

for regulating the trade of Her Majesty's possessions in America, and the 3d Geo. 4, c. 119, intituled, "An Act for regulating the Trade of the Province of Upper and Lower Canada, and for other purposes relating to the said Provinces," both of which Acts were passed in 1822; by the first-mentioned Act, viz., 3 Geo. 4, c. 44, the 28 Geo. 3, c. 6, was repealed, and certain foreign goods were permitted to be imported into certain ports (Quebec among the number), in British ships, or in ships owned by the inhabitants of the countries belonging to the state of which the articles were the growth, production or manufacture. By the first section of the last-mentioned Act, viz., 3 Geo. 4, c. 119, permission was granted to import by land or inland navigation, in any British or American vessels, boats or carriages, certain articles the growth, production or manufacture of the United States of America, from any port or place in the United States of America, into any port or place of entry where a customhouse might have been lawfully established in the Canadas; and by the 10th section of the same Act it was declared to be lawful to export in any British or American vessels, boats or carriages, from any of the ports or places of entry which might have been established in the said provinces to any ports or places in the United States of America, any article the growth or manufacture of Her Majesty's dominions, or any other article legally imported into those provinces. Both those Acts remained in force until the general consolidation of the Customs laws in 1825, when they were repealed by the 6 Geo. 4, c. 105, at which period the British Possessions Act 6 Geo. 4, c. 114, came into operation, which forms the basis of the present British Possessions Act of 7 & 8 Vict., c. 93; by these Acts Quebec has been declared a free port, and by virtue of the treaties subsisting between this country and the United States, it is lawful for the ships of those states to import goods, the produce of the United States of America, into Quebec; but beyond that port (as fully explained in our report to the Lords Commissioners of Her Majesty's Treasury, dated 17 June 1843, No. 930, copy of which was annexed to our report to your Lordships of the 4th of September last), American as well as all other foreign shipping are restricted from proceeding up the River St. Lawrence.

With respect to the regulations as regards the inland trade of Canada, the 43d section of the Act 8 & 9 Vict., c. 93, declares it to be lawful to bring or import by land or inland navigation into the British possessions in America from any adjoining foreign country any goods which might be lawfully imported by sea into such possession from such country (that is, goods the growth, production or manufacture of such foreign country), and to bring or import such goods in the vessels, boats or carriages of such country, as well as in British vessels or carriages. But by the 45th section of the same Act this permission to bring goods into the province in an American vessel is coupled with the restriction that they can only be brought or imported into some port or place of entry at which a customhouse may have been established; and the 46th section of the Act enacts, that the duties imposed on goods brought by inland navigation shall be ascertained and recovered by the same means, and under the same rules, regulations and restrictions, penalties and forfeitures, as the duties on the like goods imported by sea may and can be recovered as far as the same are applicable; and if any goods be brought or imported contrary to the provisions of the Act, or if any goods so brought or imported shall be removed from the place appointed for the examination of such goods by the officers of Customs, before such examination shall have been made, and before all duties payable thereon shall have been paid or satisfied, the same shall be forfeited.

The importer has, however, the option under the 49th section of the Act, of warehousing the goods at any of the ports in Canada which have been appointed warehousing ports for the warehousing of goods brought by land or inland navigation.

We have thus endeavoured to show, that although the Americans, upon general principles of policy, have abstractedly no right to navigate the inland British waters of Canada beyond the port of Quebec, nevertheless, as an exception to those general principles, they are allowed to enter the British inland waters for certain specific purposes, and no others; namely, to bring or import goods into certain appointed places, the produce of the United States, in the boats or carriages of that country, for the purpose of being landed and entered for consumption under the 46th section of the Act, or warehoused for the duties under the 49th section of the same Act; but as there is no legal enactment whatever in the present law similar to that contained in the 10th section of the Act of 3 Geo. 4, c. 119, hereinbefore referred to, which in clear and distinct terms gave a legal permission to an American boat to export goods from any of the places of entry established in the Canadas to any place in the United States, we are advised that the privileges of an American boat are limited, and are restricted to the bringing or importing by land or inland navigation into Canada; and that it is not lawful for such American craft to take on board goods for the purpose of being exported to the United States. With respect to the suggestion of Earl Cathcart, which forms the more immediate subject of his Lordship's despatch to Her Majesty's Principal Secretary of State for the Colonies, and which is a question distinct in principle from that which formed the subject-matter of the foregoing observations; viz., that vessels of the United States may be permitted to pass down the St. Lawrence from Fort Covington in the Salmon River (in the United States) to Sorel (situated on the British territories at the head of the River Richelieu), and thence up the River Richelieu to Lake Champlain in the United States; we have to observe that this request, as we apprehend, involves the important question as to the right of the Americans to navigate the River