

The Canadian Government go further, and believe that were the principle once fairly at work here, the same system might be applied in the other Colonies, that instead of fifty different tariffs and commercial systems under the British Crown, they might easily be reduced to five or six. That it would then be infinitely more easy than at present to harmonize them with each other, and with that of the mother country, and while the financial requirements of the several portions of the empire, might yet render export duties necessary, they could be so arranged as to press most lightly upon the general resources and industry of the whole people.

My Lords propose to attach a condition to the adoption of this policy by the North American Colonies—which wholly forbids its acceptance. We are willing to admit the produce and manufactures of each other, but we do not choose to place other Countries on the same footing, from whom we receive no countervailing advantages—and to the manifest defeat of our policy of drawing more closely the bonds which unite us as dependencies of the same Empire. My Lords must surely admit that the proposition of Canada, is one that tends to remove existing restrictions upon trade—even if it does not go as far as their Lordships themselves wish—that it must increase the identity of feeling and interest between the North American Provinces,—and that on both grounds it should commend itself to the approval of Her Majesty's Government.

In further illustration of the argument of the undersigned, that my Lords have placed the grounds of their objections, on much too narrow a basis,—and that general political questions must be considered in connection with the subject, it may be desirable to point out, that the whole case of My Lords, rests upon the maintenance of a state of things in the North American Provinces, which is manifestly temporary, and which in the case of Canada has already been changed by the union. The argument and condition of my Lords only apply so long as these Provinces remain with separate legislative powers, the union of two or all of them would instantly give that measure of free trade which Canada desires. If this result then would flow from a political act which many Statesmen both at home and in the Colonies believe desirable, why should not the Provinces now be permitted to benefit by a commercial union, in anticipation of a more intimate political connection.

It appears to the undersigned that in the report of the Lords of the Committee of Privy Council for Trade, another and important constitutional question is raised, in regard to the right possessed by two or more Colonies, each possessing self-government, to arrange between themselves the terms upon which their commercial intercourse shall be maintained. The views held by my Lords appear to point at the assertion of a degree of contest on the part of the Imperial Authorities, which would not be urged against the independent action of any one such Colony. The point in question appears to the undersigned of great importance, and raises a new and more extended view of the relations which Constitutional Colonies bear towards each other. It appears therefore to the undersigned that it would be very desirable to have a thorough exposition of the views of the Imperial Government on the question of the powers of the several Constitutional Colonies, to decide themselves upon subjects connected with their internal Trade, in order that a proper understanding may exist and that the difficulty may be avoided of discussion arising hereafter upon action taken by the Colonies.

20th August, 1860.

A. T. GALT,
Minister of Finance.