

Spain and Portugal. Their laws were absolutely prohibitory, yet British manufactures were to be found in those countries cheap and abundant. Prohibitions were vain: the smuggler always took care that wherever there was a large demand there should always be an abundant supply. In Switzerland, in Belgium, in the United States, the same rules were found uniformly to apply. The Emperor Napoleon, with all the means and appliances which he possessed, was not able to check the contraband trade, and it was even thought that his attempts to do so contributed to his downfall. In this country, with all the power that the Government possessed, we were not able to prevent the operation of the contraband trade. Formerly we could not do it the case of silk, and now it is found to be equally impossible in the case of tobacco. The only way to put it down was to render the trade of the smuggler unprofitable, and it was highly encouraging to those who earnestly desired to witness the triumph of Free Trade principles, that at the present moment there was a Free-Trade League in Paris with a Duke at its head. It was well known that in the American Congress it had been proposed that no duties should in future be imposed, except for the purposes of revenue; and it was quite evident that the tendency of all public opinion must be towards a free intercourse between all nations. Restrictions upon trade were rapidly crumbling away, and would soon be forgotten amongst other antiquated systems. To promote Free Trade was to carry into effect the law of God. Freedom of commercial intercourse was a policy which gave and received the best guarantees for the preservation of that most inestimable blessing, peace. The present measure appeared to have been brought forward, not only with reference to our foreign policy, but also with regard to our domestic position, at a most favourable moment. He conceived it to be a measure founded upon the true interests of all classes as well as upon a comprehensive view of the varying circumstances and complicated interests of this great country (Hear! hear!).

EARL GREY'S SPEECH.

The case of the Colonies fairly stated.

His noble friend had asked, that if the colonists were told that they were no more to this country than Frenchmen or Dutchmen, what inducement would they have to wish to be united to this country? To that he (Earl Grey) would answer, that his noble friend should recollect that by this measure it was not proposed to apply the principle of the removal of restriction to the colonies exclusively, but it was merely intended to apply to them a principle which we proposed to apply to ourselves (Hear! hear!). Would any one say that Cumberland and Yorkshire would be treated badly by this measure because we did not leave them a protective duty (Hear! hear!)? If our own counties, then, were to be treated in the same manner by this bill as the colonies, then the colonies had no reason to complain. He could understand how some persons in the old country, where there was a great competition for employment, could be induced to take a narrow view of the subject, and thus he could see how it was that many persons had been induced to form the opinion that protection was an advantage, and that it was not wise to let in foreign goods to compete with our home market, but with respect to the Colonies there was no such difficulty as that competition for employment (Hear!). On the contrary, in every one of our own colonies the great difficulty was to find sufficient labour to develop fully its natural resources, and it the effect of the proposed system should be to divert labour in the colonies to its natural and most productive channels, instead of to artificial and unproductive channels, there could be no doubt that it would be an advantage to our colonies (Hear! hear!). Could any one doubt that Canada was poorer now than she would have been if there never had been a protective duty in favour of her timber (Hear! hear!)? If, instead of letting into our markets bad timber, when we could have had good, we had never adopted that system, Canada would be better off, and the same principle would apply to all our colonies. The colonies had received no advantage from protecting duties, whilst in many cases those duties had been directly injurious to them. The West Indies had suffered from not having been allowed to get their necessities in the cheapest market, or to send their supplies in the cheapest form to this country. They gained nothing by protection, and as regarded the effect of commercial dependence in strengthening the ties between the colonies and the mother country, he would put it to their Lordships whether the system of commercial dependence had in reality strengthened the ties between the colonies and the mother country. Did they not all know that jealousy, arising from that commercial dependence, had produced that American war, which ended in the loss of those extensive colonies to the Crown of this country (Hear! hear!)? He would not say that in their present state of importance those states would have been kept in dependence on the British Crown; but they might have parted from us in a different manner, and without leaving any feeling of jealousy towards the mother country, if it had not been for commercial dependence (Hear! hear! and laughter). He was rather surprised that his noble friend, in the course of his speech, touched on the colonies for an illustration, for he thought that the principle with respect to trade which he had adopted towards the colonies was not, to say the least of it very fortunate. Under that policy the corn of Canada was allowed into this country at a nominal duty, whilst that advantage was not given to any other colony. That advantage had been given to Canada almost avowedly because it had been recently in a state of rebellion, but it was refused to those which had been always obedient and loyal (Hear, hear! and cheers), and he (Earl Grey) thought that such a course of policy was calculated to excite a spirit of disaffection (Hear! hear!). His noble friend asked, if we were to have no advantage in the markets of the colonies, of what use were they to us? He would be permitted to say that such a mode of argument was rather defective. It was those who defended protection who were to prove that it was good; but how did they prove it? They said that if they did not keep up protection they would lose the colonies. They said they kept the colonies by a protective duty, and they then turned round and said, if they did not keep up protection, of what use were the colonies? That was a specimen of what was called arguing in a circle. He believed that the connection between the colonies and the mother country was a mutual advantage, requiring no such support to maintain it. In our colonial empire we possessed friends and allies in every quarter of the globe—we had thus a large population in various parts of the world, possessing great natural resources, united heart and soul with us, ready to take part with us in all our conflicts—and thus we maintained in each possession a garrison of the cheapest kind, whilst they gloried in the security of being an integral part of the greatest and most enlightened, and most civilized nation upon the face of the earth (Hear! hear! and cheers). They gloried—and he knew that they felt it as a glory in calling themselves British subjects, and in having their interests and rights protected by the power of this country, which was ready to be called forth to maintain their interests when it was required (Hear!). He believed that if they pursued a liberal policy in other respects towards the colonies, by extending to them the dearest rights of Englishmen, the privilege of self-government, and not needlessly interfering in their domestic concerns—that if they adopted a sound policy, politically as well as commercially, they would bind them with a chain which no power on earth could break.

The following is a copy of the despatch, alluded to in the British Parliament, from His Excellency the Earl of Cathcart to the Right Hon. W. E. Gladstone, Colonial Secretary. We had intended to have furnished some remarks on it this week, but are prevented by other engagements. We shall, however, take it up in our next number, and in the meantime draw the attention of our readers to it as a rather extraordinary document to emanate from such a source:

"GOVERNMENT HOUSE,
Montreal, 28th January, 1846.

"SIR,—My attention having been very earnestly called by the members of the Executive Council of this Province to the apprehensions they have been led to entertain by discussions which have recently appeared in the English newspapers, pointing strongly to a change in the Corn Laws, I am induced, at their earnest desire, even with no better foundation, to bring the subject under your consideration by the mail which leaves this night, as the opportunities for communication at this season are infrequent as to produce inconvenient delays.

"The province of Canada is so vitally interested in the question, that it is a duty of the Executive of the province to urge on the consideration of Her Majesty's Ministers a full statement of the necessity of continuing a protection to the local colonial trade in wheat and flour, and of the effect of any changes by which the protection hitherto given would be taken away.

"The improvements of the internal communication by water in Canada was undertaken on the strength of the advantage of exporting to England our surplus wheat and flour by Quebec. Should no such advantage exist, the revenue of the province to be derived from the tolls would fail. The means of the province to pay principal and interest on the debt guaranteed by England, would be diminished, and the general prosperity of the province would be so materially affected as to reduce its revenue derived from commerce, thus rendering it a possible case that the guarantee given to the public creditors would have to be resorted to by them for the satisfaction of their claims.

"The larger proportion, nearly all the surplus produce of Canada, is grown in the western part of it; and if an enactment similar in principle to the Duties Drawback Bill should pass Congress, permitting Canadian produce to pass through the United States for transshipment, and the English market was open to produce shipped from American ports on as favourable terms as if shipped from Canadian ports, the larger portion of the exports of Upper Canada would find its way through the canals of the State of New York, instead of those of Canada, rendering the St. Lawrence Canals comparatively valueless. The effect of the Duties Drawback Bill has been to transfer the purchase of sugar, tea, and many other goods, to New York, from whence nearly all these articles for the supply of Upper Canada are now imported.

"Should such a change in the export of Canadian produce take place, it will not only injure the Canadian canal and forwarding trade, but also the shipping interest engaged in carrying those articles from Montreal.

"A change in the Corn Laws, which would diminish the price the Canadian farmers can now obtain, would greatly affect the consumption of British manufactures in the province, which must depend on the means of the farmers to pay for them. An increased demand and consumption has been very perceptible for the last two years, and is mainly attributable to the flourishing condition of Upper Canada.

"Even if a relaxation of the system of protection to the colonies is to be adopted, it is of infinite consequence that it should not be sudden. The ruin that such a proceeding would cause is incalculable.

"The political consequences as to the government of the colony involved in the foregoing suggestions are sufficiently obvious (viz., alienation from the mother country, and annexation to our rival and enemy, the United States), as also must be those arising from the trade of Upper Canada being as it were transferred from Montreal to New York. This latter consideration belongs, however, less to the operation of the Corn Laws, though partially connected with that branch of the subject.

"I trust the importance of these observations will form a sufficient apology for my intruding them upon you at this time; but as the subject to which they refer will, in all probability, engage the early attention of the British Parliament, I have thought it right that you should have some previous knowledge of the bearing any such measure would have on the interests of this colony.

"I have, &c.,

(Signed)

"CATHCART."

STEAM NAVIGATION.

[From the Toronto Examiner.]

It is about seven years ago since the *Sirious* and *Great Western* were placed upon the Atlantic, and at once drew nearer together by several days the Old World and the New. Steam has made the will of man superior to the elements: from depending upon the accidents of their movements, he can now navigate every ocean on the globe, in spite of opposite winds and boisterous seas. The steam navy of England numbers more than 200 war steamers; that of France 160 of the same description. The British steamers engaged in commerce number about 400; and, according to the United States Secretary of the Treasury, that country, last year, had employed in commerce more than 1500 steamers. This number is said to be superior to that of all the steam navies in the world. The average speed of the British coasting steamers is about 12, to 13 miles an hour; the American boats on the Hudson and Mississippi rivers have an average speed of nearly 17 miles an hour. The average freight per ton on the Mississippi steamers is about \$3 per thousand miles. Notwithstanding the immense number of steamers employed in commerce by the United States, she has not as yet followed, to any extent, the example of England and France, in keeping up a large quantity of war steamers, her whole force of this description