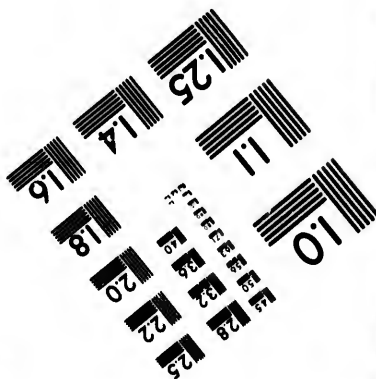
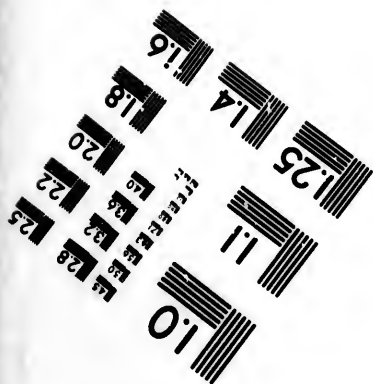
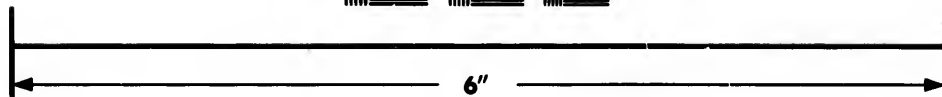
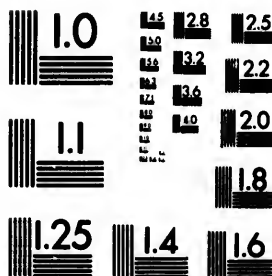


**IMAGE EVALUATION
TEST TARGET (MT-3)**



**Photographic
Sciences
Corporation**

23 WEST MAIN STREET
WEBSTER, N.Y. 14580
(716) 872-4503

**CIHM/ICMH
Microfiche
Series.**

**CIHM/ICMH
Collection de
microfiches.**



Canadian Institute for Historical Microreproductions / Institut canadien de microreproductions historiques

© 1985

Technical and Bibliographic Notes/Notes techniques et bibliographiques

The Institute has attempted to obtain the best original copy available for filming. Features of this copy which may be bibliographically unique, which may alter any of the images in the reproduction, or which may significantly change the usual method of filming, are checked below.

L'Institut a microfilmé le meilleur exemplaire qu'il lui a été possible de se procurer. Les détails de cet exemplaire qui sont peut-être uniques du point de vue bibliographique, qui peuvent modifier une image reproduite, ou qui peuvent exiger une modification dans la méthode normale de filmage sont indiqués ci-dessous.

- Coloured covers/
Couverture de couleur
- Covers damaged/
Couverture endommagée
- Covers restored and/or laminated/
Couverture restaurée et/ou pelliculée
- Cover title missing/
Le titre de couverture manque
- Coloured maps/
Cartes géographiques en couleur
- Coloured ink (i.e. other than blue or black)/
Encre de couleur (i.e. autre que bleue ou noire)
- Coloured plates and/or illustrations/
Planches et/ou illustrations en couleur
- Bound with other material/
Relié avec d'autres documents
- Tight binding may cause shadows or distortion along interior margin/
La reliure serrée peut causer de l'ombre ou de la distorsion le long de la marge intérieure
- Blank leaves added during restoration may appear within the text. Whenever possible, these have been omitted from filming/
Il se peut que certaines pages blanches ajoutées lors d'une restauration apparaissent dans le texte, mais, lorsque cela était possible, ces pages n'ont pas été filmées.
- Additional comments:/
Commentaires supplémentaires:

- Coloured pages/
Pages de couleur
- Pages damaged/
Pages endommagées
- Pages restored and/or laminated/
Pages restaurées et/ou pelliculées
- Pages discoloured, stained or foxed/
Pages décolorées, tachetées ou piquées
- Pages detached/
Pages détachées
- Showthrough/
Transparence
- Quality of print varies/
Qualité inégale de l'impression
- Includes supplementary material/
Comprend du matériel supplémentaire
- Only edition available/
Seule édition disponible
- Pages wholly or partially obscured by errata slips, tissues, etc., have been refilmed to ensure the best possible image/
Les pages totalement ou partiellement obscurcies par un feuillet d'errata, une pelure, etc., ont été filmées à nouveau de façon à obtenir la meilleure image possible.

This item is filmed at the reduction ratio checked below/
Ce document est filmé au taux de réduction indiqué ci-dessous.

10X	14X	18X	22X	26X	30X
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12X	16X	20X	24X	28X	32X

The copy filmed here has been reproduced thanks to the generosity of:

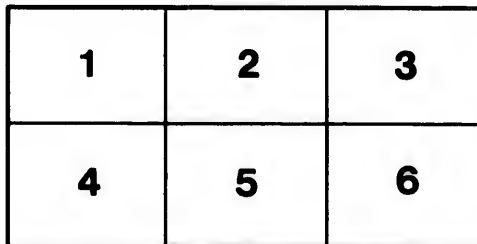
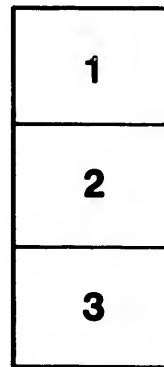
Library of the Public
Archives of Canada

The images appearing here are the best quality possible considering the condition and legibility of the original copy and in keeping with the filming contract specifications.

Original copies in printed paper covers are filmed beginning with the front cover and ending on the last page with a printed or illustrated impression, or the back cover when appropriate. All other original copies are filmed beginning on the first page with a printed or illustrated impression, and ending on the last page with a printed or illustrated impression.

The last recorded frame on each microfiche shall contain the symbol \rightarrow (meaning "CONTINUED"), or the symbol ∇ (meaning "END"), whichever applies.

Maps, plates, charts, etc., may be filmed at different reduction ratios. Those too large to be entirely included in one exposure are filmed beginning in the upper left hand corner, left to right and top to bottom, as many frames as required. The following diagrams illustrate the method:



L'exemplaire filmé fut reproduit grâce à la générosité de:

La bibliothèque des Archives
publiques du Canada

Les images suivantes ont été reproduites avec le plus grand soin, compte tenu de la condition et de la netteté de l'exemplaire filmé, et en conformité avec les conditions du contrat de filmage.

Les exemplaires originaux dont la couverture en papier est imprimée sont filmés en commençant par le premier plat et en terminant soit par la dernière page qui comporte une empreinte d'impression ou d'illustration, soit par le second plat, selon le cas. Tous les autres exemplaires originaux sont filmés en commençant par la première page qui comporte une empreinte d'impression ou d'illustration et en terminant par la dernière page qui comporte une telle empreinte.

Un des symboles suivants apparaîtra sur la dernière image de chaque microfiche, selon le cas: le symbole \rightarrow signifie "A SUIVRE", le symbole ∇ signifie "FIN".

Les cartes, planches, tableaux, etc., peuvent être filmés à des taux de réduction différents. Lorsque le document est trop grand pour être reproduit en un seul cliché, il est filmé à partir de l'angle supérieur gauche, de gauche à droite, et de haut en bas, en prenant le nombre d'images nécessaire. Les diagrammes suivants illustrent la méthode.

ails
du
difier
une
nage

rata

elure,
à

12X

REMARKS
ON THE
EXTENSION OF RECIPROCITY
BETWEEN
CANADA AND THE UNITED STATES,
(NOW CONFINED TO THE GROWTH AND PRODUCE OF EACH,)
TO
MANUFACTURES, SHIPPING & COASTING,
AND ESTABLISHING A
COMMERCIAL SYSTEM
ADAPTED TO THE
GEOGRAPHICAL POSITION OF CANADA.

By WM. HAMILTON MERRITT.

ST. CATHARINES:
H. LEAVENWORTH, BOOK AND JOB PRINTER.
1855.

THE UNIVERSITY OF CHICAGO

PHYSICS DEPARTMENT

PHYSICS 309

LECTURE 10

STATISTICAL MECHANICS

ENTROPY

REVISION

PROBLEMS

REMARKS ON THE EXTENSION OF RECIPOCITY.

To comprehend the advantages likely to arise from this change more fully, public attention is directed to the Report of a Committee of the Legislative Assembly, on the Trade of Canada, and the Statements and Returns appended thereto.

1st. The Report commences by pointing out the geographical position of this Province, on a Map extending from the Pacific to the Atlantic,—the magnitude of its navigable waters,—the peculiar natural advantages it possesses,—and the causes which diverted the Trade of the West therefrom; also, its diminution with Great Britain,—her North American possessions,—the West India Isles, and all other parts of the world, compared with its rapid increase with the U. States.—(See pages 1 to 7.)

It also contrasts the relative amount of capital invested in Manufactories, amount of Foreign Imports and Exports, and the average amount of consumption from foreign parts, per head, between the *two countries*: and closes by submitting for the consideration of the Legislature, (page 11,)

First.—The removal of all duties on the productions of the British possessions in America, upon the same principle, and placing their exchanges upon the same footing, as between the different States of the American Union, or the German confederacy in Europe.

Second.—Extending the principle of Reciprocity to Manufactures, Shipping and the Coasting Trade, between Canada and the United States.

Third.—Removing the public bounty paid by Great Britain to steamers running between Liverpool and New-York.

Fourth.—The removal of all duties on the raw material used in Manufactories, and on all cheap, heavy and bulky articles imported by the St. Lawrence.

Fifth.—Removing every obstruction on the St. Lawrence, extending public aid in affording facility to its Trade, and constructing the St. Lawrence and Champlain Canals, with locks of the same magnitude as those at Sault St. Marie.

Sixth.—Abolishing the Ware-housing system, and extending a credit to the Importer, in its stead.

The opinions, tabular statements, and official returns, both from the United States and Canada, will be found in the Appendix.

It appears from the above, that only a few simple changes are necessary to establish a *Canadian Commercial Policy*.

2nd. Canada has been made the victim of a series of experiments, on the different Theories of Trade.

Under *Protection*, up to 1836, (except three years subsequent to the Imperial Act of 1843,) her productions could not be shipped to the Market of the mother country, at a profit; from the duties imposed by the sliding scale.

Under *Bounties*, paid by the Government of the United States, her citizens were enabled to export fish for the support of Canada, to the amount of £19,000, while our exports to the United States only amounted to £21,000; and the annual Bounties paid by Great Britain and the United States to steamers between New-York and Liverpool, (page 3,) enabled them to transfer the Trade of the Western States and Canada from Quebec to New-York.

A more striking instance of the effects produced by the system could not be pointed out, than in the exchanges of fish, on which the inhabitants of Canada paid one-eighth, or £2,375, duty,—paid freight thereon to New-York; thence on their canals and railways to Canada, and purchased them at less cost, although caught in the same waters, than from our own fishermen, on our own coasts, without duty. At the same time the consumer in the United States was subject to a double tax on our fish, in the payment of bounties and duty, averaging about 20 per cent. each. The latter is removed, but not the former.

Under *Free Trade*, we have lost all direct foreign intercourse by the St. Lawrence, and the capital expended in our Canals connecting that river, without creating a single Cotton, Woollen or Iron Manufactory, a Home Market, or any other equivalent whatever. These disastrous results were not caused by the adoption of the principle of Free Trade,—the soundness of which cannot be controverted. The *name* has been used without its spirit: Free Trade without removing Customs Duties is

a fallacy. The effect of the policy of the late Sir Robert Peel, *not to exact Reciprocity from other countries*, was to lessen the prices of the productions of Canada one-fifth, (the exact amount of the duty imposed,) as compared with the like articles in the United States; if therefore, it was the interest of Great Britain to adhere to this policy, it is clear, that the principle cannot apply, or that the commercial interest of the United Kingdom and Canada are adverse to each other.

AGRICULTURAL PRODUCTIONS.

3rd. The most injudicious statements have been circulated on this subject. Canada has been represented to be essentially an Agricultural country: whereas, it is notorious that the growth of her principal export, Wheat, is confined to a very limited space, when compared with the West, viz:—the upper part of the St. Lawrence, the borders of Lake Ontario, with the peninsulas of Niagara and Huron; and although the best Wheat in America is produced on the above frontiers, her position is more peculiarly adapted for Manufactures and Commerce, to which public attention has not hitherto been directed.

MANUFACTURES.

4th. Under the present system, from 20 to 40 per cent. duty is imposed by the Government of the United States, on all articles manufactured in Canada; and 12½ per cent. duty is levied in Canada, on the like articles manufactured in the United States. This difference enables the Manufacturer there to send his surplus stock to be consumed here, under the *lower*, while the Canadian Manufacturer is prohibited from sending his productions to the United States, under the *higher* duty.

The only means at our disposal, is to impose the like duties on their Manufactures, which will counteract their unwise Legislation, and not increase prices to the consumer; and place the Manufacturing interest in the two countries on an equal footing.

SHIPPING AND COASTING.

5th. Vessels can neither be bought or sold, or cargoes transported from port to port, unless built or owned by individuals residing on the same side of the boundary: they are compelled to call at an opposite port, at additional cost; and even this evasion is not free from interruption. The effect is, to increase the price of freight to both consumer and producer, without any corresponding advantage. The St. Lawrence being now open to vessels of both countries, there can be no good reason for continuing this absurd restriction.

COURSE OF TRADE.

6th. The Treasurer of the United States is required by law, to publish every year, a Report of the value of Imports and Exports. Prior to 1850, the Trade with Canada was included in the returns of British North America: since then, it has been set apart; and similar returns have been published by the Customs Department in Canada.

NUMBER ONE.

United States Commerce and Navigation Returns for 1854.

Value of Domestic Goods exported to Canada,	£2,627,593
“ Foreign Goods, duty paid,	1,353,947
“ do. free, (pp 40 to 136.)	345,637
Total Exports,	£4,325,177

NUMBER TWO.

Trade and Navigation Returns of Canada, for 1854.

Imports from the United States paying specific and *ad valorem* duties.

Value £868,503,—averaging 32 per cent. duty,	£277,921
“ 42,479 “ 36 “ - - - - -	12,743
“ 42,857 “ 20 “ - - - - -	8,571
“ 1,903,256 “ 12½ “ - - - - -	237,669
“ 505,140 “ 2½ “ - - - - -	12,628
£3,362,355 “ “ - - - - -	£549,532
“ 520,940 Free.	
£3,883,275 Total Imports.	

NUMBER THREE.

Commissioner of Customs' Report, (No. 8, page 10.)

Value of Foreign Goods passing under Bond,	£1,336,770
“ Purchased in the U. States, do.	299,428
“ do. on which duty had been paid,	144,021
“ do. “ Free,	230,605
“ Domestic Goods,	2,835,525
Total Imports,	£4,846,349

NUMBER FOUR.

Commerce and Navigation Returns of United States for 1854.

Imports from Canada, (page 272.)

Value, free of duty,	£95,000
“ paying duty,	1,585,374
Total,	£1,680,384

NUMBER FIVE.

Trade and Navigation Returns of Canada.

Exported to the United States, (No. 30, p 512.)

Produce of the Mines,	-	-	-	£69,540	
" Sea,	-	-	-	21,368	
" Forest,	-	-	-	534,255	
" Agriculture,	-	-	-	1,493,691	
			Now free,		£2,118,852
" Manufactures,	-	-	-	£52,205	
" Liquors,	-	-	-	2,836	
" Other articles,	-	-	-	8,356	
			Still subject to duty,		£63,395
					Total, £2,162,249

NUMBER SIX.

Commerce and Navigation Returns, (page 369.)

Value of Goods in transitu through Canada, for the United States,	£123,331
Same, through the United States, for Canada, (p 3)	2,010,824

NUMBER SEVEN.

Value of Im. [p 268,] in 1850, £1,648,715	Value of Im. [p 253,] in 1854, £3,833,1
From U. States do. Ex. [p 431,] 1,405,138	Exports, [p 512,] " 2,162,205
£3,053,138	£6,045,544

NUMBER EIGHT.

The Statement of Revenue collected in the 17 Ports of the United States bordering on Canada, from 1830 to 1849, (19 years,) before the Corn Law of 1846 came into operation, (App. to Report of Committee, No. 10, page 39,) was \$1,600,000: the gross revenue collected, near \$1,200,000.

NUMBER NINE.

Returns of Treasurer of the United States.

In 1854, the value of Imports from Canada, were	-	-	\$6,726,133
The amount of Revenue collected,	-	-	1,052,368
The expenses of collection,	-	-	137,190

NUMBER TEN.

Returns of Treasurer of the United States.

Statement of articles made free by the Reciprocity Treaty, (No. 6, page 36.)

In 1854, the value of Imports from Canada, were	-	-	\$6,097,203
Amount of Revenue estimated on above,	-	-	\$1,000,000

The above official Returns are exhibited for the purpose of pointing out, in a concise manner, the practical operation of our present Commercial Intercourse with the United States.

TABLE No. 1—gives the value of foreign articles imported into the United States, on which a duty is first paid, then again exported, and a second duty paid when brought into Canada. No. 3—shews a reduction of one-tenth on the above; but as the Trade Returns give no separate statement of the amount of drawback returned in the United States, the real amount of this double duty cannot be satisfactorily ascertained. However, more full information will be afforded in future. (See Report of Committee, page 28.)

No. 2—gives the amount of *ad valorem* duties paid on Imports into Canada,—articles subject to 32 per cent. will be found in the Report of Trade, (page 34.) It will be observed, that near one half of this duty is collected on Tea, Coffee and Molasses, on which the consumer in the United States pays no duty.

Nos. 4 and 5—give the value of Exports from Canada to the United States, which, during the past year, were subject to 20 per cent. duty: this duty is now removed. The amount of Exports still subject to duty, are not worth naming, and fully corroborate the Returns of the United States Treasury, Nos. 3, 8 and 10.

No. 6—gives the amount of foreign Imports into the United States, through Canada, by the St. Lawrence, and the amount of foreign Imports into Canada, through the Atlantic Ports of the United States,—from which it appears, that the once flourishing trade in British merchandize, on the Canadian frontier, with the United States, has disappeared, as well as the transit trade, for the supply of the interior of Canada, *via* Quebec.

No. 7—shews that the trade between the United States and Canada has doubled within four years, under all the disadvantages of the high duties in the United States,

Nos. 8, 9 and 10—convey still more important information.

First. It proves, that during a period of nineteen years, the expense of collecting the revenue in the United States opposite the Canadian frontier, cost the public \$400,000 more than the whole amount received.

Second. That the revenue from our productions, since the Corn Law came into operation in 1848, increased over one million of dollars.

Third. That the amount of revenue on those articles freed by the Reciprocity acts, will be reduced about one million. If correct, the revenue, in future, on this frontier, will be reduced

far below what it was in 1848; as before that period a large amount of foreign goods were exported to the United States from Canada.

These Official Returns, covering a series of years from 1830 to 1854, prove conclusively, that a change in the commercial intercourse between Canada and the United States is inevitable. The revenue on this frontier will not pay the cost of collection; therefore, the people of the United States will not find it their interest to continue the support of eighteen Ports of Entry, on the frontier of Canada, at an annual outlay of \$137,000. Neither will it be the interest of the people of Canada, after those eighteen Ports are withdrawn, to keep up eighty different Customs establishments in the interior, at an expenditure of \$200,000 per annum.* (See Estimate for 1854.)

INTER-COLONIAL TRADE.

7th. Under our present system, each Province maintains a separate Government, although the united population does not equal that of some of the single States in the American Union. In 1851, their Trade was taxed in the following ratio, per head:

Newfoundland,	-	-	-	15s. 8½d.
New-Brunswick,	-	-	-	12s. 0½d.
Canada,	-	-	-	9s. 4d.
Nova Scotia,	-	-	-	7s. 8½d.
Prince Edward's Island,	-	-	-	7s. 2½d.

(See Report of Committee, pages 32 and 33.)

There are no means from official Returns, to ascertain whether this average has increased or diminished since 1851, except for Canada, which, from the public acc'ts of 1854, (No. 2, page 14,) shew an increase to 12s. 3½d. per head,—exceeding the average amount of duty in the United States, during the same year. [See Finance Report, No. 48, p. 144.] Since the Official Returns of the two Governments were brought under the notice of the Finance Committee, in 1850, these facts have been denied by the highest authority, although without a shadow of proof. The latest Returns are again re-produced, to prove that every expenditure appertaining to an Independent Government in the United States, [from which each of the above dependencies are exempt,] are sustained with less Taxes on Trade than for the expenditure of the Colonial Government in British

* Since the above was in the hands of the printer, it has been ascertained that on the United States side of the Suspension Bridge, where some 30 cars pass daily,—from March to September, not an article has been entered except waggons and harness, spars, ornaments, and one barrel of ale,—the duty not having reached one THOUSAND DOLLARS for the season.

North America. Therefore, an entire change in our Commercial policy is not only desirable, but indispensable.

RECIPROCITY.

8th. The advantages to arise from the introduction of this principle are obvious.

Capital will be introduced and expended in the erection of Manufactories,—a population now idle, will find profitable employment during the long winter season, without diverting the industry of a single man from Agriculture,—our extensive water power, now useless, will be converted into a source of wealth; and our lakes, rivers, canals and railways, now unproductive, will transport the raw material and manufactured articles, at the lowest prices, from or to any portion of the Continent, at a profit. With those facilities, and every material for building, bread and every description of provisions at the cheapest rates, no reason can be assigned, when placed upon the same footing, why Canada should not manufacture the like article as cheap and extensive as any other portion of America.

Ship building will spring up in every locality where the material, labor and skill can be furnished on the best terms, and reduced by competition, to the lowest rates.

The productions on either side of the boundary, will reach the ocean by water, through Canada, during the summer, and the United States during the winter, by the shortest routes and at the cheapest rates,—thus securing the best markets, in all seasons, and at all times. The productions of Agriculture, Manufactories, Lumber and Fish of the North, will be exchanged for Sugar, Molasses, and the tropical productions of the South; on the same terms as between Maine and Louisiana.

In place of from one-eighth to one-fifth of our industry being lost, in the exchange of our productions, the grower will receive the highest prices for every article he sells, and the consumer will be furnished, at the lowest prices, with every article that he purchases, and the profits will be added to the general wealth of both countries. In short, every individual who gains a living by labor, is personally interested in the early adoption of this principle.

9th. The only objection yet urged against the commercial policy submitted by the committee, is in the extension of this principle to Manufactures. It was first brought under the consideration of the Provincial Legislature in 1846, although limited to the natural productions of Canada and the United States. It was then received by the Provincial Government, the Legislature and the public, with great distrust, and opposed by the

leading politicians of the day. In 1849, it gained a majority. In 1854, it received the unanimous assent of Parliament; and in 1855, its beneficial effects, on both sides of the boundary, has exceeded the expectations of its most sanguine promoters. The Colonial Government were then powerless, wholly dependant upon the voluntary action of the Government of the United States. We now stand upon a very different footing. Then we were most interested in seeking admittance for our Agricultural productions in their Markets: now, they feel most interested in seeking admittance for their manufactured productions in our Markets.

The distrust which existed on this subject, has in a great measure been removed; public attention has been directed to it, from time to time, by able men. In November, 1847, the late Hon. Robert Baldwin Sullivan, at the request of the Mechanics' Institute of Hamilton, delivered a *Lecture on the connection between Agriculture and the Manufactures of Canada*, which was printed and extensively circulated.

"No man," says he, "in his senses, can question but that a connection with the United States would soon place us in the condition they are; and yet our backwardness, as compared with them, cannot, with any show of reasoning, be attributed to any necessary consequence of our dependance upon England."

Concurring in this opinion, and still adhering to that expressed in 1846.

"Many men of sound judgement entertain the opinion, that were a free intercourse opened with the United States, on the same terms as between the citizens of the different States, it would produce a change in the sentiments of the Colonists, towards the Mother Country. This change can only arise from being deprived of this free intercourse. In support of this opinion, which it is important should be well understood, I will assign but one reason. The farmer or producer values his Market by comparative, not remunerating prices: he would rest satisfied with 2s. 6d. per bushel for wheat, if equal on both sides of the boundary; but not, if he received 5s. here, when it commanded 6s. there." The same reason will apply at this moment to the consumer.

We have no reason to apprehend opposition from the Imperial Government, although the hasty and indiscreet opinion on the subject of Reciprocal Free Trade between the colonies, as announced by Lord John Russel, in the Imperial Parliament, may have created that impression; neither have we any good reason to apprehend, that annexation must be the result of unrestricted exchanges in the productions of the two countries.

It is quite true the Lords of Trade heretofore have been slow in comprehending the true interests of Canada. The Act for the admission of colonial wheat and flour into the markets of Britain, although originating by an Address of the Canadian Parliament, in 1832, was not sanctioned until 1843. A delay of eight years occurred in like manner, in the British Possessions Act of 1844; still, in scarcely any instance has the Imperial authority been withheld, when understood.

But we may look for an active opposition from among ourselves. It is the general impression, that Reciprocity between the United States and Canada will lead not only to the removal of duties on the particular article produced, but to the removal of every Customs establishment in the interior. [See Report, page 9.] Individuals who may compose the Government for the time being, will be unwilling voluntarily to surrender that patronage by which they retain power; neither will individuals who are dependant for their subsistence on the salaries and perquisites they receive, be willing to give them up,—while the public feel very little, if any, personal interest in the question; and I am constrained to admit, that we have not yet a sufficient growth of Canadian feeling to advocate any measure with no other motive than promoting the interest of Canada.

10th. The Report of the Committee advocates no protection: no public bounty—no temporary aid to build up any separate interest. Its object is the removal of all Legislative restrictions on Trade.

No movement on the part of the people of Canada is required. The initiation must be taken by the Colonial Governments and the United States. The different Boards of Trade in New York, Boston, and other prominent points, should petition Congress to pass a conditional act, similar to the bill introduced by the Hon. Joseph Grinnell, in 1848, or the Canadian act of 1849. It requires no negotiation,—no treaty. This law will bring the question fairly before the Canadian public: it will be reduced to one single point. After the Governments of the different colonies and the United States remove all duty on the productions of Canada, will the inhabitants of Canada feel it their interest to remove all duty on the productions of the colonies and the United States? The question by that time will be well understood, and no reasonable doubt can be entertained, as to the result.

I have the honor to be,
Sir, your obedient servant,

WM. HAMILTON MERRITT.

