

Despatches.

ticular instances Companies may desire to accredit their schemes by soliciting a larger measure than I have proposed of the intervention of the Government. I do not object to the guarded extension of that intervention even beyond what the Legislature of the Colony under your administration may generally require, if it be with the active concurrence of the parties and without expense to the public. For example it may happen that parties may desire to submit their projects to the examination of officers appointed or approved by yourself for the purpose. In such a case, or in any which you may judge to be analogous to it, I leave to your own unfettered discretion.

I have, &c.

(Signed,) W. E. GLADSTONE.

The Governor of Canada,
&c. &c. &c.

P. S.—Lest the language in which my first recommendation is couched should be liable to an exaggerated construction, I beg to apprise you that it is intended only to recommend a provision strictly conformable to that of the 26th clause of the Model Railway Bill of 1845, and in no degree to go beyond the spirit of that provision.

List of Enclosures.

- No. 1.—Volume of Reports of Committees and of General Railway Acts.
- 2.—Standing Orders of both Houses of Parliament relating to Railways.
- 3.—Railway Clauses Consolidation Act, 1845, 8 and 9 Vic., c. 20.
- *4.—Model Bill of 1845.
- 5.—Volume of Public General Acts for the Regulation of Railways.

*N. B.—No. 4. It has been impossible to procure a copy of this Act, but the Clause to which the Secretary of State refers in the P. S., may be seen at p. 48 of Reports of the Committees—Enclosure No. 1.

(Copy.)

No. 18.

DOWNING STREET,
3d February, 1846.

My LORD,

Customs' Duties Act.

The several Despatches enumerated in the margin I acknowledge and propose to answer together, because they are all referable to the same common subject of the Act of the Canadian Legislature of the 17th of last March, cap. 3, for granting Provincial Duties of Customs.

This Act stands for the signification of Her Majesty's pleasure, and I am not able until an amendment shall have been introduced into it to advise Her Majesty to allow it.

It involves two principles of great importance, the first directly, and the second virtually.

The first is the distinction between goods sea-borne, and goods otherwise imported. On this subject I need simply refer you to what I have stated in regard to the proposal to levy inland countervailing duties upon goods generally. I am not, Your Lordship will perceive, precluded by a difficulty arising upon this part of the measure from advising its allowance, but I also find that for the duty of 5 per cent. which has heretofore been payable upon leather and leather manufactures imported into Canada, rated imposts have been substituted, which appear to range generally from 10 per cent. up to 25 or 30 per cent. *ad valorem*. In some cases a distinction is taken in favour of sea-borne articles—in others the application of the duty is uniform.

Despatches.

Her Majesty's Government are not prepared to assent to the imposition on such British goods as are ordinarily sent to Canada from the United Kingdom or from a British Possession, of rates of duty substantially higher than those which are levied under the previous Provincial Customs' Act, although they take no objection to the substitution, for duties *ad valorem*, of such fixed amounts as may be considered on the average equivalent to them. Your Lordship will consider this as their fixed decision, and will make it known accordingly. An amendment of the Act, to bring it into conformity with this decision is indispensable.

Her Majesty's Government would very reluctantly consent to an increase of the duties upon Foreign goods when imported by sea into the British Colonies, as they stood before the passing of the Act now under consideration.

If it be possible to consider the inland carriage as a matter rather for adjustment in the Province than as raising an Imperial question in which the particular Colony can only be regarded as a portion of an Empire animated by a central and single principle of action, it is not possible, in the judgment of Her Majesty's Government, to extend this view to Maritime Commerce, without the risk of great inconvenience.

Any increase, however, of the kind to which I refer must not only be specifically and avowedly laid upon Foreign goods and upon Foreign goods alone, when the article is one likewise produced in the United Kingdom or in the British Provinces, and entering into the Trade between them and the Province of Canada, but must likewise be supported by strong and special considerations to be stated for the information of the Government. Whatever influence of persuasion Your Lordship can exercise, you will employ for the purpose of recommending an adherence to the commercial principles of the Circular of my predecessor, dated 28th June, 1843, or at the least of moderating the disposition to call for augmentations of differential duties upon Foreign productions.

I could have wished to find in this Act the usual exemption from duty of supplies required for Her Majesty's Forces.

Your Lordship will endeavour to procure the adoption of such provision, together with the amendment to which I have above adverted, as indispensable. * * * * *

I have, &c.,

(Signed,) W. E. GLADSTONE.

Lieut. General

The Earl CATHCART, K. C. B.,
&c. &c. &c.

Ordered, That two hundred and fifty copies of the said Despatches be printed in each of the English and French Languages for the use of the Members of this House. Despatches to be printed.

On motion of the Honourable Mr. Attorney General Draper, seconded by the Honourable Mr. Papineau,

Resolved, That Select Standing Committees of this House for the present Session, be appointed for the following purposes, viz.:—

- 1—ON PRIVILEGES AND ELECTIONS.
- 2—ON EXPIRING LAWS.
- 3—ON PRIVATE BILLS.
- 4—ON STANDING ORDERS.
- 5—ON PRINTING.
- 6—ON CONTINGENCIES.

which said Committees shall severally be empowered to examine and enquire into all such matters and things as may be referred to them by the House, and to report from time to time, their observations and