

In England too the *ad valorem* principle is, we think, more and more acted upon in every change which is made in her tariff, from which it is fair to conclude that it must be found to work well enough in practice.

But it must not be supposed that the specific duty system is free from the faults here admitted to be chargeable against the *ad valorem* system. On the contrary, we consider it to be almost as liable to abuse. The weight of a commodity may be falsified as well as its price. The gross weight may be falsified and so may the tare, and perhaps it will not be going too far to say that deception is practised on the state in this way quite as often as in any other. What then is the remedy for this? It is simply that everything should be weighed and tared by the Custom House, which we believe is the course pursued with a great many articles, such as teas, sugars, tobacco and such like,—putting merchants to a great deal of trouble, and the state to a great deal of expense. Thus it is obvious that both systems have their inconveniences, and that so far as detecting roguesy goes they are both equally inconvenient and expensive, and hence some other reason than giving facilities to commit fraud must be assigned for preferring one principle to the other, for both are obviously liable to abuse, and attended with expense in the detection of it.

But, on the other hand, let us look at the two systems in another point of view. Let us look into the merchant's counting-house and observe how they work there. Take, for instance, an importation of spices. Under the system of duty which prevailed previously to 1815, spices of all kinds were admitted at a simple *ad valorem* duty, but in revising the tariff at that time, the very clever minister then in power (save the mark!) thought proper to substitute for that simple principle, a duty of 21. a pound on cassia, 41. a pound on nutmegs, a halfpenny a pound on pepper, and 3d. a pound on mace, being, as nearly as we can make out, just about 20 per cent upon the value of the respective articles. Now if it was the intention to put 20 per cent duty upon these articles, why was it not done fairly and openly? there being, as we have shown, no greater chance of successfully committing fraud under the one system than under the other. But look at the difference which this makes in the merchant's counting-house. In the one case there are four different calculations to be made; in the other, there is but one! And when we consider how valuable time is to a merchant, and that he has to furnish his entries in duplicate, (formerly he had to do so in triplicate,) and that all calculations must undergo examination again in the Custom-house, thereby involving great delay, and that he has sometimes to wait half a day for his turn at the Custom-house counter—we say, when all these things are considered, it must be obvious and indisputable that instead of multiplying and complicating Custom-house business, everything, on the contrary, ought to be done to simplify and shorten it—and we trust that that object will be kept in view by the Legislature when the question of the Tariff is next brought before it.

Let us now review the importations under the *ad valorem* duties. But, beforehand, we may as well remark that we have not the force of Parliamentary authority for the importations previous to 1812, although we believe that our figures may be relied upon as confidently as if they had a Parliamentary sanction, having been taken from the Custom-house books here and at Quebec by the source from which we obtain them. We may as well remark also that the importations which we now refer to, represent those on which duties have been paid at the ports of Quebec and Montreal alone. Why this should be the case in the Parliamentary returns we are unable to conceive any satisfactory reason for; in fact, so incomprehensible does it appear that we can only account for it on the supposition that it was an oversight. So far as they go, however, the importations by sea are useful, as they show a steady progressive increase from year to year, thus demonstrating that the raising of the duty from 2½ to 5 per cent *ad valorem* has not in the slightest degree affected the consumption of imported manufactures, or limited our commerce in them.

The importations were as follows:—

|                                     |                 |
|-------------------------------------|-----------------|
| <i>Duty 2½ per cent ad valorem.</i> |                 |
| 1830, .....                         | £1,768,311 stg. |
| 1840, .....                         | 1,876,360       |
| 1841, .....                         | 1,953,493       |

Average per year,.....£1,869,368 stg.

|                                    |                 |
|------------------------------------|-----------------|
| <i>Duty 5 per cent ad valorem.</i> |                 |
| 1812, .....                        | £2,149,220 stg. |
| 1813, .....                        | 1,091,709       |
| 1814, .....                        | 2,355,716       |
| 1815, .....                        | 2,598,278       |

Average per year,.....£2,048,483 stg.

|  |            |
|--|------------|
| Average importations of the first period ..... | £1,869,368 |
| Of the second, .....                           | 2,048,483  |

Increase per year,..... £179,095

or not far from 10 per cent increase upon the average importations up to 1812.

We shall now review all the comparisons which we have made from time to time, grouping them under two heads:—

First, Articles, the importation of which has increased.

Secondly, Articles, the importation of which has fallen off.

Under the first head we class the following:

|  | 1839 to 1841.  | 1843 to 1845.  | Increase.      |
|--|----------------|----------------|----------------|
| Raw Sugar, average im-<br>portation,.....                          | 7,453,216 lbs. | 9,301,363 lbs. | 1,848,116 lbs. |
| Tea,.....  | 991,936        | 1,845,104      | 923,168        |
| Molasses,.....   | 10,083 cwt.    | 25,041 cwt.    | 14,958 cwt     |
| Salt, .....  | 11,216 tons.   | 22,819 tons.   | 8,603 tons     |
| Manufactures, &c. pay-<br>ing <i>ad valorem</i> duties, £1,869,368 | £2,048,483     | £179,095       |                |
| Tobacco, lbs.....  | —              | 2,027,236 lbs. | —              |
| Coffee, “ .....  | —              | 681,492        | —              |

Under the second head we class the following:

|   | 1839 to 1841.  | 1843 to 1845.  | Decrease.    |
|---|----------------|----------------|--------------|
| Spirits, average importa-<br>tion,..... | 595,024 gals.  | 368,738 gals.  | 226,286 gals |
| Wines, .....                            | 306,223        | 259,018        | 17,205       |
| Refined Sugar, .....                    | 2,100,079 lbs. | 1,368,409 lbs. | 731,670 lbs. |

As respects the articles under the latter head, it must be manifest to our readers that a change of duty is imperatively demanded. On Wines and Loaf Sugar the duty must obviously be reduced, for nothing but the high duty can have operated to restrict the consumption of these articles to the degree made apparent by our tables. The extent to which, in our opinion, this reduction should be carried, we shall state hereafter.

As to imported Spirits, it is clear that domestic whiskey is superseding them in the general consumption of the country, from which it must be allowed to follow that the duty is too high to give them a fair chance of maintaining their ground against the domestic article. Two remedies then suggest themselves: one, to increase the duty on domestic distillations; the other, to reduce the duty on foreign spirits imported for consumption. Of the two, it must be almost needless to add, we incline strongly in favour of the latter alternative.

We have now reviewed most of the articles which we think the fittest to raise revenue upon, and we shall accordingly, in our future papers, address ourselves more particularly to another branch of our subject, viz.: the question, what articles our general welfare and the encouragement of commerce require to be admitted *free of duty*.

Before closing the present article, however, we may allude incidentally to the question of Canal Tolls. We are aware that many leading men in the Colony are of opinion that our Canals *should be relied upon*, as soon as they are complete, for a very large proportion of our revenue. In this opinion we cannot entirely concur. On the contrary, we think that in the *outset* we should place little or no reliance upon them for revenue. Instead of *depending* upon them, we think, on the other hand, it should be our policy to reduce the tolls to such a degree as to defy competition. Let us,—as soon as the Lachine Canal is complete, which is now the only bar to the employment of large propellers and other craft capable of carrying three to four thousand barrels each upon our inland waters,—reduce the tolls to a mere nominal scale; and let us, by this means, and the cheap forwarding charges which must ensue when the virtual monopoly of the present forwarding houses is abolished, as it must be when the canals are finished, strive to secure, as we venture to predict we shall secure, the huge volume of the Western trade which now finds its way to tide-water by way of the Erie Canal, for transmission to British, British Colonial, and foreign markets generally, (not omitting those of the United States themselves.) But let us not adopt the contrary policy,—that of looking for revenue in the *outset*,—and thereby run the risk, as we conceive we should, of turning that vast and ever-growing trade away from the St. Lawrence,—the natural and most favorable channel, unless its advantages be neutralized by high charges and unwise restrictions.

Let not our readers suppose that we are deceiving ourselves by too favorable an anticipation of the future. Let a Free Trade tariff be adopted; admit all kinds of American produce *free of duty*, and untrammelled by vexatious Custom House regulations, such as bonding with all its attendant train of delays and expense; and in addition to all this, let our tolls be reduced, as suggested, to next to nothing, and on such a basis we venture to fortel, that in less than five years the trade on the St. Lawrence will be more than trebled.

But it may be said, How are we in the meantime to pay our current expenses and the interest upon our public debt? We reply, that the whole sum required for these purposes can be raised, without difficulty or inconvenience, by a simple *revenue tariff* upon articles imported for consumption;—and such a tariff we shall be prepared to lay before the country when we consider that the proper moment has arrived for doing so.

Meantime we throw out these hints to our readers and the public, in order that they may be examined and duly deliberated upon; and we shall only add, before concluding, that *after* the trade has been firmly diverted into our channels, it will *then* be in our power to inquire, whether our canals may be made more productive or not?—whether increased tolls may not be exacted