

I now pass to the question of timber, which is of great moment with reference to the trade of Canada, although it has not the same interest as the subject of corn for the mass of the population.

I have much satisfaction in drawing your Lordship's attention to the fact, that the colonial timber trade prospers under the operation of those changes in the law, which were enacted in 1842, and which had taken full effect before the end of 1843. I subjoin a statement of the number of loads of timber brought to England from the colonies in each of the last ten years, and of the number of loads of deals brought hither in each of the last three years, during which period alone that mode of computation has been pursued, so far as relates to this branch of the wood trade.

The increased facilities of internal transit in this country, independently of the very great temporary demand connected with the construction of the railways that are to effect this great improvement, promise a considerable and permanent extension of the market for foreign wood, an extension likely to be accelerated, unless it be as to Scotland, by the progressive diminution of the home growth of timber through the United Kingdom.

The description of wood which is supplied by the British North American colonies, the yellow pine, is not chiefly to be regarded as competing with the wood of the Baltic, but rather as available for different though concurrent uses. For example, the increase of Baltic timber tending to encourage the construction of new buildings, by supplying the best materials for particular portions of them, has an effect not in limiting, but in extending the demand for Canadian timber, as furnishing the cheapest and most convenient material for other portions, namely, the inward fittings of the very same fabrics.

Her Majesty's Government are not indeed prepared to assert that the question of the relation between the duty on foreign timber and the colonial wood trade, ought to be adjusted with reference to this consideration alone; and you will perceive, that they propose to retain a duty of 15s. per load upon foreign timber, which I apprehend may be considered as upon the average nearly covering the difference between freights from the Baltic and those from British North America to the United Kingdom.

Not only are they free from the apprehension that the proposed remission of 10s. per load on foreign timber, and 12s. on foreign deals, will cause a contraction of the trade from British North America; but they are sanguine in the anticipation that that trade will continue, notwithstanding the proposed change, to extend itself.

The reduction of the duty on colonial timber and deals, to a nominal amount, which took place in 1842, involved the sacrifice of a considerable revenue, and that sacrifice may, I trust, have tended, and may still serve to convince the inhabitants of Canada that it has been the earnest desire of Her Majesty, in affording relief to Her people at home, by the changes effected in the commercial laws of the empire, to obviate, as far as possible, the inconveniences, and to extend the benefits which those changes might tend to produce for other portions of her subjects.

This country has taken upon itself the serious task of reforming its own commercial system, in opposition to what appears to be the prevailing disposition among other nations, and to bear testimony to the world, and to put in action the powerful influence of example in favour of sound principles of trade. Her Majesty's Government trust that the efforts of the British Legislature in this respect may be seconded, their range extended, and the example rendered yet more impressive, not only by the acquiescence, but by the approval and the active co-operation of the Legislatures and the inhabitants of the colonies.

I have, &c.

(signed) *W. E. Gladstone.*