

same vessel to extend her voyage from Quebec to London, on the condition that any British vessel may take a cargo from one inland port to another, and then to an Atlantic port, and *vice versa*.

The distinction between this inland and the Atlantic coasting is obvious: it permits a vessel to coast on the lakes, rivers and canals on the inland waters south of forty-five degrees of latitude, the boundary between the United States and Canada; also, to convey a cargo from any inland port or ports south of 45 degrees to any seaport on the Atlantic; but not to coast from one Atlantic port to another port.

The advantages of this change may be better understood by contrasting the practical operation of the existing restrictions with their removal. At present, if an American vessel were passing through the Welland Canal, and required part of a cargo to fill up or trim the vessel, and could afford to take flour at a profit for the vessel at one-half the price to Kingston or Montreal, it cannot be done; the flour must be detained for a British vessel and pay full prices. The time thus lost, and the additional prices paid, are deducted from the producer, without any corresponding advantage to any existing interest; whereas the proposed change will allow the grain merchant or miller to ship in any vessel first offering, at the lowest price, and to any port he pleases. Every vessel owner engaged in forwarding that I have met in the United States heartily concurs in the measure, as well as the producer.

It will be observed that Great Britain does not receive a corresponding equivalent for the concessions thus proposed, inasmuch as the St. Lawrence is not opened to American vessels. Under this arrangement, no direct equivalent is sought for, although when the subject is examined, and the extent of the trade south of forty-five degrees understood, the opening of it, with Atlantic ports to American vessels, is a boon of great magnitude. Few can estimate the extent of trade which will grow out of it.

Again, the coasting trade between Quebec and England from one Atlantic port to another is opened to American vessels, although no similar coasting trade between one Atlantic port and another within the jurisdiction of the United States is opened to British vessels. This is a concession on the part of the British Government, when the magnitude of the timber trade is considered, of no ordinary advantage to the United States; it is not yet understood, and therefore not appreciated.

The coasting trade in the interior, and opening the Canadian canals are alluded to in order to bring under the view of the American Government a comprehensive system, all bearing on their internal trade, and all showing the facilities and advantages offered. It is unnecessary to point out the extent and profit of this trade, which are referred to in the able remarks of Mr. Walker and Mr. Dix, herewith enclosed.

The value of extending the trade to the United States on this principle early engaged the attention of her statesmen. The expenses of the government of every new territory are sustained by the General Government until they become states, without any other consideration or equivalent than the benefit of the trade they create. This benefit, embracing the trade of Canada, extending many hundred miles on your