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12 PAPERS *relative to the* REMOVAL of the SEAT of GOVERNMENT.

CANADA.

3. "A Federal Union of the British American Provinces."

The advantages claimed for that arrangement are free trade between the different provinces, and a diminished governmental expenditure. The attainment of the latter object would be problematical, and the benefits anticipated from the former might be secured by legislation under our existing system. The markets of the sister provinces would not benefit our trade in timber, for they have a surplus of that article in their own forests; and their demand for agricultural products would be too limited to absorb our means of supply. Nor could Canada expect any encouragement to her manufacturing industry from those quarters. A Federal Union, therefore, would be no remedy.

4. "The independence of the British North American colonies as a Federal Republic."

The consolidation of its new institutions from elements hitherto so discordant—the formation of treaties with foreign powers—the acquirement of a name and character among the nations—would, we fear, prove an over-match for the strength of the new republic. And, having regard to the powerful confederacy of States conterminous with itself, the needful military defences would be too costly to render independence a boon, whilst it would not, any more than a Federal Union, remove those obstacles which retard our material prosperity.

5. "Reciprocal free trade with the United States, as respects the products of the farm, the forest, and the mine."

If obtained, this would yield but an instalment of the many advantages which might be otherwise secured. The free interchange of such products would not introduce manufactures to our country. It would not give us the North American continent for our market. It would neither so amend our institutions as to confer stability nor ensure confidence in their permanence; nor would it allay the violence of parties, or, in the slightest degree, remedy many of our prominent evils.

6. Of all the remedies that have been suggested for the acknowledged and insufferable ills with which our country is afflicted, there remains but one to be considered. It propounds a sweeping and important change in our political and social condition, involving considerations which demand our most serious examination. This remedy consists in a "Friendly and peaceful separation from British connexion, and a union upon equitable terms with the great North American confederacy of sovereign States."

We would premise, that towards Great Britain we entertain none other than sentiments of kindness and respect. Without her consent we consider separation as neither practicable nor desirable. But the colonial policy of the parent state, the avowals of her leading statesmen, the public sentiments of the empire, present unmistakeable and significant indications of the appreciation of colonial connexion. That it is the resolve of England to invest us with the attributes, and compel us to assume the burdens of independence, is no longer problematical. The threatened withdrawal of her troops from other colonies—the continuance of her military protection to ourselves only on the condition that we shall defray the attendant expenditure, betoken intentions towards our country, against which it is weakness in us not to provide. An overruling conviction, then, of its necessity, and a high sense of the duty we owe to our country, a duty we can neither disregard nor postpone, impel us to the idea of separation; and whatever negotiations may eventuate with Great Britain, a grateful liberality on the part of Canada should mark every proceeding.

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 boundary, thereby probably doubling at once the entire present value of property in Canada, whilst, by giving stability to our institutions and introducing prosperity, it would raise our public, corporate, and private credit. It would increase our commerce both with the United States and foreign countries, and would not necessarily diminish to any great extent our intercourse with Great Britain, into which our products would for the most part enter on the same terms as at present. It would render our rivers and canals the highway for the 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 into the Northern States; and to Lower Canada especially, where water privileges and labour are abundant and cheap, it would attract manufacturing capital, enhancing the value of property and agricultural produce, and giving remunerative employment to what is at present a comparatively non-producing population. 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 the intervention of a Custom-House officer. Railways would forthwith be constructed by American capital as feeders for all the great lines now approaching our frontiers; and railway enterprise in general would doubtless be as active and prosperous among us as among our neighbours. The value of our agricultural produce would be raised at once to a par with that of the United States, while agricultural implements and many of the necessities of life, such as tea, coffee, and sugar, would be greatly reduced in price.

The value of our timber would also be greatly enhanced by free access to the American market, where it bears a high price, but is subject to an onerous duty. At the same time there is every reason to believe that our shipbuilders, as well at Quebec as on the Great Lakes, would find an unlimited market in all the ports of the American continent. It cannot be doubted that the shipping trade of the United States must greatly increase. It is equally manifest that, with them, the principal material in the construction of ships is rapidly diminishing, while we