for foreign countries.

Will it be argued that the subject is not of sufficient importance for investigation?

IV.—DID THE FORMER TREATY BENEFIT US?

In regard to this resolution the favorite argument *contra* is that the former treaty was an injury to us, and therefore we do not wish to hear anything further of a commercial treaty with Canada. This

argument is not pertinent here and has not the slightest weight or relevancy, as no one has ever expected or claimed that the new treaty should be the same as the old one. It, however, is pushed with so much persistency that it is worth our while to inquire into the statement and see if there is any foundation for it.

WHAT THE FORMER TREATY WAS.

The old reciprocity treaty, so called, was made between the United States and the government of Great Britain June 5, 1854, and was terminated March 17, 1866, under notice given by the United States March 17, 1865, pursuant to article 5 of the treaty. The principal object and result of the treaty was the settlement of the fishery question, which unfortunately, however, proved to be no settlement of it at all. It gave to the fishermen of the United States liberty to fish on the sea-coast and shores and in the bays, harbors, and creeks of the Dominion, with permission to land for the purpose of drying nets and curing fish. The principal part of the treaty had reference to fishery questions, but article 3 is as follows :

ARTICLE III.

It is agreed that the articles enumerated in the schedule hereunto annexed, being the growth and produce of the aforesaid British colonies or of the United States, shall be admitted into each country respectively free of duty :

Schedule.—Grain, flour, and breadstuffs, of all kinds; animals of all kinds; fresh, smoked, and salted meats; cotton, wool, seeds, and vegetables; undried fruits, dried fruits; fish of all kinds; products of fish and of all other creatures living in the water; poultry, eggs, hides, furs, skins, or tails, undressed; stone or marble, in its crude or unwrought state; slate, butter, cheese, tallow, lard, horns, manures; ores of metals, of all kinds; coal; pitch, tar, turpentine, ashes; timber and lumber, of all kinds, round, hewed, and sawed, unmanufactured in whole or in part; firewood; plants, shrubs, and trees; pelts, wool; fish-oil; rice, broom-corn, and bark; gypsum, ground or unground; hewn or wrought or unwrought burr or grind stones; dye-stuffs; flax, hemp, and tow, unmanufactured; unmanufactured tobacco; rags.

It has been said in the argument against this resolution that the object of this treaty was to force the annexation of Canada or to lead up to annexation. The immediate object of the treaty, on the contrary, was the settlement of the interminable questions of the fishery disputes. The preamble of the treaty was as follows :

The Government of the United States being equally desirous with Her Majesty the Queen of Great Britain to avoid further misunderstanding between their respective citizens and subjects in regard to the extent of the right of fishing on the coasts of British North America, secured to each by article 1 of a convention between the United States and Great Britain, signed at London on the 20th day of October, 1818; and being also desirous to regulate the commerce and navigation between their respective territories and people, and more especially between Her Majesty's possessions in North America and the United States, in such manner as to render the same reciprocally beneficial and satisfactory, have respectively named plenipotentiaries to confer and agree thereupon—that is to say.

On account of the commercial relations between the two countries and the desire of our fishermen to fish in British waters, and of Canadians to sell fish in our country free of duty, and in order to foster and build up a trade between the two countries, and to promote amicable relations between them, this treaty was made. It was made purely for commercial purposes and because the mercantile interests of the country demanded it. The treaty, by its provisions, was to remain in force for ten years from the date on which it was to go into operation, and afterward either of the high contracting parties could terminate it by a notice of twelve months to the other of its wish to terminate the same. Taking advantage of this clause, the treaty was terminated as hereinbefore stated. The question will be asked why, if the treaty worked well and it was desirable to have commercial

relations with Canada, there should have been any termination of it? Various causes contributed to its repeal. One reason was, as stated by Hon. Elijah Ward, member of Congress from New York, in a speech delivered in the House of Representatives in May, 1876, when he said that it (the treaty) "was for several years mutually satisfactory, but, under the pressure of debt and the need of increased revenue, the Canadians raised the duties on manufactured goods to such an extent as to destroy its natural effects in promoting the many branches of industry of our people."

The treaty only applied to natural productions, and the raising of a tariff on manufactured goods, thus excluding them to a considerable extent from Canadian markets, was a great cause of the discontent of our people. Still, the principal moving cause of the repeal of that treaty was undoubtedly our feeling of hatred against Canada. The attitude of Canada toward our people during the civil war cannot be either apologized for or satisfactorily explained. As a nation, their feelings were against us and with our enemies, and where we had expected the brotherly sympathy of our neighbors across the border, we found only hostility and harsh criticism. On account of their attitude and actions a just feeling of indignation grew up among our people, which culminated finally in the abolition of the treaty as one means of cutting off communication with them and of punishing them, as was desired, for their action.

I take the following extract from the said speech of J. C. Bates, esq.:

Its commercial bearings were not recognized at all. It was shown conclusively that the balance of trade and the balance of advantage in the workings of the treaty were not against the United States. It is enough to say that they produced no impression upon the minds of those who sought the abrogation of the treaty. One of the considerations which manifested itself at almost every stage of the proceedings had reference to the conduct of the Canadian authorities and Canadian people during our civil war.

Two extracts from the Congressional Globe will illustrate what I mean. On the 11th of December, 1864, the day following that on which the vote adverse to the treaty was taken in the House of Representatives, a member who had been absent rose and asked for permission to record his vote, when the following conversation took place:

"Mr. STEVENS, of Pennsylvania. I would like to inquire whether it is true that the Canadian authorities have discharged all the rebels whose cases have been under investigation?"

"Mr. WASHBURN, of Illinois. It is so stated in a dispatch from Toronto.

"Mr. STEVENS. Then I hope that all gentlemen who vote against the bill will change their votes, and make the passage of the bill unanimous."

When the resolution was reported back to the Senate by the Committee on Foreign Relations, Mr. Hale, of New Hampshire, spoke against it, as follows:

"This is a step that the Senate ought not to take, and particularly ought they not to take it under an excited state of feeling which exists now in consequence of what we conceive to be a great wrong inflicted on us by the authorities of some of those provinces that are particularly affected by this treaty. I know that when this treaty was negotiated, when the reciprocity principle was established, it was looked upon by the enlightened statesmen of this country and of England as an advance in the social progress of society, and as a step in the onward march which should undo the shackles of commerce, and give greater liberty and greater progress to commercial intercourse between this country and those provinces. * * * The nation is about to retrace its well-considered steps from a position which it took so long ago; and at whose instance? Not at the instance of the Committee on Commerce, although the commercial interests are those that are to be most vastly affected by it. Not at the suggestion of the Committee on Finance, from which it should have been appropriately advised, if the real reason for the measure was the one that was hinted at by the honorable Senator [Mr. Sumner]—that the treaty ought to be abrogated at a time like this, when we are looking about us to find subjects of taxation to replenish and to aid our exhausted Treasury.

"If that was the ground on which this resolution was placed, I would not say a word against it. If it had originated from a purpose and a desire to aid the national Treasury in this hour of the country's peril, to supply men or money for the

gigantic effort which we are now making for national existence and national honor, I never would have said one word or one syllable against it. But that is not the ground. The Committee on Commerce have not been heard from; the Committee on Finance have not been heard from. It comes from the Committee on Foreign Relations, and therefore I think it may be considered as coming, not from the commercial nor from the financial interests, nor from those who represent those interests. * * * If you abrogate this treaty, it will be looked upon in Canada, it will be looked upon by Great Britain, and it will be looked upon in this country by some certainly, as a measure of retaliation springing out of a resentment which, I grant you, is just, for some wrongs we have suffered at the hands of these colonies."

Another reason of the repeal was the desire to force annexation. It was thought that if we cut off reciprocal trade with Canada, and thereby injured her trade and took away from her the business which she could not afford to lose, the people of the dominion would become anxious for annexation with the United States as a remedy for all their woes. As an indication of this feeling, the presiding officer of the commercial convention which met at Detroit in 1865 to consider our treaty and commercial relations with these provinces received a telegram from Washington, from one formerly in high official position at the capital: "Establish reciprocity, and you will permanently establish a monarchy in British North America; defeat it, and you will insure the triumph of republicanism over this continent." Our then consul-general for Canada went to Detroit and exerted himself in every way to prevent action for the renewal or modification of the treaty.

I shall not under this heading consider the question of whether it is wise to have annexation, even if we could, of which I have very grave doubts, or whether the means proposed were useful to that end. I only say here that the repeal of the treaty was not a commercial, but a political measure. Many commercial interests of the country desired a modification of the treaty, and the British government desired to have it modified rather than repealed, and, so far as I know, none of the commercial organizations or interests of the country ever asked for the absolute repeal of that treaty. The repeal grew entirely out of the feelings and passions engendered by the war, rather than out of any fancied mercantile demand for it.

THE EFFECT OF THE FORMER TREATY.

This treaty continued from June 5, 1854, to March 17, 1876. I claim, and I think that it will be amply proved, that that treaty, with all its imperfections, was not a disadvantage to the United States. The opponents of all ideas of reciprocal trade with Canada assume as a self-evident proposition that the former treaty was injurious to this country and of more advantage to Canada than it was to us. They assume this as a fact, and then proceed to found long arguments upon it, whereas I think that this House by a study of the question will be convinced that the exact opposite is the fact. Even the decisive standard of the balance of trade shows this to be the case. I call the attention of the House to the table which I have before referred to, showing the excess of imports from the United States to Canada over exports, and *vice versa*, from the year 1851 to 1878. From 1854 to 1859, both inclusive, the balance of trade was very largely in our favor. In 1860 and in 1861 it turned against us by a small amount, while in 1862 and 1863 it was again in our favor. From 1864 to 1873 it was against us, and from 1874 to 1878 it has again been largely in our favor. The treaty continued substantially for twelve years. Of this twelve years, eight years showed a large balance in our favor, while during only four years was there a balance against us. According to the tables, the balance in our favor for the

eight years amounted to the sum of \$63,479,417, while the balance against us during the four years amounted to the sum of \$16,863,564, showing as a difference in our favor between these two balances the sum of \$46,615,853. The Canadian accounts of importations and exportations differ somewhat from those of the United States, for reasons which it is not now necessary to detain the House by explaining, and hence these figures may vary to a limited extent; but in whatever way the calculations are made a very large balance of trade in our favor and against Canada always appears during the years of the treaty. The foregoing figures I have taken from different reports or official statistics.

Mr. Bates, in his argument hereinbefore referred to, sums up the results of the old treaty as follows:

Under its operations the aggregate interchange of commodities rose from an annual average of \$14,230,763 in the previous eight years to \$33,492,754, gold currency, in the first year of the treaty; to \$42,942,754, gold, in the second; to \$50,339,770, gold, in the third; and to no less than \$84,070,955, at war prices, in the thirteenth and final year. The civil war, during a considerable portion of the existence of the treaty, greatly increased the volume and value of imports from the provinces, (and the exports to the provinces as naturally reduced,) and yet the balance of trade for the entire period of thirteen years was largely in favor of the United States. In that time the provinces purchased from the United States \$346,180,264, and the United States purchased from the provinces \$25,726,520, leaving a balance in favor of the United States of \$20,454,246. But the real balance is probably larger than these figures from the United States returns, as the first ten years of the treaty showed a clear balance of \$62,013,545. That balance appears by our Government returns to have been reduced by the operations of the three following years to the sum before stated, namely, \$20,454,246. Due allowance, however, should be made for inflated war-price values of importations. The returns of British provinces make the balance \$95,796,989 in favor of the United States.

Such, then, were the results from the old treaty. Let us glance one moment at the character of the traffic:

Total purchases by the provinces, of the United States, domestic and foreign, articles in bond.

Animals and their products	\$35,433,213
Breadstuffs	112,058,473
Other farm products	3,242,982
Timber	8,511,488
Manufactures	88,649,855
Miscellaneous	24,044,977

Total home productions

271,940,988

Foreign commodities bought in bond from merchants in United States and imported into Canada

62,379,718

Total

334,320,706

Showing not less than \$151,029,573 of manufactured goods purchased by Canadians from the United States under the treaty. These figures are taken from the United States official returns, as quoted in proposition for treaty submitted by Great Britain in 1874, to which reference will be made further on.

The tables show a rise in the balance of trade in our favor from \$5,559,924 in 1853, the year before the treaty, to \$15,639,300 in 1854 and \$12,669,286 in 1855, and the rise in the value of our exports to Canada from \$13,140,642 in 1853 to \$24,566,860 in 1854, and \$27,806,020 in 1855, and \$29,529,349 in 1856, which certainly must be regarded as a very extraordinary increase and can only be attributed to the effect of the treaty.

I take the following from Munro's book, heretofore referred to:

During the operation of that treaty, when international commerce was allowed to follow its natural bent at least in a measure, the domestic trade between these two countries rose from \$20,691,360 in 1853, the year before the treaty, to \$33,491,420 in the following year.

In 1865, when the treaty was abrogated, the total imports from and exports to the Union amounted to \$71,374,816; and in 1866, believing the treaty would be renewed,

the trade between the two countries rose to \$84,070,955. But in 1868, when all hope of a new treaty of reciprocity failed, the trade fell to \$56,287,546, showing a decline of twenty-eight millions in two years.

The total trade between these countries in the eleven years previous to 1855 was \$163,593,435, while in the following eleven years, when the effects of the treaty were felt, their total trade rose to \$554,631,910. And the ratio of increase was greater in the last than in the first years of the treaty.

The limited compass and slow growth of their trade previous to 1854, its unprecedented expansion from that period to the close of 1866, when the effects of the treaty had reached their maximum and the sudden decrease which followed the abrogation of the treaty, are significant results, and cannot fail to impress the inhabitants of both countries with the importance of closer free-trade relations.

And the trade between the Dominion of Canada and the United States did not exceed the value of \$78,003,492 in 1876, and one million less than this sum in 1877.

During the operation of the treaty the chief part of the trade between the provinces and Great Britain became gradually transferred to the United States. And now, without the advantages which that treaty afforded, the trade between the provinces and the States, even in the face of an almost prohibitory tariff, is comparatively large.

The following is from the speech of Mr. Ward, in Congress, May 18, 1864 :

The treaty was dated June 5, 1854, and its salutary effects were partially experienced during that year. Our exports to the provinces during the seven preceding years have been multiplied nearly threefold in the seven years which have elapsed since the treaty, having been \$69,686,107 in the former and \$171,628,779 in the latter period; while our imports from the same regions have increased more than fourfold, having been \$34,845,885 in the former period against \$145,183,096 in the seven years since the treaty went fully into effect.

It was said by the honorable member—he repeated the remark several times—that the balance of our trade with the provinces is against us. The statement appears slightly modified in his remarks as printed in the *Globe*; but is substantially retained there. Did he mean during the last year of which we have official information? It was then nearly two millions in our favor. Did he mean during the whole time since the treaty went into operation?

In that time it was more than twenty-six millions in our favor. There is nothing vague about this. There is no mystery in the figures. There is no need of passion or declamation. The solution is as easy as that of any school-boy sum in arithmetic, or of any ordinary settlement of accounts between individuals.

I find my data on the sixth page of the letter from the Secretary of the Treasury in answer to the resolution of this House on the 17th day of last December, asking for information as to the operations of this treaty. We asked him for information, and it is furnished to us. Shall we ignore it, and substitute for it such conclusions as our several fancies may suggest? We may in this way point a paragraph or lend some illusory brilliancy to a speech; but that is not statesmanship. It does not accord with our duty to the nation. The balance of gold on which so much stress has been laid was not paid by us to the provinces but by them to us. It amounted to \$28,445,692. This is the state of affairs as to which the honorable member says he "would, if necessary, use force to put an end to an alliance so injurious."

Meeting upon their own ground the theorists who regard "a balance of trade in our favor" as the chief test of the benefits of commercial exchanges with any single country, I find that, according to the reports of the Secretary of the Treasury, there appears to have been during the thirteen years when a treaty for the reciprocal exchange of grain, lumber, and many other natural productions existed, a balance in our favor amounting to some \$83,000,000 and that ever since the termination of the treaty until 1874, when the pressure on our affairs tended to force sales at low prices there has been a balance against the United States in the trade with the Dominion.

So much for the present exclusive policy in comparison with the more liberal but incomplete system under the treaty, judging them from the ordinary standpoint of many protectionists.

Regarding the balance of trade as a test of the benefit or disadvantage of the commerce with our country, it was in our favor, but the balance of trade is by no means a conclusive test; and if it could be made to appear that such balance is against us, it would not prove that the treaty was a disadvantage to the United States. The argument of the balance of trade being against a country is always a favorite argument with those who desire to prove that such a trade is of no advantage, but it is in the highest degree delusive. Suppose,

for example, that the balance of trade in cereal products was against our country and in favor of Canada, it by no means follows that that trade was injurious to us, but the natural assumption would be that it might be a benefit, for if we did not need those cereals from Canada for our own consumption we could either sell them to foreign countries and thus increase our foreign trade, or they would release to the same extent the cereal products of our own country to be sent abroad. It will need no argument to prove that if any portion of our productions are replaced by foreign importations, just so much of our productions may be released to be sent to foreign countries. So a balance of trade against us might still result in a benefit to this country, irrespective of the question of our merchants, shippers, and handlers of freight having these goods pass through their hands and through our commercial ports.

It is always to be remembered that the trade between that country and the United States is to a considerable extent one of transit or carrying to other countries, and thus what is called "a balance" against us, which is really an advantage, may exist, because it may merely represent what we have bought from one country to sell at a profit to others.

If our merchants buy the bulky productions of Canada to the extent of many millions and carry them through our own country to our sea-ports, they give employment to our laborers, create a demand for the products of our farmers, and cause the expenditure and employment of vast sums of money among our traders and capitalists, while the articles thus carried and exported stand to our credit and profitably swell the balance in our favor in other countries, being at least as valuable in our exchanges with the rest of the world as if they were gold and silver.—*Hon. E. Ward's speech in House of Representatives, May 18, 1876.*

I therefore claim that even by the test of the balance of trade or otherwise the treaty was a benefit to us. If it is to be argued that the fact of the balance of trade being against us is an absolute injury to the country, and any trade should be shut off and destroyed which shows a balance against us, why does not Congress endeavor to pass some law actually forbidding all trade whatever with Canada or France or any other country in regard to which the balance may be against us? If we purchase goods and thus produce a balance against us, it is because as a people we want to purchase those goods—because we need them, because we think it will be a benefit to us as a people; and hence a country may be benefited if it purchases goods from another and sells to that other country no goods whatever. The argument travels around in a circle, because it is to be supposed that if it was of no benefit to our people and our merchants to purchase such goods, they would not purchase them.

EFFECT OF ITS REPEAL.

After the repeal the balance of trade was steadily against us until 1874, at which time it again turned in our favor, when, on account of the prostration of business and the low value of material and labor, our goods began to be manufactured at so low a cost and our other articles to be produced so cheaply that we could sell to the Canadians at lower rates than they could sell to us. Whatever the reason, the fact is, as shown by the figures, that after the termination of the treaty the balance of trade with Canada turned and remained against us until recently.

Mr. Ward, in his speech of May, 1876, said:

Since the termination of the treaty the proportion of the trade of Canada with this country, in comparison with the whole foreign trade, has been reduced from 55 to 35 per cent., until the necessities of our people compelled them to part with the products of their labor at reduced prices.

As was said at the hearing before the committee:

I propose now, Mr. Chairman, to show the results following the repeal of the

treaty. Customs duties were, of course, imposed on nearly all articles imported from the provinces. The provincial tariff was but little changed, and a large preponderance of articles from the United States were still admitted free. The use of the Canadian canals and the navigation of the Saint Lawrence were still left open to American shipping. Under influence of the peremptory notice given by United States in 1865 of a termination of the treaty the confederation of the British provinces was hastened, and became an accomplished fact within fifteen months after such termination. The intercolonial railway connecting the maritime provinces with the province of Quebec was undertaken at a cost of over \$20,000,000. Commissioners were dispatched to the British and other West Indies Islands and to South America, to promote and extend trade. The subsidizing of ocean and river steamships, the promotion of the great ship-building and fishery interests, all these received fresh and energetic advancement.

The export trade of the provinces with other countries largely increased. Being shut out from our markets they were compelled to find other outlets for their products. Their business with the West Indies increased, and so increased too in the very merchandise shut out from our markets by the operations of our tariff. It enabled them, to a large extent, to shut out our people from that trade because they could supply their products so much cheaper.

In other words, they built up a West India business with the very merchandise we had excluded and which, but for this, our merchants might have received and distributed profitably in those very markets where their Canadian competitors were now forced to undersell them. Not only this, but Canadian vessels secured a large share of the carrying trade, the bulk of arrivals of sugar and molasses at Boston (I should say fully three-fourths) being brought in British bottoms. This has been the situation for several years.—*Argument of J. C. Bates, esq.*

The repeal of the treaty was not only of effect in turning the balance of trade against us, but in inducing Canada to enter upon a career of self-production and of fostering her own industries and manufactures, which effect will be briefly discussed hereafter. When our opponents claim, then, that the old treaty was of no benefit and that its repeal can be demonstrated to have worked benefit to our country, and that therefore there is no use in considering this subject at all, I deny both their statements and their conclusions.

THE QUESTION OF THE EFFECT OF THE FORMER TREATY OR OF ITS REPEAL IMMATERIAL.

But, after all, this question is wholly immaterial, although our opponents lay so much stress upon it. I beg to remind the House again, because our opponents by their arguments persist in refusing to accept it as a conclusive statement, that this is only a resolution for information and that these complicated and vexed questions of the effect of old or of new possible treaties is one of the very questions which we want a commission to investigate and thoroughly examine. It is entirely irrelevant when we ask for information on a subject for gentlemen to argue that the facts are as they state, because it is this very question of fact which we want the commission to investigate.

V.—IS THE CONDITION OF AFFAIRS SUCH AT THE PRESENT TIME AS TO MAKE AN INQUIRY ADVISABLE?

A permanent policy in regard to our trade with Canada should now be adopted, and if possible the long-standing controversy between the two countries ended. It is for the interests of each country that it should now know what to expect in the future, and should avoid doubtful and shifting legislation. A nation, like an individual, can adapt itself to a policy, even if a bad one, if it knows it is to be permanent. If an exclusive one of non-intercourse between the two countries is to be adopted, Canada will go to work and build up manufactures and other industries and put herself under pledges to her manufacturers to protect them. If this policy is adopted it cannot well be changed in the future, because when Canada has allowed her citizens to expend large sums of money in building up manufacturing industries under the influence of a prohibitory tariff against this

country, and a protective tariff for her own citizens, she cannot afterward abandon them and leave them to the mercy of open and free competition with other countries. At the present time she is under no such pledges or obligations, but the people of Canada desire to purchase their goods in the cheapest market. In one year, five years, or ten years, under a non-intercourse policy, she may be under such pledges and cannot, without a gross breach of faith, treat with the United States for reciprocal trade. This seems to be, as it were, an interregnum between dead policies of the past and policies of the future of the two countries as to the respective questions of interest. Those questions remain in abeyance awaiting a settlement.

The question now vexing the Canadian authorities is as to what tariff policy they shall adopt, whether of protection, or of retaliation, or of free trade. All these questions of commercial intercourse between the two countries are now in an unsettled state, and there never was a time when the people were so anxious to have them taken up and settled and when they could be treated with such freedom from outside complications of law or otherwise. The new tariff of Canada went into effect March 15, 1879. This tariff was intended by the Canadian authorities for two purposes: first, to foster the industries of their own country; and second, to punish the United States. By the same law they hoped to keep out United States productions from their country, and under the influence of their strong prohibitory and retaliatory tariff to build up manufactures and to increase productions in Canada. It is at the same time a prohibitory, retaliatory, protective, and revenue tariff, and the object is boldly announced to be to shut off American trade unless mutual arrangements can be made, and to cut our goods out of the Canadian markets. Now, if their tariff was permanent, even though harsh against us, our merchants could anticipate and make their calculations concerning it; but under their peculiar mode of tariff legislation they can change it at almost any time, and whenever they see a new trade is growing up between the United States and Canada they can almost instantly crush it out.

The long delays in enacting our tariff laws and the careful consideration which such laws receive in our Congress or in committee do not prevail in the Dominion. The mode of legislation in the Canadian Parliament differs widely from that followed in the United States. In Canada the finance minister exercises the duties of our Committee on Ways and Means, prepares and submits a tariff to the council, and after an approval it is submitted to the House of Commons by the finance minister as a government measure. All the ministers are members by election or *ex officio*, and the government having a majority in the house (or they cannot obtain power) are able at once to secure the passage of the bill. To illustrate: The customs-tariff act of 1879 was submitted on the afternoon of March 14 by the finance minister, Sir Leonard Tilley, when he made his budget speech. He was replied to by his predecessor, agreeably to custom. Other speeches were made by ministers and ex-ministers, and at about five o'clock on the next morning the resolutions affirming the expediency of many of the provisions embodied in the bill were passed. The new tariff went into force on the opening of the custom-house on the 15th. If Canada chooses to carry on this tariff war, are we to meet her in warfare of that sort? Canada can harm us, it is true, but we can do them infinitely more damage than they can possibly inflict on us. A comparison of the new and old Canadian tariffs is worth considering, as showing the object of the new tariff and its possible results. It is impossible to give here a full list, but below is a table of the articles principally affected.

Dominion of Canada.—The new tariff and the old.

Articles.	New tariff.	Old tariff.
Agricultural implements.....	25 per cent.....	17½ per cent.
Artificial flowers.....	30 per cent.....	17½ per cent.
Bookbinders' tools and implements.....	15 per cent.....	Free.
Barley-beans.....	15 c. per bush.....	Free.
Wheat.....	10 c. per bush.....	Free.
Oats, pease, and rye.....	10 c. per bush.....	Free.
Buckwheat.....	10 c. per bush.....	Free.
Indian corn.....	7½ c. per bush.....	Free.
Oatmeal.....	½ c. per lb.....	Free.
Wheat flour.....	50 c. per bbl.....	Free.
Rye flour.....	50 c. per bbl.....	Free.
Corn-meal.....	40 c. per bbl.....	Free.
Brass, in bars or sheets.....	10 per cent.....	Free.
Brass tubing.....	10 per cent.....	17½ per cent.
Brooms and brushes.....	25 per cent.....	17½ per cent.
Carriages, wagons, sleighs.....	25 per cent.....	17½ per cent.
Cement, raw.....	\$1 per ton.....	Free.
Cement, burnt.....	7½ c. per 100 lbs.....	Free.
Water-lime.....	40 c. per bbl.....	17½ per cent.
Clocks, or parts of.....	35 per cent.....	17½ per cent.
Coal, anthracite.....	50 c. per ton.....	Free.
Coal, bituminous.....	50 c. per ton.....	Free.
Copper—pig, scrap, bar, bolt, ingot, and sheet.....	10 per cent.....	Free.
Copper tubing and wire.....	10 per cent.....	Free.
Copper rivets and bars.....	30 per cent.....	Free.
Copper, manufactures of.....	30 per cent.....	17½ per cent.
Cordage, if for ships' purposes.....	15 per cent.....	5 per cent.
Drain and sewer pipes and tiles.....	20 per cent.....	Free.
Brown, earthen, and stone ware.....	25 per cent.....	17½ per cent.
White granite or ironstone ware.....	30 per cent.....	17½ per cent.
Electroplated ware.....	30 per cent.....	17½ per cent.
Fish, except those free by treaty of Washington.....	1 c. per lb.....	Free.
Apples.....	40 c. per bbl.....	10 per cent.
Peaches.....	40 c. per bush.....	10 per cent.
Plums, quinces, and cranberries.....	30 c. per bush.....	10 per cent.
Oranges and lemons.....	20 per cent.....	10 per cent.
Furniture.....	35 per cent.....	17½ per cent.
Gas or kerosene fixtures.....	30 per cent.....	17½ per cent.
Gutta-percha, manufactures of.....	25 per cent.....	17½ per cent.
Boots, shoes, and leather manufactures.....	25 per cent.....	17½ per cent.
Iron, pig.....	\$2 per ton.....	Free.
Iron, old and scrap.....	\$2 per ton.....	Free.
Iron—slabs, blooms, and billets.....	12½ per cent.....	Free.
Iron—bars, band, hoop, sheet, galvanized, boiler, and Canada plate.....	17½ per cent.....	5 per cent.
Iron and steel wire, up to No. 18.....	25 per cent.....	5 per cent.
Iron car-wheels.....	25 per cent.....	17½ per cent.
Locomotive engines.....	25 per cent.....	17½ per cent.
Iron machinery.....	25 per cent.....	10 and 17½ p. c.
Hardware—builders', cabinet-makers', saddlers', carriage-makers', upholsterers'.....	30 per cent.....	17½ per cent.
Lead—pig, block, bar, sheet, old scrap.....	10 per cent.....	Free.
Leather, upper, also sole and belting, tanned but not waxed.....	15 per cent.....	10 per cent.
Oil, linseed or flax.....	25 c. per gall.....	17½ per cent.
Organs, specific and <i>ad valorem</i>	\$10 to \$30.....	17½ per cent.
Paper-hangings.....	30 per cent.....	17½ per cent.
Envelopes.....	25 per cent.....	17½ per cent.
Whisky, (on imported gallon).....	\$1.32½ per gall.....	\$1.20 per gall.
Brandy, (on imported gallon).....	\$1.45 per gall.....	\$1.20 per gall.
Steel—ingo's, bars, sheets.....	10 per cent.....	Free.
Steel—edge-tools, farmers' implements, spades, shovels, axes, saws, scythes, mechanics' tools, and skates.....	30 per cent.....	17½ per cent.

Dominion of Canada.—The new tariff and the old.—Continued.

Articles.	New tariff.	Old tariff.
Sugar, above No. 14 Dutch standard	1 c. per lb. and 35 p. c.	1 c. per lb. and 25 p. c.
Sugar, No. 9 to No. 14	$\frac{3}{4}$ c. per lb. and 30 p. c.	$\frac{3}{4}$ c. per lb. and 25 p. c.
Sugar, below No. 9	$\frac{1}{2}$ c. per lb. and 30 p. c.	$\frac{1}{2}$ c. per lb. and 25 p. c.
Molasses not for refinery, if imported direct.	15 per cent	25 per cent.
Tin—blocks, pigs, and bars	10 per cent	Free.
Type, printing	20 per cent	17 $\frac{1}{2}$ per cent.
Type metal	10 per cent	Free.
Glass—bottles, jars, phials, lamp-chimneys, and colored window.	30 per cent	17 $\frac{1}{2}$ per cent.
Cottons—sheetings, drill, duck, Canton flannel, uncolored.	15 per cent	17 $\frac{1}{2}$ per cent.
Cottons—jeans, denims, gingham, drill, &c., if colored.	2 c. per sq. yd. and 15 p. c.	17 $\frac{1}{2}$ per cent.
Cottons, not bleached, colored	2 c. per sq. yd. and 15 p. c.	10 per cent.
Cottons, bleached or dyed or colored	3 c. per sq. yd. and 15 p. c.	
Cotton shirts, drawers, hosiery, and clothing.	30 per cent	
Cotton thread, in hanks	12 $\frac{1}{2}$ per cent	10 per cent.
Cotton thread, on spools	20 per cent	17 $\frac{1}{2}$ per cent.
Woolens—shawls, blankets, flannels, tweeds, coatings, cloths, felt, yarn, knitted shirts, drawers, and hosiery.	7 $\frac{1}{2}$ c. per lb. and 30 p. c.	15 per cent.
Ready-made clothing, wholly or mostly wool, except knitted.	10 c. per lb. and 25 p. c.	17 $\frac{1}{2}$ per cent.
Carpets, ingrain, three and two ply	10 c. per sq. yd. and 20 p. c.	

They are still changing the tariff from time to time as they think it may help them and hurt us. For example, on March 10, 1880, they increased the tariff on billiard tables, organs, and piano-fortes from 10 to 15 per cent.; on blank books, &c., 30 per cent.; bituminous coal from fifty to sixty cents per ton; china from 20 to 25 per cent.; ruled paper 25 per cent.; and removed gunny cloth and bags from the free list, and made many other changes. Let us consider for a moment a few of the results of the new tariff, which results it is entirely impossible in an argument of this nature to consider in detail. Coal, formerly free, pays a duty of fifty cents per ton, and as our exports reach 870,682 tons, the question is one of no mean importance. Flour, formerly free, now pays a duty of fifty cents a barrel. The imports from the United States into Canada of petroleum amounted to 1,034,954 gallons, and this is now practically shut out from the Canadian markets. The duty on cotton and cotton manufactures has been carried up from about 17 $\frac{1}{2}$ per cent. to from 15 to 20 per cent., besides a specific duty (in general) of two cents per yard; and on woolen manufactures from 17 $\frac{1}{2}$ to 20 per cent. The duties on sugar are practically prohibitory, and sugar refineries are commenced or in contemplation in different parts of the Dominion. The result of this policy, if persevered in, will be the stimulation of Canadian industries and of manufactures, the building of mills, and the rendering of Canada to a certain extent independent of us.

It may be claimed that this is just what Canada wants under any circumstances, and that we cannot prevent it. But nothing is more certain than that Canada or the people of Canada do not desire this unless forced into it. Canada does not desire a protective tariff, and

will throw it off, unless it is forced upon her by our conduct. They understand well that such a protective tariff, even if it does build up their manufactures, would be of no advantage to the consumers. They cannot compete with us, with our great resources, in manufacturing. Their manufactories cannot turn out goods as cheap as we can sell goods to them, and already there are deep and loud mutterings of complaint by the people against the new Canadian tariff system. A protective tariff cannot be devised there which is satisfactory to the different sections of their great Dominion. If coal is protected, Western Canada complains because she cannot buy her coal at cheap rates from the United States; and if wheat is protected for the benefit of Western Canada, then the eastern provinces complain of it as a discrimination against them. It is no advantage to them to build up a great manufacturing power at the cost of suffering to the people, and it is certainly no advantage to us to have such a competing power grow up just across our border. As an example of this growing discontent I shall, under the next heading of this argument, quote a few extracts from newspapers and books published in Canada:

CRITICAL IMPORTANCE OF THE SUBJECT AT THE PRESENT TIME.

If the present policy just inaugurated of non-intercourse is persisted in, Canada must eventually build up competing interests against ours, whether it will be for her present interest or not, and will be obliged to stand by them for the reasons which I have before stated and which are also shown in the following quotations:

Encouraged by the government, as in the States, capitalists would invest large amounts in certain industries which could not fail to build up a powerful interest in opposition to reciprocity as it has done in the Union.

Men who have incurred vast expense on the faith of protective legislation, will justly claim that the government has no right to sacrifice their interests by a sudden change of policy.—*Munro*, page 116.

The tendency of the new Canadian tariff, if continued for a few years, is to build up interests which the government cannot afterward abandon without a violation of justice.

There will never be a period when a reciprocity treaty can be negotiated on a basis so favorable to the United States as at present, while as yet the new Canadian tariff has not caused large investments of capital in manufactures which the government of the Dominion will be compelled in justice to foster after having called them into existence by its own action.

We call the attention of President Hayes and Secretary Evarts to the fact that a new reciprocity treaty could be negotiated this year without encountering a tithe of the opposition it would have to meet after the new Canadian tariff shall have produced its natural effect of creating interests which the government of the Dominion cannot honorably abandon.

"There is a tide in the affairs of men," and Secretary Evarts will miss a great opportunity if he does not take advantage of the present situation to obtain for our producers free access to the markets of Canada.—*New York Herald*, March 19, 1879.

While we have now in Canada a most valuable and increasing market for our manufactures, it is quite certain that its continuance depends on the duties levied by the Canadian tariff. A large proportion of the manufactures we export so extensively to the Dominion, conspicuously those of iron, copper, brass, lead, cotton, &c., are admitted free of duty or at almost nominal rates of 5 or 10 per cent., and those charged at higher rates than 17½ per cent. are few in number and insignificant in quantity. The Canadians have it in their power, and it could be no just cause of complaint to us, to adopt our own scale of duties. The effect of such a step could not fail to inflict serious injury on our manufactures, many of whose products would soon be excluded from the Canadian markets, which it is for our interest to open yet more widely.—*Speech of Hon. E. Ward in House*, May 18, 1866.

I have said that this protective system of a high tariff, and consequent increased cost of goods to consumers, is one that cannot be adopted as a permanent system by the Dominion, unless it shall be forced to it by our refusal to have any commercial intercourse with Canada. The people are restive under it and indisposed to accept it, even as a necessity or a temporary measure—or at least a very large

portion of the people are opposed to it; and as the evils shall be more and more felt, the opposition will increase, and the people will ultimately compel the Government to agree upon any fair system of trade, and under such a system to remove, as against the United States, their prohibitory tariffs. The following quotations are some indication of the state of feeling:

The imposition of a duty on anthracite coal of fifty cents per ton by the Government has taken everybody by surprise.

In the mean time I think it is the duty of every citizen of Toronto and Hamilton, and of the other cities, towns, and villages in Ontario to petition their representatives in Parliament to oppose such an oppressive tax, as it is a tax that will bear heavily on only a section of the people chiefly in cities, towns, &c., and is not fairly distributed over all classes in the Dominion.—*Toronto Globe*.

Two days after the national policy came into force coal was advanced in price fifty cents a ton; the dollar which could have purchased ten pounds of sugar on Friday was only worth nine pounds on Monday; the poor man's sirup found a tax against it of 35 per cent.; his tea was made to contribute heavily to the revenue; the cheap British woolen fabrics which he was able to purchase for clothing were practically excluded from the country; the meal for his porridge or mush became liable to taxation; his buckwheat pancakes were made more expensive; his furniture, his cutlery, his cotton overalls, his dinner pail and tin cup, the very salt with which he seasons his fare; his spade, shovel, ax, drawing-knife, plane and tools of all kinds, and in fact all the necessaries of his life were enhanced in price to an amount considerable on each article, but at present not exactly determinable. The poor souls who looked to the national policy with intense faith in its power to relieve their distresses can now appreciate the iniquity of the men who never scrupled to deceive them with false promises. They hailed the advent of Sir John to power with the enthusiastic conviction that he would prove their material savior; they have patiently waited through five months of unexampled depression for the time when he should be ready to mature his plans for their benefit, and now that the scheme has been made public they feel with sinking hearts that they are to be made the contributors to a number of fortunes to be presented to as many already prosperous manufacturers.—*Toronto Globe*, March 20, 1879.

We have now deliberately dared the Americans to increase their duties till they exceed our new duties by as much as our new duties exceed their existing rate.

Not further duties upon our manufactures, which would not injure us at all, but a stinging blow in the shape of such an increase in our lumber duties as would give Michigan the control of the markets of Chicago, the Eastern States, and the seaboard; total exclusion of our lumber from its best market; total shutting out of our barley, poultry, eggs, hides, wool, sheep, pease, potatoes, and other agricultural products which we now sell to them in vast quantities, and perhaps even a refusal to allow our products to pass through American territory inland.

Nothing but the most reckless phase of lunacy could have induced our Government to wantonly invite the United States to inflict upon us the blow which they have power to deal us. Their policy is bad in every one of its essential features. In its bearing upon our relations with the United States it is a blunder so vast as to amount to a crime.—*Toronto Globe*, March 21, 1879.

Although the date of the national policy was announced, he steadily pursued the policy of discharging his workmen, and altogether up to last Saturday no less than seventy of his employes have been dismissed, and it is probable that more will follow in a few days; others have been working a week on and a week off. Where, then, is the era of prosperity promised to be inaugurated even before the national policy was introduced? Sir John A. Macdonald, at the amphitheater, wept tears over the condition of Mr. Hay's unfortunate workmen because they were threatened with lack of employment, and yet this prince of hypocrites coolly increases the price of their tools by 12½ per cent.

The poor girls and seamstresses who are trying to obtain an honest livelihood have also been the victims of the government's oppressive legislation. While the manufacturer or capitalist can import his machinery for woolen and cotton mills free, the poor seamstress or tailor has to pay \$2 on each machine, or part of machine, and 20 per cent. *ad valorem* additional. A large number of these deserving people have in the past purchased American machines; and should they break any portion of a machine, no matter how large or how small, and send to the makers for a new part, \$2 duty will be charged. Legislation more tyrannical or grinding on the poor than this can scarcely be cited.

Mr. Somerville, Toronto, was on this deputation. Mr. Millschamp, Toronto, show-case and mirror manufacturer, is here also. He protests against the imposition of the increased duties on the raw material.

He says if the new tariff is maintained it will close his business. Mr. McFarlane, Montreal, manufacturer of machine belting and cards, complains that the tariff will, unless modified, close his business. His raw material, wire, &c., has

been largely increased in cost by the tariff, and unless a modification is made he will have to suspend operations and remove elsewhere.

An additional duty of 2½ per cent. has been placed on the porcelain, china, and glass which the rich purchase, while 12½ per cent. increase has been put on the crockery purchased by the poor. Truly this is the rich man's tariff.—*Monetary Times*, Toronto, 1879.

It has been proposed in the Canadian Parliament to adopt a "national policy," or in other words a reciprocity of tariffs, as a means of compelling the United States to adopt a reciprocity of trade with Canada.

There may be good policy in retaliations when two powers are about equally balanced in regard to extent and variety of available resources; but as regards the Dominion, such a policy could hardly fail to be ruinous to her own interests.

Her sectional interests are so conflicting that she cannot adopt a system of protection which would be equally just to all the provinces.—*Munro*, page 116.

Similar extracts might be multiplied to an indefinite extent to show the state of feeling in Canada in regard to their new tariff system.

Another reason why the present is especially a favorable time for entering upon the consideration of this question with Canada is that it seems to be to a certain extent a crucial time in regard to our own tariff. A modification of our tariff is probable. Probably a commission will be appointed by resolution of Congress to take the whole question of the tariff into consideration, and to report a systematic, well-considered, and it is to be hoped a permanent and scientific plan for a tariff. After our tariff is permanently established under any new code it will be difficult to change it, and if reductions are to be made in it we cannot use those reductions "after the fact" to obtain concessions from other countries. If we expect in any event to make concessions or reductions of the tariff, we could use at the present time those concessions to obtain other concessions from Canada, and if Canada refuses we might make our tariff with entire disregard of her wishes. For example, there is a great pressure by certain American interests for free trade in ships, or free registration of foreign-built ships, and in behalf of many shipping interests of the country it is claimed that this is the one thing necessary for the restoration of American commerce. This free trade in ships is just what Canada desires. If our people from American interest bring about free trade in ships, we gain nothing from Canada by the concession, but Canada would undoubtedly be willing to make a very considerable concession in some way for the purpose of securing from us that free trade. So in regard to salt and some other matters. The following statement was made in a recent argument by J. C. Bates, esq., before the Committee on Foreign Affairs:

2. Again, you have not failed to note the signs of the times. The enemies of the present tariff are gathering preparing to attack it. Whether they will be successful or not is another thing. But everywhere the feeling exists that such a struggle is near at hand. Probably this country will not see any higher tariff than its present one. Now, therefore, is the time to take the initiative in arranging her trade relations with other countries. Said Lord Beaconsfield recently, when waited upon by a deputation urging him to take measures to compel other countries to adopt reciprocal trade with Great Britain, "To insist on reciprocity with other countries would be impossible now that we have parted with our import duties." Again, last spring a motion was submitted in the House of Lords that in all future commercial negotiations with other countries to advocate a policy of reciprocity between all later-trading nations; also inquiring into the best means of counteracting the injurious effects of the excessive tariffs levied by foreign nations against the produce and manufactures of Great Britain. This resolution was negatived. In that debate Lord Beaconsfield made still plainer the reasons why Great Britain could not enter upon the proposed policy. He said: "Thirty years ago we had a large number of articles on which there were import duties. There were no such materials for reciprocal trade now. The opportunity had been lost, the means were no longer available, and it was idle to talk of reciprocity as a cure for existing evils."

Will this nation allow its opportunity to be lost? Here is an interest clamoring to have salt put on the free list, another for the registration of foreign-built ships. Both of these, if they are to be complied with, might be used to advantage to the nation in any negotiations with Great Britain.

For these and other reasons, which I will not detain the House by explaining, I believe that the present is the time when it is important that we should move in this matter and that delays will be dangerous. I submit in regard to the subject concerning which I have presented these arguments, that I have demonstrated that, in the first place, the general commerce of Canada is of importance to this or other countries, and, in the second place, that the special commerce of Canada with the United States is of value, and, in the third place, that a reciprocity treaty or a reciprocal trade with Canada has been useful to the United States. I deny that the trade or the treaty has been more for the benefit of Canada than of our country, and I refer for proof of it to the figures and statistics. I further claim that even if the latter statement is not correct, and it is a fact that Canada has received more benefit from the treaty and reciprocal trade than the United States, it does not follow that the United States was not benefited by the trade and the treaty. It is a complete *non sequitur* to say that because Canada was more benefited, therefore the United States was not benefited, and is as complete as the famous one in the play of Box and Cox.

BOX. Have you a strawberry mark on your left arm?

COX. No.

BOX. Then you are my long-lost brother.

VI.—IS THERE ANY NEED OF EXTENDING OR ENLARGING OUR MARKETS?

It would seem to be a self-evident proposition in the political economy of nations that, other things being equal, the larger the markets of a nation the greater its commercial prosperity; and in view of the amazing productions of all climates in our country, the asking of such a question seems absurd. The hearer might reply, as did a distinguished judge to a counsel, instructing him in certain rudiments of the law, that "the court must be presumed to know something." Yet when gentlemen complacently argue that we do not care for commercial intercourse with a country which in importance stands fifth in our list of foreign countries, it may be useful for them to contemplate the facts for a moment and to consider the above question. As the almost overwhelming tide of emigration rolls in upon our country and our population increases our productions increase, even faster proportionally than the population. Arms and fingers and muscles of steel perform the former work of man and help on the vast totals of production.

For the year 1878 our exports from agriculture alone reached the enormous sum of.....	\$536, 038, 951
While our entire exports from all sources, including agriculture, for 1878, amounted to.....	695, 749, 930

Total exports, less agriculture.....	159, 710, 979
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The total cereal products of the United States in 1878 were 2,302,254,950 bushels, of the value of \$913,975,920.

In 1878 our exports of living animals amounted to \$5,844,653; of animals and their products, to \$8,422,554; of provisions, to \$117,953,481; of bread and breadstuffs, to \$181,777,841; of textiles, to \$180,143,052.

Total value of our farm products in 1876 was \$1,542,194,000; and production of coal in 1878 was 18,275,000 tons.

In 1877 production of rolled iron amounted to 1,476,759 tons, and of steel to 637,342 tons.

The value of cotton exported in 1879 was \$10,853,950.

The exports of manufactured commodities for the year 1879 amounted to \$89,921,443.

The above are only a few of the statistics which might be cited. The distinguished chairman of the Committee on Foreign Affairs, in his recent very interesting and instructive work, ("Free Land and Free Trade: The Lessons of the English Corn Laws applied to the United States; by Hon. S. S. Cox, 1880,") thus refers to our great productions and need of enlarged markets:

The thesis of this book is the necessity of enlarged foreign markets for the surplus of production from farm and factory in the United States.

We are rapidly outgrowing the notion that a monopoly of the home market is all we need, and that it would be as well for us if our borders were surrounded by oceans of fire. The fatness of the land is forcing us to broader views; our amazing natural wealth is compelling us to the alternatives of yielding the policy of selfishness or being choked with our own abundance. * * * Our energy and skill harness every appliance of mechanical force to plant, gather and garner the amazing result; and it is no exaggeration to say that the value of the direct product aggregates \$2,500,000,000 per year. * * * Here is the question: When our land really shows its splendid opulence; when our acreage is increased both for cattle and grain, is the inevitable surplus over the home and foreign demand to remain with us to glut the market?

I say nothing now of our manufactures. These have risen from \$44 *per capita* in 1850 to \$111 *per capita* in 1870, and there can be no doubt that the want of an outlet for the heavy surplus was one of the leading causes of the industrial distress which began in 1873. With scarcely any increase in the plant, the mills of the country might turn out double and triple their present product. What will be the end of this amazing development of our native riches? Will our surplus go to other nations, carrying benefits and bringing benefits in return, or for lack of those mutual conditions which make trade possible, is the flood of good things to be dammed in its passage and flung back upon us to destroy and be destroyed? These are questions which vehemently press for answer.

Every farmer from the Red River of the North to the Teche is interested in them, and not less, if he realizes the true relations of his trade, every manufacturer who has not the fortune to possess a monopoly.

VII.—IS THIS THE BEST WAY TO MEET THESE QUESTIONS?

But even if all the above statements are proved and the importance of the commerce of Canada to the United States is recognized, the opponents of this resolution may argue that the appointment of a commission is not the best way to meet this question. But I submit that for many reasons these vexed questions of the commercial intercourse of the two countries, which have so long been disturbing elements between them, can be in no way satisfactorily or permanently settled except by mutual consultation of the two countries through properly appointed and empowered delegates.

MAGNITUDE OF THE QUESTION.

The magnitude of this question has been referred to in the preceding part of my argument and cannot well be exaggerated. The question is so large, and the field is so great, and the interests are so diverse, there are so many different kinds of productions and of manufactures which may be vitally affected in one way or another by the results of legislation on this subject, that it is impossible that the question can be properly considered by a committee of Congress. A committee of Congress has other things to attend to, and is entirely unable to devote all its time to the consideration of great questions so involved and so important as are these. To properly consider and report upon this question of reciprocal trade with Canada will take the most patient and skillful investigation, and will employ months at least of the time of the most industrious experts. It is a task of no small importance and responsibility to look over the whole vast field of the United States, and with due consideration of all the diverse interests of the different States to endeavor to frame a tariff which shall keep in our possession the trade of Canada, while, at the same time, it shall not be injurious to any of the great interests of our own country. It requires no argument to show that if this question

is worth a proper investigation, it can only be investigated by a commission especially appointed for the purpose. This commission is necessary for two things: in the first place, to collect facts and statistics and to report opinions, and, in the second place, to ascertain the law which has a bearing upon the subject-matter of this resolution. And a report can only be so satisfactorily made as to give any assurance of its results being permanent by a body of men skilled in the law and experts in regard to mercantile affairs, who shall thoroughly examine all the points, both of law and of fact, relating to this great question.

VIII.—IS THERE ANY GENERAL DEMAND FOR THIS?

If there is no general demand for this and the people on both sides of the line do not wish for it, it might well be argued that we should not take any steps in this direction in advance of public opinion. But such a ground cannot be maintained.

IN CANADA.

The old reciprocity treaty was repealed in opposition to the desires of the British and Canadian governments, who at the time of the proposed repeal expressed themselves as ready to consult with the representatives of the United States, with a view to the satisfactory modification of the treaty. Nevertheless, the United States, without any such attempt at remedying such evils as existed in the treaty, insisted, for the reasons which have been stated, on its absolute repeal. From that time to the present the Dominion has always been ready and desirous to treat with the United States for a renewal of the treaty in some form. They have always, so far as we can judge of their motives, been desirous to at least amicably consult with the representatives of the United States with a view to the devising of some scheme of mercantile intercourse which shall be satisfactory and advantageous to both countries.

In 1873 the Dominion Board of Trade presented a memorial to Earl Dufferin, governor-general of Canada, expressing a "sincere and cordial desire" for the appointment of a commission to confer with the representatives of the United States for the purpose of negotiating such a treaty of reciprocal trade, as would be for the mutual advantage and benefit of the trade and commerce of the Dominion and the United States. The Canadian minister of customs, the privy council, and the governor-general fully concurred in these views. From time to time the Dominion Board of Trade at its meetings has expressed the general sentiments of those who were present, and it is believed by the board that the feelings of the merchants and the people of Canada are represented in a declaration that it is desirable that a treaty of reciprocity and trade on a comprehensive, liberal, and fair basis should be made. It also stated that "it is of opinion that the initiatory steps thereto ought to come from the Government of the United States, seeing that it was by their action that the old treaty was abrogated." So far as is known the people and the representatives of the merchants of the Dominion have not only been willing, but anxious, that some scheme should be devised for bringing into closer commercial contact the two countries.

IN THE UNITED STATES.

In regard to the desire for this in the United States, the words of the report of the committee, which I now quote, can be verified by the most ample documentary evidence and other testimony. It says:

At one time or another the most of the commercial organizations of the country have requested that action be taken in this matter by their boards of trade and other organizations. The merchants of New York, Baltimore, Portland, Buffalo,

Milwaukee, Boston, and all other cities have requested that Congress would do to the business interests of the country the justice of at least investigating in a thorough and proper manner whether anything can be done by legislation, and, if so, what arrangements should be made between the two countries. The National Board of Trade has frequently urged action in this matter, and, so far as known, no commercial or representative organization of any kind has ever said a word or presented a remonstrance against it. Indeed it is difficult to conceive how any society or individual could remonstrate against a resolution simply for obtaining knowledge and information upon a subject of the importance of this.

I could make evidence on this point cumulative to almost any extent by quoting resolutions of commercial organizations or letters from distinguished men who have investigated these questions and have an interest in them. I think it is no exaggeration to say that by means of resolutions and in other ways it can be shown that the mercantile interests of the country, either through their organizations or otherwise, never desired an absolute repeal of the old treaty and are in favor of a full investigation of the question whether in some way new commercial relations cannot be organized with the Dominion of Canada. The merchant understands better than any one else that it is a foundation principle of the political economy of nations that one country should find all the markets it can in other countries, and no merchant can be so foolish as to object to the obtaining of information upon this question by the Government of the United States.

THIS QUESTION IMMATERIAL.

This question of the demand by the people for this is, however, really immaterial. If members of Congress are of opinion that the subject is of importance and that it is for the business interests of the country that this investigation should take place, it is their duty to order the investigation upon their own judgment and not wait to be pushed up to it by the force of public opinion. This is one of those great things in which Congress can afford to lead on instead of being driven by the people and in which it is our duty to act and vote according to our consciences and convictions.

IX.—INJUSTICE AND DISCRIMINATION IN REFUSING THIS INVESTIGATION.

Here are large bodies of most responsible and prominent men who ask Congress—for what? For a treaty? No. For a reciprocal trade with Canada? No. For free trade with Canada? No. For a tariff to be framed with Canada? No. For any law or legislation whatever? No. Merely for information and that Congress will authorize a commission to gather facts, statistics, and knowledge concerning a question of great importance. That is all they ask for, and every thing that can be found in or rooted out of the resolution.

It is simply an investigation in behalf of the commercial interests of the country. How can Congress refuse such an investigation? Investigations in behalf of commercial interests have been very few; and it will be difficult for members to recall or name them. Committees have been appointed to inquire into almost every other interest under the sun. Great expeditions have been organized at immense cost to find out the solution of the apparently useless question of the existence of the North Pole. Many years ago an expedition or commission was appointed, and a large and very costly book published about it, to explore the river Jordan and the Dead Sea. To give a statement of the investigating committees and commissions and of what they proposed to accomplish for the last twenty-five years would require a book in itself. Upon what possible plea can Congress refuse this very modest request of the merchants of the country for information, when time after time and on occasion after occasion, however frivolous, they have been willing to appoint committees (perhaps to travel over the country at great expense) for investigating merely political questions?

The history of political investigations would make a long chapter. The history of commercial investigations by committees or commissions would make a very short one. I repeat, therefore, that to refuse this investigation would be an injustice and a discrimination which could not well be apologized for or excused. It will require very little expense to pay the salaries of this commission and other incidental expenses, but if it required a very large expense the appointment of a commission would still be justified.

X.—ARE THERE ANY OBJECTIONS TO THE RESOLUTION?

Let us consider very briefly a few of the principal objections, mostly sentimental, which have been urged against this resolution. It will be found on an analysis of these objections that hardly any of them are objections of fact, and that most of them are of feeling and sentiment. Now, I submit that this is not a question for sentiment. It is simply a plain, practical dollar-and-cent question of what is for the financial and commercial interests of this country, without any regard to our sentiments of friendship or hostility concerning Canada.

FEELING OF HOSTILITY TO CANADA.

It is claimed by some that we should not show any humility or weakness, as they are pleased to call it, concerning Canada, and that it shows a disposition to "back down" for us now to consider the question of treating in any way with the Dominion. It is true that some of the relations of Canada to the United States have been most unsatisfactory. Bitterness of feeling grew up in this country against the Dominion of Canada during the civil war, which feeling has never wholly died out. The fisheries question has always been an open and disputed one between the two countries, and has lately embittered still more, and for the most just reasons on our part, the two countries against each other. I shall briefly refer to that question in a few moments. The two countries now, commercially speaking, stand in a hostile attitude to each other. All the treaties are abolished or are probably to be abolished in regard to commercial matters. The two nations occupy a position somewhat similar to that of two boys standing opposite to each other, with their fists doubled up, scowling at one another, refusing to speak, and each with a chip on his shoulder which he requests the other to knock off. The question is, who will speak first, and the feeling seems to be that the one who speaks first shall be regarded as a coward. Now this is all very well between boys, or even men, but two great nations cannot afford to maintain this undignified attitude, and it cannot be maintained for any length of time, because, sooner or later, these vexed questions must be in some way settled, and will be settled.

It is true we have been sadly disappointed with the results of some commissions and pleased with the results of others, but when two nations occupy the present attitude of Canada and the United States the only way to do, and the way which must sooner or later be taken, is for them, by a commission or otherwise, to mutually consult and see if these grievances cannot be adjusted. Dumbness on either side will not do any good. Canada is not foolish enough to think for a moment that we approach such a discussion from feelings of weakness or fear. If there is to be a war of tariffs, we can whip Canada in every respect, to put the truth in the plainest language. Canada understands that, with our vast extent of territory and our vast foreign commerce and the great number of countries we have to supply, she is not in the slightest degree a necessity to us, though she may be an advantage; and she also fully understands that, peculiarly situated as she is, the United States are to her, as it were, a

mercantile necessity, and that if the United States are shut off by barriers from her, great suffering must result to her people. If Canada insists on a contest we can give it to her to her heart's content. Her writers and her speakers, her government and her press, understand this thoroughly, and some of them have ridiculed in stronger terms than we could use the idea of Canada's fighting with the United States. At present we can afford to treat Canada with that good humor with which a great power treats a small one, and if she pushes her hostility to us to the point at which it becomes too troublesome, then Canada will be made to understand that we can injure her to a far greater extent than she possibly can injure us, and that what means only injury to us would very likely mean financial ruin and disaster to her. The contest is not an equal one, and we can afford, as the leading power, to make overtures to Canada to secure amicable trade relations if possible.

For instance, it is of great importance to the Dominion to retain her carrying trade on the ocean, and she has a large trade of this kind employed in bringing sugar to American ports. Suppose Congress should reduce the duties on all sugars brought to our ports, provided they were not brought in Canadian vessels. Or suppose it should reduce duties even to a small extent (which would make no great difference in the revenues or protection) on other articles brought to us by American vessels, which proceeding would at the same time hurt Canadian vessels and benefit us by fostering our shipping interests. Suppose the contest as to the fishery question goes on, and we put prohibitory duties on fish; or that in numerous other ways which can be pointed out, and will suggest themselves, we enter upon a tariff or commercial war with Canada; can any Canadian doubt that we can push her to the wall? Our Canadian brothers might as well recognize the fact first as last that we do not propose to be dictated to, but that we are amiable enough and, to tell the truth, have enough self interest to desire friendly commercial relations; yet, if the necessity arises, we can destroy those relations and still be a prosperous country. It will be unwise in us, and I think that we all recognize the fact, unless forced into it by Canada, to allow any feelings of hatred or feelings of dislike for our Canadian brethren to stand in the way of an attempt, at least, to have harmonious commercial relations between the two countries.

DESIRE TO FORCE ANNEXATION.

I have heard prominent gentlemen, who have investigated this question to some extent, say that they were opposed to having commercial relations with Canada, because if those relations were entirely destroyed and Canada thereby put into a position where she must suffer greatly, if not meet financial ruin, she would therefore be ready for annexation, and the territory of the United States might be extended northward, so that its boundaries would be three oceans. I do not believe that this argument would have any weight as against the resolution. I do not believe that the people of this country have yet arrived at the point where they are prepared to say that they desire annexation. I am doubtful whether Canada has yet arrived at the condition of prosperity in which she will not become to us more of a burden than of a benefit. Her debt has been and is increasing out of all proportion to her population. Her debt in 1867 was \$75,723,641, while in 1877 it was \$133,208,694, and it is estimated that in 1881 her debt will amount to \$170,000,000; in 1891 to \$250,000,000, and 1901 to \$300,000,000. The total debt, including what is due on existing contracts, is about \$200,000,000. Her financial showing is not a favorable

one. While the balance of trade since the union of the provinces in 1867 has been against the Dominion to the amount of \$229,696,336, during the same time her public debt has been doubled and the taxes on account of the general government rose from \$13,486,092 to \$24,488,372. The interest on the public debt is about \$7,000,000 per annum, and the state of the finances is such that additional taxes will have to be imposed in a short time.

So, I submit, in the first place, we are not prepared to say that we want annexation, and that question is one of grave importance, requiring careful consideration; and, in the second place, there is no evidence as yet that Canada is prepared for or desires annexation; and, in the third place, it would seem that a desire for annexation would be fostered more by building up commercial relations and friendly feeling and brotherly love between the two countries than by turning them into bitter enemies. It is certainly a new axiom of human conduct as well as of political economy that to make two men friends and brothers the best way is to cause them to hate each other as much as possible.

FEELING AS TO THE FISHERY QUESTIONS.

As to these questions I shall speak briefly hereafter. Suffice it to say that there is neither logic nor reason in taking the ground that because we have been wronged therefore we will not speak to Canada nor have any consultation with her whatever in order to see if these commercial difficulties, as well as others, cannot be settled.

OBJECTIONS TO THE FORMER RECIPROCITY TREATY.

As I have said, these objections are not pertinent here and are not entitled to the slightest weight. I only refer to it again under this heading because this argument against the former reciprocity treaty is constantly pushed forward with wearisome iteration as the stock argument against this resolution.

ARGUMENT THAT IT IS IMPOSSIBLE TO AGREE.

Another objection that is raised is the weak and despairing suggestion that there is no use in trying this thing, because nothing can be accomplished and it is impossible to agree. The advocates of this doctrine are afraid to attack the question and propose to lie quietly down and give it all up, let the commerce of the two countries drift on wherever it may, and trust to fate. They propose to follow the Turkish plan of crossing their arms and rolling up their eyes and saying, "It is fate." Perhaps it is impossible to agree; but it certainly is worth the while to make the attempt. If all great questions before Congress are to be laid helplessly aside with the reflection that it is impossible to do so great a work, we might as well give up all attempts at legislation or at the management of the interests of the country. We do not know that something cannot be done until the attempt has been made; and there is every reason to hope that something at least can be accomplished in the direction of reciprocal trade.

Between a complete arrangement for reciprocal trade in all articles and the present condition of trade there are many intermediate steps and it may be that if we can only take one of these steps to bring around trade in only one article, it may be an advantage to our country as well as to Canada. Mr. Ward, in his argument in the House of Representatives, May, 1876, spoke as follows:

It ought not to be difficult to agree upon the basis of a common tariff on all articles, such as silks, laces, brandies, wines, jewelry, &c., the importation of which is taxed only for revenue and in regard to which no irreconcilable differences of politico-economical theory arise, or to determine the terms of an equitable division of the revenue collected from them in common. If this only were done the most extensive smuggling, from which the revenue of the United States suffers, would

be stopped and our public Treasury would be the gainer by many millions. Some, at least, of the manufactures and raw products of each country could be admitted to free exchange with those of the other.

It is hoped, and it is reasonable to suppose that by a full examination by the representatives of the two governments, some common ground, at least as to some articles of commerce, might be found.

XI.—THE FISHERY QUESTION.

The argument is made against this resolution from prominent quarters that it ought not to be passed while the fishery question is in abeyance, but I submit that this is one of the very reasons why it ought to be passed. Ever since the formation of the two governments this has been the great question in dispute between the two countries, and several treaties have been made concerning it. The Washington treaty of May 26, 1871, for twelve years, expires in 1883. I need not refer to the present position of the fishery question. It is not worth the time to discuss the past difficulties. The question which confronts us is, how to meet and get rid of the present difficulties. The substance of the Washington treaty was this: That United States fishermen should have the right to shore-fishing in the provinces, while fish-oil and fish of all kinds should be admitted into each country free of duty.

The considerations urged were our having the right to fish and their having the right to sell fish to the United States free. Our rights have been infringed, and the people of the United States naturally feel indignant, not only at the exorbitant price they have been compelled to pay, under the decision of the commission, but at the invasion and denial of their rights, as shown by the Fortune Bay outrages. Every man, at least on the American side of the line, believes that a commission which obliged us to pay \$5,500,000 for the right to fish in those waters committed an outrage. It seems apparent, even on the most superficial view of the question, that we ought not to have paid anything, and that the Dominion in regard to this fishery question has received from us much more benefit than it ever gave. It seems to be demonstrated as clearly as statistics, mathematics, and reason can demonstrate it that a balance of the benefits from the fishery trade and from the intercourse between the two countries on account of the fishery was very largely in favor of the Dominion, and if any money, equitably or honestly, ought to have been paid, it should have been paid to the United States. I think that we are justified in feeling that we have not had fair treatment, and if the unwritten as well as the written history of that commission is to be believed, that in regard to the formation of the commission and to its proceedings and its mode of estimating damages and the way in which it figured up those damages and afterward changed the figures and arrived at its final results, and in fact in all its doings, we were, to put it very mildly, overreached; a vigorous use of language would allow us to say that we were swindled.

It certainly has the appearance of being what in border phrase would be called a "put up job." I believe that at the earliest possible moment compatible with our national honor, which is bound to the observance of treaties according to the terms thereof and law applicable thereto, retaliation should be made by means of duties on fish brought into our market. If the treaty was unfair, and we have been wronged by being obliged to pay a large amount of money, which we ought not to have paid, and now (besides paying the money) are prevented from fishing freely where the treaty gives us the right to fish, we ought, having those disadvantages, to secure for ourselves benefits by abolishing the treaty and retaliating upon the Canadians.

Where, then, do we now stand? The two nations stand facing each other with this fishery question undetermined, the right to fish in Canadian waters taken from us and the right to sell fish in our markets taken from them, or that is the position the two nations will occupy if the present propositions are carried out. In other words, the two countries stand entirely independent of each other, with all the work of agreeing upon propositions of trade to be done over again and with the necessity of making, if possible, some arrangement. This is purely a question of money and not of feeling.

If it can be demonstrated that this fishery question should not be settled, but should remain permanently in its present condition, and that the two countries as to fish and fishing-grounds can stand entirely independent of each other, and each leave the other to enjoy merely its own independent rights, then no other negotiation is necessary; but I assume that this is not the case, and that it is desirable in the interest, perhaps even of peace, and certainly in the interests of commerce, that this question should be determined. How shall it be determined? Certainly it cannot be determined by the two nations facing each other and abusing each other. Certainly it cannot be determined by the two nations standing up and calling each other by hard names, and shaking their fists at each other. Certainly it cannot be determined by the two nations turning sulky and absolutely refusing to consider any propositions or to make any approaches. The only way in which it can be determined is by another attempt through representatives of the two countries to agree on some common basis of commercial trade.

A new government has come into power in England, and one which, it is believed, will meet this question in an open and manly way; and this fishery question, in my opinion, offers one of the strongest reasons for the desirability of a commission. How else can you settle it except by an investigation and by a commission? Both governments have not the power of talking and consulting as governments except through commissions or through other mouth-pieces. The officials of the governments can themselves only investigate through commissions or other officials. Sooner or later this plan must be adopted; and is it not better to move in this direction at the present time, and to now endeavor in this critical position of affairs to obtain some thorough, well-digested, and, it is hoped, some permanent scheme for enabling the two countries, as to their fishery and other commercial questions, to live together in harmony?

XII.—ARE THERE ANY LEGAL OBJECTIONS TO THE PROPOSED RESOLUTION?

I shall refer very briefly to the objections of this nature which have been urged against the resolution under discussion. In the first place the complete answer to all such objections is that this is only a resolution for information and inquiry, and if any lawyers in this House can show in the Constitution or the statutes any reason why it is improper or illegal to obtain knowledge or information, I should like to be informed of that statute and that article in the Constitution. One of the very objects of this commission is to ascertain if there are any such legal objections, and to examine thoroughly into all the aspects of the case. This consideration, I submit, disposes entirely and at once of all legal objections to the proposed resolution, but I desire to refer briefly to the principal objections of that nature which have been made. It has been claimed that a reciprocity treaty with Canada cannot be made, because a treaty can only be made by the President and the Senate, whereas all revenue matters or matters affecting tariff are exclusively within the jurisdiction of Congress. The treaty-making power consists of the President and Senate, the law-

making power consists of the Senate and House and President, the latter having only the power of signing or vetoing bills. To the treaty-making power belongs exclusively the power to make treaties, and to the law-making power the power to make tariff laws. Hence it is argued that the treaty-making power cannot affect trade by means of any tariff provisions. This question may be, under some circumstances, of great importance; and as you approach it, it expands to such an extent that to properly treat of it, historically, legally, and otherwise, would require a book of itself. The distinguished gentleman from New Jersey, [Mr. ROBESON,] who is a member of the committee reporting this resolution, suggested at a hearing before the committee that these questions might well be treated under the following heads:

1. Is the treaty-making power of the President and Senate exclusive?
2. Is the revenue power of Congress of such a nature as to give it exclusive power over this subject?
3. Is a reciprocal arrangement necessarily under the treaty-making power?
4. If the treaty-making power is not exclusive is it restrained by the necessity of action by Congress upon any subject which affects the revenue?
5. Are these two points co-existing? That is to say, may the treaty-making power act, and are all treaties referring to subjects in the power of Congress, however complete in themselves, subject to the subsequent action of Congress?
6. Is the action of Congress subject to the treaty-making power?

It will be seen that a full discussion of this question in all its bearings would expand this argument to an extent incompatible with the ordinary limits of a speech in this body, and would require much investigation to consider in a satisfactory manner. It seems to me, however, that there can be no doubt upon this question; that the treaty-making power cannot directly or indirectly infringe upon or interfere with the law-making power. The treaty-making power has certain specified rights and the law-making power other specified rights, and each is independent of the other. The treaty-making power cannot do indirectly what it cannot do directly, and if the right to impose a tariff on certain articles belongs exclusively to the law-making power, it is clear that the President and Senate cannot by any mode change or affect the tariff on those articles. If the converse of the proposition is true, it leads to most absurd results.

If by means of a reciprocity treaty or any treaty with a foreign country the treaty-making power can provide that a tariff shall be of a certain amount on certain articles, it can thus provide a tariff for all articles. All our tariffs come from trade with foreign countries, and the President and Senate, by means of treaties with these foreign countries, could thus fix the tariff on all possible articles coming into this country and make up an entire tariff schedule. Nay, more, if the treaty-making power could do this, why could it not, whenever it might be done by means of a treaty, establish what the amount of our bonds should be or how they should be issued or what percentage of interest they should pay; make navigation laws for our country; enact in treaties emigration laws, at the request and by the consent of foreign governments interested in these questions, (because emigration is coming to our shores by hundreds of thousands,) or provide as to the mode of the settlement of our public accounts, and in fact act as a law-making power, and include in its own powers almost the whole field of legislation? Without going at further length into this question, I do not believe that the treaty-making power exclusively can affect the tariff and, by means of the tariff, the trade with foreign countries.

I submit, however, that this question is of not the slightest importance here. It has never been proposed in the discussion of this resolution to have the treaty-making power exclusively take charge of

this question, otherwise this resolution would not be pending in the House of Representatives. The question does not arise in any way in this discussion. Suppose a scheme of reciprocal trade can be devised between the United States and Canada; you may entitle it reciprocal trade or a reciprocal treaty or a reciprocal tariff, using whatever words you choose to describe the scheme or the means of carrying it out. If it shall be framed as a reciprocal treaty, it has never been desired that such a treaty should be carried out and made law by the treaty-making power, without the consent of the House, and certainly it cannot be claimed that if the House and Senate concoct this tariff scheme and formulate it into the shape of a treaty or other law, such a treaty or scheme may not be made by the consent of the Senate, the House, and the President. The law or treaty would then be made by both the treaty-making and the law-making powers. This would at once remove all questions, and this is all that is intended, and the House *ab initio* in this resolution becomes a party to the proceedings. But, again, no question need arise, because this necessarily need not be a treaty.

Suppose that this commission reports a certain tariff scheme of reciprocal trade, and that that scheme is formulated into a bill and presented to Congress for its action. Congress by the consent of the President passes this as a tariff or trade bill, and it contains a section or proviso that it shall go into force or effect only when a similar bill, which formulates the same scheme, shall be passed by the British Parliament or the Dominion of Canada, and shall continue in force only according to the terms of the same joint scheme. This bill would have the consent of all the three departments of this Government, and would embrace both the treaty-making and the law-making powers. No one can contend for a moment that such a scheme would not be perfectly lawful. In fact this whole objection is the merest criticism on words. It would be applicable and applicable only if it was intended to try to get from the Senate and the President a reciprocal treaty without the concurrence of the House; but the converse of the proposition being true, the argument is utterly worthless and falls to the ground. If, however, this question shall become of importance, it is one of those great questions which we desire the commission to investigate and report upon. They will report upon the question how, if they can agree on any mutual system of trade, it shall be formulated into law. They may find it necessary to fully investigate and report upon these legal questions, but as objections at this stage of the case they have no weight or force.

"FAVORED-NATIONS" CLAUSES IN TREATIES.

The only objection remaining which I wish to consider, and to which I shall very briefly refer, is the above. It has been claimed that it is impossible for us to make any system of reciprocal trade with Canada, because under the "favored-nations" clauses in treaties we should be obliged to give the same advantages to other countries as to the Dominion of Canada. It may be said in reference to this proposition that the position of Canada is an exceptional one, and, giving the strongest construction to this clause in treaties, the utmost that can be claimed is that any nation shall have precisely the same privileges as any other nation. Now, suppose that we make a treaty of reciprocal trade with Canada on account of her peculiar position, her peculiar relations of commerce and of transportation, or otherwise, or on account of the returns which she can make to us in regard to her fisheries, &c., and these peculiarities of condition and of compensation and of intercourse are the cause of the treaty. Certainly no other government can claim an equal privilege unless she can show

the same conditions and offer the same privileges that Canada does. For example, because we want from Canada the right of fishing, and for this as well as for other purposes make the treaty, France and England cannot claim the same tariff on their articles, unless they give to us the same consideration, namely, the right of fishing and such right under the same circumstances and on the same fishing-grounds, or unless they can show they are contiguous to our border, with the same mutual advantages of railroads, water communication, and the same need of each other, and the same dependence on each other. This treaty will not depend on the mere question of the tariff, but on all questions of intercourse between the two countries. I do not beg the question, as I might by saying that these treaties have heretofore been made, and that it has never been claimed that treaties made from peculiar circumstances, or for reasons particular and individual to countries, can be shared as to their advantages with all other countries. For example, we made the duty on fish free to the Canadians because as a consideration we received the right of fishing in Canadian waters. Can France, England, Germany, Italy, or the Hawaiian Islands come in under the "favored-nations" clause and say that we are therefore bound to make the duty on fish free for them? Such an argument cannot be maintained for a moment, and if urged we can reply to those countries that they are perhaps entitled to the same rights as other countries and are under the same obligations as other countries, and that when they can do for us just exactly what Canada does in consideration of a treaty; when they can give us the important rights of fishing, of trade, the same intercourse, the same communications, and, in a word, can be to us what Canada is and can give to us the same compensation that Canada can, then each will have made out her right under the "favored-nations" clause. Therefore, I submit that in theory, law, reason, and in practice this doctrine does not stand in the way of some scheme of reciprocal trade with Canada. It may be said in addition, as I have before stated under another heading, that this scheme is not intended to be necessarily formulated into a treaty. It may be formulated merely as a tariff law, passed by Congress, in return for a similar tariff law passed by the Dominion of Canada, and thus this question might be avoided. But I am willing to place it on the broadest ground, that under the strictest construction of the above clause in treaties such a scheme of reciprocal trade with Canada as contemplated by the resolution may be carried out. In any event, here is another of the complicated questions which we desire to have examined and thoroughly discussed, and which can be so examined and discussed by a commission.

The importance of this subject is my apology for discussing it so much at length. These questions, affecting the commercial interests and the friendly relations of two great countries, are of no trifling importance. They are worthy of the careful, patient, and unprejudiced consideration of the people and of Congress. Few questions of more importance and having a more direct bearing upon the interests of all classes of our citizens, whether producers or consumers, whether farmers, merchants, manufacturers, or laborers, have been presented for the action of the present Congress. This question demands from us a decision upon its merits, and that we, regardless of prejudices or local interests, shall decide it according to the best of our judgment as to what the interests of the country and of the people, as a whole, demand. Such full and impartial consideration I hope this subject will receive from this House, and, receiving it, I believe the resolution under consideration will be adopted.

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