

ON THE OPERATION OF THE NAVIGATION LAWS.

ment of 3 s. sterling per quarter duty in the province, was, at most times, a sufficient inducement for many Americans to make shipments to Montreal, as well as for Canadians to make purchases in the United States; but the protection being now removed, the question is one of mere cheapness of transport, and, taking the average of the last four years, the cheapness of freights will be found very much in favour of New York over Montreal. The freight on a barrel of flour from New York and Montreal respectively to Liverpool in these years, may be stated as follows—

						MONTREAL.	NEW YORK.
						s. d.	s. d.
1844	-	-	-	-	-	4 6	1 8
1845	-	-	-	-	-	4 8	2 -
1846	-	-	-	-	-	5 1½	2 6½
1847	-	-	-	-	-	6 -	2 -
Average - - -						5 1	2 1

Showing an advantage to New York of 3 s. sterling per barrel, and if there be deducted from this the advantage which Canada enjoys in internal navigation, amounting to 1 s. 6 d. sterling, there will still remain in favour of New York 1 s. 6 d. on each barrel of flour, quite sufficient to turn the whole export trade into that channel.

As the United States now admit the transit of Canadian produce through their territory, the only disadvantage it encounters at New York, is the necessity which arises under the Imperial Act 8 & 9 Vict., c. 88, s. 4, which would seem to forbid its being imported into England in foreign ships; but as freight in British from New York to England is no higher than the freight in American ships, this restriction would seem to have no appreciable influence on the question of transmission through Canada or the United States.

The consequence of this state of circumstances is no longer a matter of apprehension; its reality is severely felt in Montreal and the eastern portions of Canada. For some time past the import trade of Western Canada, which by means of protecting duties in favour of British ships and British goods, was forced to come by the St. Lawrence, has been changing its direction, and Montreal, which supplied the whole western country, is being deserted by the western merchants. The new Customs Law of the Province, while it equalizes duties and thus enables the consumer to purchase in the cheapest market, vastly increases the evil to the former importing cities, and a very large proportion of the export trade of Canada has this year taken the direction of New York. Hence arises the present suffering, and a feeling of serious apprehension for the future, lest the great public works of the St. Lawrence should be unused and unprofitable, and the commercial connexion which existed for so many years between Western and Eastern Canada should be altogether cut off.

The people of Canada are not inclined, by a system of protection, to force their own trade in any particular channel; following the example of the mother country, they have been compelled, in a great measure, to adopt the maxims of free trade, which have lately prevailed in England. As regards the carrying-trade of the North-western American States, the Canadians can have no means of obtaining its passage through their territory, but by superior advantages in the way of cheapness of transit. They have done everything for this purpose which great enterprize and expenditure could do. They have succeeded, so far as their means could succeed, and they possess now a line of communication more rapid and more cheap from the interior to the sea-port, than any existing in the United States. The whole question then is confined to the comparative advantages of shipment from Quebec or Montreal, or New York. If these ports can be nearly equalized in respect to freights to England, Canada will have succeeded; if the disparity continues as it now exists, all the efforts of Canada will have been unavailing.

It is represented that the high rate of freight between Montreal and the United Kingdom, is owing to the limited number of ships employed in the import trade of Canada. In the spring and in the latter end of the summer, the ships composing what are called the spring and fall fleets arrive; these are good ships, and so long as they are in port wanting freight the rate is comparatively moderate; but in the interval, being the middle of summer, when most of the western produce arrives for shipment, an inferior class of ships only offer, which not only deliver their cargoes in bad condition, but charge exorbitant freights, according to the quantity of produce for shipment. The rate of freight is represented to have fluctuated in Montreal in the same season, between 3 s. 6 d. and 7 s. 6 d. per barrel; and it is said also, that the higher rate, that is to say, from 6 s. to 7 s. 6 d. per barrel, has been paid in Montreal, at the same time that freight has been offered to be borne by foreign ships at New York as low as from 1 s. to 1 s. 6 d. per barrel; at this time, an offer of 1 s. 6 d. per barrel extra would have brought any number of ships round from the American sea-ports, but the Navigation Laws interposed to the ruin of the owners of the produce. This fluctuation and extravagant rate of freight, and the employment of inferior vessels, could not have occurred were the Canadian merchant able to look for ships amongst those in the American ports seeking freight to Europe; the latter having made their outward profitable voyage could afford to