

I have been honored with the Queen's commands, to make known the gratification with which she has received these proofs of the interest which is felt by the inhabitants of the Colony in the success of Her Majesty's Arms and those of Her Allies.

The inevitable effect of continued hostilities upon so vast a scale, in the enhanced cost of articles of subsistence, has been peculiarly experienced in a Colony whose inhabitants depend so extensively for their supplies upon the imported produce of other countries.

Although the advantages which were reasonably to be anticipated from the Reciprocity Treaty with the United States, and its subsidiary enactments, have, in this respect, been materially neutralized at the outset of the system it established ; yet ample proof has been afforded of the benefit which the measure is calculated to confer upon the export trade of the Colony by the comparative increase in the quantity of our staple produce which has latterly found a market in the ports of the Union.

When the unfavourable circumstances to which I have adverted shall have ceased to operate, we may confidently hope, that these advantages will become permanent and more generally diffused, not only promoting the interests of Commerce and Capital, but substantially ameliorating the condition of our Fishermen, and other industrial classes of the population.

Immediately upon the Receipt of Her Majesty's approval of the Treaty Act—which was transmitted to the Local Government, with no longer delay than unavoidably resulted from the connection of the measure with the Foreign Relations of the Mother Country—the necessary steps were taken for giving practical effect to its provisions ; and I shall cause to be laid before you, a communication which I have received from Her Majesty's Minister at Washington, placing me in possession of the Act of the President of the United States, by which those provisions are declared to be in force in that country.

The efforts of the Government have been directed to a reduction of the heavy burden which, for many years past, has been entailed upon the Public Funds, under the designation of " Relief of the Poor." But notwithstanding the favorable results of the Shore Fishery, and a decided improvement in the Potato Crop throughout the Colony, the rise in the cost of other food has presented a serious obstacle to that immediate and effectual reform of the system, which might otherwise have been accomplished. Care has, however, been taken in the allotment of pecuniary assistance, to promote the two-fold object of rendering the expenditure