

## CANADA.

directed to the important objects of improving the internal navigation of the St. Lawrence from Lake Erie to Quebec, so as to place it in a state of cheapness and efficiency which would make that route to a port of embarkation for a sea voyage advantageous beyond all comparison with the internal communications of the United States, and by that means to counterbalance the more difficult and expensive sea navigation. The Government and Legislature of the colony have also endeavoured to make the navigation below Quebec safe and easy by means of numerous lighthouses well and expensively kept up. These efforts, though beyond the means and resources of a small and new community, have been successful. The Welland Canal, between Lakes Erie and Ontario, has been put in full operation, though not quite completed, at an expense of nearly 1,500,000*l.* The works on the St. Lawrence between Kingston and Montreal, have likewise been opened, forming a series of magnificent canals, by means of which the rapids of the Great River are conquered at the expense of nearly 1,500,000*l.*, and thus steam-boats and vessels of great burden are enabled to pass up and down the river cheaply, safely, and rapidly. Sixty-five thousand pounds have been expended in an endeavour to deepen Lake St. Peter, between Montreal and Quebec, for the purpose of enabling the largest ships to proceed to the former port; and thus by a series of undertakings which would do honour to the enterprize and industry of a nation, it was hoped for the colony that she would have been enabled, not merely to rival, but to surpass the enterprising and active people of the neighbouring States, and to create amongst her inhabitants a corresponding degree of commercial greatness and prosperity.

This, in the view of the projectors of the public works in Canada, as well as in the opinion of men of the best judgment in the northern states of America, was far from being a question of merely theoretical rivalry. It was always considered questionable whether the import and export trade of Canada would in itself make the tolls arising from the canals sufficient to remunerate the public treasury for the great expenditure. But while it was manifestly essential to the agricultural and mercantile prosperity of the country that the means of access to the sea should be improved, it was supposed that the superiority of the line of communication would induce the passage of American trade down and up our canals so as make them remunerative and profitable.

This supposition has been realized in the case of the Welland Canal. Since the opening of that work, the Americans have been permitted the free navigation of the canal through the Canadian territory, and as that canal is a short communication between the two great lakes, admitting the passage of large vessels, and as it has the effect of substituting a hundred miles of lake navigation in these vessels for boat navigation on the Erie canal, the Welland is used extensively for the American trade, which instead of entering the American Erie canal at Buffalo, proceeds down Lake Ontario to Oswego, and there is transferred to the boat navigation of the Erie canal for transport to New York. Thus a large portion of the revenue from the Welland canal is paid by the American trade, arising from a free navigation of a part of the internal waters of Canada, and thus the western portion of Canada enjoys the inestimable benefit of a navigation supported to a great extent by foreign commerce.

The superiority of the Canadian over the American line of communication may be exemplified by the following rate of cost of transport from Cleveland in the State of Ohio on Lake Erie to New York, taking the cheapest line through the Canadian Welland Canal, and the rate of transport to Montreal from the same port on Lake Erie down the St. Lawrence.

	<i>s.</i>	<i>d.</i>
The rate to New York being on each barrel of flour, in currency	4	6
To Montreal	2	9
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	1	9

This difference being in favour of the Canadian inland navigation over the American.

If the products of the western country of the United States could be transported to the sea more cheaply through Canada than through the American territory, there can be no question but the Canadian route would be preferred, and the Canadian canals would engross the carrying-trade of the north-western States of America. The possession of even a portion of this trade would place this country in a state of financial prosperity.

But if, on the other hand, the advantage of this perfect inland navigation is more than counterbalanced by the rate of freight from Quebec and Montreal, the people of Western Canada having no protection in the English market, by using the Canadian line of communication, will send their whole produce by way of New York, as well as import all foreign articles of consumption by the same route, and thus, not only will the vast expenditure upon the internal navigation of Canada be wasted, and the debt incurred thereby become a hopeless burden, but the trade of the commercial cities of Montreal and Quebec, which was rapidly rising into importance, must be completely ruined.

While the province enjoyed protection in the British market, this unhappy result could not have arrived, because the protection was generally sufficient to prevent the owners from divesting the Canadian produce of its British character, and it could not become available for the home market of America unless upon payment of heavy duty. Even with regard to American produce, the provision in the Corn Law which enabled American wheat and flour to enjoy the same protection as Canadian upon being exported through Canada, on payment 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