## MICHIGAN'S VIEW OF THE CANADIAN RECIPROCITY TREATY, 1854-1866

Thesis for the Degree of M. A.
MICHIGAN STATE UNIVERSITY
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1959



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#### ABSTRACT

This thesis is a study of one state, Michigan, and its relationship to an international agreement, the Canadian Reciprocity Treaty of 1854.

From Michigan's point of view the two most important provisions of the treaty were reciprocal free trade with Canada in most natural and agricultural products and free navigation of the St. Lawrence River by American vessels.

When the pact was ratified there was some caution in the state about outright endorsement of reciprocal trade. The merchants, farmers, and lumbermen did not know what to expect and were waiting to see the effects of this provision before passing judgment.

By 1860 reciprocal trade with Canada had become quite unpopular in Michigan. The eastern markets were flooded with Canadian grain and timber. This cut into the volume of Michigan exports and lowered prices paid to the farmers and lumbermen. The wool growers were particularly injured and they led the movement in the state to abrogate the treaty as soon as possible.

On a national level protectionism was growing; the Republican Party adopted a protectionist plank in the 1860 platform which was enthusiastically supported by the suffering portions of the Michigan economy.

When the treaty was debated in the United States Congress during 1864-1865 the injury done to these important economic interests was brought up by the state's representatives. The power of these

arguments is evidenced by the unanimous support given by the Michigan congressmen to the resolution to abrogate the pact.

Despite some ill-effects of the treaty it must be said that reciprocity played a part in the general prosperity of the period.

Trade between the United States and Canada was increasingly important and Detroit especially benefited because of its excellent location.

While the industries of the state were being depressed by reciprocity, the commercial men were reaping large profits. It was no accident that the Detroit Board of Trade made several pleas for retaining the commercial agreement with Canada. The end of reciprocity would raise tariffs, cut down the merchant's profits and reduce the volume of trade.

Another beneficial consequence of the treaty was the opening of the St. Lawrence River. Detroit shippers liked this direct trade route to Europe, but the river was never used to any extent during the operation of the pact. What its future prospects were appear today in the St. Lawrence Seaway project, but in 1865 the river had only limited value.

Thus the various economic interests of Michigan were split in their opinions of the treaty. The rural majority undoubtedly desired the pact ended while the commercial men hoped for a continuation of reciprocal trade.

During the American Civil War a new set of problems arose which influenced many Michigan citizens to oppose the pact. In 1864 a group of rebel spies from Canada attempted to free the Confederate prisoners held on Johnson's Island in Iake Erie. This outrage and breach of neutrality was universally condemned in the state, with leading newspapers suggesting an invasion of Canada as soon as the revolt in the South was put down. This raid, and another soon after it on St. Albans,

Vermont, frightened the northern states and created animosity toward the Canadian government for allowing the forays to occur.

In Michigan the desire for abrogation of the Reciprocity

Treaty was directly due to the economic inequalities of the pact and the seemingly hostile attitude of the Canadian government which had given the rebel raiders a safe base. Most Michigan citizens wanted the agreement abrogated and Michigan congressmen obliged by voting to terminate the pact.

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by

David Drury

#### A Thesis

Submitted to the College of Science and Arts

Michigan State University of Agriculture and

Applied Science in partial fulfillment of

the requirements for the degree of

MASTER OF ARTS

Department of History

1959

approved: Harry J. Brown The control of the co

#### ACKNOWLEDGEMENTS

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The author is indebted to Dr. Harry Brown for his patience and helpful advice, to the staffs of the Michigan State University Library, the Michigan State Library, and the Burton Historical Collections for aid in securing materials; to Dr. Madison Kuhn and Dr. Frank N. Elliott for many useful suggestions; to Julian Rammelkamp for his endless encouragement; and to Mrs. Reynolds for typing the manuscript.

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#### Introduction

The Reciprocity Treaty of 1854 was the first important pact of its kind signed by the United States. Before 1854 a few reciprocal trade agreements had been made with other countries but the list of goods allowed to enter duty free had been strictly limited. The signing of the agreement with Canada was a new experiment by the American government. This pact was with a large country and the free list included nearly all the natural products of Canada. Furthermore, there were other provisions in the treaty which had a marked effect on the relations between the two countries.

Despite these important influences the treaty has never received the notice it deserves from historians. No comprehensive account of the pact and its operations from an American point of view has ever been published, although the Canadian side has attracted much interest.

This thesis is an effort to explore the effects of the treaty on Michigan and to present the opinions of the pact expressed by the state's citizens. Some parts of the treaty had little effect on the state.

Others, particularly reciprocal trade and free navigation of the St.

Lawrence, had a considerable influence on Michigan's history.

While the treaty was being negotiated the prospect of increased imports from Canada, which would be stimulated by reciprocal trade, aroused little interest in Michigan. In general the citizens of the state seemed indifferent to this provision. By 1864 a significant change in opinion had occurred. Two important interests, lumbering and agriculture, were definitely opposed to free trade with Canada. The competition from

the foreign imports proved a threat to the economic security of these groups.

The reason the state favored the pact in 1854 was the inclusion of a provision opening the St. Lawrence to American vessels. Grandiose visions of a trade with Europe were entertained. These hopes did not materialize and in 1865 the route, though useful, was of minor importance.

The Civil War also brought the treaty into disfavor. Canadian government policy was strict neutrality, which allowed deserters from the armies, confederate agents, and draft dodgers to congregate in the country. Raids into the United States, organized by rebel spies, created ill-feeling across the northern states.

During 1864-1865 abrogation of the treaty was discussed in the United States Congress. The economic opposition to the agreement and the apparent laxity of Canadian officials in implementing their neutrality policy led the Congress to pass a joint resolution terminating the pact. In these discussions Michigan's legislators sided with the anti-treaty forces. The only group in the state that actively favored the pact was the Detroit Board of Trade, but it had no spokesman in Washington.

The first chapter of this paper is devoted to a general discussion of the Reciprocity Treaty. The chapter is not primarily based on original research but primary sources have been used as much as possible to illustrate important points. The last two chapters examine the political and economic factors in Michigan which influenced the passage of the treaty, its operation, and the reasons behind its abrogation in 1865.

#### CHAPTER I

The beginnings of the reciprocity movement were founded in the relationships between the British North American colonies and England in the late 1840's. During those years a drastic change in the colonial policy of England was occurring, a change which influenced the course of Canadian-American relations for several years to come.

The most important shift in the English colonial policy was the repeal of the Corn Iaws in 1846. In brief, the Corn Iaws granted the colonial areas of the British Empire a preferred position in the English grain market. Sir Robert Peel, the Prime Minister in 1846, was the leader of the Parliament that removed the trade barriers. At that time Ireland was in the throes of a devastating famine and large quantities of food were needed immediately. This was the end of the last bulwark of English protectionism; Peel irrevocably set the course of England's policy to international free trade.

This change in policy forced England to eliminate the whole system of imperial preferential duties. "The practice of granting English goods a preference in colonial markets, as well as reciprocal advantage extended to colonial products in England, was incompatible with the new commercial tenet of international free trade." In 1846 the colonial legislatures were allowed to repeal any tariff acts which

<sup>&</sup>lt;sup>1</sup>W. E. Lunt, <u>History of England</u>, 3rd ed. (New York and London, 1947), p. 667.

Cephas D. Allin and George M. Jones, Annexation, Preferrential Trade, and Reciprocity (Toronto and London, 1911), p. 13.

had been imposed on them by the British Parliament, "including the various discriminatory duties by which a preference had been hitherto granted to British ships and products." Thus the colonies were given free rein to chart their own economic destiny.

After England embarked on her new policy, its effects in Canada proved to be disastrous. The colonies in North America went through a severe decline in economic activity:

Temporary insolvency was the price which Canadians paid for the triumph...of free trade. Much of the capital of the country was tied up in the ruined industries which the protective policy of the motherland had called into existence. There was but a limited local market for the agricultural products...and, in the neutralized market of England, the Canadian traders found themselves exposed to the keen and merciless competition of their American neighbours... Piteous were the complaints which arose from the millers and ship-owners of the province against the injustice of the policy of England in arbitrarily withdrawing the colonial preference, without at the same time securing for them an alternative market....

The shipping interests had added reason for being displeased with the changes in English colonial policy. Not only was the English market open to all, but in 1849 the Navigation Acts were repealed, leaving the transportation of Canada's goods to foreign markets

Allen and Jones, p. 14.

It is necessary to understand that England maintained control over the external affairs of her colonies. By 1849 most of the Provinces had jurisdiction over internal matters and economic decisions, but relations with other governments had to be carried on through the Foreign Office in England. Furthermore, the situation was complicated because the colonies were not united despite their geographic proximity. In 1841 the initial step towards a single governing unit over the colonies of North America had been made by combining Upper Canada (Ontario) with Lower Canada (Quebec). However, this still left Nova Scotia, New Brunswick, Newfoundland and Prince Edward Island as separate colonies. Therefore, the use of the term "Canada" for this area is not technically correct.

<sup>&</sup>lt;sup>5</sup>Allin and Jones, pp. 20-21; also see Charles C. Tansill, <u>The Canadian Reciprocity Treaty of 1854</u>, Johns Hopkins University Studies in Historical and Political Science, Series XL, no. 2(Baltimore, 1922), pp. 29-30.

available to whoever would offer the lowest price.

To the Canadians the result of the repeal of the Navigation Acts and the Corn Iaws was a sense of being set adrift. The close ties with England had led to an economic dependence which, when the connection was severed, left a legacy of depression and disillusionment. While Great Britain had "looked beyond the restricted commerce of her colonies to the commercial domination of the world," Canada turned to her only other hope for economic salvation, the United States.

The first concrete evidence of the Canadian hope for American support was the Annexation Manifesto of 1849. It was drawn up by the merchants of Montreal, the group in the North American provinces most severely shaken by the events since 1846. The Annexation Manifesto was "a cry of despair" over the economic insecurity which plagued the colony and advocated political union with the United States.

The benefits of such a union, as envisioned by the Montreal merchants, evidenced the handicaps under which they were currently laboring. The Manifesto read, in part:

The proposed Union would render Canada a field for American capital, into which it would enter as freely for the prosecution of public works and private enterprise as into any of the present States. It would equalize the value of real estate upon both sides of the boundry.... By giving stability to our institutions and introducing prosperity, it would raise our public, corporate, and private credit.... It would render our rivers and canals the highway for immigration to, and exports from, the West, to the incalculable benefit of our country. It would also introduce manufactures into Canada as rapidly as they have been introduced

<sup>6</sup> Lunt, pp. 637, 677.

Donald G. Creighton, The Commercial Empire of the St. Lawrence, 1760-1850 (Toronto, New Haven and Iondon, 1937), pp. 364-365.

Adam Shortt, "Economic History, 1840-1867," Canada and the Provinces, 22 vols., (Toronto, 1914), V, p. 234.

into the Northern States.... Nor would the United States merely furnish the capital for our manufactures. They would also supply for them the most extensive market in the world, without intervention of a Customs-House officer.

Though annexation was advocated warmly by the commercial interests in Montreal, the United States assumed an attitude of indifference to the overtures from the north. There were other matters of greater concern:

"The American public were too deeply concerned with domestic matters to give due consideration to the agitation of their Northern neighbours. No political party was ready to take up a question of such doubtful political expediency. The South was overwhelmingly hostile to annexation; the North, for the most part, was lukewarm and indifferent..."

The only voices in favor of annexation in the United States were a few of the newspapers in the West that "had a glorious vision of the great imperial possibilities of the Union."

American indifference hurt the annexation hopes of Canada and the movement's decline was hastened after 1849 by the revival of business and trade. The adjustments necessary following the abrupt decline of English markets had run their course. Increasing prosperity removed the apparent causes supporting a political tie with the United States. "The Canadian mercantile community recognized the mistake they had made, and were glad to return to their former political allegiance."

Sessional Papers, 1850 (Great Britain, Cd. 1181, XXXVIII, pp. 11-13; cited by Lester B. Shippe, Canadian-American Relations, 1849-1874 (New Haven, Toronto, and London, 1939), pp. 1-2.

<sup>&</sup>lt;sup>10</sup>Allin and Jones, p. 384.

<sup>11</sup>Allin and Jones, p. 382.

<sup>&</sup>lt;sup>12</sup>Allin and Jones, p. 353.

While desire for political connection with America waned, the difficulties of the merchants were not cured. Prosperity had ended the immediate problem, but the long-range need for economic support was still not solved. English free trade had created the problem and could promise the Canadians nothing. However, the United States offered a possible port of refuge from the stormy waves of economic distress. The Canadian merchants "saw themselves distanced by the United States...and they recognized but two means to overcome their handicap--either...they should be put in as favorable a position, commercially, as the United States, or...the latter country should somehow be subjected to the same disadvantages as themselves." 13

A certain way to put the merchants of the two countries on the same footing would be to negotiate an agreement for reciprocal trade. This would eliminate economic barriers while maintaining political autonomy.

The Canadian hope for reciprocity with the United States was based on the idea of diverting trade from the United States to the St.

Lawrence River route. The Erie Canal had been draining away Montreal's share of the Great Lakes trade for twenty years. Further, the passage of a drawback law in 1845-1846 by the American Congress allowed

Canadian goods to be shipped in bond across the United States for export abroad. This fact had likewise reduced the traffic along

Canadian routes. This law shifted "a large part of the trade of the St.

<sup>13</sup> James L. Laughlin and Henry P. Willis, Reciprocity (New York, 1903), p. 32.

<sup>&</sup>lt;sup>14</sup>Creighton, pp. 349-350; 358-359; 369-370.

Lawrence merchants into the hands of the New York dealers, since the merchants of Toronto and the western districts now found it advantageous to import and export...through American ports, which, unlike the St. Lawrence, were open all year round.

Another advantage which reciprocity with the United States could provide Canada was a market for Canadian grain. The lowering of tariff walls promised new areas into which Canadian bread-stuffs could be exported. The farmers, along with the merchants of Canada West(Ontario), were increasingly annoyed at the American restrictions on the importation of Canadian produce. 16

Although the trade and market benefits of reciprocity were widely recognized throughout Canada, the most important reason for the promotion of a commercial alliance with the United States was its favor with the officials of the government. More specifically, reciprocity was viewed as a safety valve against the surge of annexationism. The most prominent exponent of this view was Lord Elgin, Governor General of Canada. In November, 1849, he wrote: "If things remain on their present footing...there is nothing before us but violent agitation ending in convulsion or annexation...and I much fear that no measure but the establishment of reciprocal free trade between Canada and the States... will remove it."

Allin and Jones, p. 24.

Elgin-Grey Papers, 4 vols. (Ottawa, 1937), Misc. Papers, Paper on "Canadian Commercial and Agricultural distress--Political Disaffection and Annexation," III, p. 1194-1197.

<sup>17</sup>T. Watrous, ed. <u>Letters</u> and <u>Journals</u> of <u>Lord Elgin</u>, pp. 100-104; quoted in Laughlin and Willis, pp. 31-32.

Undoubtedly Elgin's numerous dispatches and letters to the Home Government played the most significant role in advancing the idea of reciprocity with the British Ministry. In a letter to Earl Grey, the Secretary of State for the Colonies, on November 8, 1849, Elgin stated: "I have always said that I am prepared to assume the responsibility of keeping Canada quiet, with a much smaller garrison than we have now, and without any tax on the British consumer...if you put our trade on as good a footing as that of our American neighbours." 18

William Hamilton Merritt also viewed reciprocity as a preferable alternative to annexation. Merritt, a miller from St. Catherines who represented his county in the Canadian legislature for thirty years, was probably the first to grasp the importance of this fact. In 1846 he stated: "Were our products admitted into their markets...the Canadian farmer would at all times be placed on an equal footing, in all respects with the western farmer.... He would realize the advantages he possessed and resist any political change." Merritt further observed that reciprocity would divert much of the exports of the western United States to the St. Lawrence route.

Even a special American agent, Israel D. Andrews, appointed by Secretary of State John Clayton to examine the condition of the northern provinces, saw the danger inherent in the uneasy status of commerce in

Letters and Journals of Lord Elgin, pp. 102-103; quoted in Shippee, p. 21.

<sup>19</sup> St. Catherines Journal, May 14, 1846; quoted by Donald C. Masters, The Reciprocity Treaty of 1854 (London, New York and Toronto, 1936), p. 9.

<sup>&</sup>lt;sup>20</sup>Public Archives of Canada, <u>Merritt Papers</u>, vol. i, Merritt to Elgin, May 10, 1848; cited by Masters, p. 6.

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Canada. In a letter to Clayton, Andrews concluded: "Whether these colonies remain separate and disunited as at present, or formed into one confederation, they must have reciprocal free trade with the United States or they will be annexed."

The effects of the economic abandonment of Canada by England were not wholly bad however. Despite the fears of Elgin and Merritt caused by annexation and the uneasiness of the merchants and farmers of the provinces, the repeal of the Corn Iaws "led to the realization that hitherto the prosperity of the country had been too completely at the mercy of outside markets and the existence of British preferential treatment. The more far-sighted realized that the British colonies must become...economically, as well as politically, more independent and self-supporting."<sup>22</sup>

Reciprocity appeared to be the long-range answer to the difficulties facing the commercial community north of the St. Iawrence and to the majority of Canadians was preferable to political union with the United States. Gilbert Tucker has concluded that "the most generally popular of all the proposals for restoring prosperity to the colony.... "was reciprocal free trade with America.<sup>23</sup>

In 1847 the Toronto Board of Trade thought that the time was ripe for advancing reciprocity with the United States. Its annual report said:

"The present time [is] most favourable for effecting through Her

Aug. 1, 1849, -Special Agents, vol. XVI; quoted by Shippee, p. 21.

<sup>22</sup> Shortt, p. 232.

<sup>23</sup>Gilbert Tucker, The Canadian Commercial Revolution, 1845-1851 (New Haven, 1936), p. 153.

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Majesty's Government a reciprocal treaty of Commerce and Navigation between the United States and this Colony, by means of which the Wheat and Flour of either country will be allowed to enter the markets of the other, free of duty."24

Elgin, Merritt and other Canadian leaders realized that such an agreement would be most advantageous to their country. With this in mind, Merritt was sent to Washington early in 1848 to "convince or persuade" both houses of Congress to pass some sort of bill to provide reciprocity between the two countries.

In the American capital the Canadian was greeted with a "cordial reception" and joined in the discussions involving 25 reciprocity. Merritt appeared before the Committee on Commerce in each house of Congress and his representations there helped break down the resistence of many wary legislators, particularly members of the House of Representatives.

The House Committee on Commerce, headed by Joseph Grinnell, drew up a bill providing for the free admission of articles that were grown or produced in Canada. The basis of this proposal was an exchange of notes between the British representative in Washington, Mr. Pakenham, and the Canadian government. Between them they worked out a list of goods to be included in the agreement. This list provided the groundwork for the discussions in the American Congress, and a reciprocity bill was passed in the House of Representatives without

Toronto Globe, Jan. 8, 1848; in H. A. Innes and A. R. M. Iower, eds., Select Documents of Canadian Economic History, 1783-1885 (Toronot, Shortt, p. 237.

significant opposition. 26

In the Senate, however, the Grinnell Bill ran into difficulties. It was reported from the Committee on Commerce by John A. Dix of New York on July 20, 1848.<sup>27</sup> The measure was not debated and on December 19, 1848, Dix brought the bill to the attention of the law-making body. He observed that it had been "repeatedly postponed" at the request of several senators and had finally been "lost in consequence of the pressure of business at the close of the session." Dix continued: "I am very desirous that it reciprocity should be acted upon...." The reply to this request was to have immediate consideration voted down, 17 yeas to 28 nays.

Two more efforts to secure consideration failed--on December 20, 1848 and January 23, 1849. On the latter date the measure was put off "until tomorrow". Tomorrow never arrived again at that session of Congress.

The reason most often given for the failure of the Grinnell Bill in the Senate was "the pressure of business." This excuse continued to be heard even after the reciprocal trade measure had been before the Senate during two sessions, amounting to over six months' time. 30

In fact, the unwillingness of the Senate to adopt reciprocity with Canada was based on the hope of getting more concessions. Most

Tansill, pp. 19-20, Cong. Globe, 30th Cong., 1st sess., p. 923.

<sup>27</sup> Cong. Globe, 30th Cong., 1st sess., p. 964.

<sup>&</sup>lt;sup>28</sup>Cong. Globe, 30th Cong., 2nd sess., pp. 62, 68.

Cong. Globe, 30th Cong., 2nd sess., p. 332.

Laughlin and Willis, pp. 34-35.

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important of these was the desire for free navigation of the St.

Iawrence River and other trade privileges. Furthermore, there was fear that the use of concurrent legislation, instead of a treaty, would leave the country "more or less at the mercy of the Canadian Parliament." 31

The failure of the Canadian attempt to secure an economic pact with the United States was only temporary. Late in 1849 the British government concluded that a special representative was needed in America and it sent Sir Henry Lytton Bulwer to Washington with instructions to negotiate a treaty. Upon his arrival in January, 1850, Bulwer found that a new reciprocity bill had been introduced in the Congress. He thought it best not to meet with American officials until the fate of this new measure became known. 32

This second bill was introduced in the House of Representatives by Thomas Harris of Illinois. It provided for reciprocal exchange of most natural products and for free navigation of the St. Lawrence River. Bulwer had been instructed to hold Canadian control of the river if possible, but he quickly saw that the bill had no chance if free navigation was not included. In a series of notes to his government he pointed out the probable defeat of the measure unless the water route to the Atlantic was opened and the English Foreign Office approved this concession.

This bill was debated in the House but no action was taken on it.

<sup>31</sup> Laughlin and Willis, p. 35.

<sup>&</sup>lt;sup>32</sup>Tansill, pp. 32-37, and Shortt, pp. 237-238.

<sup>33&</sup>lt;sub>Tansill</sub>, pp. 35-37.

A similar bill was introduced in the Senate by Stephen Douglas of Illinois on January 9, 1851. Douglas made several efforts to get the bill discussed on the floor but each attempt was ignored or defeated. His last futile effort was on September 21, 1851. With this failure any chance Bulwer had of negotiating a treaty was ended. The Senate's position made it clear that no treaty could be ratified under the conditions which existed at the time.

Some of the causes involved in the defeat of the 1850-1851
Reciprocity Bill were different from the causes of the Grinnell Bill failure. One reason for the defeat of the first bill had been the lack of a provision opening the St. Lawrence to American commerce.

This shortcoming was eliminated in the second bill. However, the later measure was "regarded by the protectionists as a dangerous concession to the advocates of free trade." An attitude closely akin to one expressed earlier by Daniel Webster seemed to prevail during the discussions on reciprocity. "I do," said Webster, "entertain the strongest belief that the principle of reciprocity acted upon by the government is wrong, a mistake from the beginning, and injurious to the great interests of the country.... In my opinion, the true principle, the philosophy of politics on the subject, is exhibited in the old navigation law of England." 36

However, the greatest enemy of the reciprocity bills was indifference. There was no compelling reason for the United States to

<sup>&</sup>lt;sup>34</sup>Cong. Globe, 31st Cong., 2nd sess., pp. 22, 203, 293-296, 751.

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Tansill. p. 35.

<sup>36</sup> Hunts Merchant's Magazine (New York), XII, p. 263.

ally commercially with Canada. Considering the attacks of the protectionists and general lack of interest on the part of many of the legislators it is not surprising that the reciprocity efforts of Canada were unsuccessful.

From 1846 to 1852 Canada had been in a state of transition. Shunted out of her old preferential markets in England and pushed into the cold world of economic realities, the Canadians had turned to annexation with the United States, then, and more practically, to reciprocal trade. England offered no comfort; only the United States was strong enough to be a crutch until the colonies could stand on their own feet. However, in spite of two attempts from 1848 to 1851 to secure an economic alliance, the Canadians had seen their overtures rejected. The United States was in no economic difficulty and the infant development of Canadian business offered nothing to attract the attention of the commercial interests in America. The only way to get the United States to give serious heed to Canadian pleas would be the possession of a "lever" on the part of the provinces. If they had something the United States wanted it could be used to negotiate for reciprocal exchange of goods.

In the year 1853 a new series of negotiations was begun.

William Marcy, Secretary of State in President Pierce's cabinet, and

John Crampton of the British Legation in Washington, met often to

discuss terms of a reciprocity treaty. Their talks were given added

significance by the rapidly deteriorating situation at the fishing

banks off Canada. Differences of opinion regarding the interpretation

of the fishing rights provision of the treaty signed after the War of

1812 had put both sides in an unfriendly frame of mind. 37

<sup>37&</sup>lt;sub>Shippee</sub>, p. 64.

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By July, 1853, Crampton and Marcy recognized that affairs had reached a critical state. The American fishing boats were being armed in case of Canadian interference and the United States was readying a squadron of war vessels to enter the disputed area to protect American rights. Neither side wanted war, but the English refused to waive their interpretation of the forty-year-old treaty without concessions in return. The United States government wanted to secure the right for the Maine and Massachusetts fishermen to use the inshore waters. Canada now had something to offer the United States and the bargaining position of Crampton was greatly improved.

On September 1, 1853, Marcy sent the British representative an outline of a projected treaty which included several provisions on which there was agreement. After more discussions the projected treaty was sent to London where meetings between the American minister, James Buchanan, and English officials were held. However, the English showed no great haste in negotiating further on the treaty. Buchanan and Marcy both tried to speed the process but Cramptom, described as "chronically indolent," did not press his country for action. 39

Finally the lack of progress began to irritate President Pierce.

The fishing dispute was still not solved and the British government had to be pushed into reaching some agreement before outright warfare occurred.

Tansill, p. 59. See <u>House Ex. Doc.</u>, No. 21, 33rd Cong., 1st sess., for the official dispatches of the warships.

Tansill, pp. 55-66. Tansill goes into considerable detail in describing the projected treaty as well as the instructions of the various governments involved in the negotiations.

The President decided the best tactic would be to convert some of the Canadian provinces to the idea of conceding fishing rights to the Americans. To accomplish this Israel D. Andrews was appointed a special agent of the government. Andrews had been employed previously as a United States Consul to several points in Canada and as a special agent to watch the annexation movement in 1849.

Despite his knowledge of the provinces, Andrews did not achieve immediate success. He was appointed to the job in September, 1853 and on April 10, 1854, he was forced to write Marcy: "The prospect...presented of a successful close to the Fishery negotiation is gloomy indeed...."

This discouraging report from Andrews prompted the President to authorize the special agent to spend five thousand dollars to promote the American claims. By the end of April Andrews had expended most of his money to agents who were aiding him.

The second financial accounting of Andrews showed disbursements of nearly nineteen thousand dollars. Dotted through it are such references as "Contributions to Election Expenses for Gov't Candidate,"
"To P. F. Little.... He has done this government and the Treaty good service--\$1,150.00," and "J. P. Keefe...to take certain steps in relation to the Fisheries in the Gulf of St. Lawrence and in Nova Scotia--\$313.00." Perhaps the most informative item is the one to "W. H. Needham, Fredericton, 1st May, 1854. For £210 paid him for certain purposes of a government and legislative character--\$840.00." Later in the report Andrews described Needham as a man who "presented

Marcy Papers, MS., Vol. xlix; cited in Tansill, p. 67.

Hansill, p. 69.

resolutions in the New Brunswick Assembly adverse to the surrender of the fisheries." <sup>42</sup> After this "disbursement" had been made "Mr. Needham's opposition evaporated and he became an earnest supporter of the Treaty." <sup>43</sup>

While Andrews was softening up the opposition in the Maritime Provinces of New Brunswick, Nova Scotia and Prince Edward Island, the English government had finally tired of the unfruitful months of diplomatic sparring and was willing to modify some of its demands to reach a conclusion of the fishing dispute. A special envoy, Lord Elgin, was sent to the United States to negotiate an agreement. Witty, charming and with great capabilities, Elgin did not rush to the conference table, an act which might have frightened off the American government. Instead he dined with leading Congressmen, attended teas and receptions, and generally struck the pose of a vacationing dignitary. After ten days of "relaxation" during which Washington officials had almost decided he had come for a visit and was not interested in any sort of treaty, Elgin suddenly confronted Marcy with the information that an English-American treaty involving reciprocity with Canada could be ratified by the Senate. Warcy was greatly surprised, but within

<sup>42</sup> Pierce Papers, Ms., vol. iv; cited by Tansill, p. 73. Shippee, p. 76, asserts that Andrews spent over fifty thousand dollars on his propaganda campaign, much of which came from his own pocket. In 1858 a special appropriation by Congress reimbursed him in full, but not before he had been in jail for debt.

<sup>43</sup> Tansill, p. 73.

pp. 36-46; cited in Tansill, pp. 77-79. Oliphant exhibited a tendency to exaggerate but there is little doubt that his account portrays the impression Elgin was trying to create during the early part of his stay in Washington.

three days he and the British representative had signed the treaty and it was on its way to the Senate for approval.

The treaty was submitted to the Senate on June 19 and was ratified on August 2, 1854, by a vote of 32 to 11. The President signed the pact on August 5. The Canadians expressed joy at their victory; reciprocity was theirs. The British and American governments were satisfied; the near conflict in the North Atlantic over the fisheries had been averted.

The specific clause that settled the fishing dispute provided the Americans with the right to fish the waters off the Canadian coastline and to cure their catch on the unoccupied sections of shoreline. In return for this the fishermen of the British North American colonies were given the same privileges in American waters. This clause was favorable to both sides and during the operation of the treaty it ended the friction which had plagued the fisherman of both countries before 1854.

From the American point of view the opening of the St. Lawrence was the most important part of the treaty, especially for the Great Lakes states. Article V stated that the canals and waters lying within Canadian domain would be open to American ships subject only to tolls which were charged to the Canadian traffic. In return Canadian vessels were given the unrestricted use of Lake Michigan.

The opening of the St. Lawrence was an answer to the prayers of the shippers in the American West. The agitation for an outlet to the

<sup>45</sup> Ex. Journal (Washington, 1887), vol. 8x, p. 339, 376; cited by Tansill, p. 79.

The text of the treaty appears in the Appendix.

Atlantic had been growing steadily stronger in the years before 1854. The merchants of Cleveland, Chicago, Detroit and the other lake ports were enamoured by the thought of a direct route to Europe. Typical of the pressure brought to bear on the Congress was a petition signed by eighty-seven "Citizens of the United States Residing in the Valley of the Northwestern Lakes" pointing out that "the value of western productions had been greatly reduced to the grower, and that of foreign greatly increased to the western consumer, by reason of the inadequate means of transit between the agricultural...west and the manufacturing producers of the east..." The petition further observed that the Erie Canal "has been overtaxed with business...and brought...ruin upon the shipper" on many occasions.

The reciprocity provision placed many natural products and agricultural commodities on the free list. The most important were grain, flour, live animals and meats, coal, timber and all kinds of unworked lumber, wool, ores of metals and fish and fish products.

It is interesting to note that Israel Andrews listed the major exports of the northern colonies as "lumber, wheat, flour, vegetables, seeds, ashes, wool, eggs, and coarse grain for distilling." Every one of these products was on the free list. Conspicuously absent were manufactured goods, but the American industrialists had been assured that the increased trade which reciprocity would create would also increase the demand for manufactured goods in the provinces.

<sup>47</sup> Masters, pp. 211-212.

Senate Misc. Doc., No. 111, 31st Cong., 1st sess., pp. 1-2.

Senate Ex. Doc., No. 23, 31st Cong., 2nd sess., p. 30.

The treaty was to be in effect for at least ten years. After that it could be terminated by either party on one year's notice. It was to become binding as soon as the laws required to put it into operation had been passed by the British and provincial parliaments on one side and the Congress of the United States on the other. The legislative approval was easily accomplished by the governments involved and the treaty was in operation early in 1855.

Several years of progress in both Canada and the United States followed the ratification of the reciprocity treaty. Masters describes these years as "a period of phenomenal development...where new lands were being opened to settlement and population was rapidly increasing, particularly in the region bordering the Great Lakes."

However, to ascribe this prosperity to the treaty alone would not be the whole story. Throughout the operation of the treaty there were a series of abnormal events that influenced trade and made an exact estimate of the effect of the treaty nearly impossible.

The first event which increased business activity in the Canadian provinces and the United States was the Crimean War(1854-1856). England, deeply involved in the conflict, found her usual Black Sea imports of grain completely cut off. The demand for breadstuffs in England stimulated the agricultural regions to greater production and promoted the expansion of the transportation system to the Atlantic coast to carry the growing export trade. This sudden demand for grain had a particularly strange effect on Canadian agriculture. The

<sup>50</sup> Masters, p. 180.

<sup>51</sup> Masters, pp. 182-183.

Canadian Merchant's Magazine noted: "Hamilton, Toronto, and other Canadian cities have lately become large importers of butter, cheese and vegetables from the United States. The high price of wheat has doubtless given an undue preference to its cultivation...and at the present time there is an excellent opening for a large number of market gardeners in the neighbourhood of most Canadian cities." 52

Canadian prosperity, however, did not last. In 1858 the grain harvest was poor. At the same time a financial crisis occurred in England, a consequence of the war in the Crimea. The result for Canada was a severe depression. This depression halted Canadian investments in canals and railroad building. The provinces suddenly found themselves over-extended in their internal improvements and it was necessary for the government to rescue many municipalities and railroads through large subsidies to preserve the advances made during the boom period. 53

A depression also hit the United States beginning in 1857.

Many individuals, firms and Western cities and counties went bankrupt.

Railroad construction was halted and in New York it was necessary to call out federal troops to protect the Sub-Treasury from mobs. However, by 1860 recovery in both the United States and Canada had begun.

Barely had the effects of the depression eased when the American Civil War broke out. This worked to the advantage of the Canadians, for the United States imported huge quantities of foodstuffs and raw

<sup>&</sup>lt;sup>52</sup>June, 1857; quoted in Shortt, p. 247.

<sup>53</sup> Masters, p. 183.

materials for the war effort. Particularly needed for the armies were horses and many were sold to buyers of the Union army for cavalry detachments.

Thus it is evident that the reciprocity treaty alone did not influence the course of business between the two countries. On the other hand, the treaty cannot be dismissed as having no effect. The natural lines of communication between the provinces and the United States ran north and south. This geographic fact led to the use of Canadian products in America and American goods in the provinces. 54 For example, it proved to be simple to ship Ontario's goods through the United States for consumption or re-export rather than use the often ice-blocked St. Lawrence River. Similarly, much Canadian lumber was shipped into the eastern states instead of American timber being transported over the Appalachians to the population centers.

In summary, the general operation of the treaty promoted the trade of both countries, and with the increased markets stimulated by two wars, provided periods of boom from 1854 to 1857 and again after the outbreak of the American Civil War. The problem which now needs answering is why did the United States decide to abrogate the treaty at the end of the stipulated ten years? Apparently business and commerce, both in Canada and America, benefited. But there were forces which drove a wedge into the harmonious relationship and led to the abrogation of the treaty in 1865 by the American Congress.

The first American opposition to the treaty came in 1858 and was based on economic considerations. The depression in Canada

<sup>54</sup> Masters, pp. 185-186.

caused a sudden and unexpected drop in government revenue. ambitious railroad construction program sponsored by the provinces was just beginning to show results, but the demands of interest payments were pressing. At the time when more income was needed to meet obligations the revenues were falling because of the economic crisis. 55 There was but one way to raise money and that was to increase the import duties. Of course American goods on the free list under the reciprocity treaty were exempt. However, any other commodity could have higher duties put on it if the provincial legislature approved. Faced with bankruptcy, the Canadians had no choice. In Canada (Quebec and Ontario) for example, the duty on molasses was increased from 11 per cent in 1857 to 30 per cent in 1859; the tariff on refined sugar was raised from 25 per cent in 1857 to 40 per cent in 1859; the duty on iron products was increased from 15 to 20 per cent and on boots and shoes from  $17\frac{1}{2}$  per cent to 25 per cent. American exporters and manufacturers were hurt by these substantial increases.

American protests regarding the tariff increases were immediate. Canada undoubtedly possessed the legal right to change the duty on any product not on the treaty's free list. However, some American observers professed to see a moral issue in the situation. Israel Hatch, a former Congressman from New York and author of several Treasury Department Reports, wrote: "Viewed as a question of national integrity, the conduct of the Canadian Parliament in thus taxing the products of American industry almost to their exclusion from the

<sup>&</sup>lt;sup>55</sup>Masters, pp. 113-114.

<sup>56</sup> <u>House Ex. Doc.</u>, No. 96, 36th Cong., 1st sess., p. 10.

Province must be pronounced to be a violation not only of the letter and spirit of the treaty but of the amnity and good faith in which it was conceived, and without which all international obligations are unavailing." 57

Representative Elijah Ward of New York also believed the Canadian tariffs were unfair to American interests. In a speech to the House on May 18, 1864, Ward asserted that "the effect of the Canadian tariffs enacted since 1855...[has] been to decrease very materially the amount of manufactures and goods of foreign origin sold by the people of this country to those of the Provinces. This alone...[is] sufficient reason for the revision of our mutual commercial relations....<sup>58</sup>

Not only were the Canadians in need of money but there was a growing sentiment in favor of protection in both countries. When the Reciprocity Treaty was ratified the freer-traders in both countries had been dominant. Soon, however, there was a reaction in the direction of protection. In the United States, the rising influence of the Republican Party started the country leaning toward protection. This was accelerated by the withdrawal of the Southern states at the start of the Civil War.

 $<sup>\</sup>frac{57}{\text{House}}$  Ex. Doc., No. 96, 36th Cong., 1st sess. p. 15. Hatch showed little love for the treaty at any time and was one of the businessmen who desired to have it ended.

<sup>58 &</sup>lt;u>Cong. Globe</u>, 38th Cong., 1st. sess., p. 2335.

Helen G. Macdonald, Canadian Public Opinion of the American Civil War, Studies in History, Economics, and Public Law, (New York, 1926), pp. 54-55.

<sup>60</sup> Macdonald, p. 55.

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<sup>58</sup> Cong. Globe, 38th Cong., 1st. sess., p. 2335.

Helen G. Macdonald, Canadian Public Opinion of the American Civil War, Studies in History, Economics, and Public Law, (New York, 1926), pp. 54-55.

Macdonald, p. 55.

The economic policy of the Republicans was established by the Morrill Tariff, passed soon after the Republicans assumed control of Congress. Among other things, it increased the duties on iron and wool(Canadian imports excepted because of the treaty) in a none-too-secret effort to pull Pennsylvania and some of the Western states securely into the new party.

A few weeks after the Morrill Act became law the Civil War broke out. The northern states suddenly found themselves in a position much like that of the Canadians in 1858--they needed money. As soon as the special session of Congress was convened in the summer of 1861 new customs duties were imposed. From this time until the end of the war the scale of duties was increased steadily.

The need for higher government income to fight the South and the desire of many Republicans to protect American industry combined to create a group of opponents to the treaty who based their arguments on economic grounds. They noted that large amounts of revenue were being sacrificed because of the free imports from Canada. Further, the absence of duty on goods from the provinces made it impossible to tax the commodities on the free list which were grown in America without danger of pricing such products out of their own markets.

While Congress was shut out of some fields of revenue by the treaty there was a less-evident cause for discontent among the American

F. W. Taussig, The Tariff History of the United States, 8th ed. (New York and London, 1931), pp. 158-160.

<sup>62</sup> Taussig, p. 160.

<sup>63</sup> Masters, p. 152; Shippee, p. 159.

manufacturers. When the treaty was ratified they had been assured that trade in duty-paying exports would increase along with the trade in the commodities on the free list. However, by 1860 it had become evident that this prediction had not proved accurate. The grudging approval given by the manufacturing interests in 1854 had turned to dissatisfaction in 1860, largely because little upturn in the traffic of finished products had been observed.

Perhaps the best summary of the disapproval of the manufacturing group appeared in the Hatch Report. Hatch declared: "The statesmanlike ideas prevalent at the time when the treaty became law, anticipating the removal of all unnecessary restrictions between two neighboring States are in strong contrast with the realities of to-day."

Indeed, the "realities" amply illustrated that the trade barriers between Canada and the United States were growing and only the treaty was preventing a return to pre-1854 status between the two nations.

Not only were the industrialists opposed to the results of the treaty but the lumbering and agricultural interests were also unhappy with its operation. Competition from Canadian timber led Senator Jacob Collamer of Vermont to ask: "Can our friends in Maine, or in the Western country, compete with these people [Canadians] at the present price of labor, etc., in America when they bring lumber here free of duty from Nova Scotia and Canada? Why, sir, it is impossible."

The law-makers fearing that agricultural products

<sup>64</sup> Masters, pp. 148-149.

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&</sup>lt;u>House Ex. Doc.</u>, No. 96, 36th Cong., 1st sess., p. 19.
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<u>Cong. Globe</u>, 38th Cong., 2nd sess., Jan. 11, 1865, p. 210.

from Canada hurt the western farmers pointed out that many farmers were moving to Canada. There grain could be grown with less cost and was assured of a market because of the Reciprocity Treaty. This migration, it was claimed, could be stopped by ending reciprocity. <sup>67</sup>

Accompanying the economic arguments against the treaty was the resentment engendered by the actions of Canada and England during the Civil War. From the outbreak of the conflict the policy of the foreign powers rubbed painfully on the northern states. As the war dragged on longer than anyone had predicted the pent-up emotions of the North focused on the seemingly damaging performances of England and her North American colonies.

Resentment was first stirred up in the northern states by England's recognition of the South as a belligerent. When the dependence of England on the cotton of the South is considered this hardly seems surprising. Furthermore, the wide-spread sympathy for the South that was evident in the English press and in Parliament caused considerable irritation in the North.

While English recognition of southern belligerency incited the ire of the North, the <u>Trent</u> affair created a wider gulf between the two North Atlantic powers. The removal of two Confederate representatives, John Slidell and James Mason, from the British vessel <u>Trent</u> by an American warship met with universal approval in the North and universal disapproval in England. England's justifiable protests were greeted

<sup>67</sup> Cong. Globe, 38th Cong., 1st sess., May 19, 1864, p. 2370.
68 Masters, pp. 132-133.

in the North with intense animosity and talk circulated that a war, including an invasion of Canada, was imminent. 69 Canada did not help matters any because a large section of the provincial press supported the motherland.

The feelings against England were intensified by the "loose neutrality of that country. Despite officially proclaimed neutrality, England still allowed the Confederates to build several warships in English shipyards. The most famous of these was the Alabama. This ship created a mild threat to the Northern blockade of the Southern ports but, aside from inflaming the people of the North, it did little damage.

Canada, along with England, soon was the object of Northern scorn. The primary cause of this was the group of ex-Southerners, draft dodgers and Confederate agents that had gathered in Canada for refuge or other purposes. "Canada, it was believed, welcomed the expatriated Rebels." The northern states were worried that these elements might conspire to endanger the North.

The fears of the Northerners were proven correct when, on October 21, 1864, the town of St. Albans, Vermont, was raided from Canada by Southern agents. Public opinion rose to a fever pitch. Canada was regarded as little short of an outright enemy, and the successes of Grant near Richmond and Sherman's march to Atlanta

<sup>69</sup> Shippee, p. 116; also see James M. Callahan, American Foreign Policy in Canadian Relations (New York, 1937), pp. 273-274.

Ephriam Douglass Adams, Great Britain and the American Civil War, 2 vols. (Gloucester, Mass., 1957), II, pp. 116-152.

<sup>71</sup> Shippee, pp. 124-125.

allowed the North to speculate on the post-war fate of Canada. Many people favored an "expansionistic" move to the north by means of marching the Union armies into Canadian territory.

In fairness to the Canadians it should be stated that the raiders had violated no laws until they left for St. Albans. Indeed, in the British provinces there was "much indignation...directed against the Confederates for their attempt to use Canada as a base of operations...."

But this was a minor sentiment compared to the spasm of fear that swept across the states which bordered on the British possessions.

American public opinion favored immediate retalitory action but officials of both governments disliked the prospect of war. Macdonald believes that the heads of both sides wanted peace. She declares:

To the sanity of the leadership in the governments of these two countries may be attributed the fact that war was averted. Whatever accusations might, with justice, have been brought against the individual British subject, not once did the Canadian Government deviate from the rules enjoined upon a neutral power. Confidential information of...Confederate plots... was transmitted to the American Government.... The Canadian Government did not intend that the Confederates should abuse the...right of asylum, freely extended to Northerner and Southerner alike.... The Canadian Government maintained throughout the American struggle a consistent policy. 74

The political effect of the war on the treaty, which had nearly run its first ten years in 1864, was pronounced. Joshua Giddings wrote to his son on January 17, 1864:

When I saw that members of the Canadian Parliament were here to secure the renewal of the Reciprocity treaty I...determined to arouse our government to such a sense of its own dignity as will

<sup>&</sup>lt;sup>72</sup>Shippee, p. 125.

<sup>73&</sup>lt;sub>Macdonald</sub>, p. 106.

<sup>74</sup> Macdonald, p. 158.

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teach our Canadian neighbors that while England sends out her ships under secession flags to prey upon our Commerce and Canada sends her blockade runners to feed and clothe the rebels and her presses are constantly slandering our President.. I think it most extraordinary for them to call on us to continue to hold our markets open for their produce free of duty.

Thus the "wrongs" done by England and Canada during the Civil War, the economic inequalities in the treaty that alienated the powerful eastern manufacturers, the dissatisfactions of the agricultural interests, and the rising tide of protectionism led to the introduction of a joint resolution in the American Congress for the termination of the treaty. This resolution, presented in January, 1865, was supported by most of the country and in March, 1865, the earliest possible date under the provisions of the treaty, the President announced the abrogation of the pact in twelve months' time.

Laughlin and Willis think it was "astonishing" that the British provinces would let such an advantageous agreement lapse, 77 but in reality they could have done nothing about it. The political hate and the economic dissatisfactions in the United States were too extensive to overcome, even with an all-out Canadian-English campaign. The prevailing emotional pitch was against anything English. Denial of aid and support to the North made them enemies of the Union. The chances for continuing the treaty in such an atmosphere were small; there was virtually no support for it in America.

William Overman, ed, "Some Letters of Joshua R. Giddings on Reciprocity", Canadian Historical Review, XVII (1935), p. 292.

<sup>76</sup> Cong. Globe, 38th Cong., 2nd sess., p. 234.

<sup>77</sup> Laughlin and Willis, p. 65.

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## CHAPTER II

Michigan's views regarding reciprocity with Canada are important in understanding that movement as a whole. The state was part of the rapidly-growing western area. New people, new industries and new hopes were her characteristics. Settled enough to have stable and functioning institutions, yet young enough to experience "growing pains," Michigan's position on the issue of reciprocity is worth recording and analyzing.

If one word could be picked to describe Michigan in the years before 1850 it would be "dynamic." The great wave of migration had not reached Michigan until after 1825, relatively late when compared with the states along the Ohio River. However, in twenty-five years much of Michigan had been wrested from the forests and swamplands.

In 1850 Michigan was a product of its still rustic environment.

Geographically she was isolated from the East except by the Great Lakes route. Her population was predominantly rural and her economy was based on the soil and natural resources of the region.

The population of the State in 1850 was 397,965. Of this number 21,019<sup>2</sup> lived in Detroit, the only city of consequence in the state. The rest of the population was scattered in small towns or on farms throughout the southern part of the state. The towns served as centers of local trade and provided necessary goods and services to the farmers.

Mich. Sec. of State, Census and Statistics of Michigan, 1864 (Iansing, 1865), p. 647.

<sup>2</sup> U. S. Census, 1850(Washington, 1853), p. 896.

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One of the most important products of Michigan farms was breadstuffs, particularly wheat and corn. In 1850 the Secretary of State's report listed wheat production at more than 4,750,000 bushels and all other grains at just over 8,000,000 bushels. Of course, large quantities of vegetables and other products were grown but these were mainly for consumption by the farmers themselves.

Another important product of Michigan farms was wool. This commodity had been introduced as part of the farm economy after wheat and corn. The wool clip in 1850 was 1,774,368 pounds compared with just over 153,000 pounds in 1840. The rising production of wool made a significant contribution to the export trade of the state. In 1850 Michigan had no woolen mills and the entire clip was exported to the eastern states.

The infant development of industry in the state was directly tied to the agriculture and natural products of the area. There were 228 flour mills, some powered by horses, the majority powered by water. These were distributed over the southern part of the state to aid the grain growers by grinding breadstuffs into easily-transported flour.

The lumber industry in the state was served by 730 sawmills. In 1850 "the ax of the Lumberman had scarcely scarred the borders of the mighty forests...." Israel Andrews, in one of his early reports to Congress, referred to Michigan as "the chief lumber reserve of the

Michigan Legislature, Joint Documents, No. 4, 1850.

Michigan Legislature, <u>Joint Doc.</u>, No. 4, 1850.

Mich. Legislature, Joint Doc., No. 4, 1850.

<sup>&</sup>lt;sup>6</sup>Mich. Legislature, Joint Doc., No. 4, 1850.

<sup>7</sup> Lawton T. Hemans, <u>History of Michigan</u>, (Lansing, 1906), p. 215.

western United States." Though there was plenty of timber available the problem was to get it out of the remote districts. Numerous pleas were made for better transportation into the logging areas. One example appeared in the <u>Detroit Free Press</u>. A group of "residents" of Lapeer County were asking for a plank road to reach the "rich and almost inexhaustable pineries."

Another industry which had just started in the state was mining.

Despite huge investments the returns had been very slight. The value of copper ore shipped over the portage at Sault Ste. Marie in the years 1845-1847 totaled only \$163,000. In 1853 only about 2,800 tons of ore were moved between Lake Superior and Lake Huron. The output of the iron mines was even smaller. The earliest reliable figures, those for 1855, place the amount of iron produced in Michigan at about 1,500 tons. Some mines, like the Jackson Iron Works on the Carp River had been "doing a considerable business" since 1848.

There was little local processing of the ores mined in the state. Some small iron smelters were located in the iron country but their production was limited. Much of the copper ore was partially

<sup>8 &</sup>lt;u>Sen. Ex. Doc.</u>, No. 23, 31st Cong., 2nd sess., p. 31.

<sup>9</sup>April 23, 1848.

For an analysis of the investments in Michigan copper see
William B. Gates, Jr., Michigan Copper and Boston Dollars: An Economic
History of the Michigan Copper Mining Industry (Cambridge, 1951).

<sup>11</sup> Detroit Daily Advertiser, Aug. 18, 1848.

Detroit Free Press, March 30, 1854.

Census and Statistics of Michigan, 1864, p. liii.

<sup>&</sup>lt;sup>14</sup>Detroit Free Press, June 6, 1848.

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processed at the mine before shipment but there was no copper smelting.

Only in Detroit was there any notable processing of ore. There a "large" copper smelter had been erected in 1849 and the Fulton Iron and Engine Works had been formed in 1851. However, these were of minor importance, most of the ore being shipped to Cleveland and other Lake Erie ports for processing.

The transportation route to the East was the Great Lakes. Detroit was the state's chief port handling most of the commerce in and out of the region. The registered tonnage of ships based at Detroit was estimated at 29,000 tons in 1848. This figure did not include vessels from other lake cities which normally stopped at the Michigan city.

Within the state transportation was primarily dependent on the railroads which had been constructed from Detroit into the interior. The Michigan Central Railroad connected Detroit with Ypsilanti, Ann Arbor, Jackson, Albion, Marshall, Battle Creek, Kalamazoo and, by 1852, reached Chicago. 18 The Michigan Southern ran from Detroit west through Adrian and Hillsdale. This line was also extended to Chicago in 1852. 19 The primary function of these two railroads was to bring the grain and other products to Detroit for shipment to the East and to take imports

Detroit Daily Advertiser, Sept. 5, 1849.

Silas Farmer, The History of Detroit and Michigan (Detroit, 1844), p. 806.

<sup>17</sup> Detroit Free Press, July 21, 1848.

<sup>18</sup> Farmer, pp. 895-900.

<sup>19</sup> F. Clever Bald, Michigan in Four Centuries) New York, 1954), pp. 246-247.

into the agricultural regions of the state. There were several shorter roads operating in the state in 1850 but the through routes were the more important.

Some indication of Michigan's economy can be derived from the statistics of trade from Michigan ports to foreign countries and foreign trade entering the state. In the fiscal year 1848-1849 Michigan ports exported goods valued \$132,851. In the same period \$98,140 worth of goods were received in the state. The fiscal year 1851-1852 showed exports of \$145,152 of goods and imports into the state valued at \$196,241.

By 1852-1853 the amounts had increased considerably. The exports of the state were valued at \$353,685 and the imports totaled \$211,230. Most of these transactions involved Canada because the St. Lawrence River route to the Atlantic was not sufficiently developed to allow vessels of any size to pass from the ocean into the Great Lakes. Since only goods destined for Canadian ports were shipped from Detroit the figures quoted indicate that trade between Michigan and Canada was extensive and important to the economies of both.

According to the "Commerce and Navigation" reports most of the imports from Canada to Detroit were hay, flour, lumber, wheat and furs.

Report of the Secretary of the Treasury...of the Commerce

Navigation of the United States, House Ex. Doc., No. 15, 31st Cong., 1st sess., p. 304.

Report of the Secretary of the Treasury...of the Commerce and Navigation of the United States, House Ex. Doc., unnumbered, 32nd Cong., 2nd sess., p. 304.

Report of the Secretary of the Treasury...of the Commerce and Navigation of the United States, House Ex. Doc., unnumbered, 33rd Cong., 1st sess., vol. 19.

However, almost every article grown or produced in the provinces was included in small amounts. 23

The tariff act of 1846 was the basis of the federal economic policy. It had been passed by the Democrats and, in general, reduced the duties on iron and metal goods, paper, glass, leather manufactures and wood to thirty per cent of their value. This was in contrast to the Whig tariff of 1842 which was a "distinctly protective" measure. The 1846 act cannot be classified as a free trade or tariff-for-revenue measure. This enactment did nothing more than lower some of the rates, maintaining the basically protective nature of the 1842 law.

In Michigan the freer trade-protectionist conflict was drawn on party lines. The Democrats of the state were in favor of reducing tariff barriers while the Whigs wanted the infant industries protected from foreign competition. Between the years 1837, when Michigan became a state, and 1854, only one whig served as Governor--William Woodbridge, in 1840-1841. Thus, before the signing of the Reciprocity Treaty Michigan had been a solid Democratic state and consequently freer trade was an objective of her leaders.

The <u>Detroit Free Press</u>, the leading Democratic organ in the state, never ceased taunting the Whigs on tariff policy. In 1851 the paper printed a comparison of the tariff acts passed by the two parties. One column was entitled "necessities" and was carefully prepared to show the Democrats protecting the interests of the "little man."

The article noted that plow chains were charged 100 per cent of value

<sup>23</sup> See also Detroit Free Press, Aug. 2, 1848.

<sup>24</sup> Taussig, pp. 113-114.

<sup>25&</sup>lt;sub>Hemans</sub>, p. 185.

by the Whigs and 30 per cent by the Democrats; anvils were assessed at 45 per cent of value under the Whigs and 30 per cent by the Democrats; low-priced wine was 49 per cent under the Whigs and 30 per cent under the Democrats; sugar was charged 62 per cent duty by the Whigs and 30 per cent by the Democrats; and wool duties were 45 per cent under the Whigs and 30 per cent under the Democrats.

The same article further endeavored to portray the Whigs as the party of the wealthy aristocrats. The tariffs placed on the "luxuries of life" were much lower under the Whigs than under the Democrats. For example, the duty on fine liquors averaged about 9 per cent of value under the whigs and 30 per cent under the Democrats. Gems were assessed at  $7\frac{1}{2}$  per cent by the whigs and 30 per cent by the Democrats. The duties in fine imported cloth were nearly doubled by the Democrats. In short, the Democrats stood for the laboring classes and the Whigs for the upper groups.

The Michigan Democrats seldom failed to make use of the tariff issue during a campaign. Volumes of pronouncements on the subject exist. The most prominent theme was that the "few" were being aided by the Whigs: "Protective tariffs are nothing but a cunningly devised system to cheat and rob the many for the benefit of the few. It is time the people in this enlightened age should teach those class interests, that government is not made to oppress and rob one portion of the people, and that by far the greatest number, to enrich another." 27

<sup>26&</sup>lt;sub>Dec. 6</sub>, 1851.

<sup>27</sup>Detroit Free Press, Aug. 24, 1850.

Particularly significant in the freer-trade-protection controversy in Michigan was the position of the farmers. Undoubtedly the Whigs were hampered by their close alliance with the manufacturing interests. The political sense of the Democrats would not let this fact lie quietly. Said the <a href="#">Free Press</a>: "The purpose of the Whigs is... to arrange the duties <a href="#">primarily</a> with reference to the Protection of Individual interests. They act in the <a href="#">first place</a> avowedly for the purpose of protecting individual manufacturers. It is but just to say that they include the agriculturist and propose to levy heavy duties on his productions." <a href="#">28</a>

The <u>Free Press</u> believed that the farmers needed more foreign markets in which to sell their goods. The Democratic paper noted:

"The policy of the farmers...is to buy in the cheapest market, and sell in the dearest. This can alone be effected by a liberal commercial intercourse with foreign nations, and an extensive exchange of commodities peculiar to each."

The Democrats in Michigan argued that the Whigs, by raising import duties, would reduce the amount of foreign commerce. The Free Press claimed that the Whigs wanted "to raise the tariff, prohibit foreign commerce in order to get a market for the farmer's surplus flour!--Prohibit foreign commerce in order to get a foreign market."

Detroit Free Press, July 9, 1851.

<sup>29</sup> March 9, 1852.

<sup>30</sup>July 15, 1851.

Similarly, the advocates of freer trade could point out that the Whigs were likely to push the cost of important products imported from abroad to higher levels by imposing increased duties. They observed that the Whigs would "Raise the duties on sugar, in order to make sugar cheaper to the farmer!!! In other words, they would charge two cents a pound, specific duty, when it is now admitted for three-fourths of a cent a pound, in order that the farmer might have his sugar cheaper." 31

William Anderson, a "plain unlettered farmer" from Ann Arbor, wrote in 1853 to the Secretary of the Treasury, James Guthrie, concerning the high cost of goods to the farmers. He said: "The agricultural community of the West are glad to learn that the duties on imported goods are to be reduced.... The laboring class of our country have had a heavy load of taxes to pay for a long series of years, through the workings of high tariffs." 32

Anderson's letter however, contained one direct contradiction to his stand for free trade. Being a farmer he was loath to see the duty on wool reduced. He noted that "the manufacturers...intend besieging Congress to repeal the duty on wool. To this the farmer is decidedly opposed.... We ask only equal rights with other farmers, we will not object to the duty being reduced as much on wool as foreign dry-goods, but no more. The masses of the people will not allow themselves to be longer rode down by bloated corporations. Taxing the people for the benefit of the few is not the way to make the country

<sup>31</sup> Detroit Free Press, July 15, 1851.

<sup>32</sup> <u>Senate</u> <u>Ex.</u> <u>Doc.</u>, No. 74, 33rd Cong., 1st sess., pp. 43-45.

prosperous and happy."33

Thus the stand of the Michigan farmers presents a curious spectacle. On general tariff policy they sided with the Democrats in desiring freer trade, but when wool duties were involved they were Whigs, ardently hoping that the tariffs would be kept at a high level to protect them from the competition of foreign wool.

As far as industry was concerned the Democrats believed there was no need for a protective tariff. They held that "there is now no industrial interest in the United States that <u>needs</u> protection--needs it we mean, according to the idea of those protectionists who advocate prohibitionary duties 'for the encouragement of American industry.'" 34

Of course the tariff act of 1846, a Democratic measure, was held to be beneficial to the state. The <u>Detroit Free Press</u> commented in 1849: "The successful operation of the democratic anti-Protective Tariff, under the management and control of the late administration, has exceeded our most sanguine hopes." 35

The Michigan Whigs experienced difficulty in combatting the arguments of the Democrats. The farmers could see no reason for high tariffs to protect industry. The only obvious result of raising import duties on textiles was increased prices for dry goods. Furthermore, the early 1850's was a time of prosperity and many feared that tampering with the tariff act might end this situation. On the whole, the most

<sup>33 &</sup>lt;u>Senate Ex. Doc.</u>, No. 74, 33rd Cong., 1st sess., pp. 43-45.

Detroit Free Press, Aug. 20, 1853.

June 1, 1849; also see <u>Detroit Free Press</u>, May 29, Sept. 20, 1851.

important reasons for the farmers to desire freer trade were the opportunities to develop foreign markets and the desire to keep prices on manufactured goods at a low level.

The opinions in the state on reciprocity were naturally colored by the general adherence to the Democratic Party's hope for freer trade. As would be expected, party divisions played a prominent role in the arguments on the problem. The exchanges between the two Detroit papers, the Whig Daily Advertiser and the Democratic Free Press, pointed up the controversy.

When the first reciprocity bill was introduced in the United States Congress the <u>Detroit Free Press</u> did not immediately jump to its support. In February, 1848, the paper quoted the <u>Toronto Colonist</u>. The Canadian paper noted: "It appears that the markets of the United States will be opened for the sale of Canadian products. We are informed that, in anticipation of the introduction of our produce into the United States free of duty, some of our enterprising neighbors are now purchasing wheat in Canada..."

In May, 1848, the <u>Free Press</u> quoted the <u>Oswego(New York) Times</u> in regard to the reciprocal trade bill. The eastern paper contained a favorable editorial on the reciprocity bill, recommending the proposal for prompt action in the Congress. In July the editor of the <u>Free Press</u> acknowledged the receipt of a copy of the commercial offer from Canada. In August it commented editorially: "The trade of our Canadian neighbors with this city is

<sup>36</sup> Feb. 7, 1848.

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&</sup>lt;u>Detroit Free Press</u>, May 20, 1848.

<sup>&</sup>lt;sup>38</sup>July 18, 1848.

greatly increasing.... The reciprocal trade bill that was lately passed by the House of Representatives ...will in great measure affect our interest, but whether for good or evil we are not prepared to judge at present."

In the summer of 1849 the paper attacked the President, Zachary Taylor, for misunderstanding the agricultural issues involved in reciprocity. It stated: "We have always heard that the General understood agriculture very well.... On a late occasion a gentleman from one of the provinces...called upon Gen. Taylor, and after being introduced, engaged with conversation with him on the subject of reciprocal duties between the provinces and the United States--'Yes', said the Second Washington, 'reciprocity.' Have the potatoes in your country got the rot?--See Clayton about reciprocity. Let us talk of agriculture." While this story was probably exaggerated the fact that it appeared indicated the interest in reciprocity on the part of the Free Press as well as the significant place of agriculture in any agreement that might be drawn up between the United States and Canada.

As the prospects of a reciprocity pact became more promising in 1853 the Free Press carried a report of the House Committee on Commerce given by Representative Seymour of New York. This report was highly favorable to a reciprocity agreement on the grounds that it would aid the commercial centers, provide free navigation of the St. Lawrence, help the farmers, and eventually increase the revenues through increased trade in duty-paying goods. After summarizing this report the paper

<sup>&</sup>lt;sup>39</sup>Aug. 2, 1848.

<sup>&</sup>lt;sup>40</sup>July 25, 1849.

added its views on the impact the proposed measure would have on the state: "This movement is one of very deep interest to all the Northern States, and in this interest Michigan has a full share. Her close contiguity to the Canadian border, and her easy access to the lines of transit--both canal and railroad--which are already, and soon will be, completed in the Provinces, serve to make our citizens watch narrowly every step that is taken toward reciprocal trade with our neighbors."

In early 1854 the <u>Free Press</u> definitely supported a reciprocal trade arrangement with Canada, emphasizing the benefits which the commercial community of Detroit would receive. It commented:

"Reciprocal trade with Canada, and the free navigation of the St.

Lawrence, are measures of international policy of deep interest...

in which Michigan has full share. With a treaty between the governments of Great Britain and the United States establishing these measures and with a ship canal around the Falls of Niagara, Detroit and all the other lake cities would be, to all intents and purposes, ocean ports, between which and the whole world a trade...direct and profitable could be carried on..."

42

This theme was repeated in another article which appeared two months later. This column pointed out that "under a system of reciprocal trade, the Canadas would buy of the United States rather than go abroad. We can now compete successfully with Great Britain in almost all kinds of manufactures. We have but to buy Canadian products to induce Canada to buy ours..."

<sup>&</sup>lt;sup>41</sup>Feb. 18, 1853.

<sup>&</sup>lt;sup>42</sup>April 13, 1854.

<sup>43</sup> June 1, 1854.

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While the <u>Free Press</u> was advocating reciprocity and giving support to freer trade, the <u>Detroit Daily Advertiser</u> was endeavoring to slow the trend toward revenue tariffs and reciprocity with Canada in the state. It should be noted that its attacks were neither vitriolic nor frequent. Apparently the paper was aware that its influence was not strong, except with the politically weak manufacturing interests. Furthermore, after the election of 1848 the Whig Party was disintegrating, a fact which left the <u>Advertiser</u> without significant support as it tried to promote the protectionistic philosophy.

The Whig paper did defend one interest that would be hurt by a reciprocity agreement, the lumber industry. In the fiscal year 1848-1849 over \$150,000 worth of lumber had been imported from Canada into the United States. The Advertiser pointed out that "the admission of Canada lumber to the States, free of duty, will operate hard against the lumber interest of our State. At present, a large amount arrives annually on this side by paying duty.... Let the duty be withdrawn and it will be sensibly felt in this State, by the competition we shall find in our Eastern markets with the Canadian article..."

However, between 1850 and 1854 the Whig paper gave up its attacks on the reciprocity efforts and confined its statements to

Hemans, p. 206. The <u>Free Press</u>, March 8, 1849, assailed the <u>Advertiser</u> for not supporting the <u>Grinnell Bill</u>. The Democratic paper accused the Whig organ of being the only paper opposing the measure "through the whole extent of more than 1500 miles of frontier."

Navigation of the United States, House Ex. Doc., No. 15, 31st Cong., lst sess.

<sup>46</sup> Feb. 20, 1849.

terse, factual accounts of the progress being made. The Advertiser noted that such an arrangement would help the commercial position of the Provinces: "Canada is now earnestly looking towards the United States for relief from her pressing political evils, and the enactment of a reciprocity bill will throw around the countries a golden chain, which will bind them together more firmly than any other condition of sic circumstance." 47

The signing of the Reciprocity Treaty in 1854 brought a favorable reaction from the Advertiser. Instead of condemning the pact it took a cautious, though optimistic, view of its possible results. It stated:
"...Many advantages will result from...reciprocity if it be properly guarded.... The benefits which accrue, however, will depend, somewhat, upon the circumstances varying with the changes of the market."
48

Of course the <u>Free Press</u> greeted the signing of the treaty with joy. "Altogether, the treaty strikes us as a favorable one," said the paper on July 19, 1854. "We could have wished that the list of articles to be reciprocally admitted free of duty had been more extended, embracing manufactures; but perhaps we shall sell as many of these to the Provinces, under the trade that will inevitably spring up under the treaty.... Locally, the people of our city will be greatly benefited by its operation, in that our markets will be more largely and freshly supplied with the garden products of our neighbors across the river."

While the two papers were commenting on reciprocity in their columns, the Michigan members of Congress had been strangely quiet on

<sup>&</sup>lt;sup>47</sup>Jan. 28, 1850.

<sup>48</sup> June 14, 1854.

the subject. During the debates on the Grinnell Bill in 1848 no Michigan representative spoke on the measure. The vote in the House of Representatives was not recorded in the Congressional Globe or the House Journal so the position of the State's representatives cannot be ascertained.

The second reciprocity bill which was debated in the House of Representatives in 1850-1851 never reached a vote and none of the Michigan members entered into the debate on it. In the Senate, this bill was never brought to the floor for discussion.

In fact, the only time a Michigan representative made any statement regarding reciprocal trade was in 1853. David Stuart attempted on March 1 and March 3 to have a reciprocity bill brought to the floor of the House for debate. He was unsuccessful in his endeavor and the proposal died.

However, Alexander Buel of Detroit did perform a notable service for Michigan's interests in the House of Representatives. He became the spokesman for the western areas that desired free navigation of the St. Lawrence River. This agitation for another route to the markets of the East and to Europe had been rising in the years immediately preceeding 1854.

Buel, a Democrat, had been a well-known Detroit lawyer and local politician. He was elected to the House of Representatives in 1849.50

<sup>49</sup> Cong. Globe, 32nd Cong., 2nd sess., pp. 978, 1124.

Directory of the American Congress: 1774-1927, U. S. Gov't Printing Office (1928), 69th Cong., 2nd sess., House Doc. No. 783.

Here he was placed on the Committee on Commerce and quickly began promoting the free use of the St. Lawrence.

Buel's leadership in this matter appeared soon after he assumed office. When the second reciprocity bill was referred to the Committee on Commerce, Buel insisted that free navigation of the St. Lawrence be included in its provisions. In the House on February 28, 1851, he presented an amendment to the bill requiring that the St. Lawrence be opened to American shipping before any reciprocal trade with Canada could be carried on. 51 This proposal however, never reached a vote.

At the same time Buel presented the Committee report on the bill. The Committee thought that "the simple fact that the free navigation of the St. Lawrence is earnestly desired by the Northwest is sufficient answer to the arguments which have been presented against the importance of this navigation.... Anyone...who reflects that the Northwest is advancing at a rate which will give it, in half a century, nearly thirty millions of people..." 52 must realize the significance of this proposal.

In another speech delivered in the House Buel reiterated the importance of providing new routes to the East, adding a "natural rights" concept of his own. He thought that the St. Lawrence was "a national highway, and the right to navigate it is the right to use it, to apply it to those purposes for which it was designed by the God of nature." 53 In other words, the river should be open to the United

Cong. Globe, 31st Cong., 2nd sess., p. 751.

House Reports, No. 4, 32nd Cong., 2nd sess., p. 23.

<sup>53</sup>House Reports, No. 4, 32nd Cong., 2nd sess., speech of Alexander Buel, p. 8.

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States because it drained some of the natural waterways of the country. While the Canadians no doubt regarded such an argument as without legal foundation, the West loudly applauded Buel's pronouncement.

Buel continued the fight to get the river open to the Atlantic until his term of office ended in 1851. On his last day as representative, March 3, 1851, he presented a resolution stating: "... The free navigation of the St. Lawrence River, for commercial purposes, demands the earnest attention of the American Government: and...it is highly desirable that it be secured to American commerce at an early date." This resolution was defeated by the House in an unrecorded vote. 54

With Buel's view of the need for new routes to the East in mind, it is not surprising that the provision of the Reciprocity Treaty which secured free use of the St. Lawrence was greeted with satisfaction in Michigan. Many considered this article the best part of the pact for the state. The <u>Detroit Free Press</u> commented: "... By far the most important provision of the treaty, to the Lake country is that permitting the free navigation of the St. Lawrence. Under it, a large direct trade must spring up with foreign ports. No obstruction will exist to vessels sailing from Detroit to Liverpool, Harve, Shanghai, Yedo Tokyo, and every where else. The time may not be far distant when the flags of all nations will be flying at our docks."55

While reciprocity and new routes to the East were important in Canadian-Michigan relations there remains one other significant factor

<sup>&</sup>lt;sup>54</sup>Cong. Globe, 31st Cong., 2nd sess., p. 787.

July 19, 1854; see also June 1, 1854, for a similar comment.

to be examined--annexation. This movement influenced Michigan because of the close geographic connection between the state and Canada.

In the years before the signing of the treaty the Canadians across the Detroit and St. Clair Rivers were viewing enviously the prosperity of the Michigan farmers and traders. The contrast between the two countries was marked and the Canadians, who were obviously in a poorer position, tended to blame their difficulties on the colonial status of the Provinces. Allin and Jones sum up the discontent of the Canadian farmers: "They were as moral, industrious, and intelligent as their American cousins, yet they did not reap the same reward for their labours." This sentiment in Ontario helped to sharpen interest in the annexation movement in Michigan.

In general, Michigan believed Canada would, sooner or later, be annexed. The Free Press thought that "the poorer classes--the oppressed--of Canada, are unquestionably in favor of annexation..." 57

The Detroit Daily Advertiser observed that "the present feeling existing in Canada on the question of annexation...is the exponent of a strong, practical, and overbearing sense of her own insignificance..."

The efforts of the Canadians to promote a reciprocity agreement with the United States was recognized in Michigan as an attempt to avoid annexation. The <u>lake Superior Journal</u> noted: "Reciprocity is now favored by the opponents in Canada to the annexation movement, judging, as we think they do, very correctly, that reciprocal free trade will

<sup>&</sup>lt;sup>56</sup>P. 324.

<sup>&</sup>lt;sup>57</sup>April 9, 1849.

<sup>&</sup>lt;sup>58</sup>Nov. 21, 1849.

check for a time the movement in favor of annexation. Of the ultimate success of these annexation movements they probably do not entertain much doubt, but if they can put off the evil day, it will be so much gained." 59

Early in 1854 the idea that annexation would eventually come was still advanced. The Free Press stated: "We cannot conceive of a valid objection against reciprocal trade with the British Provinces. We should sell them vastly more than we should buy of them. We shall by and by want their lumber...and we want their fish and fisheries; and their money; and we want to sell them our manufactures.... We want to 'dicker' with them generally; and we want to prepare them for annexation."

This thought was based on the observation that Canada was being drawn closer to America. An editorial in the <u>Free Press</u> noted:
"Canada is becoming Americanized, and England knows it; and she knows that the new avenues of communication which are uniting the commercial interests of the Provinces and the States must make the Yankee element predominant in Canadian society and politics,--and within a period of a few years."

Furthermore, it appeared that the treaty would lead to commercial annexation of Canada even if political unity was not achieved. Many viewed reciprocal trade with Canada as "tantamount to...annexation. Political connections we should not have, but pecuniary connections would be as

<sup>59</sup> May 1, 1850.

<sup>60&</sup>lt;sub>April 13, 1854.</sub>

<sup>61</sup> Feb. 7, 1854.

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close between the several states.'

The view that annexation would be inevitable was not universal. The <u>Daily Advertiser</u> thought that the Reciprocity Treaty ended any hope of merging the two countries: "We cannot but view this treaty as removing all temptation to annexation, should such exist, in Canada, for why should the provinces wish a better position than... perfectly free intercourse with the two greatest commercial nations in the world.... She may be tempted by ambition to look for independence, but, we think, scarcely for annexation under present circumstances." 63

The conclusion can be drawn that many people in Michigan in the years between 1848 and 1854 were agreed on their reactions toward Canada and reciprocity. The freer-trade forces of the Democratic Party controlled state politics; almost everyone wanted free navigation of the St. Lawrence; and there was wide belief that Canada would be annexed to the United States, commercially if not politically. It was obvious that the state was going to benefit through the effects of the treaty and there was no manifest opposition to its passage among most of Michigan's citizens. Some were inclined to view it more cautiously than others, but the attitude was one of waiting to see the results of the treaty rather than of hostility to the new pact.

<sup>62 &</sup>lt;u>Detroit Free Press</u>, June 1, 1854.

<sup>63&</sup>lt;sub>Sept. 19, 1854.</sub>

## CHAPTER III

The effect of the Reciprocity Treaty on Michigan is difficult to determine because the Crimean War, the 1857 depression and the American Civil War occurred during its operation. During this period the stimulus to Michigan trade was quite extensive. By 1863-1864 the trade between Canada and Michigan ports totaled over \$3,500,000. However, there were political and economic changes in the state that were causing rising discontent among Large segments of the state's inhabitants. These naturally affected the treaty and Michigan's attitude toward the pact shifted slowly to one of hostility.

The decay of the Whig Party in Michigan after the election of 1848 left the Democrats unchallenged for a few years. However, the need for a new party was obvious to many. The whigs had lost contact with the people and the Democrats were divided by the slavery issue.

In the 1854 election a new party appeared, the Republican. This political organization was immediately successful, Kinsley S. Bingham being elected governor in the first contest in which the party participated.

The Republicans were united on only one subject--slavery.

During the early years of the party's existence this issue was the only force holding the old-line Whigs, Free Democrats, Free Soilers and numerous splinter groups in a single organization. 

This resulted in a tendency to ignore many problems facing the state to avoid splitting the party.

<sup>1&</sup>lt;u>Bald</u>, pp. 258-259.

The early tariff views in the Republican Party are an excellent example of the inability of the various wings of the party to agree. One office seeker wrote to Governor Bingham: "A high tariff I regard as a high attempt to dictate to us what business we shall pursue, & a violation of our natural & political rights. I am in favor of universal freedom--free soil, free speech, free labor, a free press, & free men--aye, & free trade, too, as soon as it can be gradually effected, without causing too sudden a change in the business of our country...."

Meanwhile, old-guard Whigs still spoke favorably of a high tariff to protect business. Thus, the differences within the party prevented a united stand on tariff policy.

In 1860 however, the Michigan Republicans finally agreed on protectionism as part of their economic platform. Undoubtedly the last remnants of the Whigs in the party led the move in this direction, but the other segments were willing to stand or fall on this issue if necessary. The <u>Detroit Free Press</u>, still holding to its free trade belief, challenged the Michigan Republicans to make a high tariff an issue in the 1860 campaign. The Republicans jumped at the opportunity. At the convention in the first Congressional district held in Ann Arbor, a strong resolution was brought forward favoring a protective tariff. The nominee for that Congressional seat boldly asserted:

"The people of Michigan must unavoidably become, sooner or later,

Philip Mason, ed., "Apologia of a Republican Office Seeker, 1854," Michigan History, vol. 41, p. 79.

<sup>3</sup>Detroit Free Press, June 22, 1860. Also see Thomas Pitkin, "Western Republicans and the Tariff in 1860," Mississippi Valley Historical Review, XXVII, pp. 410-420.

decided and active protectionists, and I feel perfectly willing to risk my personal success and future prosperity upon that platform."

One of the leading protectionists of Michigan was Eber B.

Ward, a shipowner and iron manufacturer in Detroit. He published several short pamphlets advancing this philosophy. The titles of Ward's works include, Reasons Why the Northwest should have a Protective Tariff and Why the Republican Party is the Safest Party to Trust with the Government, Protection vs. Free Trade, Natural Wealth vs. National Poverty, and British Free Trade, a Delusion.

ward favored a high tariff, believing it would stimulate home manufacturing. In his pamphlet on British free trade he declared:

"All the world's experience and the present condition of nations show the protective policy to be the only safe and wise means for national growth and the highest culture; that is, where it is carried to the extent of simply fostering home industry, and stops short of efforts to monopolize and crush down all industry elsewhere."

Ward believed that protective tariffs would promote the growth of industry in Michigan. In 1860 he noted that "Michigan is by nature, the righest state in the world. She has the best iron and copper mines, inexhaustible beds of plaster, the best salt wells, coal, lumber, marble, pine lands, good climate, unequalled lakes of fresh water,

Detroit Free Press, Aug. 2, 1860.

<sup>&</sup>lt;sup>5</sup>Floyd Benjamin Streeter, <u>Michigan</u> <u>Bibliography</u>(Lansing, 1921), p. 726.

British Free Trade, a Delusion: To the Farmers, Mechanics, Laborers, and all voters of the Western & Northwestern States (Detroit, 1865). p. 4.

and a beautiful commercial position." Nevertheless, Ward concluded, Michigan was poor. She needed to develop her manufactures and the surest way to do this was through a protective tariff. Echoing this statement the <u>Detroit Advertiser</u> declared: "The difference between the Democratic party and the Republican party is simply this: they would have all the labor done in England, while the Republicans would have it done here at home, by our neighbors."

Ward's reputation was widespread and his efforts for protection of home industry and for the Republican Party of Michigan were unceasing. Giles B. Stebbins, a nationally known publicist and lobbyist for the protectionist interests, later lauded Ward for his work: "Protection of home industry as opposed to the British free-trade policy, he advocated and helped, with steady persistence and in a large way that made him felt and known all over the land; his advocacy based on a deep conviction that a fairly protective tariff policy was best for the people."

It is evident from the leadership given protectionism by Ward and the stand of the Republican Party in 1860 that Michigan had moved away from its previous desire for free trade. Now industry was to be

<sup>&</sup>lt;sup>7</sup>Chicago Journal, Sept. 4, 1860; quoted by Pitkin, pp. 413-414.

8 Chicago Journal, Sept. 4, 1860; cited by Pitkin, pp. 413-414.

9 Aug. 14, 1860.

Upward Steps of Seventy Years (New York, 1890), p. 170. Stebbin's book, an autobiography, is a curious conglomeration of antislavery sentiments, religious pronouncements and crass supernaturalism. He arrived at his belief in protection thusly: "When our Civil War began, I saw that slavery and free trade were the cornerstones of the Confederate Constitution; and when it ended, I saw them both broken to pieces." p. 194.

protected, and American producers given a preferred position in American markets. Republican control of the state until long after the Civil War made protection the dominant economic belief of Michigan.

Of course, the free traders were not silent while this change was occurring. The Adrian Daily Watchtower commented acidly: "It is urged by the friends of a tariff for protection that duties on imported goods should be increased to guard against the necessity of taxing the people. In this they exhibit a preference for a mode of taxation by which the people are made to support the government without suspecting the money came from their pockets." 12

Likewise the <u>Detroit Free Press</u> held firm in its denial of protection as the proper policy. It claimed that "the fallacy of the doctrine of protective tariffs for this country is perfectly illustrated by the operation of the duty on wool, levied since 1846. Its purpose was...to stimulate the production of American wool. Its <u>effect</u> has been, at the expiration of ten years, that less wool is produced... than prior to 1846, that we consume more than we produce; and that our manufacturers are breaking down under the state of things." 13

Despite these protests, the free trade sentiment, so strong in 1854, had gradually evaporated before the onslaught of the young and vigorous Republican Party. By 1860 the protectionists were in power and the freer traders were disorganized and removed from any position of control over economic affairs.

llPitkin, p. 414.

<sup>&</sup>lt;sup>12</sup>June 28, 1858.

<sup>&</sup>lt;sup>13</sup>Dec. 9, 1856.

This change of opinion in Michigan had a significant effect on the Reciprocity Treaty. Free trade was regarded as dangerous to the continuing development of the state. It was now believed best to keep foreign goods from coming into market competition with Michigan products.

The farmers of Michigan were particularly opposed to the entry of Canadian products free of duty. When the treaty was signed there was no opposition manifest against it from the farmers. Their attitude was one of watchful waiting to determine what effect the pact would have on the agricultural interests. By 1864 the effects had been noted and opinion had crystalized. The Michigan Farmer asserted:

"The Reciprocity Treaty with Great Britain which admits all the products of Canada free, is directly adverse to the interests of the farmers of Michigan. Their products compete most ruinously with those of this State."

One of the articles which the farmers ardently desired protected from foreign competition was wool. In Michigan the production of this commodity had increased steadily during the 1850's. The state's wool clip in 1854 was 2,680,000 pounds. The United States Census of 1860 gave the amount gathered in that year as 3,929,000 pounds, 17 and an unofficial tabulation in 1862 placed the figure at 4,062,000 pounds. This rapid increase made wool one of the valuable exports of the state.

<sup>14</sup> Laughlin and Willis, p. 42.

<sup>&</sup>lt;sup>15</sup>April, 1864, p. 439.

Census and Statistics of Michigan, 1864, p. xi.

<sup>17</sup> Census and Statistics of Michigan, 1864, p. 637.

<sup>18</sup> Detroit Free Press, Dec. 31, 1862.

The rise of protectionism among the Michigan wool growers is best traced through the pages of <u>The Michigan Farmer</u>. The significance of this change is shown by the editorial policy of the paper. No other problem with political implications was even discussed in the journal during the period of the Reciprocity Treaty.

In 1855 the farm paper was not settled in its opinion of protective tariffs. In that year it was noted that "the subject was brought before Congress at the last session, and will probably come up again; it is proper therefore that it should be reflected upon carefully by the wool growers in this State, and...[whether] such a change [abolition of all import duties on wool] in the tariff is required by the true interests of the wool growers in Michigan...." In a later issue the Michigan Farmer presented an article in which both sides of the controversy were discussed and analysed. No effort was made to editorialize in the two columns.

Nine years later, however, the <u>Farmer</u> declared its stand on protective tariffs. It observed: 'United effort will undoubtedly be made by the wealthy manufacturing interest of the East to keep the tariff [on wool] at a low figure, and to place a very high tariff on manufactured articles. They have succeeded heretofore." The article further noted that such legislation would be harmful to the farmer's interests.

<sup>&</sup>lt;sup>19</sup>May, 1855, p. 130.

<sup>&</sup>lt;sup>20</sup>June, 1855, p. 162.

<sup>&</sup>lt;sup>21</sup>April, 1864, pp. 438-439.

The opposition of the <u>Farmer</u> to the importation of wool from Canada was well founded. The quantity of wool imported into the United States from Canada, according to the most reliable statistics available, was 2,134,000 pounds in 1859, 1,049,000 pounds in 1860, 1,059,000 pounds in 1861. In 1864-1865 1,304,717 pounds of wool came in free of duty from Canada. This wool came into direct competition with the Michigan product in the eastern markets.

The primary aim of the journal was to apply pressure on the United States Congress for a change in the tariff structure. The Michigan Farmer asserted that it "behooves the farmers to be at once active in urging their interests upon the attention of their members of Congress. County agricultural societies throughout the whole West should meet, pass res[o]lutions, and appoint their most influential and able men as delegates to Washington to urge the adoption of some protective measure for domestic wool." The publication even printed a sample petition to be used:

The undersigned farmers and citizens of the county of blank in the State of blank respectfully petition that a duty of at least 20 cents per pound may be placed upon all imported foreign Wool. The small duty from about one cent to three cents per pound, imposed by the present tariff is very unfair, and unjust to the Wool growing interest of the United States. Our taxes are doubled; the cost of farm labor is double, the cost of most of the dry goods and groceries we are compelled to purchase are quadrupled, yet, we are compelled to compete with the products of foreign countries, admitted free or at a nominal duty.

No large fortunes are made by farming. Agricultural interests have never received fair protection, or encouragement from

<sup>22</sup> Senate Ex. Doc., No. 10, 37th Cong., 2nd sess., pp. 2-3; Report of the Secretary of the Treasury...on the Commerce and Navigation of the United States, House Ex. Doc., unnumbered, 39th Cong., 2nd sess.

<sup>&</sup>lt;sup>23</sup>April, 1864, p. 438.

Congressional Legislation. The powerful combinations of the manufacturing interests of the East have so controlled legislation, as to compel the sales of our products at barely living prices, while the manufacturing interests are largely protected, and immense fortunes are made from a few years attention to business. Our sons do not desire to continue to be farmers. They see that it is a life of toil without adequate results. We ask that the Reciprocity Treaty which admits Canadian Wool... free may be annulled, and that the above duty of at least 20 cents per pound be placed on all foreign Wool imported. 24

This appeal for petitions to pressure the legislators was acted upon by many groups in the state. Senator Chandler presented to the Senate three petitions from citizens of Michigan "praying that a duty of not less than 10 cents per pound be levied on all wool of foreign production imported into the United States." Later a similar request from Livingston County was presented by Chandler. On May 2, 1864, Senator Howard presented another petition from Livingston County. This petition asked for a duty of 15 cents per pound on all imported wool. Howard also brought to the attention of the Senate a petition from Jackson County asking for a 20 cent per pound duty on imported wool.

These petitions, along with others from every wool-producing state, apparently influenced the House of Representatives. Representative Fernando Beaman from Adrian presented a resolution on March 21, 1864: "Resolved, that the Committee of Ways and Means be instructed to inquire into the expediency of increasing the tariff on low grades of Foreign wool." While no action was taken on Beaman's proposal, within a short time the tariff on wool had been raised. On June 4, 1864, the House passed a tariff bill which increased the duties on many articles, including wool. Representatives Driggs, Kellogg, Longyear

<sup>&</sup>lt;sup>24</sup>April, 1864, p. 439.

<sup>&</sup>lt;sup>25</sup>Cong. Globe, 38th Cong., 1st sess., pp. 1522, 1840, 2014, 2171.

and Upson voted for the measure. The votes of Representatives Baldwin and Beaman were not recorded. This bill was passed by the Senate on June 17, 1864, but both Senator Chandler and Senator Howard were listed 26 as absent.

Not only were the farmers displeased with the free imports of wool from Canada, but a similar feeling was noticeable regarding the wheat trade. The amount of Canadian grain brought into the United States was very large. In 1860 the total imports from Canada were 8,171,000 bushels, about 3,000,000 more than in 1859. During 1864-1865 1,304,717 bushels of wheat were imported free of duty from Canada. 27 Michigan produced 8,732,000 bushels of wheat. In short, there was considerable competition between Canadian and Michigan wheat. In the year 1857, for example, both Canada and the United States had bumper crops of wheat. The Canadian excess was about 8,000,000 bushels. The result was that the grain growing regions of the American West, including Michigan, had no market for their wheat, especially from the Canadian milling business which had previously purchased large quantities for shipment to Europe. 29 This situation continued to exist in the years after the poor crops of 1858-1859.30

Barley sales also were affected adversely by the treaty. The Michigan Farmer stated in 1864 "that before the making of the Treaty,

<sup>26 &</sup>lt;u>Cong. Globe</u>, 38th Cong., 1st sess., pp. 1217, 2751, 3053, 3368.

<sup>27 &</sup>lt;u>Senate</u> <u>Ex.</u> <u>Doc.</u>, No. 10, 37th Cong., 2nd sess., pp. 2-3.

<sup>28</sup> Census and Statistics of Michigan, 1864, p. 636.

Jan. 14, 1858. Colonist, n.d.; cited from Detroit Free Press,

<sup>30</sup> Detroit Free Press, May 11, 1858; Michigan Farmer, 1859.

the price of Barley was generally from \$2 to \$2.50 per 100 lbs. in Detroit. After its adoption the price fell to about one-half that sum, and so continued until last year when a flood of paper money-the unwillingness of Canadian farmers to receive it, and the high price of all course [sic] grains brought Barley upon [sic] again to its former price." This statement is substantiated by the Lansing market quotations. On April 1, 1863, the price of barley was two dollars per hundred pounds, remaining near that level for the next three years.

Thus, the shift of the grain and wool growers to disapproval of reciprocity was important in the overall opinion of the state regarding the 1854 pact. The stiff competition from Canadian imports and the resulting decline in prices paid for most agricultural exports was sufficient reason for the farmers to turn against the treaty and speak out for its abrogation.

The farmers were not the only Michigan interest opposed to the continuation of the treaty; the lumbermen were also displeased with its operation. After 1858 the Canadians were sending roughly nine million dollars worth of timber to the United States yearly. 33

This competition was placing a considerable strain on the lumber industry of Michigan. The Chicago Tribune claimed that "the lumber interest of Michigan is the largest single interest the State possesses.

<sup>31&</sup>lt;sub>April, 1864, p. 439</sub>.

Iansing State Republican. It must be remembered that the period of the American Civil war was one of inflation. The two dollar price paid for barley was less in purchasing power in 1863 than it was in 1854.

<sup>33&</sup>lt;sub>Cong. Globe</sub>, 38th Cong., 2nd sess., p. 213.

Under 'reciprocity' the Canadian lumbermen inflict a loss of millions a year on the Michigan lumber interests by the competition in the American market." In 1862 the lumbermen of Saginaw declared the treaty's provisions to be "unequal and unjust" and during the following years joined hands with the spruce manufacturers of Maine to bring about the abrogation of the agreement. 35

Two other interests in Michigan were affected by the Reciprocity

Treaty: mining and fishing. The fishing industry may be dismissed

as being rather unimportant. In 1847 a total of 68,000 barrels were

taken. Most of this was for local consumption. There was no marked increase in this amount since none of the official statistical sources indicated large exports or imports of fish.

Mining presents a different situation because its production was increasing rapidly. The amount of iron ore mined showed consistent growth during the years of the Reciprocity Treaty. From only 1,447 tons in 1855 it rose to 65,650 tons in 1859 and to 248,000 tons in 1864.<sup>37</sup> This business, however, had no Canadian competition. The protection of its markets for the future seems to have been the only cause for desiring a high tariff. Copper production was below that of iron. Most of the mines were just beginning to pay off on the original investments.

<sup>34</sup> Quoted from the <u>Detroit Free Press</u>, Aug. 3, 1865.

<sup>35</sup>Robert C. Johnson, "Logs for Saginaw: An Episode in Canadian-American Tariff Relations," Michigan History Magazine, XXXIV, pp. 213-214; "unequal and unjust" from Resources and Prospects of the Saginaw Valley (n.p., 1862), p. 12; quoted by Johnson.

<sup>36</sup> Detroit Free Press, Feb. 7, 1848.

<sup>37</sup> Census and Statistics of Michigan, 1864, p. LIII; see also Detroit Advertiser and Tribune, Dec. 8, 1863. The Daily Advertiser and the Detroit Tribune merged in 1863, the name being changed to include both papers.

The economic effects of the treaty on Michigan were outlined in the debates in the United States Congress when the first ten years of the treaty had nearly expired. Two Michigan legislators, Senator Zachariah Chandler and Representative Francis N. Kellogg from Grand Rapids, were particularly vocal in their wish to see the pact abrogated as soon as possible.

Chandler, one of the Senate's most influential Republicans, claimed he had always been against the Reciprocity Treaty. He declared: "The people of Michigan are engaged in agriculture, in mining, in lumbering and in fishing; and every one of these interests is directly injured by the continuance of this treaty." 38

However, the main emphasis of Chandler's speech was placed on the damage the treaty was doing to the lumber industry. He said "Canadian lumber, as is well known, comes in direct competition with the production of our mills, from one end of our border to the other, and more particularly is it injurious in its effect on the State of Michigan, which is perhaps more largely engaged in the lumber interest than any other State in the Union." 39

Opposing Chandler's view was Senator Timothy Howe of Wisconsin.

Howe pointed out that the importation of Canadian timber apparently had not slowed the development of the lumber industry in the United States, concluding his speech with long lists of statistics to

<sup>38 &</sup>lt;u>Cong. Globe</u>, 38th Cong., 2nd sess., p. 230.

<sup>39</sup>Cong. Globe, 38th Cong., 2nd sess., p. 230. "Chandler is strongly sustained here in the lobby by the commercial and lumber interests," Wilkins Papers, vol. 201, p. 105, cited by Floyd Benjamin Streeter, Political Parties in Michigan, 1837-1860 (Lansing, 1918), p. 255.

prove his argument. But Chandler was speaking for the Michigan timber interests. He was far too shrewd a politician not to grasp the importance of the anti-treaty mood among his constituents.

Representative Kellogg, a lumberman himself, similarly was opposed to the treaty because of its effects on the timber industry. He attacked the theory that Canadian lumber had no influence on the American market: "The gentleman from New York Mr. Davis asserts that we have not lumber enough in the country for our own consumption.... I do not agree with him, for I believe that we have an abundant supply for all our wants for centuries to come.... We ought to derive a large revenue from its Canadian lumber's sale."

Kellogg was also concerned with providing the wool growers with a better market. "In the production of wool Michigan is now the third State in the Union," commented Kellogg, "and the farmers of every part of the country are turning their attention more and more to the growing of wool for our own consumption. In 1863 our manufacturers imported 70,000,000 pounds of wool, and most of it came in duty free. Our farmers consider this just cause for complaint... and I hope we shall not adjourn without doing all we can for their protection." 42

Furthermore, Kellogg declared that the St. Lawrence River was not the best route to the Atlantic. He noted that "We must have more outlets to the ocean from the West, but I would have them on

<sup>40</sup> Cong. Globe, 38th Cong., 2nd sess., p. 213.

Cong. Globe, 38th Cong., 1st sess., Appendix, p. 120.

Cong. Globe, 38th Cong., 1st sess., Appendix, p. 119.

our own territory, under the protection of our own government, where we could reap the benefit of them ourselves, and where no treaties with a foreign power were necessary."43

Thus it appears in the debates in Congress that the Michigan representatives were primarily concerned with protecting the economic interests of the state. This desire was indicated by the votes on the joint resolution "authorizing the President of the United States to give the Government of Great Britain the notice required for the termination of the Treaty of reciprocity of the 5th day of June, A. D. 1854." As would be expected, most of the Michigan law-makers voted in favor of the measure.

In the Senate, Chandler voted for the resolution to end the treaty, while Senator William A. Howard's vote was not cast.

However, that Howard favored the abrogation of the pact is evidenced by a speech given at a meeting of the Detroit Board of Trade in February, 1864. This speech, summarized in the Detroit Free Press, noted the need for protection of the lumber and wool interests of the state.

<sup>43</sup> Cong. Globe, 38th Cong., 1st sess., Appendix, p. 120. Senator Jacob Collamer of Vermont proclaimed that the "navigation of the St. Lawrence is not good for anything to anybody and never was. It is frozen up six months of the year...and in the next place is so dangerous from icebergs...that...the rate of insurance is from 1 to 2 per cent higher than from any...port in America...." Cong. Globe, 38th Cong., 2nd sess., p. 210.

<sup>&</sup>lt;u>Cong. Globe</u>, 38th Cong., 2nd sess., pp. 32-33.

Cong. Globe, 38th Cong., 2nd sess., p. 234.

<sup>&</sup>lt;sup>46</sup>Feb. 10, 1864.

In the House four Michigan Representatives, Augustus Baldwin,
Fernando Beaman, Francis Kellogg, and Charles Upson voted to terminate
the treaty. Baldwin, a Union Democrat from Pontiac, probably voted
for the resolution because of the pressures applied by the agricultural
interests. Beaman, one of the men who founded the Republican Party
"under the oaks" at Jackson, was from Adrian. This was an important
agricultural district in the State. Upson, also a Republican, was
from Coldwater. In this area too, the wool and wheat growers were
very strong.

The votes of two representatives, John B. Driggs and John W.
Longyear, were not recorded. However, the next day, December 14,
1864, both men went on record as favoring the resolution to abrogate
the treaty. Driggs was a Republican and an officer in the Civil
War. He represented the area around Saginaw, the center of the
Michigan lumber industry. Longyear, a lawyer from Lansing, was a
Republican. There was no reason for him to favor the treaty,
particularly since the wool farmers around the state capital were
loud in their demands for a protective tariff.

Longyear's stand on the subject may be further indicated by a vote in Congress on May 26, 1864. A motion was presented calling for a commission to try to negotiate a new treaty, removing the . offending provisions or modifying them to make the pact operate in a more equal manner. At this polling Longyear voted against the

Cong. Globe, 38th Cong., 2nd sess., p. 32. Biographical information from Biographical Directory of the American Congress.

See the <u>Lansing State Republican</u>, June 24, 1863, for an example of this sentiment.

motion, as did all the other Michigan representatives except Driggs, whose vote was not recorded.

In conclusion, it is evident that the Michigan legislators favored ending the treaty. The manifest reason, protection of the lumber and agricultural interests of the state, was presented in the debates in both houses of Congress. The Republican Party, which controlled the state during the entire operation of the treaty, had moved gradually toward a high protective tariff. The Reciprocity Treaty was in direct opposition to this trend.

Though economic factors played a prominent role in Michigan's desire to see the Reciprocity Treaty abrogated, the reaction of the state's inhabitants to the acts of England and Canada during the American Civil War was equally important.

England managed to get herself into diplomatic difficulty with the United States almost as soon as the war broke out. The British government proclaimed itself to be neutral, though she recognized the South as a belligerent. This action incited the ire of the North. The North wanted the disturbance classified as an internal one, a civil matter, which was of no concern to a foreign power.

Soon after the initial friction occurred a larger problem, the <u>Trent</u> affair, arose. Two confederate diplomats, Slidell and Mason, were taken off the British vessel <u>Trent</u> by an American warship. 50

Cong. Globe, 38th Cong., 1st sess., p. 2508. This motion was overwhelmingly defeated, 54 favoring, 97 opposing.

<sup>&</sup>lt;sup>50</sup>Adams, pp. 116-152.

England, supported by Canada, raised an outraged cry of "piracy."

The bitterness of the Canadian papers attracted the attention of the Michigan press and the possibility of war between England and the United States was obvious. The <a href="Free Press">Free Press</a> commented:

We are at a loss to understand why any portion of the press or any of the people of Canada are in favor of a war between England and the United States. Can it be that the Province is desirous of sharing in the plunder of the territory of a friendly government?

Upon no other hypothesis can we account for the extreme bitterness of the Canadian press. Before this idea becomes too firmly rooted, it may be prudent for the Canadian government to remember that we are twenty millions of people after losing the South; that we now have under arms more men than there are in Canada between the ages of fifteen and sixty, and that we can double the number before a vessel can pass from America to England and return.

Canada also was involved in the problems created by the neutrality laws. When Colonel Rankin, a member of parliament from Windsor, offered his services to the American government the <u>Detroit Free</u>

Press commented: "One of the immediate effects of... [the] sympathy between the people of Canada and...Michigan, is the announcement that Col. Rankin...has tendered his services...with the proffer of raising a regiment of Lancers to serve during the war.... We welcome him as we would any other real friend, whose sympathy we appreciated, whose courage we could rely on."52

A short time later however Rankin was arrested for violating the neutrality laws. The amiable attitude of the <u>Free Press</u> was quickly changed to one of hostility: "The arrest of Colonel Rankin at Toronto at the instigation of the Canadian Ministry, for an alleged

<sup>51</sup> Detroit Free Press, Dec. 14, 1861.

<sup>&</sup>lt;sup>52</sup>Sept. 14, 1861.

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breach of the neutrality laws of England, for proposing to enter the service of the United States...during the present war, is one of those acts which marks a period in the history of a nation." 53

Senator Chandler was also outspoken in his criticism of English policy. Wilmer Harris, in his work on Chandler, has summed up the position the Senator took: "Mr. Chandler's hatred of Great Britain fell little short of a mild mania on the subject. For years, upon the stump and in the Senate, he never failed to 'twist the lion's tail' upon every possible occasion. He attacked Great Britain for issuing the Neutrality Proclamation, [and] for lax enforcement of her neutrality laws..."

A sample of Chandler's biting rhetoric aimed at England is sufficient to illustrate the point. In a speech in the Senate, June 16, 1864, he assailed the British: "If I had my way, I would raise a wall of fire between this nation and Great Britain.... She has sent out cruisers, English ships, built with English timber, manned by Englishmen, provisioned with English provisions, sailing under British colors, to prey upon our commerce, until she has virtually driven it from the face of the earth." 55

While the feelings against England were growing in Michigan, the Canadians were also getting themselves into bad graces with the people of the state. The northern provinces became, soon after the outbreak of the war, places of refuge for American draft-dodgers, deserters, Confederate sympathizers and rebel spies. The proximity

Detroit Free Press, Oct. 16, 1861.

Public Life of Zachariah Chandler, 1851-1875 (Lansing, 1917), p. 82.

<sup>&</sup>lt;sup>55</sup>Cong. Globe, 38th Cong., 1st sess., p. 3008.

of Canada to Michigan frightened many who could see the possibility of military forces coming across the St. Clair River into the state.

The most prominent "Confederate sympathizer" in Canada was Clement Vallandigham. Vallandigham was a "copperhead" from Ohio. He had been forcibly sent to the South because of his stand against the arbitrary suspension of many of the rights guaranteed in the Constitution. Later he went to Windsor, Canada, and carried on a political campaign for the governorship of Ohio. The Detroit Free Press, a Democratic paper, noted the arrival of Vallandigham in 1863: "Mr. Vallandigham arrived at Windsor...on Monday evening. The fact soon became known to our citizens, and...on Tuesday afternoon a numerous delegation waited upon him to express their sentiments and feelings in regard to his manly and undeviating course as an American Citizen." 56

Such accolades were not found in the Republican papers however. The <u>Detroit Advertiser and Tribune</u> printed a letter signed "x" which said: "Mr. Editor, these attempts to awaken sympathy for the rebel cause by calling <u>Vallandigham</u> meetings, are not only malicious but ridiculous. No true, loyal man, be he Republican, Democrat, or Abolitionist can attend them. Mr. Vallandigham has suffered no wrong; he has been tried, and I hope he will be punished...and I hope that should the <u>Free Press</u> succeed in getting up a sympathizing Vallandigham meeting, no loyal man will attend, even as a spectator." <sup>57</sup>

On other occasions the Advertiser and Tribune printed denunciations

<sup>&</sup>lt;sup>56</sup>Aug. 26, 1863.

<sup>&</sup>lt;sup>57</sup>May 23, 1863.

of Vallandigham. One, an editorial whose headline read "Vallandigham in perfect Harmony with Benedict Arnold," was a lengthy repetition of the evils which the "exiled" politican had supposedly perpetrated.

A little over a week after this attack the paper published a list of 578 persons who had signed a petition favorable to Vallandigham. They were termed "Vallandigham supporters—constitutional supporters of free speech—freedom from arrest," all phrased in derogatory terms.

After the list of names the paper attacked those people for being disloyal to the Union.

Many of the people of Michigan believed Vallandigham was a traitor and his stay in Canada represented a threat to the security of the area. To the intensely loyal Republicans, Vallandigham's political campaigning from Windsor appeared to be an abuse of asylum. Furthermore, there were fears that bands of Confederates were being organized to invade the state under Vallandigham's leadership. Thus in Michigan "radical persons poured out vindicative phrases against Windsor's laxity in not enforcing what Detroiters thought Canadian law should contain."

Despite the fears of Detroit and Michigan, Vallandigham proved to be quite pacific, his most disloyal acts being to uphold the constitution as he saw it and to attack the Republicans for temporarily ending many civil rights. On the whole the affair appears rather ludicrous when viewed almost a century later. However, the emotional

<sup>58</sup> Oct. 4, 1863.

<sup>&</sup>lt;sup>59</sup>0ct. 15, 1863.

Martin J. Havran, "Windsor and Detroit Relations During the Civil War," Michigan History Magazine, XXXVIII, p. 389.

factors involved in the war were enough to condemn Vallandigham for his transgressions and his presence kept Detroit on edge and watchful for military advances from Canada.

Vallandigham was not the only possible source of trouble in Windsor. One informed Republican source noted that the Canadian city was filled with Americans. In a letter signed "Anon." printed in the <u>Detroit Advertiser and Tribune</u> these Americans were described as "deserters from the rebel or Union armies, rebel agents, spies and sympathizers, political enemies of the United States Government..."

Michigan's fears of being attacked from Canadian territory were not groundless. The Southern government had sent several agents to the British provinces to stir up trouble and divert attention from the main area of fighting. In November, 1863, the rebels in Canada apparently contemplated an attack on the Great Lakes area. Though this raid did not occur for many months it created a considerable psychological impression on Michigan. From this time the idea that an "invasion" might be successful haunted the state until the Civil War ended.

The first tangible statement that trouble might occur was on November 12, 1863. On that date the Advertiser and Tribune described the rumored plot:

We have for some days been in possession of information that a rebel raid of a peculiar character was meditated upon Lake Erie.... The scheme...is to pass several gunboats, which have been prepared in the Lower St. Lawrence, through the Welland Canal, and with these ravage upon the commerce and put the cities of the Lakes under...contrition....

It is further understood that a part of this plot included

<sup>61</sup> Havran, p. 385.

<sup>62</sup> May 27, 1864.

the release of prisoners on Johnson's Island, who were to form, in conjunction with such rebel refugees in Canada as are ripe for a desperate enterprise of this kind, the land support of the rebel cruisers.

After outlining the alleged plans of the rebels the paper hastened to assure its readers that all was prepared to give the raiders a warm reception. It declared there was no cause for alarm as "all necessary precautions are being taken. The Government is fully informed of any such rebel movements, if any such exist, and will not be caught unawares." 64

Despite the reassurances, Detroit was genuinely frightened by the prospect of a raid. A special session of the Common Council was called and it "Resolved, that the Mayor of the City, be, and is hereby clothed with full power to take and enforce all such measures and actions as in his judgment shall seem proper, under the now existing circumstances, or such as may arise..."

Three days later a group of one hundred men formed a company of militia and placed itself at the command of the Mayor in case it was needed to defend the town.

These precautions proved unnecessary at this time because the raid did not occur. However, there continued to be faint whispers from Canada of new plots which kept the state in suspense.

On September 19, 1864, the long-feared attack occurred. Some Southern agents captured the steamer <u>Philo Parsons</u> just below Detroit. Then they sailed toward Sandusky Bay near Sandusky, Ohio, with obvious intent of freeing the prisoners on Johnson's Island. On the way to liberate the internees they also boarded the <u>Island Queen</u>, probably to provide transportation for the freed prisoners. However, as they neared

<sup>63
&</sup>lt;u>Detroit Advertiser and Tribune</u>, Nov. 12, 1863.

<sup>64</sup> Detroit Advertiser and Tribune, Nov. 12, 1863.

Detroit Advertiser and Tribune, Nov. 13, 1863.

Detroit Advertiser and Tribune, Nov. 16, 1863.

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the prison location, they discovered that their intentions had become known and the garrisons in the area had been strengthened. Discretion proved to be the better part of valor and the rebels withdrew to Canada without accomplishing their mission. The incident created intense excitement and fear along the border. 67

This breach of neutrality by Canada and the threat to the entire West created by the raid prompted the Michigan papers to assail the Confederates in stinging editorials. The Advertiser and Tribune said: "The destruction of the Island Queen and the robbery of the steamer Parsons by rebel pirates from Canada shows the real spirit of the slaveholders rebellion.... It would as soon destroy all our lake commerce and lay Detroit...in ashes, as it would take the life of a Simon-pure Democrat in front of Petersburg or Atlanta."

The tensions created by this raid continued to keep the state jittery and apprehensive of further incidents. In December, 1864, the <u>Free Press</u> said: "We are no alarmist, but we desire to see our city safe and secure from the plunderings of the raider and the torch of the rebel incendiary. Without a sufficient police force the city is not safe. Its proximity to the Canada border, where are congregated so many evil spirits, renders its position more insecure than any other of our Northern Cities."

No doubt this article referred to the communication sent from the commander of the Michigan Military District to the Mayor of Detroit which

<sup>67</sup> Detroit Advertiser and Tribune, Sept. 22, 1864; Hemans, p. 219.

<sup>68</sup> Sept. 22, 1864.

<sup>69</sup> Dec. 8, 1864.

noted that new invasions of the state might be expected. "I have the honor to report," wrote Lieutenant Colonel B. H. Hill, "that from information derived from various sources I have become confident that a raid is being projected by rebel refugees in Canada against this city, and I recommend that immediate measures be taken to organize and arm a regiment of militia for local protection." The <a href="#Free Press">Free Press</a> described this communication as "another strong appeal... from headquarters to rouse our citizens into activity and a just estimate of the imminent peril in which the city stands."

This new plot against Detroit never materialized but the Vermont town of St. Albans was raided by Confederate agents. The participants in this foray retired to the British provinces, pursued by American troops, and finally were taken prisoners by Canadian officials. However, on December 14, 1864, they were released by the Canadian government. One Michigan journalist assessed the problems of international law inherent in this situation:

If Canada would adopt what we believe to be the true rule of international law on this subject, and declare that whenever these refugees abandoned their own country, and came upon neutral soil, they from that moment cease to be "belligerents", but subject to punishments as individuals for all crimes they committ, we shall have no more fear of raids from Canada; but if, on the contrary, the Canadian government adopt a policy which will protect every one of these men...we can but repeat what we have already said...that an active and real war, where we can follow our foes to their places of concealment is far better.... We care not which government punishes these men, but one or the other must do it.... 72

<sup>70</sup> Detroit Advertiser and Tribune, Dec. 7, 1864.

<sup>&</sup>lt;sup>71</sup>Dec. 8, 1864.

<sup>72</sup> Detroit Free Press, Dec. 14, 1864.

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The effect of the release of the Confederates involved in the St. Albans raid was best summarized by the Advertiser and Tribune. The paper observed: "No event of the year has excited more interest and discussion in the country than the release of the...St. Albans raiders." 73

On the same day that the southern agents were released in Canada for want of jurisdiction, Zachariah Chandler presented a resolution in the Senate to protect the northern border. This resolution was couched in Chandler's typical language: "Whereas...the people of the British Provinces seem disposed to protect these thieves, robbers, incendiaries, pirates and murderers, not only in their individual capacity but by the quibbles of the law: Therefore, Resolved, that the Committee on Military Affairs be directed to inquire into the expediency of immediately enlisting an Army Corps to watch and defend our territory...."

No action was taken on this resolution, but its reflection of the feelings in the country and Michigan is indisputable.

The cumulative influence of these raids, both real and threatened, was to keep the border areas, including Michigan, in a state of tension. Andrew Renfrew in his study of Detroit-Canadian relations during the Civil War concludes: "The psychological results of this subversive activity in the region of Detroit were perhaps even more important than the physical results. The fear which seemed to grip the people of the border region during the last two years of the war was a matter of far reaching significance. The threat of raids from Canada constantly limited the ability of the people of this region to devote themselves

<sup>73</sup> Dec. 19, 1864.

<sup>74 &</sup>lt;u>Cong. Globe</u>, 38th Cong., 2nd sess., pp. 496-497.

to the...war and caused the growth of a widespread feeling of depression and dissatisfaction."75

Canada's position was not helped by the expansion of its army during the war. In 1861 Great Britain transferred 22,600 troops to North America. These reinforcements did nothing to soothe touchy Americans. Said the Free Press:

An announcement that large reinforcements of troops have been dispatched to Canada, and fleets ordered to our coast by England requires some explanation... If there exists a hostile feeling on the part of England against the United States it is far better we should know it than to remain in fancied security when there is real danger... Why...these reinforcements? They are of no possible use unless intended for the purpose of irritating the public mind, and thus render, it more feasible to precipitate the two countries into war.

Furthermore, increased military spending was necessary to support the growing army. In 1861 the defense costs were nearly \$85,000 and the next year they jumped to over \$600,000.<sup>78</sup> All this only worried the Americans more, and Detroit, being one of the most logical points of any English invasion, was constantly concerned over the American-British frictions.

Thus the actions of the Canadians caused much apprehension in Michigan, particularly around Detroit. At the same time the raids were being launched from Canada the debates in the Congress on the Reciprocity

Andrew W. Renfrew, "Copperhends, Confederates, and Conspiracies on the Detroit-Canadian Border," unpublished Master's thesis, Wayne State University, 1952, pp. 133-134. Renfrew gives a very detailed account of the raid on Johnson's Island and a lengthy description of the Confederate organization in Canada.

<sup>76</sup> Adrian Daily Expositor, Sept. 10, 1861.

<sup>77</sup> Detroit Free Press, July 6, 1861.

<sup>78</sup> Detroit Advertiser and Tribune, May 4, 1863.

Treaty were being carried on. Lester Shippee conjectures that the treaty might have been renewed had it not been for the war:

Whether reciprocity uncomplicated by issues raised by the war between the States would have passed through its stipulated ten years with no more grumbling that had been heard down to 1861, and then, with modifications to meet some of the plaints of the discontented, have been renewed for another period of years, is one of those things which belongs to the realm of prophecy and not of history. One cannot help guessing, however, that the chances for its continuation were relatively good, and that, on the whole, the malcontents were far less numerous than those who believed there was more good than evil in the arrangement. The state of t

Michigan was affected by the actions of the Canadians more than any other region of the West. The state had good reason, economically, to see the treaty abrogated and the events during the Civil War added more arguments against the pact. After all, what right did Canada have to expect favorable commercial treatment after allowing the raid on Johnson's Island? Had not the British provinces permitted Vallandigham to remain unmolested in Windsor? In short, since the United States received no considerations from the Canadians, why should the Americans favor the continuation of the Reciprocity Treaty?

While the Protectionists were advancing their arguments against the treaty and the politicians were raging against the Canadians for their "neutral" stand during the Civil War, there were people in Michigan who still believed the Reciprocity Treaty was a valuable asset and should be retained if possible. This sentiment was not widespread but its definite presence complicated the efforts of those desiring the pact ended.

<sup>79&</sup>lt;sub>p. 159</sub>.

The Detroit Board of Trade was the leader of the anti-abrogation forces. In 1860 the controversy over the treaty had become sufficiently pronounced that the Board of Trade appointed a committee to study and report on the matter. This committee reported that it was "convinced... that the interests of Detroit and Michigan demand that the treaty be very essentially modified, though not abrogated altogether..."

At meetings of the Detroit Borrl of Trade early in 1864, there was a series of votes taken on the question of ending the agreement. The first vote, in January, favored the abrogation of the treaty. 81 However, the next month this decision was reconsidered. On February 10, it was voted "nearly unanimously" to end the agreement but the next day this decision was reversed by a "decisive vote." 82

The resolutions that were finally adopted outlined precisely the position of the Board of Trade. In part they read:

Resolved, That they Detroit Board of Trade are of the Opinion that the operation of said treaty be beneficial to the United States as well as Canada, and the other British provinces of North America, and that they see no reason to desire abrogation.

Resolved, That they believe further, that if the respective governments interested would inaugurate a system of moderate duties on manufactured goods, it would impart additional force and efficiency to the treaty itself.

Resolved, That inasmuch as we are united geographically, and by numerous lines of railway inter-communication, as well as by the other ties of relationship, language, and religion, we should ever cherish and manifest those fraternal feelings, which we hope sooner or later will prevail in the world.

<sup>80</sup> Detroit Free Press, July 18, 1860.

<sup>81</sup> Detroit Advertiser and Tribune, Jan. 18, 1864.

<sup>82</sup> Detroit Advertiser and Tribune, and Detroit Free Press, Feb. 11, 1864.

<sup>83</sup> Detroit Free Press, Feb. 9, 1864.

In December, 1864, this group again passed a motion stating its opinion that the treaty should be retained. The only reservation was that the reciprocal trade provision be broadened to include more goods.

Throughout the West other boards of trade were taking similar stands. The commercial groups of St. Paul and Milwaukee desired to see the treaty modified somewhat, while the boards of trade in Cleveland and Chicago came out in favor of reciprocal exchange of all products.

The key to the support given the Reciprocity Treaty by the Detroit Board of Trade is found in the profits derived by the shipping interests of the city. The annual report of the Board of Trade for 1864 estimated that "on three hundred thousand bushels of Canadian wheat imported at Detroit and eventually exported at New York, American merchants were paid \$108,296 of which eighty thousand were expended after transfer of wheat at Buffalo." In simple terms, the commercial men of Detroit were making large profits and any tariff regulations between the two countries would automatically slash their gains and impose new costs on their shipments.

The support of the treaty by the Detroit Board of Trade put
Senator Chandler in a peculiar position during the Congressional debates.
Chandler, a former Detroit businessman and member of the Board of Trade,
was attacked for his opposition to the treaty by Senator John Hale of
New Hampshire. Hale criticized the Michigan Senator by pointing out
the discrepancy in Chandler's views and interests:

<sup>84
&</sup>lt;u>Detroit Free Press,</u> Dec. 8, 1864.

<sup>85</sup> Cong. Globe, 38th Cong., 1st sess., p. 2477.

The Globe, Toronto, Dec. 10, 1864; cited in Masters, pp. 219-220. Neither of the Detroit newspapers published the complete report-only general statements and paraphrasings.

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I take it that in all that relates to the interests of the trade in the great city of Detroit, much the largest city in the State of Michigan...that [the] board of trade understand the interest of commerce in their locality. The board of trade of Detroit... are explicit in the expression of their opinion in favor of the treaty; and they represent the aggregated opinion of the commercial men of Detroit, saving and excepting the honorable Senator from Michigan [Chandler].... Since he has withdrawn from the active pursuits of commercial life...it would not be strange, if, while he has gone into more enlarged spheres of action, some younger men, attending to smaller things, have come forward and are quite as competent to speak of the commercial interests of the State of Michigan as the honorable Senator.

Chandler defended his position by insisting that the largest interests of the state were opposed to the treaty. He correctly pointed out in his reply to Howe "that [the Detroit] board of trade does not represent the State of Michigan, or the interests of the State of Michigan. The gentlemen composing it are engaged mostly in the forwarding and commission business and the receipt of produce. It is undoubtedly for the interest of many of these gentlemen to continue this intercourse with Canada, and the reception of Canadian produce, but, sir, the people of the State of Michigan have no such interest."

In actuality all three, Chandler, Hale and the Detroit Board of Trade, were right. The Michigan senator voted against the treaty as the major interest groups in the state desired. Hale accurately pointed out Chandler's somewhat unexpected, though politically expedient, position. And finally, the members of the Detroit Board of Trade noted that the "treaty had stimulated the commerce between the United States and the Provinces," and hoped for a continuation of this arrangement.

<sup>87 &</sup>lt;u>Cong. Globe</u>, 38th Cong., 2nd sess., p. 231.

<sup>88</sup> Cong. <u>Globe</u>, 38th Cong., 2nd sess., p. 230.

<sup>89</sup> Detroit Free Press, March 9, 1859.

Not only did the forwarding interests fear losing their markets because of the end of the treaty with Canada but they also feared the loss of one of their routes to the East, the St. Lawrence River. Between 1857 and 1859 thirty-seven vessels had used this outlet to sail to Europe. In 1862-1863 only one American vessel went to the Atlantic through the St. Lawrence and in 1864-1865 only five ships from American ports used this route. While this number was not as large as expected, it still represented a start toward a direct trade with the European markets.

Furthermore, the improvements that were being made in the transit facilities in both Canada and the United States promised a healthy competition for the western trade, a fact which would reduce the expense of shipping. If the St. Lawrence was closed the Lake Erie-Erie Canal route would have a monopoly and the shippers could charge any price they desired without fear of losing business. The Free Press saw the advantages of having both routes available:

Canada and New York have both inaugurated a system of canals and railroads far beyond their own wants, and looking for patronage to the West, and it is for the interest of the West that there should be all possible competition for carrying her great staple products to the seaboard. Cheap transportation from the West to the Atlantic benefits our great interests. The agriculturist, the great producer, and the consumer, is benefitted, although a few commission men in New York city, and the defeated lines of commerce, might suffer by not being able to monopolize, at our expense, our great staples of production. The people of the State of Michigan do not suffer by this treaty; the great majority are benefitted by it.

Report of the Secretary of the Treasury...on the Commerce and Navigation of the United States, House Ex. Doc., unnumbered, 37th Cong., 2nd sess.

<sup>91</sup> Detroit Free Press, Jan. 30, 1864.

During the debates in Congress concerning the treaty, Representative Arnold of Illinois constantly pointed out that the loss of the St. Lawrence route would hamper the movement of goods to the East. "For years past," Arnold declared, "the West has been struggling to increase facilities for transporting her produce to market. In the face of these efforts, in the face of the peculiar reasons existing at the present time for increasing such efforts, it is proposed to shut up one great avenue the West has to the ocean by the abrogation of the treaty." 92

Significantly missing, however, was any support from the Michigan representatives in favor of keeping the St. Lawrence open to American ships. The vigorous support for this route, led by Representative Alexander Buel in the early 1850's, had vanished before more important economic and political considerations. Only the commercial community of Detroit stood firm in their hope of keeping the St. Lawrence route in operation.

The end of the free exchange of goods and the abrupt closure of one avenue of the East could be viewed only as a disaster by the shippers of Michigan. However, their interest was small compared to that of the farmers and lumbermen who pictured themselves on the edge of financial ruin because of the treaty.

while Senator Chandler may be criticised for many of his statements in relation to the treaty, he must be respected for his political understanding of the grass-roots desires of his constituents. Chandler

<sup>92</sup> Cong. Globe, 38th Cong., 1st sess., p. 2368.

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voted as be helieved his fellow citizens wanted him to vote. This vote undoubtedly injured the commercial interests of Detroit, but it is equally certain he expressed the sentiments of the majority of the state's interest groups.

One event, the Detroit Commercial Convention, held after the treaty had been abrogated, showed that the commercial men of Michigan and of the West had benefited from the pact. This gathering of representatives from the boards of trade of many of the lake cities and also certain eastern centers such as New York, Boston and Philadelphia, was called to discuss the state of commerce and communications in the West.

The convention was held in mid-July of 1865. Detroit's contribution to the meeting involved the Reciprocity Treaty. Most of the city's delegates were in favor of the treaty and one of them, James Joy, was appointed chairman of the Committee on Reciprocity. In this capacity Joy strongly urged the negotiation of a new treaty to replace the one that had been abrogated.

The Committee on Reciprocity presented a resolution to the convention calling for the negotiation of another treaty. This resolution was unanimously adopted. It read, in part:

Resolved, that this convention do respectfully request the President of the United States to enter into negotiations with the government of Great Britain, having in view the execution of a Treaty between the two countries for reciprocal commercial intercourse...based on principles which shall be just and equitable to all parties and with reference to the present financial condition of the United States and which shall include the free navigation of the St. Lawrence and the other rivers of British North America, with such improvements of the rivers

<sup>93</sup> Detroit Free Press, July 12, 1865.

See William Stocking, "Detroit Commercial Organizations," Michigan History Magazine, IV, pp. 435-477.

and the enlargements of the canals as shall render them adequate of the requirements of the west in communicating with the ocean.

The overwhelming victory of the treaty resolution in the convention was due primarily to Joseph Howe, the main speaker at the meeting.

Howe, a Canadian politician of wide reputation, spoke with such forcefulness to the group that he changed the feelings toward the prospect of a new treaty "from sullen indifference to cheering enthusiasm."

One reason for the new enthusiasm engendered by Howe was his skillful presentation of the benefits the increased commercial traffic had brought to the United States. The Canadian noted that the industrial results of the treaty "any fair-minded and dispassionate man must admit have far surpassed the utility and value, all that could have been hoped by the most sanguine advocates of the measure in 1854." Howe continued:

The trade of the United States and of the Provinces, feeble, restricted, slow of growth and vexations before, has been annually swelled by mutual exchanges and honourable competition, till it is represented by a grand total of \$456,350,391, in nine years. This amount seems almost incredible, but who can hazard an estimate of the figure which this trade will be expressed ten or twenty years hence, if this wise adjustment of our mutual interests be not disturbed?.... In the interests of peace and honest industry, we should thank Providence for the blessing and confidently rely upon the wisdom of our statesmen to see that it is preserved.

Howe argued that the lumber imterests of the United States were not being injured by the Canadian product. He claimed that there was no evidence that timber from the north had lowered the price of the

<sup>95</sup> Stocking, p. 449.

<sup>96&</sup>lt;sub>Masters</sub>, p. 155.

Joseph A. Chisholm, ed., The Speeches and Public Letters of Howe, 2 vols. (Halifax, 1909), II, p. 444.

<sup>98</sup> Speeches and Public Letters of Joseph Howe, II, pp. 444.

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American lumber and "the price of lumber last year was very high, and I know that since this treaty...the people of Bangor have all got rich."

Howe further maintained that the price of lumber would always be high:

"There are causes at work over the face of this continent that must always keep up the price of lumber. Nobody plants a tree except for shade, and everybody is cutting them down."

On the subject of the Civil War, Howe ably pointed out that large numbers of Canadians served in the Union armies. In fact, one of his sons served under Sheridan in the Shenandoah Valley. Howe said:

"All the personal benefit that I have derived from the Reciprocity

Treaty, or hope to derive from its renewal will never compensate me or that boy's mother for the anxiety we have had with regard to him..."

Howe was asked the question whether or not Canada was building fortifications in its territory. He replied with candor: "... After so many threats from Northern newspapers, that so soon as the rebellion has been put down and Mexico attended to, the face of the army would be turned towards Canada, it is not to be wondered at that the mother country should become a little anxious about her children...and send out an experienced officer to report on the situation." 101

Howe's opinions had not been formulated for the benefit of the Convention. In 1862 he had written to C. B. Adderly, M. P.: "The Northern States are our immediate neighbours, and, next to the mother country, ought to be our fast friends and firm allies." Later in the same letter he admitted, that "a good deal of irritation has arisen out

Speeches and Public Letters of Joseph Howe, II, p. 449.

Speeches and Public Letters of Joseph Howe, II, p. 454.

Speeches and Public Letters of Joseph Howe, II, p. 454.

of the civil war, but I rely on the frank admission of the Northern people...that for this they themselves were to blame. The Provinces, at its commencement, deeply deplored the outbreak of that war..." He concluded by observing that "our material interests and everyday thoughts and feelings are in accord with those of the Northern States..."

One point of major emphasis in Howe's speech was in answer to the common notion that the end of reciprocity would force Canada's annexation to the United States. Howe disposed of the matter thusly:

I know that is has been asserted by some, and I have heard it uttered since I came to the convention, that if the Reciprocity Treaty is annulled the British Provinces will be compelled to seek annexation to the United States. I beg to be allowed to say on that point that no man knows better the feeling of the Lower Provinces, and I believe I am well enough acquainted with the Canadians to speak for them also, and I speak for them all... when I make the assertion that no consideration of finance, no question of balance for or against them, upon interchange of commodities, can have any influence upon the loyalty of the inhabitants of the British Provinces, or tend in the slightest degree to alienate the affections of the people from their country, their institutions, their Government and their Queen. 103

James Joy, in one of his speeches before the convention, expressed the same view regarding annexation as Howe. He said the motive was unworthy of a great nation, not to mention the absurdity of the idea in itself. Furthermore, he feared that the old fisheries problem might be reopened and that we should "acquire a war instead of an addition of states." 104

Joy and Howe, by illustrating the effects the old treaty had on the commercial class of the Great Lakes region, stimulated desire for

Speeches and Public Letters of Joseph Howe, II, pp. 409-410.

Speeches and Public Letters of Joseph Howe, II, p. 453.

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Stocking. pp. 447-448.

a new reciprocity treaty. However, as far as Michigan was concerned the convention merely heightened the conflict between the farming-lumbering interests and the commercial community of Detroit. The passage of the resolution calling for a new pact probably convinced the wool producers and grain growers that they might be sacrificed to the shipping interests. The commercial men were not strong enough to have any important influence on the federal government and no official action was taken concerning negotiation of another pact.

## CONCLUSION

The answers to two questions will summarize the material which has been presented. These questions are: what were the effects of the treaty on Michigan and what were the basic causes behind Michigan's favoring the end of the pact in 1865?

The greatest contribution of the treaty was the increase in trade which stimulated economic development and led to improved transportation facilities. Detroit's location naturally made it a commercial city and the large intercourse in Canadian products enhanced the port's position.

It is impossible to determine the exact effect of reciprocal trade on the commerce of Michigan. The period was one of rapid expansion and there were other factors that played a part in the prosperity of the 1860's. However, the fact that the Detroit Board of Trade, favored the commercial agreement with Canada testifies to the treaty's importance in enlarging Michigan's trade.

A second stimulus to the economic growth of the state was the opening of the St. Lawrence River to American shipping. The prospect of a direct route to Europe with its lucrative markets was the chief reason for Michigan's support of the treaty in 1854, but the use of this route never reached the proportions hoped for at the signing of the pact. Still, the opening of the river to the Atlantic did bolster the confidence of the Great Lakes merchants and a few ships did take advantage of the new route.

Despite the advantages derived from the treaty there were significant reasons for the citizens of the state to favor abrogation. The intense competition from Canadian agricultural products in the east made the Michigan farmers fearful that they might be pushed from their own markets. Likewise, the lumbermen shuddered at the prospect of the huge timber resources of Canada being dumped into the American markets. They saw themselves undersold and outproduced by the Canadian lumber industry and concluded the best way to preserve their position was to end reciprocity and promote a protective tariff.

The abrogation proceedings brought into the open the conflict between the Detroit shippers and rural districts. In 1865 the commercial men were overpowered by the agricultural-lumbering interests, a fact clearly evidenced by the "defection" of Senator Chandler from the stand of the Detroit Board of Trade. This antagonism between Detroit and the out-state area has continued to influence Michigan history to the present day.

The difficulties with Canada during the Civil War were a second reason Michigan desired to see the treaty abrogated. While it is difficult to assess the effects of the Canadian neutrality policy it cannot be questioned that the raid on Johnson's Island, the interruption of commerce, and the discontent over Vallandigham's sojourn in Windsor, frightened and annoyed many Michigan citizens. These difficulties brought closer to home the dissatisfactions regarding the treaty. Though the Canadians were scrupulously correct in their actions, Michigan residents wanted revenge for the supposed wrongs inflicted on them by the Canadian government.

The statement of two reasons for the abrogation of the treaty requires an estimate of the relative importance of each. The economic opposition to the treaty had been heard for some time. It began when the Canadians increased the tariffs on manufactured goods in 1858. This was perfectly legal, but not within the "spirit" of the treaty. In the early 1860's the growing competition from Canadian natural products alienated the Michigan farmers and lumbermen. This continuing dissatisfaction with the results of the pact was the foundation for the anti-treaty sentiments.

While the economic consequences of the treaty were the basis of opposition to the pact, the ill-feeling toward Canada caused by the Civil War added to the abrogation arguments. Undoubtedly the Canadian difficulties directly touched more people in the state than did the economic motives. Raids in the area were easier to understand than Eber Ward's protectionist tracts or the statistic-studded balance of trade theories advanced during the debates on the treaty in 1864-1865.

Thus the conclusion may be drawn that the economic effects of the treaty were the most important cause for desiring abrogation, while the Canadian situation increased popular support for the abrogation movement. It seems highly improbable that the political feeling against Canada could have brought about the termination of the pact. The end of the war stopped rebel threats from Canada and the trade advantages of the agreement would have been stoutly defended by the Detroit merchants.

A third argument which was advanced against the treaty must be discussed although its validity is questionable. During the debates on

abrogation the use of the St. Lawrence River was attacked by one Michigan legislator. The grounds for the protests were the lack of any consistent use of the route and the belief that a line of transportation through a foreign territory was extremely insecure.

Statistics prove that the route was not as useful as enthusiastic Michiganders had predicted in 1854. Despite this there were some ships plying the river to the ocean and the potential of the route, which could be developed by larger locks and channel improvements, was limitless.

The necessity of a treaty with a foreign power to use the St.

Lawrence is a more valid argument but shows no cognizance of current political facts. Canada wanted to retain reciprocity and would have gladly allowed further use of the river in return for a continuation of the treaty. There had been no threats to close the Canadian sections of the route by the Canadian government since 1854 and the desire for harmonious relations with the United States precluded any stoppage of American traffic.

Thus it is evident that the arguments opposing the use of the St. Lawrence were without foundation. It would appear that opposition to the route was voiced to add another damaging charge against the treaty. Political expediency was the basis for protesting the St. Lawrence route; certainly the manifest reasons were short-sighted and without good understanding of the situation.

In summary, the economic consequences of the treaty, re-enforced by the fear of invasions from Canada during the Civil War, led Michigan to desire abrogation of the pact. Despite the benefits of the treaty to the economy of the state, two important interests, lumbering and agriculture, were seriously injured by its operation. The votes of the Michigan legislators for abrogation expressed the sentiments of large and powerful segments of the state's population.

#### APPENDIX

Reciprocity Treaty Between the United States and Great  $\operatorname{Britain}^1$ 

Her Majesty, the Queen of Great Britain, being equally desirous with the Government of the United States to avoid further misunderstanding between their respective Subjects and Citizens, in regard to the extent of the right of Fishing on the Coasts of British North America, secured to each by Article I, 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: Her Majesty, the Queen of the United Kingdom of Great Britain and Ireland, James, Earl of Elgin and Kincardine, Lord Bruce, and Elgin, a Peer of the United Kingdom, Knight of the Most Ancient and Most Noble Order of the Thistle, and Governor General in and over all Her Britannic Majesty's Provinces on the Continent of North America, and in and over the Island of Prince Edward; and the President of the United States of America, William L. Marcy, Secretary of State of the United States, who, after having communicated to each other their respective full Powers, found in good and due form, have agreed upon the following articles:

United States Statues at Large, X, pp. 1089-1092. The original also contains the Proclamation of the President which is ommitted here.

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### Article I

It is agreed by the High Contracting Parties, that in addition to the liberty secured to the United States fishermen by the abovementioned Convention of October 20, 1818, of taking, curing, and drying fish on certain Coasts of the British North American Colonies therein defined, the inhabitants of the United States shall have in common with the subjects of Her Britannic Majesty, the liberty to take fish of every kind, except shell-fish on the sea coast and shores, and in the bays, harbors, and creeks of Canada, New Brunswick, Nova Scotia, Prince Edward's Island, and of the several Islands thereunto adjacent, without being restricted to any distance from the shore; with permission to land upon the coasts and shores of those Colonies and the Islands thereof, and also upon the Migdalen Island for the purpose of drying their nets and curing their fish; provided that in so doing, they do not interfere with the rights of private property or British fishermen in the peaceable use of any part of the said coast in their occupancy for the same purpose.

It is understood that the above-mentioned liberty applies solely to the sea fishery, and that the salmon and shad fisheries, and all fisheries in rivers, and the mouths of rivers, are hereby reserved exclusively for British fishermen.

And it is further agreed, that in order to prevent or settle any disputes as to the places to which the reservation of exclusive right to British fishermen contained in this Article, and that of fishermen of the United States contained in the next succeeding Article, apply, each of the High Contracting Parties, on the application of either to the

other, shall, within six months thereafter, appoint a Commissioner. The said Commissioners before proceeding to any business, shall make and subscribe a solemn declaration that they will impartially and carefully examine and decide to the best of their judgment, and according to justice and equity, without fear, favor or affection to their own country, upon all such places as are intended to be reserved and excluded from the common liberty of fishing under this and the next succeeding Article; and such declaration shall be entered on the record of their proceedings. The Commissioners shall name some third person to act as an Arbitrator or Umpire in any case or cases, on which they may themselves differ in opinion. If they should not be able to agree upon the name of such third person, they shall each name a person, and it shall be determined by lot which of the two persons so named shall be the Arbitrator or Umpire in cases of difference or disagreement between the Commissioners. The person so to be chosen to be Arbitrator or Umpire shall, before proceeding to act as such in any case, make and subscribe a solemn declaration in a form similar to that which shall already have been made and subscribed by the Commissioners, which shall be entered on the record of their proceedings. In the event of the death, absence, or incapacity of either of the Commissioners or of the Arbitrator or Umpire, or of their or his omitting, declining or ceasing to act as such Commissioner, Arbitrator or Umpire, another and different person shall be appointed or named as aforesaid, and shall make and subscribe such declaration as aforesaid.

Such Commissioners shall proceed to examine the Coasts of the North American Provinces and of the United States embraced within the

provisions of the first and second Articles of this treaty, and shall designate the places reserved by the said Articles from the common rights of fishing therein.

The decision of the Commissioners and of the Arbitrator or Umpire shall be given in writing in each case, and shall be signed by them respectively.

The High Contracting Parties hereby solemnly engage to consider the decision of the Commissioners conjointly, or of the Arbitrator or Umpire, as the case may be, as absolutely final and conclusive in each case decided upon by them or him, respectively.

### Article II

It is agreed by the High Contracting Parties that British subjects shall have, in common with the citizens of the United States, the liberty to take fish of every kind, except shell-fish, on the Eastern sea coasts and shores of the United States, North of the 36th parallel of North Latitude, and on the shores of the several Islands thereunto adjacent, and in the bays, harbors, and creeks of the said sea coasts and shores of the United States and of the said Islands, without being restricted to any distance from the shore, with permission to land upon the said coasts of the United States and of the Islands aforesaid for the purpose of drying their nets and curing their fish; provided that in so doing they do not interfere with the rights of private property, or with the fishermen of the United States in the peaceable use of any part of the said coasts in their occupancy for the same purpose.

It is understood that the above-mentioned liberty applies solely to the sea fishery, and that salmon and shad fisheries, and

all fisheries in rivers and mouths of rivers are hereby reserved exclusively for fishermen of the United States.

# 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 and 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, bark.

Gypsum, ground or unground.

Hewn or wrought or unwrought burr or grindstones.

Dye-stuffs.

Unmanufactured tobacco.

Rags.

## Article IV

It is agreed that the citizens and inhabitants of the United States shall have the right to navigate the river St. Lawrence and the canals in Canada, used as the means of communicating between the Great Lakes and the Atlantic Ocean, with their vessels, boats and crafts, as fully and freely as the subjects of Her Britannic Majesty, subject only to the same tolls and other assessments as now are or may hereafter be exacted of Her Majesty's said subjects, it being understood, however, that the British Government retains the right of suspending this privilege on giving due notice thereof to the Government of the United States.

It is further agreed that if at any time the British Government should exercise the said reserved right, the Government of the United States shall have the right of suspending, if it think fit, the operation of Article III, of the present treaty in so far as the Province of Canada is affected thereby, for so long as the suspension of the free

navigation of the river St. Lawrence or the Canals may continue.

It is further agreed that British subjects shall have the right freely to navigate Iake Michigan with their vessels, boats and crafts, so long as the privilege of navigating the river St. Iawrence secured to American citizens by the above clause of the present Article shall continue, and the Government of the United States further engages to urge upon the State Governments to secure to the subjects of Her Britarnic Majesty, the use of the several State Canals on terms of equality with the inhabitants of the United States.

And it is further agreed that no Export duty or other duty shall be levied on lumber or timber of any kind cut on that portion of the American territory in the State of Maine, watered by the river St. John and its tributaries and floated down that river to the sea, when the same is shipped to the United States from the Province of New Brunswick.

#### Article V

The present treaty shall take effect as soon as the laws required to carry it into operation shall have been passed by the Imperial Parliament of Great Britain and by the Provincial Parliaments of those of the British North American Colonies which are affected by this treaty on the one hand, and by the Congress of the United States on the other. Such assent having been given, the treaty shall remain in force for ten years for the date at which it may come into operation, and further until the expiration of twelve months after either of the High Contracting Parties shall give notice to the other of its wish to terminate the same; each of the High Contracting Parties being at liberty to give such notice to the other at the end of the said term of ten

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years, or at any time afterwards.

It is clearly understood, however, that this stipulation is not intended to affect the reservation made by Article IV, of the present treaty with regard to the right of temporarily suspending the operation of Articles III and IV thereof.

#### Article VI

And it is hereby further agreed that the provisions and stipulations of the foregoing Articles shall extend to the Island of Newfoundland, so far as they are applicable to that Colony. But if the Imperial Parliament of Newfoundland, or the Congress of the United States shall not embrace in their laws enacted for carrying this treaty into effect, the Colony of Newfoundland, then this Article shall be of no effect, but the omission to make provision by law to give it effect, by either of the legislative bodies aforesaid, shall not in any way impair the remaining Articles of this treaty.

### Article VIII

The present treaty shall be duly ratified and the mutual exchange of ratification shall take place in Washington within six months from the date thereof, or earlier if possible.

In faith whereof, We, the respective Plenipotentiaries have signed this treaty and have hereunto affixed our Seals.

Done in triplicate, at Washington, the Fifth day of June,
Anno Domini, one thousand eight hundred and fifty-four.

(Signed) ELGIN AND KINCARDINE,

L. S.

W. L. MARCY,

#### BIBLIOGRAPHICAL ESSAY

## Primary Sources

#### Government Documents

### United States

A valuable source of information is the <u>Congressional Globe</u>. It contains the debates on the Reciprocity Treaty and the various tariff measures which were acted upon by Congress. Particularly important are the abrogation proceedings in 1864-1865.

The entire Congressional debates and all documents relating to the Reciprocity Treaty have been published in <u>Senate Executive Document</u> number 80, volume 1, sixty-second Congress, first session. The most important federal document is <u>House Executive Document</u> number 96, thirty-sixth Congress, first session. This is the report of Israel T. Hatch and James W. Taylor on the operation of the treaty. Another official document which has been utilized is <u>Senate Executive Document</u> number 74, thirty-third Congress, first session. It includes a letter from William Anderson of Ann Arbor to the Secretary of the Treasury concerning tariffs.

Other valuable sources are <u>Senate Miscellaneous Document</u> number 111, thirty-first Congress, first session, which concerns the navigation of the St. Lawrence; <u>Senate Executive Document</u> number 23, thirty-first Congress, first session, which is an early report by Israel Andrews on the state of the Canadian provinces; and the report of the House Committee on Commerce concerning the second reciprocity bill appearing in <u>House Reports</u> number 4, thirty-second Congress, second session.

Statistical information is taken from the <u>U.S. Census</u>, <u>1850</u>

(Washington, 1853), and the various <u>Reports of the Secretary of the Treasury...on the Commerce and Navigation of the United States. These Reports appear annually in the <u>House Executive Documents</u> and have information on the types of goods imported to Michigan ports from Canada and the value of trade between Canada and the United States.</u>

## Michigan Documents

Two Michigan documents were utilized as statistical sources. One indispensable source is <u>Census and Statistics of Michigan</u>, <u>1864</u>(Lansing, 1865). This document contains complete statistics from all state and federal censuses through 1864. Another document is the <u>Statistical</u>

<u>Report which appears in the Joint Documents of the Michigan Legislature</u>, number 4, 1850.

### Newspapers and Periodicals

For this paper considerable use has been made of the newspapers of the period. The most prominent are the <u>Detroit Advertiser and Tribune</u>, a Republican paper and the <u>Detroit Free Press</u>, a Democratic organ. These two papers were interested in the reciprocity and tariff issues. Many editorials and articles appeared on these subjects, as well as information on Michigan politics and economic development.

Other newspapers consulted were the <u>Iansing State Republican</u>, which yielded useful general information and market quotations; the <u>Michigan Expositor</u>, a Republican paper published in Adrian; the <u>Adrian Daily Watchtower</u>, a Democratic paper; and the <u>Iake Superior News and Miners Journal</u>, which was excellent background reading on the mining industry of the state.

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