

**THE BRITISH TREATIES OF
1871 & 1874:
LETTERS TO THE PRESIDENT
OF THE UNITED STATES**

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The British Treaties of 1871 & 1874: Letters to the President of the United States by Henry C. Carey

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HENRY C. CAREY

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TO THE PRESIDENT OF THE UNITED STATES.

MR. PRESIDENT:—

The Senate having postponed action upon the Treaty submitted for confirmation just previous to the adjournment of Congress, and the public press having fortunately caused removal of the seal of secrecy to which it had been subjected, opportunity has been thus afforded for public examination of the question of our relations with the British provinces, and to that end I venture to invite your attention to the brief statement of facts which will now be given, as follows:—

Somewhat more than four years since, in June, 1870, the two houses of Congress by a joint resolution instructed the Secretary of the Treasury to appoint a special agent charged with inquiring into "the extent and state of the trade between the United States and the several dependencies of Great Britain in North America;" and in conformity therewith that officer selected for the performance of a duty so important Mr. J. N. Larned, a gentleman who appears, by his report of Jan. 28, 1871, now before me, to have been actuated by no feeling other than that of a sincere desire to obtain for himself, and for public use, an accurate idea of the effects which had resulted from the adoption of reciprocity, so called, in 1854, and from its repudiation in 1865, in compliance with an almost unanimous demand to that effect, at the close of the first decade of its existence.

To some of the facts thus obtained and reported it is that I now, Mr. President, invite your attention, as follows:—

In the last year of the previous system, 1854, as therein is shown, the imports from Canada amounted, in round numbers, to \$6,700,000, our exports meanwhile somewhat exceeding \$15,300,000, the balance being favorable to the Union to the extent of \$8,600,000. In the last of the Treaty years, to wit, in 1866, the six millions of imports in 1854 had grown to forty-six millions, our fifteen millions of exports of this latter year having remained throughout almost entirely unchanged, and the balance having become adverse to the extent of more than thirty millions; thereby enabling our northern neighbors to profit to that large amount by selling in the dearest markets, and applying the proceeds to purchasing in the cheapest ones.

Extending the field of observation so as to embrace all the provinces now included in the Dominion, we obtain, for the four last of the treaty years, the results here given as follows:—

	Exports.	Imports.	Balance.	
1863	\$28,620,000	\$24,621,000	\$4,599,000	favorable.
1864	26,567,000	38,922,000	12,355,000	unfavorable.
1865	28,862,000	36,176,000	7,314,000	"
1866	25,521,000	53,387,000	27,866,060	"

We see, thus, that the Dominion market for our products actually declined; that here furnished for Dominion products having mean-time more than doubled.

The years 1869 and 1870, reciprocity having ceased, still exhibited adverse balances, greatly less adverse, however, than had been that of 1866: those of the two years combined having been but \$33,000,000. [Since then, as shown by the British Commissioners themselves, the movement thus described has been continued, and with such effect that the adverse balances of the three past years combined have but little exceeded \$16,000,000, little more than half that of the last year of the Treaty, or of the two more recent years, 1869 and 1870].*

Commenting upon the unsatisfactoriness of this state of trade, the special agent is led to study the causes of its existence, and finally, to an inquiry as to the process by means of which they may be remedied, with the result which will be now exhibited, as follows:—

"It appears, therefore, that an intimate freedom of commerce between this country and its northern neighbors, which is so desirable for both parties, cannot be contemplated except in connection with a material change in the conditions of the foreign relationship that the provinces sustain towards us. It involves, of necessity, an entire identification of the material interests of the two countries, by their common association in some form or other. If the provinces do not choose to become one with us politically, they must, at least, become one with us commercially, before the barriers are thrown down which shut them out from an equal participation with us in the energetic working of the mixed activities of the New World, and which deprive us in a great measure of the reinforcement that they are capable of bringing to those activities. The alternative of annexation is the Zollverein, or a customs union, after the plan of that under which the German states secured free trade among themselves and identity of interest in their commerce with the outside world. * * * *

"There does exist a feeling in the United States with reference to them which it ought not to be difficult for the people of the provinces to understand. It is the unwillingness of a reasonable jealousy, and of a just prudent selfishness, to extend the material benefits of membership in the American Union, without its responsibilities and reciprocal obligations, to communities with which the certain relations of an independent friendship cannot be cultivated or maintained; which are controlled by a distant foreign power, and which are at all times liable to be

* Believing the *import* entries in all cases to be those most likely to be correct, the special agent gives them as obtained from both sides of the line. What has been the course adopted by the British Commissioners is not known, and it is for that reason difficult to account for the fact, among others, that while the American account of imports and exports for 1872-3 exhibits an unfavorable balance exceeding \$10,000,000, that of the Commissioners gives one of little more than half of that amount.

placed in an attitude of unfriendliness or hostility to this country by causes outside of themselves, or through events in connection with which they have nothing on their own part to do. Between two equally independent and responsible nationalities, homogeneous in blood and character, and with every interest in common, situated as the United States and their northern neighbors are toward each other, it would be as easy to settle the relations of intimate fellowship upon an enduring basis, as it is made difficult to do so in the case of these provinces by reason of their dependent states.

"The circumstances which make the common boundary of the two countries an actual barrier instead of an imaginary line, are under their control, not ours. It is for them to determine which affects them most importantly, their political association with Great Britain, or their commercial and industrial association in interest with the United States, and which shall be yielded to the other, since the two are unquestionably in conflict. There is no apparent evasion of that choice that they must make."

The Treaty of Washington now closely followed this Report, providing for the settlement of various questions between the United States and Canada, but wholly excluding from consideration that of "Reciprocity," which but recently had been so fiercely agitated. To all appearance this last had been settled by the Special Agent's Report. Peace, so far as that question was concerned, prevailed, and continued to prevail until May last, when throughout a fortnight or more there was emitted from the "Reciprocity" Bureau which had then found place in an obscure corner of the Treasury Department, a series of literary fireworks the like of which until then had not been known in connection with our diplomatic arrangements. Assuming generally the form of editorials, readers were to be by them awakened to the fact, till then wholly unperceived, that in ceasing to grant to strangers advantages that would have been unhesitatingly refused to any of themselves, they had been guilty of "a spiteful mistake;" and that "the popular judgment" now appeared to be on the side of a renewal of that policy by means of which Canadian farmers had, throughout a whole decade, been allowed to sell their produce at the high prices prevailing here as a consequence of the building of furnaces, factories, and rolling-mills, while purchasing their ploughs and their harrows at the lower prices prevailing in British markets, consequent upon that American competition which, by means of a protective tariff, had been established. The PUBLIC OPINION thus manufactured, and intended for operation on senatorial minds, coming next to be gathered together, it stands now before me, forming as large a collection as perhaps was ever made of variations of a single tune, evolved from a single mind, and apparently given to the world by aid of scarcely more than a single pen.

Little more, Mr. President, than a fortnight later the public mind is found to have been startled by announcement of the fact of a Treaty being "now before the Senate" having for its object that of carrying into practical effect the *public opinion* which so skilfully had been manufactured; and now it is that we arrive at a course of diplomatic operation wholly unprecedented, to wit, that of sending to the Senate

an elaborate argument, on the part of the British and Canadian Commissioners, in favor of a renewal of the but-lately-so-universally-condemned commercial policy, unaccompanied by even a single word from the State Department to the effect that an absolute refutation of most of what was therein presented would be found in a document furnished to the Senate in January, 1871; and that so conclusive had been regarded the Report then made that the question had, as I believe, never even been brought before the Congress by which the Washington Treaty had been negotiated.

Marked "confidential," and thus prevented from appearance before the public eye, this plausible argument was meant to remain unanswered, and it may well be doubted if even a dozen copies have ever been seen outside of the senatorial body. With much difficulty, and after weeks of effort, I myself succeeded in obtaining one, to a single passage from which I shall, Mr. President, invite your attention in another letter, with a view to enabling you to form an idea of its general character, giving, however, in advance a brief statement of real facts derived from authorities that cannot at all be questioned; meanwhile remaining,

Very truly and respectfully yours,
HENRY C. CAREY.

November 18, 1874.

LETTER SECOND.

MR. PRESIDENT:—

The subject-matter of the passage above referred to is that of the communication of the Canadas with the outside world throughout the many months when the St. Lawrence is closed by ice or fog, or by both combined. For nearly thirty years past they have been allowed the privilege of free passage for men and things through the territory of the Union, and to how serious an extent their very existence has been dependent upon continuance of that grant will now be shown, as follows:—

By the census of 1839, Upper Canada, now Ontario, was shown to have a population but slightly exceeding 400,000 souls. Six years later Congress granted to it, and to its sister colonies, the free right of way above referred to, and from that time forward—further aided by reciprocity, so called, granted in 1854—the growth of numbers was so rapid that in 1861 the population amounted to almost 1,400,000, or nearly three and a half times more than it had been twenty-two years before.

With the slightest possible exception, from the date of the grant above referred to, the British free-trade policy had been that of the American Union, and with such effect, as regarded immigration,

that in the closing year of the period above described it had fallen to but a single hundred thousand; or little more than a third of the number at which it had stood a dozen years before, when that policy had but begun to produce its natural effect in closing mills, mines, and factories throughout the Union. With 1861 there came, however, a total change, making such demand for labor in the field, the factory, the furnace, and the mine, that with each successive year the attractive force of the Union increased, with such diminution in the power of the Canadas to retain even their home-grown population that the total increase of the decade ending in 1871 was but little in excess of 300,000, or about 12½ per cent.*

Such having been the sad state of things resulting from abolition of privileges in our markets granted under the name of "reciprocity," where reciprocity had really had no existence, there occurred, most surprisingly, to Canadian statesmen, the "happy thought," described in a passage from the *Toronto correspondent of the New York Tribune*, which reads as follows:—

"The amount of compensation to be paid to Canada by the United States for the lease of the in-shore fisheries was, according to the Treaty of Washington, to be determined by a commission. The data upon which to determine their value, however, were so uncertain, and the difficulties in the way of arriving at a solution of the point were seen to be so great, that the happy thought occurred to the Government to combine an abandonment of this claim with the positive obligations in connection with the canals in order to induce the United States to renew reciprocal relations with Canada. There can be little doubt that these reasons, combined with the desire on the part of Canada for a renewal of reciprocity, constitute the determining cause for her taking the initiative in the matter."

How insignificant, compared with this magnificent suggestion, is the real value of the fisheries, will be shown hereafter. What is the value of the transit privilege that has now for thirty years been gratuitously accorded is shown in the facts that have above been given. To the end, however, of enabling themselves to obtain a large price for the one, while paying nothing for the other, it was needed to show how readily the Canadas could dispense with that which for so long a period had constituted, during two-fifths of the year, their sole means of communication with the outer world free from custom-house interruption, and hence it is that we find in this remarkable document the passage above referred to, and which reads as follows:—

"Under the influence of the formal notice given by the United States in 1865, of their intention to terminate the Treaty, federation of the Provinces, then under dis-

	1861.	1871.
* Upper Canada	1,396,061	1,620,851
Lower "	1,110,666	1,191,516
	<u>2,506,727</u>	<u>2,812,367</u>

How great had been the difference of the two policies as regarded their influence on population is shown by the fact that the increase of Minnesota alone had been greater than that of Upper Canada, and that of Missouri nearly twice that of the Canadian provinces combined.

cussion, was hurried on and became a *fait accompli* within fifteen months after its repeal. The Intercolonial railway was at once undertaken, at a cost of over \$20,000,000, at the national expense, to secure direct connection to and from the Atlantic Ocean, at Halifax and St. Johns on Canadian soil; and the last section of that road will be shortly opened for traffic."

So far as regards the mere words of this statement it is certainly true. A road *has been* in process of construction, and will probably be completed in the course of the coming year; but how far it can by any possibility be attended with such results as are here suggested, if not even vouched for, by Commissioners, one of whom represents her Britannic Majesty Queen Victoria, and the other the Government of the Dominion, you will be enabled, Mr. President, to judge after study of the following facts:—

From Montreal to Portland the distance is less than 200 miles, most of the country through which the road passes being sufficiently settled to enable it to contribute largely toward maintenance and further improvement of its communications within itself and with the outside world.

From Montreal to Halifax, through British territory, the distance is about 1000 miles, of the last 800 of which, passing, as they mainly do, on the edge of an uninhabited and uninhabitable desert, there are but very few which can, under any circumstances whatsoever, contribute toward maintenance and improvement of a road that has been made for no purpose other than that of purchasing, by means of a large and wasteful expenditure, the assent of the lower provinces to the federation; but which, as the Commissioners would now have us believe, is to render the Dominion entirely independent of her neighbors south of the lakes. How far this can prove to be true we may now examine as follows:—

The charges for transportation of the rudest products on such a road, cannot be less than $2\frac{1}{2}$ cents per mile, or, for 800 miles, \$20 per ton; equivalent to 60 cents for a bushel of wheat. Add to this one-third as much for transport of merchandise received in return, and we have 80 cents per bushel *additional to the total charge by way of Portland*. Trade under such circumstances could, for little less than half the year, have no existence whatsoever, and the upper provinces, limited to that route alone, must steadily decline in population, passing gradually toward the condition in which they had stood at the date of the first grant of transit privileges.

Having studied carefully these facts, Mr. President, you can have little hesitation as to the cause of the sudden appearance of the "happy thought" above referred to.

Having so studied them you will, Mr. President, be enabled to form a somewhat correct idea of the general value of this "memorandum," the accuracy of whose presentations is vouched for by Her Britannic Majesty's Representative in Washington, Sir Edward Thornton, and by the Canadian Commissioner, the Honorable George Brown; and also to appreciate the real motives of those by whom you had been induced to transmit such a Treaty, and even to urge

its consideration, at a time when there remained but three days of senatorial life; and when so many other important measures remained unmaturing. Happily, you yourself assumed no responsibility in reference to its contents, the Senate having been advised that you were not prepared to say "as to whether it makes all the concessions that could justly be required of Great Britain, or whether it calls for more concessions from the United States than we should yield."

Seeking now the responsible authors of the extraordinary measure thus proposed, we are led at once to turn to the Secretary of State, whose letter to yourself, Mr. President, by which it was accompanied, is here given as follows:—

"DEPARTMENT OF STATE,
WASHINGTON, June 17, 1874.

"I have the honor to inclose a copy of the draught of a treaty for the reciprocal regulations of the commerce and trade between the United States and Canada, with provisions for the enlargement of the Canadian canals, and for their use by United States vessels on terms of equality with British vessels, which British plenipotentiaries have proposed to this Government.

(Signed) HAMILTON FISH.

THE PRESIDENT."

You will here observe, Mr. President, that this important Treaty was passed forward to yourself unaccompanied by even the slightest suggestion that it had ever been considered, or even read, by your Secretary of State. That it had not been so would seem to be conclusively established by the fact that that gentleman subsequently, in conversation with at least one distinguished senator, gave assurance that he "assumed for himself no responsibility whatsoever, the Treaty having been prepared by the British Commissioners, and he having merely as a matter of duty caused its presentation to the Senate."

Most certainly, Mr. President, you could not so have understood this matter at the time when you said to the Senate—"I therefore express an earnest wish, that the Senate may be able to consider and determine before the adjournment of Congress whether it will give its constitutional concurrence to the conclusion of a Treaty with Great Britain for the purposes already named, either in such form as is proposed by the British plenipotentiaries or in such other more acceptable form as the Senate may prefer."

Could it have been possible that you would so have spoken, Mr. President, had you understood the real facts? Assuredly not. You would certainly have seen that a fraud had been in preparation far exceeding any of those which had recently so much occupied the Congressional attention, and would have required, for examination into the character of a measure so important, that time of which it had been the object of the conspirators engaged in its preparation to deprive both yourself, Mr. President, and the many millions of people who were to be bound by its provisions throughout the long period of five and twenty years.