

immediate borders, the British and Provincial Governments are willing to confer without any expense on the part of the United States. Canada will supply her own government, and exact no other condition than reciprocity in the exchange of her natural productions.

An objection was at an early stage of this negotiation started respecting its operation on the existing treaty stipulations with other powers. In a letter dated 27th April, 1841, I had the honor to call the attention of the Honorable Robert J. Walker to this subject thus : " A marked distinction has been drawn by your predecessors between an inland colony and an independent State—between an inland trade on your own immediate border, in which this country alone is interested, and a foreign trade which may affect all nations. The precedent to which your attention is directed is the 32nd clause of the 6th George IV, chap. 114, passed in 1825, which enacts that the same tonnage duties shall be paid on American vessels importing goods into either province of Canada as are, or may be, for the time being, payable on British vessels in the United States. During the session of Congress of 1831, the American Government passed an Act to regulate foreign trade on the north-east and north-west boundary, under which all fees and customs' charges were removed between the two countries. The change effected by this prompt act of reciprocity on the part of the United States may be inferred from an extract of a letter from the collector of Oswego, complaining that the steamer 'United States' was charged in Kingston, Canada, \$2 for a permit to land a box, the freight on which amounted to 25 cents. This freedom from charges is confined to that border ; yet no complaint was ever made by any other Government. Unnecessary restrictions still exist on the trades of those very borders, the removal of which is now sought. It can affect no other Government or interest except the United States and Canada.

Having set forth, in a spirit which, it is hoped, cannot fail to win the confidence of the American Government, the mutual advantages which the reciprocal exchange of the natural productions of the United States and Canada would confer on both countries, and the earnest desire which has at all times animated the Provincial Government to attain it, it would be unjust to withhold or conceal the policy which that Government will be compelled to adopt in case they are not met with a similar disposition on the part of the Government of the United States.

A large party in England are in favor of returning to the protective policy ; also in Canada, under any circumstances ; although the latter would rest satisfied with reciprocity in the markets of the United States.

The Provincial Government will be compelled to move the Government of Great Britain to obtain for the colony reciprocity or, as an equivalent therefor, to raise the price of products in Canada to at least an equality with the prices which similar articles command in the United States. The only method in their power is to place the same duty on the products of the United States shipped from an Atlantic port direct to Britain as the Government of the United States impose on those of this colony when admitted into their markets.