

The sale of this, I am happy to state, was stopped at Eastport on the 1st of this month. It is moreover to be regretted that the Americans are so much given to harbour our deserters, even when implicated in cases of petty larceny, such as stealing arms, accoutrements, and even boats, to assist their escape; in the opinion of American judges this being considered incidental to the act of desertion, no penalty is awarded under the Ashburton Treaty.

I have proofs that a vessel of Lubeck came over to Grand Manan with the express purpose of carrying off two marines, deserters from this sloop, and whom I have endeavoured in a friendly way to persuade some of the American authorities to give up; they have offered to do so, should they find them; I have moreover addressed the British Vice-Consul at Eastport on the subject; I have of course particularly avoided any steps which might create any international dispute or revival of this old grievance; and the friendly feelings between the brig and the opposite shore have been in no way interrupted. In fact, however well disposed certain among the Americans are towards us, on this point, considering the present state of Democracy, they dare not act for the mob.

Their own ships are by no means free from desertions, the "Pablo" corvette, during a week's stay at Eastport, is said to have lost fifteen within the last few days. In the hopes that my short services in the Bay of Fundy may have met your approbation,

I have, &c.
(Signed) A. F. KYNASTON.

Crimping by
American vessels.

No. 26.

Sir JOHN HARVEY to Earl GREY.

(No. 184.)

Government House, Halifax, July 25, 1850.
(Received August 5, 1850.)

MY LORD,

I HAVE the honour to transmit, for your Lordship's information, copies of a despatch addressed by me to the Right Honourable the Governor-General of Canada, and a communication to his Excellency Sir H. Bulwer, in reference to the commercial relations between the United States and the North American Provinces.

I have, &c.
(Signed) J. HARVEY.

Inclosure 1 in No. 26.

Sir JOHN HARVEY to the Earl of ELGIN and KINCARDINE.

MY LORD,

Government House, Halifax, July 25, 1850.

THE commercial relations between the United States and the North American Provinces, and the extent to which these may be affected by the exertions of Sir Henry L. Bulwer and the legislation of Congress, are naturally to this Government the subject of much solicitude.

From the best information which I have been able to obtain, I am apprehensive that upon some very material points the decision of Congress may be unfavourable.

2. The people of Nova Scotia are desirous to establish with the United States a reciprocal interchange of agricultural productions, and would be prepared to accept any terms which Canada may obtain, having reference to these alone, if a measure mutually advantageous could be matured, requiring no peculiar sacrifice on either side.

Of breadstuffs Nova Scotia has none to spare, the quantity required to make up her annual deficiency being imported from Canada and the United States.

Hay and straw, being bulky articles, will rarely be interchanged, except where there is a marked deficiency in either country, the length of winter in both in average seasons ensuring the consumption of all that can be raised.

The agricultural export of Nova Scotia will be chiefly confined to potatoes. Her imports will be flour, corn, meal, and breadstuffs of all kinds, the advantage being largely in favour of the United States.

3. To the admission of wood of all kinds I should hope that there would be little or no objection.

It should be borne in mind, however, that Nova Scotia, unlike Canada and New Brunswick, has few, if any, extensive pine forests; that what she has are required for the construction of her own vessels, and that, although it would be an advantage to have the free admission of any cord, wood, deals, or ship timber, which she may have to spare, into the United States, even in this traffic the Republic would be compensated by the free export of the more costly woods grown in her extensive territory, and the admission at a comparatively low rate of duty, of her manufactures of wood, which now form an extensive and valuable branch of her industry.

4. So far your Lordship will perceive that a reciprocal trade in these productions alone, though very important to Canada and New Brunswick, would not (though she is prepared and willing to accept it) warrant, on the part of Nova Scotia, any peculiar sacrifice,

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