

" have terminated unsuccessfully. You have been informed from time  
 " to time of our proceedings, but we propose briefly to recapitulate them.

" On our arrival here after consultation with Your Excellency, we  
 " addressed ourselves, with your sanction, to the Secretary of the Treasury,  
 " and were by him put into communication with the Committee of  
 " Ways and Means of the House of Representatives. After repeated inter-  
 " views with them and on ascertaining that no renewal or extension of  
 " the existing Treaty would be made by the American authorities, but  
 " that whatever was done must be by legislation, we submitted as the  
 " basis upon which we desired arrangements to be made, the enclosed  
 " paper, marked 'A.'

" PAPER 'A.'

" The trade between the United States and the British Provinces  
 " should, it is believed, under ordinary circumstances, be free in reference  
 " to their natural productions, but as internal taxes exceptionally exist  
 " in the United States, it is now proposed that the articles embraced in  
 " the free list of the Reciprocity Treaty (1854) should continue to be  
 " exchanged, subject only to such duties as may be equivalent to that  
 " internal taxation. It is suggested that both parties may add certain  
 " articles to those on the said list.

" With reference to the fisheries and the navigation of the internal  
 " waters of the continent, the British Provinces are willing that the  
 " existing regulations should continue in effect; but Canada (Province  
 " of) is ready to enter into arrangements with the view of improving  
 " the means of access to the ocean, provided the assurance be given that  
 " the trade of the Western States will not be diverted from its natural  
 " channel by legislation. And if the United States are not prepared at  
 " present to consider the general opening of their coasting trade, it would  
 " appear desirable that as regards the internal waters of the continent,  
 " no distinction should be made between the vessels of the two countries.

" If the foregoing points be satisfactorily arranged Canada is will-  
 " ing to adjust her excise duties upon spirits, beer and tobacco upon the  
 " best revenue standard which may be mutually adopted after full con-  
 " sideration of the subject; and if it be desired to treat any other articles  
 " in the same way, the disposition of the Canadian Government is to  
 " give every facility in their power to prevent illicit trade.

" With regard to the transit trade, it is suggested that the same  
 " regulations should exist on both sides to be defined by law.

" Canada is also prepared to make her patent laws similar to those  
 " of the United States.

" In reply we received the memorandum from the Committee of  
 " which a copy is enclosed.

" PAPER 'B.'

" (Mr. Morrill came to the rooms of the Delegates and handed in the  
 " following memorandum).

" In response to the memorandum of the Honorable Mr. Galt and  
 " his associates, Hon. Mr. Smith, Hon. Mr. Henry and the Hon. Mr.  
 " Howland, the Committee of Ways and Means, with the approval of the