

content against difficulties which the energy and enterprize of our neighbours have interposed. It is true that railroads and canals are being constructed to branch out in every direction from the stream of the St. Lawrence, in order to divert that produce to the ports of the United States, which would otherwise be brought to our own ports for shipment. Nor is the rivalry of our competitors confined to the construction of these public works. In order to make them profitable, she modifies her fiscal system, so as to allow our articles of merchandize to pass through her territory free of duty, both from and to the Atlantic Ocean. How are we to meet and counteract this interested but enlightened policy? Simply by adopting a similar course of action. We must in like manner remove every obstacle in the way, and hold out every possible inducement to the inhabitants of the United States to pass their merchandize through our country. Instead of hermetically sealing to their ships the outlet of the St. Lawrence, we must offer to them the FREE NAVIGATION of its waters, subject only to such a moderate imposition in the shape of tolls, as will suffice for the annual expense of keeping the canals in repair, the payment of the interest of the money expended in their construction, and the appropriation for the sinking fund for the redemption of the debt incurred. The amount required to be raised annually for these purposes would amount to about £100,000; a moderate impost, and easily collected with an enlarged commerce along this route, as must be admitted, since the revenue derived from tolls on the Erie Canal is about £600,000 per annum.

That by this means the St. Lawrence can advance ageously, as regards economy, compete with any other route, can scarcely be doubted. In the first place, (no trilling saving, especially in grain, flour, and other bulky articles,) goods may be conveyed without transshipment from their original port of embarkation to that of their destination; whereas, by the other routes, there must be two transshipments before the goods can be landed in a shipping port. Secondly, The large size of the vessels which can be employed on the St. Lawrence route, in comparison with those on the other, will enable the former to convey goods at a very much cheaper rate of freight than by the latter. Thirdly, The small amount of canal navigation, by the St. Lawrence, in comparison with that by the Erie route, is a decided advantage to the former; as the following statement, extracted from the Journals of the New-York Legislature, will evince:—

“ Even at the present reduced rate of toll on the Erie Canal, river transportation has the advantage by more than 300 per cent. The charge upon the transportation of wheat per bushel from Troy to New York is 3 cents, while the same transportation for a like distance upon the canal, cannot be effected for less than 10 cents.”

The comparative claims to public support of the two routes, are clearly exemplified in the following table:—

	Distance Miles	Size of Canal & Locks Feet	Canal Miles	Lake and River Miles	Lockage Feet	Trans- shipment
Buffalo to New York	508	70 by 7, 120 by 24	363	145	698	2
Port Folio to Montreal	363	110 by 10, 150 by 26.6 (Windsor)	68½	295	533	None.
		“ “ 200 by 45 (Cornwall)				
		“ “ 200 by 45 (Beauharnois)				

Under this aspect, need we despair of succeeding in directing through the St. Lawrence a large proportion of the exports and imports of the Western States and of the upper portion of the Province? But it can only be done by making this the cheapest route: to that object every other must yield. Competition in every form must be encouraged—the employment of capital, British or foreign, must be invited—and if the foreigner can transport our produce, or that of our neighbours, to or from the shipping ports the cheapest, he must not be thwarted or impeded under the plea of protection to native industry, or under any of the other pretences which are used to perpetuate monopoly and its concomitant evils.

The Council trusts that a representation of the injury to this Province, arising from the restrictive character of the British navigation laws, is all that is requisite to induce the British Ministry to cause their modification, so far as respects this colony. Their baneful influence has, more especially during the present year, been felt both in our export and our import trade. Such has been and is the scarcity of British vessels, adapted to the conveyance of wheat and flour, in the ports of Quebec and Montreal, that freight has advanced fully fifty per centum beyond the remunerating or average rate. Now, had those laws permitted, foreign vessels could have been procured in the ports of the United States, at moderate rates, (as is manifest from the low freights between New York and Britain,) to convey the produce to its destined market. Is it not obvious that we are thus placed in a much less advantageous position than foreigners, in being taxed to support British shipping, and that that tax offers great encouragement to the western producer to send his goods via the United States, rather than by the route of the St. Lawrence?—Thus this Colony is labouring at the same time under the twofold inconvenience, of removal of Protection, and prohibition of Free Trade!

The like evil is severely felt in the import trade of the province, and is exemplified in the article of Muscovado sugar, of which

our supplies are now principally derived from the Spanish islands. The navigation laws, on which we now animadvert, prevent our importing foreign commodities in any but British ships, or ships of the country where the goods are produced. Now, Spain has little shipping, and none suitable for the trade with America, and there are no British vessels to be met with in the Spanish islands. The importer of a cargo of sugar to this Province is thus compelled to charter a British vessel from some distant port, to proceed in ballast, to convey the cargo, for which he pays a freight of, say, 4s. per cwt., or fully 25 per cent. on the prime cost of the article, whilst there are fleets of American vessels on the spot, which would convey it at one half that rate. Can he, then,—drawing his supplies of sugar in this circuitous and expensive method,—compete in the Western market with the merchant of the United States? Obviously he cannot; nor need it be matter of surprise that the trade, which, under a free system, would flow through the St. Lawrence, is thus diverted to other channels.

The article of sugar is a pregnant illustration of the injurious effects of the navigation laws on our import trade; but the remarks applicable to it apply also, to a certain extent, to every other article of foreign production. Why is there a discrimination of 25 per cent. in the sterling duty on foreign goods, between such goods when imported from the bonded warehouses in Britain, and when direct from a foreign country? Is not such a discrimination in favour of the former, *pro tanto* a bounty to New York in opposition to Quebec or Montreal? And can we be surprised that, under this insane and suicidal policy, the commercial connection of Canada West with New York is extending year by year, and with our cities is proportionably diminishing?

This Committee, it will be observed, in making the present report on the commerce of the country, has refrained from touching on any of those topics which lie immediately within the scope of the provincial authorities. These open a wide and important field of investigation, and must form the subject of a future report. The present, relating to subjects imperial in their character, and on which the action of the British Government may with propriety be sought, is deemed advisable to lay before the members of the Free Trade Association with the least possible delay, under the conviction that they will take such proceedings upon it as the urgent circumstances of the case may justly render expedient.

The whole nevertheless submitted.

Montreal, 17th July, 1846.

Whereupon it was moved by J. T. Brondgeest, Esq., seconded by George Elder, junr., Esquire, and resolved—

“ That the Report which has just been read, be received and adopted.”

Moved by W. B. Cumming, Esquire, seconded by C. D. Shaw, Esquire, and resolved—

“ That a Memorial founded on the Report just received be drawn up, and transmitted through the Governor General to the Colonial Secretary, the Right Hon. W. E. Gladstone.”

Moved by L. H. Holton, Esquire, seconded by D. M'Avish, Esquire, and resolved—

“ That John Glass, William Bristow, and John Young, Esquires, be a Committee to prepare the said Memorial, and present the same to His Excellency, requesting that he will be pleased to transmit it to the Colonial Secretary.”

In accordance with the above Resolutions, the Deputation named by the meeting, waited on His Excellency at the Government House, at 2 o'clock yesterday afternoon, and presented him with a Memorial based on the foregoing Report.

W. H. FLEET,
Secretary.

THE 'PILOT' AND THE AGRICULTURAL PROTECTIVE DUTIES.

We noticed in our last number an article which appeared in the *Pilot* of the 9th, elicited by some remarks that had previously appeared in our journal in relation to the 3s. duty imposed on wheat imported into Canada, and to the duties on agricultural produce generally.

With reference to the former, our contemporary says, “The *Economist* does not view the frontier duty of 3s. per quarter in the same light that we do”; and after some further remarks applying especially to the *Gazette*, and which we confess we do not understand, from not having seen the “ingenious” arguments referred to, he comes back more particularly to ourselves, and denies what we assert, viz., that the English market, by the new Corn Bill, is rendered practically open to the world. Our contemporary must observe, that we have assumed from the outset of our career that Sir Robert Peel's Corn measure would become law; and our arguments have all been founded on that assump-