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CHARLES C. TANSILL

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JOHNS HOPKINS UNIVERSITY STUDIES

HISTORICAL AND POLITICAL SCIENCE

Under the Direction of the

Departments of History, Political Economy, and Political Science

THE CANADIAN RECIPROCITY TREATY OF 1854

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PREFACE

The present study is the development of a paper presented in the American Historical Seminary, Johns Hopkins University, in the spring of 1918, and it will constitute one of the chapters in the author's forthcoming Life of William Learned Marcy. It was at the suggestion of Dr. John H. Latané that the present writer undertook to write a comprehensive biography of William L. Marcy, one of America's great secretaries of state, and one whose influence upon American foreign policy has not been fully appreciated.

The public archives in Canada and in the United States have been carefully examined, and it is the author's belief that this monograph on the Canadian Reciprocity Treaty of 1854 is the first serious attempt to present this important subject from a close study of the original sources.

The author is particularly indebted to Dr. John H. Latané, under whose inspiration this monograph was started, and to whose suggestive criticism it owes any merits that it possesses, and to Professor Charles S. Sperry and Mrs. Edith Marcy Sperry, of Boulder, Colorado, who were kind enough to give me access to the Marcy manuscripts. I wish also to express my indebtedness to Dr. John M. Vincent, Hon. Arthur G. Doughty, Dr. Adam Shortt, Dr. John C. Fitzpatrick, Hon. William A. Ashbrook, and to my wife, Helen C. Tansill.

CHARLES C. TANSILL

THE CANADIAN RECIPROCITY TREATY OF 1854

CHAPTER I

THE REPEAL OF THE ENGLISH CORN LAWS AND CANADIAN BUSINESS DEPRESSION

The Reciprocity Treaty concluded between the United States and British North America was the result of some eight years' continuous agitation on the part of the Government of Canada. To the colonial officials it appeared as the means of escaping impending economic ruin, and from the moment of the repeal of the Corn Laws in 1846, they made systematic efforts to induce the Government of the United States to enter into some sort of reciprocal arrangement whereby the raw materials of each country would be admitted within the boundaries of the other free of duty. The economic organization of Canada at this time made the question of a reciprocal arrangement with the United States doubly important.

In 1817, the construction of the Erie Canal was begun, and this seemed to fire the imaginations of Canadian entrepreneurs with regard to the possibilities of Canadian inland waterways. Work was immediately started on several projects, and within a few years a series of short canals along the St. Lawrence River was open to navigation. The Lachine Canal admitted shipping as early as 1825; the Welland Canal in 1833; the Cornwall Canal in 1843; the Beauharnois Canal in 1845; and the Williamsburg Canals in 1847.¹

¹ Thomas C. Keefer, Eighty Years' Progress of British North America (Toronto, 1863), pp. 166-174; M. J. Patton, Canada and Its Provinces (Toronto, 1914), vol. x, pp. 512-514.

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These canals, it was believed, would enable the St. Lawrence River to be the great channel for the forwarding to Europe of the products of the interior of the continent, and this confidence of the Canadians as to the superiority of their route over that of the Erie Canal became quite widespread. According to the author of a pamphlet published at St. Catherines in 1832: "We possess in Canada an undoubted and preëminent superiority in controlling and directing the productive industry of the Western territories. . . . The master key of the Lake region is not theirs." *

By the year 1846, the short canals along the St. Lawrence River were mostly completed, and the prospect of diverting a large portion of the Erie Canal trade seemed particularly bright. In 1845, the quantity of produce brought by the St. Lawrence to the city of Montreal was given as follows: " Pork, 6,109 barrels; beef, 723 barrels; lard, 460 kegs; flour, 590,305 barrels; wheat, 450,209 bushels; other grain, 40,787 bushels." The produce brought to New York by the Erie Canal was estimated at: "Pork, 63,640 barrels; beef, 7,699 barrels; lard, 3,064,800 pounds; flour, 2,517,250 barrels; wheat, 1,620,033 bushels; corn, 35,803 bushels."* The enormously greater volume of trade carried by the Erie Canal was a subject of active interest to the Canadians, who now believed that the superiority of their route was about to become manifest.

In this connection the Free Trade Association of Montreal published a circular which confidently predicted the ultimate diversion of the greater portion of the Erie Canal traffic to the Montreal route. This was inevitable "because the cheapest conveyance to the sea-board and to the manufacturing districts of New England must win the Prize. . . . The cheapening of the means of transit is the great object to be obtained; and our best practical authorities are of opin-

² Quoted in D. A. MacGibbon, Railway Rates and the Canadian Railway Commission (N. Y., 1917), p. 5. ³ R. H. Bonnycastle, Canada and the Canadians in 1846 (London,

^{1846),} pp. 289-290.

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ion that the St. Lawrence will be made the cheapest route as soon as our chain of inland improvements is rendered complete. . . . This picture may appear too flattering to those who have not investigated the subject; but to such we say, examination will convince them that with the St. Lawrence as a highway, and Portland as an outlet to the sea, we shall be enabled, successfully, to struggle for the mighty trade of the West, and bid defiance to competition on the more artificial route of the Erie Canal."4

The authors of this interesting circular, however, did not keep in mind the influence of two important factors with regard to the eventual superiority of the St. Lawrence route, The New York route was free from the difficulties and dangers of navigation that were encountered in the St. Lawrence and in the Gulf, and thus had the advantage of lower transatlantic freight and insurance rates.⁵ Also, the rapidly increasing volume of trade along the St. Lawrence route was due in no small measure to the adventitious aid derived from the British Navigation Laws. The repeal of colonial preference duties would deal a severe blow to Canadian export trade, and particularly to that export trade that had sprung up since the Parliamentary regulation of 1843, which admitted all wheat cleared from Canadian ports, whether grown in Canada or in the United States, at a fixed duty of one shilling a quarter.6

This practice of colonial preference duties dates as far back as the "Old Subsidy" of 1660, which fixed such low duties on certain imported colonial products as to give them a virtual monopoly of the English market." The preference given to these so-called "enumerated articles" was from

⁴ Ibid., pp. 290-292,

⁵C. Donlevy, The St. Lawrence as a Great Commercial Highway. p. 23; MacGibbon, p. 19. ⁶ Bernard Holland, The Fall of Protection (London, 1913), pp.

^{120-122.}

⁷G. L. Beer, Origins of the British Colonial System (N. Y., 1908), chap. iv; Old Colonial System (N. Y., 1912), vol. i, pp. 128-138.