

four, and the works thereon shall be charged with the sum so to be advanced by the government, and that the interest thereon, at six per cent., shall be first paid out of the nett income to be derived from the works, and that the title to the property shall remain as it now is, until such advances, to be made by the government, shall be repaid, with interest, and the whole work, from the Basin of Minas to the harbor of Halifax completed.

*Now, the condition of the above written bond or obligation is such, That if the said Inland navigation company do and shall well and truly pay and satisfy, or cause to be paid and satisfied to the receiver general of the said province, for the use of our said lady the queen, on demand, the full and just sum of five thousand pounds, of lawful money of Nova Scotia, with lawful interest, in each and every year, at the rate of six pounds per cent., to be paid on the thirty-first day of December, on the said sum of five thousand pounds, or on such proportion thereof as shall be then due ; such interest to be computed from the respective days on which the advance from the provincial government, on account of the said sum, shall be made to the said company, then the said obligation shall be and become void, but otherwise shall remain in full force.*

Signed and delivered by the president and secretary  
of the said Inland navigation company, and  
sealed with the seal thereof, in presence of

SAMUEL C. WEST.

JAMES F. AVERY,  
President I. N. company.

SAMUEL GRAY,  
Secretary I. N. company.

No. 7.

(See page 261.)

(Copy.)

No. 55.

*Downing-street, July 15, 1856.*

SIR—

The treaty of 1854, commonly known as the reciprocity treaty between Great Britain and the United States, was concluded under circumstances of political exigency, with the immediate object of terminating questions in dispute as to rights of fishery, and at the same time with the desire on the part of the British government to secure commercial advantages for the British North American provinces.

At the time when the treaty was concluded many of the articles enumerated in the treaty were subject to duty in the North American colonies equally when brought from Great Britain, the British colonies, and from foreign countries, so that the immediate effect of the treaty was to establish differential duties on such of the enumerated articles as were before subject to duty to the disadvantage of the United Kingdom and the British colonies, as well as of foreign countries. To meet this, in some measure, special provision has been made in colonial acts. Thus, in Newfoundland, the governor is authorized by proclamation to declare some of the articles enumerated to be admissible duty free when the produce or manufacture of the United Kingdom or of the British North American colonies and others of them, to be so, only when the produce of the latter colonies.

By

By an act 15th Vict. c. p. 2, passed in contemplation of the reciprocity treaty, but before its conclusion, the governor of Nova Scotia is authorized to declare by proclamation, that articles being the produce of any foreign nation entitled to trade with Nova Scotia on the same terms as the United States, shall be free from duty in Nova Scotia if the same articles are free when the produce of the United States, and the wording of the section seems to imply that this proviso is to come into force for countries which shall admit any of the enumerated articles duty free and is not restricted to those countries which shall admit them all.

Other modifications have been made in the tariffs of the North American provinces, which go far to remove any practical inconvenience which might have arisen under the operation of the treaty, still it must be admitted that so long as any articles are admitted duty free from the United States, which are subject to duty when the produce of the United Kingdom, the British colonies, or other foreign countries,—this treaty clashes with the provisions of several existing commercial treaties with other countries, while at the same time it presents an exception to the whole course of recent legislation, a state of things which certainly tends to encourage other propositions equally at variance with economical principles, such for instance as that which had been put forward for the mutual abolition of duties between the West Indies and the North American provinces.

All the accessible documents in this office, and especially the customs returns for the North American provinces, have been examined with a view to discover what actual amount of duty would be sacrificed in the North American provinces by completely abolishing the duties upon all the articles enumerated in the treaty, from whatever country imported. But owing to the incompleteness of the available information it is not possible to arrive at perfectly accurate results. It is, however, most probable, that in nearly every instance the operation of the treaty has been to greatly diminish, if not to put an end to, the import of the enumerated articles from places other than the United States, so that any estimate of the loss which might follow from the complete opening of trade in the enumerated articles, derived from the returns of imports before the treaty came into complete operation, are probably much in excess of the truth.

The estimated loss in Nova Scotia would appear from the following statement to be about £606 per annum, arising almost exclusively from giving up the duties on fruit. On the aggregate amount of the customs duties, which in 1854 exceeded £100,000, this loss is not more than £6 per £1,000.

Articles imported.	United Kingdom and British colonies.	Foreign countries, excluding U. States.	Total.
Butter,		10 0 0	10 0 0
Wheat flour,		8 10 0	8 10 0
Fruit (about)	110 0 0	470 0 0	380 0 0
Pork,	7 10 0		7 10 0
	<hr/>	<hr/>	<hr/>
	£117 10 0	£488 10 0	£606 0 0

With regard to the most considerable item in the preceding statement, viz., that of dried and preserved fruits, it may be assumed that the terms of the treaty which admit these duty free only when the produce of the United States, do not in fact interfere with imports from other countries, or from the United Kingdom, of articles which are not exported to any great extent from the United States; but it seems probable, that since the treaty the imports of the other articles named from foreign countries, other than the United States, must have nearly ceased.

Her majesty's government, therefore, think that little inconvenience could arise from the opening, to all the world, the trade with Nova Scotia in the articles which are made free of duty when imported from and the produce of the United States. I have accordingly to request that you will consult your executive council on this subject, and report to

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to me your opinion upon the expediency of announcing to the provincial parliament the views entertained upon it by her majesty's government.

I have, &c.,

(Signed)

H. LABOUCHERE.

Lieutenant-governor

Sir J. GASPARD LEMARCHANT, &c. &c. &c.—Nova-Scotia.

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*At a council held at the government house, on the 14th day of August, 1856.*

PRESENT :

HIS EXCELLENCY THE LIEUTENANT GOVERNOR,

&c.            &c.            &c.

Read a despatch from the secretary of State for the colonies to his excellency, referring to the trade of this province with other countries than the United States, in connexion with the reciprocity treaty, and submitting to his excellency and the council "that little inconvenience would arise from the opening to all the world the trade with Nova Scotia in the articles which are made free of duty when imported from, and the produce of, the United States."

The same is reserved for future consideration, and ordered that the matter be brought before the legislature in the ensuing session.

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(Copy.)

No. 84.—(Executive.)

*Government house, Halifax, September 2, 1856.*

SIR—

I have submitted to my executive council, your despatch of the 15th July last, No. 55, on the operation of the reciprocity treaty of 1854, and will take care that the views of her majesty's government, expressed therein, shall be brought before the legislature of this province in the next ensuing session.

The anomalies arising out of the treaty did not escape the attention of this government at the time it was concluded, and it would doubtless be desirable that they should be corrected.

At the same time, disinclination may exist to open the ports of this province to the articles enumerated in the treaty, duty free, from countries, which are not proposed to grant corresponding privileges to its productions.

I have, &c.,

(Signed)

J. GASPARD LEMARCHANT.

The right honorable HENRY LABOUCHERE, &c. &c. &c.

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