

for his surplus produce. But the Canadian farmer is advancing from year to year in capital and in science; and, to say nothing of the great advantages he cannot fail to derive from improved communications, it would surely be rash to assert, nor probably do the Assembly in their address intend to imply, that his industry must be paralysed unless he shall continue to receive the precise amount of average payment for his grain that he has hitherto received for it. Doubtless the alarm which has been excited has reference to the idea of some sudden, great and permanent reduction of price, to follow the repeal of the British Corn Law. Without pretending to estimate too nicely the momentary or the occasional effects of that measure, Her Majesty's Government cannot but admit that they could better appreciate at least certain presumptive, though far from demonstrative, grounds for the alarm of the Canadian agriculturist in regard to the future fortunes of the colony if they shared in such an anticipation. To some reduction of average and usual price, from the removal of artificial restraints, they are disposed to look forward; but when they consider the steady and rapid growth of population in the corn-producing countries of the globe, they cannot but be persuaded that it would be unwise, whether in the friends or the opponents of commercial relaxation, to recommend or dissuade it on the ground of any great revolution in permanent prices to be operated by it; and their expectations of advantage, sanguine as these anticipations are, have reference in a greater degree to the increased steadiness of the market, and to the vigour which general trade will derive from the removal of restraints upon the exchange of commodities, and agriculture, from the cessation of all artificial influence disturbing the balance of its several pursuits, and from the wholesome stimulus that competition, which in farming pursuits can scarcely become overwrought, rarely fails to impart to industry.

For Mr. Secretary
Gladstone's Despatch,
18 May, No. 66,
vide Papers, ordered by
the House of Commons
to be printed, 18 May
1846, No. 321, p. 17.

I am unwilling to repeat at length the arguments which I have addressed to your Lordship in my despatch, No. 66, of the 18th May, with respect to the other great subject of the alarm of the Assembly, namely, the trade in lumber. When, however, we revert to the year 1842, it cannot but be acknowledged that this was the case of a trade peculiarly artificial as it stood under the former law. The reduction, though graduated, was decisive; perhaps in no case has it been more so; and certainly in no case have more uniform, confident or sincere prophecies of ruin been hazarded by the opponents of the change. The result is, that the export of timber from British North America to this country attained, during the last year, to a height which it had never reached under the more protective law. I do not mean that the withdrawal of protection was either the exclusive or even the principal direct cause of this prosperity; although there cannot be a doubt that many trades have to refer their vigour to the fact that the absence of artificial support has in their case given free operation to the stimulus necessary for the development of natural and permanent resources. Increased demand in the United Kingdom has, without doubt, been the main and the immediate cause of the increased export of wood from British North America; but it is the conviction of Her Majesty's Government that such increased demand was itself referable in no small degree to the relaxations of our commercial law; and therefore, in its due proportion, the growth of the timber trade is truly and justly, even if circuitously, to be ascribed to that very diminution of protection from which its ruin had been anticipated. We are now to look forward with hope to a further increase of the consuming power of this country; a further encouragement to the use of timber as compared with competing articles capable of being applied to the same purposes; a further encouragement to the use of Canadian timber, in combination with the wood of the Baltic, for those objects in regard to which the consumption of the one directly stimulates the consumption of the other. Is it too much to hope that causes so similar may produce like effects; and that the caution with which Parliament has proceeded in the gradual reduction of the timber duties to a moderate standard may be again rewarded by the satisfaction with which it will witness a further growth in the wood trade of Canada?

Her Majesty's Government, therefore, cannot, on the part of the Imperial Exchequer, share in the fear that increased freedom of trade will have the effect of crippling the revenues of those important public works which are designed to facilitate the transit of the produce of Canada by the St. Lawrence to the sea. They can by no means subscribe to the opinion that the comparative

dearness