

scenes he had witnessed. The Governor nevertheless tendered his resignation, but all the Home authorities approved of his conduct, and requested him to continue in office. To this he consented, and the more gladly, inasmuch as the unfounded agitation was already beginning to subside.

In view of the late unseemly occurrences, it was resolved to remove the seat of Government from Montreal, and for the next two years to meet at Toronto, (its name had been changed from York in 1834.) Subsequent to this period the practice has continued of holding the sitting of both Houses for four years alternately in Quebec and Toronto, which, however, will shortly be done away with, by reason of the Queen's selection, in compliance with the wish of Parliament, of Ottawa (formerly Bytown), as the permanent seat of Government.

VI.—The repeal of the Corn Laws in England, in 1846, whereby all preference in favour of Canadian grain was abolished, and trade consequently diverted from the St. Lawrence, now began to produce telling effects upon the credit and revenue of the country, from which it took many years of industry and perseverance to recover. In 1849, a complete system of Municipal institutions was organized in Upper Canada, and in the following year a somewhat similar measure was introduced in Lower Canada. By this expedient, each district was entrusted with the management of its own local affairs, and the general revenue was relieved from any undue burdens which were more properly chargeable upon the localities benefitted. In 1850, the first proposition was made concerning Reciprocity, or free interchange of trade with the United States. In this year also the *Globe*, *Examiner*, and other Reform papers, commenced agitation afresh and persistently