

which may be interchanged, free of duty, between the United States and the Colonies, and the third great feature is that it opens the navigation of the St. Lawrence and the Colonial Canals to Americans, while the right to navigate Lake Michigan is accorded to Canadians. In this year Lord Elgin was recalled; and was succeeded by Sir Edmund Head, the present Governor-general of British North America. In 1855, the Universal Exhibition was opened at Paris, and there Canada distinguished herself by carrying off one grand medal of honour, one medal of honour, thirteen first class and thirty second class medals, while forty-three of her contributors obtained honourable mention.

VIII.—A settlement of the Clergy-Reserves' question, satisfactory to the people, was now obtained. The Canadian Parliament, under the authority of an Imperial Act, separated the State entirely from all Church connection, commuted with the various incumbents, and after providing for the widows and orphans of the clergy, divided the remaining land and funds among Upper Canadian Municipalities. In Lower Canada, likewise, a great social change has recently been effected: the Feudal Tenure, which so long repressed the industrial efforts of its French population, has been abolished, with the consent of all parties interested. The rights of property have been respected by making an arrangement so that each tenant should pay a certain amount to his seigneur, and the requisite balance of about £650,000 be made up by a contribution from united Canada. In 1856, the elective principle was introduced into the Legislative Council. The old nominees of the Crown are to retain their seats for life, but every new member is to be returned by one of forty-eight electoral divisions into which the Province has been mapped out for this special purpose. The Canadian Government has been obliged, in self-defence, to