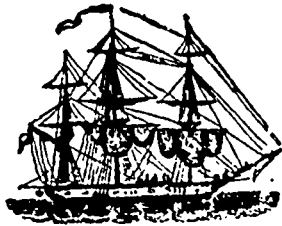


CANADIAN ECONOMIST.



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MONTREAL, SATURDAY, 21ST NOVEMBER, 1846.

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CONTENTS.

- | | |
|---|---|
| 1.—The Quebec Board of Trade. | 7.—Miscellaneous Articles. |
| 2.—The Protective Tariff. | 8.—Intelligence—General and Local. |
| 3.—Post Office Department—No. 3. | 9.—Shipping Intelligence |
| 4.—Ship Canal to New-York from the Upper Lakes. | 10.—Markets.—English, New York, and Montreal. |
| 5.—Report of the Quebec Board of Trade. | 11.—Prices Current, &c. |
| 6.—Progress of Opium. | 12.—Advertisements. |

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QUEBEC BOARD OF TRADE.

In another part of our paper will be found a Report of a Special Committee of the Quebec Board of Trade, on the Report of the Montreal Board of Trade dated 14th August last. As the mercantile community of Quebec, judging by this emanation from what we presume may be considered their commercial representative body, differ materially from their brethren in this city, in Toronto, in Hamilton, and we believe we may say in all the other commercial cities of the province, we have thought it right that our readers should have the means of judging the validity of their arguments in favour of their views.

It gives us pleasure to observe that on one point there is no difference of opinion between us,—namely, that the repeal of the duty of 3s per quarter now exacted on foreign wheat imported for our consumption is imperatively called for. It is to be regretted that there is not equal harmony on other subjects.

The Board of Trade of Quebec do not appear to entertain any very decided hostility to the modification or repeal of the Differential Duties by our Provincial Legislature, since such a power has been conceded to them by the Imperial Parliament; but they seem to prefer a partial modification to a total repeal, and this they state to be for "the maintenance of a sufficient revenue." We confess ourselves incapable of comprehending what they mean on this subject, inasmuch as we cannot see how Differential Duties can improve the revenue: their sole object being to encourage importation from one place in opposition to another, they act as a bounty to the country protected at the expense and to the loss of the revenue. If the duties from all countries were equalized, the maximum of revenue could be levied at the minimum of cost to the consumer. This we take to be the sound principle of taxation.

We scarcely think our Quebec friends have studied this subject of the Differential Duties. Indeed their main object appears to be to introduce their often-reiterated arguments in favour of protection to their Timber Trade, and their often-repeated complaints of the hard usage they have met with at the hands of the Home Government. Pouncing upon an unfortunate expression in the Report of the Montreal Board of Trade in which allusion is made to "timber and a few other unimportant articles," they put the construction, neither justified by grammar nor the evident meaning of the writer, that the value of the Timber Trade is highly estimated by the Montreal Board of Trade, and they thereupon cite statistics which nobody ever dreamt of denying, to prove the extent and importance of that trade. Now to this we see no serious objection, except the disingenuous misconstruction of the passage in question, and the utter irrelevancy of the statement to the real question then under discussion, namely, the expediency or otherwise of repealing the Differential Duties within this province.

On more than one occasion the Quebec merchants have committed the error of confounding the question of protection in the mother country to our products, and protection in this country to Imperial products. The former is an Imperial question, which will be, and in fact has been, settled by the Imperial authorities, probably without reference to our opinions: while the latter is left to our Legislature, and is therefore a fit subject for discussion.

Our Quebec friends seem to entertain a morbid apprehension lest the repeal of the Differential Duties here should in some manner act on the British Ministry in inducing them to withdraw the protection from Colonial timber in Britain: but really if they will take the trouble to peruse the opinions of British statesmen of all shades of politics on the occasion of passing the British Possessions Act of last session, we think they will be satisfied that no such consequences will follow,—in fact, that all that is asked in favour of British produce is that it may not be placed in a more unfavourable footing than Foreign.

There do appear to be some strange inconsistencies in the Quebec Board of Trade's Report, which we merely remark on *passant* to give them an opportunity of explaining, and which we presume they will find no difficulty in doing, since the subject is one which they evidently have at heart, and have therefore probably profoundly studied. For instance, in answer to the Montreal Board of Trade, they estimate the protection on timber secured to this province, at 15s. per load, as £250,000 per annum, and having thus warmed our gratitude to the British Government, in the next sentence they cool it by remarking, "this protection is, however, unfortunately more nominal than real, the Baltic merchants having an advantage in freights of about 20s. per load, virtually leaving a premium of 5s. per load in favour of the foreigner." Again, we are told that because the price of Foreign timber has not declined to any extent since the diminution of duty in Britain, the difference has been so much taken from the British revenue to put into the pockets of the foreigners; yet in the same sentence it is admitted that the consumption of timber has enormously increased, a fact which, whether a consequence or not of the reduction of duty, sufficiently accounts for the maintenance of the price. As to the loss to the British revenue, the returns to Parliament shew that the duties on timber, which in 1843 were £611,495, in 1845 were £1,012,105.

The Report of the Quebec Board of Trade, whilst ostentatiously proclaiming the gain to the foreigner by the reduction of duty in Britain, is studiously silent as to the fact that Colonial timber of every description, we believe, commands a higher price in the British market now than it did previous to the reduction of 9s. per load in 1842, and that whilst the increase in Foreign timber and deals entered for home consumption in 1845, over 1842, amounted to only 458,817 loads, in Colonial it amounted to 706,659 loads.

These facts will, we trust, prove some consolation to such of our readers as may have been led to entertain apprehensions for the future prosperity of our Timber Trade.

On the subject of the British Navigation Law, it would appear that the Quebec Board of Trade entertain decidedly different opinions from those which the advocates of Free Trade maintain. As with Differential Duties, so with Navigation Laws, there is an obvious indisposition to grapple with the main question. It is supposed, and an argument is attempted to be based upon it, that the Montreal Board of Trade was not aware that Colonial vessels are entitled to the privileges of vessels built in Britain. Really this is childish. Every school-boy will inform the writers of the Quebec Board of Trade Report that a Colonial-built ship is British, and the whole scope of the argument of the Montreal Board of Trade is directed just as much against the monopoly of the Colonial as the British shipowner.

We are not about in the present number to reiterate the objections which we have urged in terms so various against the British Navigation Laws, but shall content ourselves with referring to the remark in the Quebec Board of Trade's Report that we can build vessels cheaper than they can be constructed in Great Britain or the United States. We admit such to be the case, and we ask what reason then for protection to our shipowners? What have they to apprehend from competition with foreigners?

Again, the Quebec Board of Trade account for the comparative cheapness of freights from New York to Britain by the fact that the amount of freight from Britain is so great as to make the outward trip the most profitable part of the voyage, and consequently the return freight can be afforded to be taken low; whereas to Canada, the greater part of the vessels coming out in ballast, the return voyage is the principal source of profit to the