

this country now is with the United States, and the fortunate termination of all the questions in dispute between the two nations, removes, as I trust, all risk of any attack upon Canada from the only Power from which there could be any danger; and it appears to Her Majesty's Government, that if the Provincial Militia is maintained upon a proper footing, so long as peace continues, enough would be done to provide for the security of the province, by maintaining garrisons of regular troops in the two important posts I have mentioned. In the unfortunate, and I trust improbable, contingency of a war with the United States, it is obvious that both the colony and the mother-country would be called upon to submit to great sacrifices, and to make great exertions for their defence; but I have no doubt that these would be cheerfully made by both if the exigency should unhappily arise.

10. Upon the reduction of the British force in Canada to the garrisons of these fortified positions, it would become necessary that the warlike stores which are kept in the colony should be reduced, and that the barracks and other buildings which are no longer required, should be disposed of; but if the Parliament of Canada should be willing to undertake to keep up these barracks and buildings, in case of their being hereafter required, there would be no objection on the part of Her Majesty's Government to make them over to the provincial authorities, and if the maintenance of a British force at any of the posts now occupied, should be desired for the preservation of internal security, such a force would be readily supplied by Her Majesty's Government, if the actual cost thus incurred were provided for by the province.

11. Another charge which Her Majesty's Government would also expect that the province should take upon itself as part of the above arrangement, is that of maintaining the canals now in charge of the Ordnance Department. You are aware that these canals were executed at the sole expense of this country and at a very heavy cost, chiefly with a view to the military defence of the province. Her Majesty's Government conceive that the charge of maintaining them ought now to be undertaken by the province, and I trust that no difficulty will arise on that head. With regard to the Indian Department, as by the arrangement lately made, the extinction of the charge (except so far as regards some payments for their lives to individuals) is provided for within five years, no further steps are required to be taken.*

12. In conclusion, I have now only to assure you that—while Her Majesty's Government consider that justice to the people of this country requires that Canada, which is now so well able to support whatever establishments are necessary for her own defence and for her own advantage, should cease to occasion so heavy a charge as formerly to the British Treasury, and that it is a fitting opportunity for introducing the change when, in consequence of proceedings which have taken place in the province, it becomes expedient to call upon Parliament to provide for the salary of the Governor-General—it must not for a moment be supposed that these measures are contemplated under any idea that the connexion between the mother-country and the colony could be dissolved without great injury to both, or that there is any probability that it will be so. On the contrary, these measures are regarded as safe, because Her Majesty's Government are persuaded that the great body of the people of Canada are so fully satisfied of the great benefits they enjoy from the system of Constitutional Government now happily established in the province under the authority of the British Crown, that it may properly be left to themselves to take their share of the burthen of maintaining and defending an order of things from which they reap so much advantage. Under this impression, and in the earnest hope and confident belief that Canada may long continue to form an important member of the British Empire, Her Majesty's Government have adopted the conclusions which I have now explained to you.

I am, &c.

(Signed) GREY.

The Right Hon. the Earl of Elgin and Kincardine,
&c. &c. &c.

* See correspondence on this subject in Appendix to this paper, page 100.