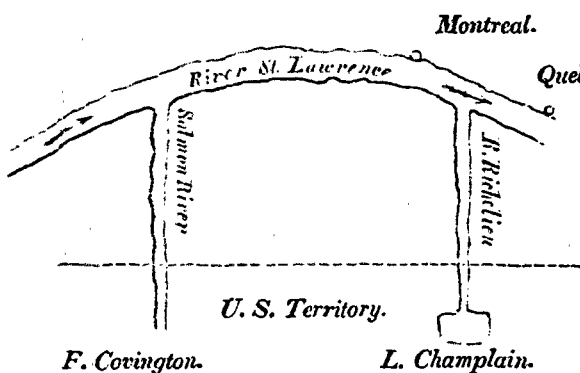


CANADA.

(No. 1627.—Canada.)

The object of the memorial from Canada, on which the Customs have now reported, will be most clearly understood by reference to the annexed diagram.



The dotted line represents the boundary between Canada and the United States. The Canadians are anxious to encourage a water traffic from Fort Covington to Lake Champlain, through the St. Lawrence, by the route of the Rivers Salmon and Richelieu, a traffic which in the existing state of our law cannot be carried on in American vessels, according to the construction put upon the law by the Commissioners of Customs. The request is urged on the ground that an extensive transport trade would thus be created, which

would have the effect of raising the revenue derived from the tolls on the Chambly Canal, which connects two points on the River Richelieu.

The Customs report against the grant of the prayer of the memorial on the grounds, first, that such a course of traffic would afford great facilities for smuggling; the result of which would be a much greater loss to the revenue than could probably be compensated by the increase of the produce of the tolls; and, secondly, that a concession of the privilege "would be totally irreconcilable with the policy which has been hitherto acted upon, with reference to the navigation of the River St. Lawrence by foreign vessels, or vessels belonging to the United States."

These objections rest upon the assumption that the navigation of the St. Lawrence below Montreal, and above Quebec (including the navigation of the British portion of the Richelieu), is at present wholly closed against American vessels; and I observe it is stated in Lord Cathcart's despatch, that the law officers in this country are understood to have given an opinion to that effect. I cannot find any foundation for this assumption in any part of our Possessions Act, and I have never heard of any such opinion as that above referred to having been given. Having great doubts as to its correctness, I wrote privately to Mr. Walford, the Solicitor to the Customs, asking him whether there was any thing to prevent an American vessel from proceeding from Lake Champlain down to the Richelieu, to its junction with the St. Lawrence, and thence either up the latter to Montreal, or down it to Quebec; Mr. Walford replies, that he knows of nothing that should prevent such a voyage.

By the Possessions Act it is enacted, that no goods shall be imported into or exported from the British Possessions in America by sea, from or to any other place than the United Kingdom or a British possession, except into or from a free port. Now Quebec is the only free port in Canada, and consequently the over sea trade of the province can only be carried on (in foreign ships) from that port.

But the 43d section of the Act declares that it shall be lawful to import goods by land or "inland navigation" into the British possessions in America from any adjoining foreign country, either in British vessels or the vessels of that foreign country, provided (sec. 45) that such goods be brought to a place where there is a custom-house. Such importations are subjected (sec. 46) to the regulations of the Act with respect to importations by sea, so far as they may be applicable.

Under these provisions goods may be imported into Montreal (there being a custom-house there) from the United States in American vessels; and I do not see why such importation should not take place from a point below Montreal, such as Lake Champlain, as well as from a point above Montreal, such as Fort Covington.

The only thing which would, so far as I am aware, prevent such an importation, would be the existence of another port of entry below Montreal; for instance, if Sorel were a port at which there was a custom-house, American vessels coming from Lake Champlain would have to take their goods there, as they would be prevented by the regulations of the Possessions Act from passing through the port, just as they are now prevented from passing through the port of Montreal. But though it is possible that Sorel may have been constituted a port of entry by the Governor-general, under the powers confided to him by the 45th section of the Possessions Act, there is nothing to show that such is the case, and the probability is that it is not. Indeed if this were the impediment to the voyages which the Governor-general wishes to encourage, he could at once remove it by striking out Sorel from the ports of entry.

If, then, there is nothing to prevent American vessels from proceeding from Fort Covington to Montreal, and from Lake Champlain to Montreal, the force of the objections which the Customs make against allowing them to proceed from Fort Covington to Lake Champlain is greatly diminished; for every point of the line where smuggling is so much apprehended must be accessible at present, and every mile of the St. Lawrence which would then be traversed by American vessels is now open to them.

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