notice in the Provincial Parliament in May last, and to the amendment thereto. The first prays for a return to protection; the amendment, to obtain reciprocity from the United States. This is the point, and the only one, upon which a discussion can be useful; it is therefore desirable that it should be understood.

The enclosed copies of Mr. Grinnell's letter of the 28th of April, 1843, (1) and the reply thereto of the Honorable R. J. Walker, of the 1st of May of the same year (2), will place the present Cabinet in possession of the views entertained by their predecessors; and the Reciprocity Bill (3) passed during last Session by the Canadian Parliament, being an exact counterpart of the Bill then before the Senate of the United States, will afford the strongest assurance that the Provincial Legislature has adopted every measure to carry out this principle in good faith. Perhaps in no country have greater changes or greater concessions been made. In 1847 the Legislature increased the duties on the manufactures of the Mother Country in the manner stated in Mr. Crampton's above mentioned note, that is to say, fully fifty per cent., and at the same time reduced the duties on American manufactures double that amount; and in order to remove all apprehension from the mind of the most rigid protectionist, not a single article enumerated in the above Bill can be brought into competition with the manufacturing or any other existing interest in the United States.

It has been suggested that the same principle should be extended to the manufactures of the United States and Canada. To this Canada could have no objection; on the contrary, we feel persuaded it would be to our advantage; but it was considered unwise even to propose it, because American manufacturers would feel apprehensive that British fabrics might be introduced by this means through Canada into the United States at duties considerably lower than those imposed by the present American tariff. This was the only reason for not proposing that extension; if desirable, it can be obtained at any future time. The only objection urged against the practical operation of this Bill was on the ground that Canadian wheat would come into competition with that grown in the Middle or Atlantic States of the Union, and consequently lessen its value. As both the United States and Canada grow a surplus of grain for exportation, which appears to be steadily advancing, whether the prices are high or low (see the returns for the present year), it is difficult to conceive how prices can, under such circumstance, be governed by any other rule than the value of the article in the foreign market where consumed.

The imports from Canada since 1847 have in no instance affected the market in New York. The consumer does not obtain a reduction of prices; the duty is paid by the grower, as shown by the comparative prices on each side of the boundary, which averaged in proportion to the amount of the duty exacted.

It appears, however, from the official returns (see the speech of Mr. Dix in the United States on the 23rd of January last, No. 4) that the grain exported from the United States into Canada exceeds in quantity that imported by the United States from that Province. The geographical