

cents per barrel. Within the last year arrangements have been effected by Canada with three of those provinces for a free interchange of their natural productions; and the experience of a single season induces me to believe that a very large trade will be diverted to those provinces from the City of New York, unless the present restrictions be removed. At the very opening of the navigation last year, a steamer was chartered at Toronto to take a cargo of flour to Halifax, and to bring back sugar, molasses, &c. The protection in favor of Canada flour, when sent by the St. Lawrence to Halifax, St. John's, and other ports, must divert the supply of those provinces from New York, to Montreal and Quebec; and the vessels which take the flour, will bring back sugar, molasses, and other foreign commodities, which, during the last few years, have been purchased in the New York markets. Under the existing commercial regulations, therefore, the United States wheat-growers will have to compete with the Canadians on terms disadvantageous to the former in a market which is next in importance and nearly equal to Brazil. In the other markets of the world both will meet on an equal footing. Canada flour is at this time competing in the New York market with that of the Western States to supply the foreign demand which regulates the price of the article; and it would be injurious to American interests to force the trade which is now carried on with the Atlantic cities into the channel of the St. Lawrence.

It is assumed, and as perhaps it may turn out unfortunately assumed, by the opponents of the reciprocity bill, that, in the event of the bill being rejected by the American Congress, Canada will maintain her present commercial policy and continue to foster the import trade from the United States.

It is very desirable that you should be fully aware of the state of public opinion in Canada on this question. Having myself been a strong advocate for free commercial in-