

CANADA.

By way of trial also, we sent up a parcel of No. 2 mackerel, and a lot of cod-fish and cod-oil, the products of Nova Scotia and Newfoundland, with which provinces we were always of opinion a western direct trade could be opened; these articles were sold immediately on arrival at rates which after paying freights, commission, duties, and insurance, yielded a profit of 15 per cent.

At our instance, Mr. Anderson of this city sent a lot of crates of crockery, with the result of which he was so satisfied as to have determined to prepare in England, with a view to the western market, a large invoice of such wares for next year.

The Customs Department at Chicago charged on these goods 10 per cent. duties, over and above what is charged at New York, but on representation through our Government here, the matter was promptly and satisfactorily arranged with the authorities in the United States; and now the same duties are levied at the inland ports as would be levied in New York.

Since the time referred to above, we shipped to Cleveland, Toledo, and Chicago, 1240 barrels of mackerel, part of which have been sent to St. Louis on the Missouri river by the canal which connects the Illinois river with Chicago, and the whole, we believe, will result as satisfactorily as the first sent.

The propellers which took up the salt loaded back with Indian-corn, and although we laid it down here at a cost considerably less than it could have been carried to New York, yet the freight from this to Britain or Ireland being much higher than to the same parts from New York, we were compelled to sell here, and on Lake Champlain where we sent a portion, thus testing our ability to supply Vermont on cheaper terms *via* Montreal than they could obtain same articles *via* Albany; we made a profit it is true on the corn, but not sufficient to induce us to continue to import extensively, until the duties now levied under the Agricultural Protection Bill are repealed.

After successfully testing our opinion in respect to supplying the Western States with a description of salt necessary for packing purposes, we wrote our friends, Fairbanks and Allison, of Halifax, who on our suggestion loaded one of their vessels, the "Commerce," at Turks Island with salt, which cost there 10 cents per bushel of 72 lbs., which on arrival we might have sold here at 1s. 6d. per 80 lbs., which would have paid the vessel well, but we determined, though late in October, to send the salt to Chicago, where such quality is wanted for putting up beef and pork for the English market; we did so, and forwarded also a considerable quantity of cod fish, dried, from Newfoundland; and we are glad to say the salt was eagerly purchased at 50 cents per 56 lbs., which leaves a profit of 20 cents on 80 lbs.; and the fish, which cost 11s. per 112 lbs., was sold for four dollars and a half per 100 lbs.; so that from these facts we have no doubt that a profitable trade with the West by this route will grow up; and just in proportion as we can supply up-freights, down-freights will be made cheaper.

We have now an order for 250 tons of Scotch pig iron for Chicago, and doubt not that large quantities will be required at the different American ports on the western lakes, the coming season; but we find our hands completely tied, and our efforts paralyzed by the operation of these obnoxious Navigation Laws; but for them we should unquestionably be able to supply Upper Canada with all the products of the West Indies on cheaper terms than now that section of the province is supplied from New York, and we should be able to send our own products not only to our own, but to foreign West India Islands, where large quantities of staves, heading-hoops, &c., for the sugar and molasses trade, are annually sent by our neighbours, and we have latterly brought in from the State of Maine samples of what are called shooks; that is, such articles put up in compact and portable form, and solicited tenders from owners of saw-mills, and coopers to supply such here, and we find we can supply and ship all the articles required for that trade, cheaper than the same articles can be shipped from Maine or Massachusetts to the West Indies.

Last fall we sent orders to Cuba for three cargoes of sugar and molasses, provided prices came within our limit; such was the case; but no British vessel could be found to load for Montreal. Americans could be found in abundance ready to load on terms nearly as low as for New York, but then, thanks to our Navigation Laws, could not come up our river with foreign produce; well, our sugars and molasses go to New York there to pay a transit duty (small though it be), and to be subjected to all the costs and delays of an inland communication through the United States to Canada; the result is, that Canadians pay dearer than if the Navigation Laws did not exist, as now they stand, for their sugar, but we cannot see what benefit is conferred upon the British shipowner by the restriction.

The Hon. Francis Hincks.
&c. &c.

We are, &c.,
(Signed) HOLMES, YOUNG, and KNAPP.