

The diagram was prepared by Mr. Geo. Johnson, at the request of the Government, and the correctness of the figures has been recognized by the United States Government.

322. It will be seen that while the average annual trade during the 25 years from 1821 to 1845 only amounted to \$4,846,601 per annum, during 5 years, 1850 to 1854, it increased under a more liberal policy to no less an average than \$24,492,674 per annum. The value of commodities purchased by the Provinces from the States was, however, still very much larger than the value of goods sold to them, and the balance in favour of the States at the end of the above mentioned period was \$52,602,119, which, considering that it was the result of only 5 years' transactions, was exceedingly large. The result of the whole trade done between the years 1821 and 1854 inclusive was a balance in favour of the United States of \$132,611,377.

Increase  
in volume  
of trade.

The question of reciprocity of trade between the Provinces and the States had been frequently spoken of by statesmen and others on both sides, and the increase of trade caused by the removal of restrictions in 1846 gave a fresh impetus to the idea. In 1847 negotiations were opened between the Governments of England and the United States for the establishment of reciprocal free trade between the States and Canada, and were continued until 1850, when a Bill which had been introduced into the United States Congress in 1849, providing for reciprocity in certain articles, was thrown out.

Negotiations for  
reciprocity.

323. A conference at which all the British North American Provinces, with the exception of Newfoundland, were represented, was held at Halifax in September, 1849, and a memorial to the Imperial Government was adopted, asking that negotiations might be opened for reciprocal terms with the United States, and the British Minister at Washington,

Conference at  
Halifax.