

These circumstances and the important facts disclosed in the case of the American sloop, *Falmouth*, which was reprinted, in order to attract the attention of the mother country to the present state of the loyal colonies in North America, renders it requisite, before any treaty is concluded between Great Britain and the United States, that the boundaries of the British provinces in North America, which *remain* undefined or questioned, should be ascertained and definitively fixed; and the terms and conditions on which the *inland* trade of the colonies with the United States is to be carried on, regulated; and the islands in Passamaquoddy Bay, which have been taken possession of by their subjects, unequivocally acknowledged by the United States, to belong to the crown of Great Britain, in full sovereignty; otherwise they will from their proximity continue to be a constant source of dispute and inquietude: yet until some definitive arrangement is adopted respecting them and the adjacent waters, it is to be presumed, the king's officers in the colonies will not shrink from their duty, and continue to tolerate the *illicit* trade carried on there by the subjects of the United States, but enforce the laws of the mother country, in which they should be encouraged and protected by his Majesty's government and his representatives in the provinces.

These islands, it will appear by reference to the treaty of 1783, were admitted to form part of Nova Scotia, now New Brunswick, the former having been divided into two provinces in 1784; but since, by the unjustifiable encroachments of the subjects of the United States, they have been wrested from Great Britain, without any interference or exertion to prevent it; on the contrary, they were to have been, by the *unratified* convention of May, 1803, most impolitically ceded to the United States.

From these islands the Americans carry on an illicit trade, most lucrative to themselves, but seriously detrimental and ruinous to the provinces of Nova Scotia and New Brunswick, whose inhabitants are supplied by them from thence with liquors, tobacco, teas, and all kinds of India and other manufactured goods, and occasionally with small quantities of pitch, tar, and turpentine, for which they receive in return specie, peltry, fish, lumber, grindstones, gypsum and other things, and thus they drain the British provinces of their most valuable articles.

The *greatest part of the fish* caught in the adjoining bays and rivers by *British* subjects, and cured on these islands, as well as the *lumber* prepared there, instead of being sold to merchants residing in the King's provinces, and exported from thence, *according*

* See Appendix to the first Edition of this Tract, No. 1. (A.)