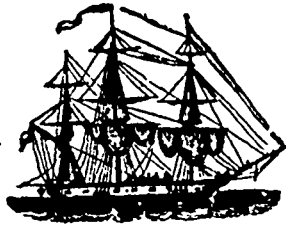


CANADIAN ECONOMIST.



FREE TRADE JOURNAL, AND WEEKLY COMMERCIAL NEWS.

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MONTREAL, SATURDAY, 7TH NOVEMBER, 1846.

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NAVIGATION LAWS.

That the principles of FREE TRADE will ere long be applied to British Shipping, we think few observers of the progress of public opinion in the mother country can entertain a doubt. All those arguments which have been brought to bear on the subject of protection to the Manufacturing and Agricultural interest, will, in like manner, be used for the destruction of the monopoly at present enjoyed by the British ship-owner. A presentiment of what this class considered as the coming evil, operated on their minds in the opposition which they generally gave, during the last session of the Imperial Parliament, to those fiscal measures of the British Premier which, from their evident tendency to increase the commerce of the country, and by consequence the prosperity of the shipping interest, would otherwise have obtained their warmest support.

But the march of every measure of reform in Britain, whether social or commercial, is slow; it is impeded at every step by obstacles interposed by conflicting interests and contending parties, and the goal is only reached after a series of hard-fought engagements. On which side the victory will ultimately fall, we entertain no doubt: the movement of commercial freedom is forward; the principle of British commercial legislation, is progress.

Although, therefore, we entertain no apprehensions as to the ultimate result of the conflict which will ere long occur in the parent state on the subject of the Navigation Laws, we are not equally confident that they will immediately be repealed or materially modified, and as we hold that to us delays, however short, are fraught with the utmost danger to our future commercial prosperity, we have urged and shall continue to urge, by every means in our power, the importance of the question as regards this country, and the necessity for its speedy and satisfactory adjustment. Our statements may be carped and cavilled at, our motives may be misrepresented, our efforts may be derided; but we shall pursue the even tenor of our way, confident in the soundness of our principles, and strong in the rectitude of our intentions.

What we have already asserted in this journal we repeat, that we consider the modification of the British Navigation Laws, and concurrently the opening of the St. Lawrence to foreigners, as the only means by which we can successfully compete with our active and enterprising neighbours in the Western trade. Without these, our canals, constructed at so enormous an outlay, will be idle, and instead of proving, as they ought, a source of revenue, will only continue a heavy drain on the national resources. Who that merely casts a glance over the map of North America, can hesitate to admit that the St. Lawrence is the natural outlet for the produce of the country bordering on the great Upper Lakes? Who but must admit, that it can only be by artificial means that the bulk of that produce can be diverted through the Erie Canal, when our own is completed? Again, looking at the vast extent of territory comprised in what is styled the Western

Country, its rapidly increasing population, and its proportionally extending cultivation, who can doubt that the limited dimensions of the Erie Canal, and the numerous transshipments in its passage, make it altogether insufficient for the transport of the surplus produce? These circumstances, if we properly avail ourselves of them, will give us the advantage in the race of commercial rivalry: but if we, either from supineness or any other cause, fail to exert our utmost vigour, we shall indubitably be left behind. In plain terms, our only chance of commercial advancement is to be found in inducing the American to use our waters for both the export and import of merchandise, in preference to his own: and every impediment in the way, every obstacle tending to counteract so desirable a result, is *pro tanto* injurious to our commerce.

Assuming, what we believe no one will deny, the advantages which the St. Lawrence possesses over the Erie Canal, can there be a doubt that, if free to use the former, the American merchant in the Western States will do so to a great extent, and that if our tolls be graduated on such a scale as to encourage, and not to check, the traffic on our canals, a large revenue may be derived from them? We know that the Erie Canal at present produces a revenue of upwards of £600,000 currency, and why should it be considered too sanguine to predict, that if a new system be adopted in this colony, taking into account the vast increase in population and produce in the Western Country, there may in a few years be an equal amount of revenue derived from the St. Lawrence Canals? If foreigners, however, are to be debarred from the free navigation of our waters, such a consummation can never be effected.

In every point of view that we consider the restrictions imposed on foreigners navigating the St. Lawrence, our policy appears short-sighted, nay, suicidal. Foreign vessels can legally navigate the St. Lawrence from Lake Ontario as low as Montreal, but when there, their cargoes must be transhipped in British bottoms to Quebec, where again they may be transhipped into foreign vessels, if for a foreign port. The unnecessary expense of these transshipments is apparently incurred for the sole purpose of giving to British vessels the transport between Montreal and Quebec. If the produce be intended for a British port, this sealing up of a part of the route of course secures to the British vessel the whole of the carriage from Montreal to a British port; and this may be supposed to be the reason, and at first view it appears a sufficient one, for the law as it stands. The practical result, however, is widely different, since it takes away the advantage which the St. Lawrence Canal has over the Erie Canal, that of the avoidance of transshipments, and the foreigner of course will naturally avail himself of the route through his own territory to a shipping port, where, encumbered with no restrictions, he is free to avail himself of the vessels of that nation which will carry his produce the cheapest. Thus we sacrifice our revenue from tolls without obtaining an equivalent in the increased employment of British shipping.

Again, consider the foreign merchant of the Western Country as an importer, either from Britain or any foreign country, in any vessels other than British: he is altogether precluded from the use of the River St. Lawrence below Quebec, and driven to the Erie Canal. Here again a large revenue which might be obtained for the country is sacrificed.

We shall not attempt to estimate the precise amount of loss which these impediments to the Free Navigation of the St. Lawrence, if maintained, will entail on the country. On such a point there would probably be a wide difference of opinion. We would, however, again direct the attention of our readers to the immense revenue derived from the Erie Canal at present, and to the advantages which the St. Lawrence Canal possesses over it: and we think they will agree with us that the rendering available those advantages is not one of the least important of the duties of our rulers at the present juncture. We know there are parties in this country who have designated the public works on the St. Lawrence as a mere job, and who entertain the opinion that they will never become a source of revenue, or even pay the interest of the debt incurred in their construction. In such opinions we have never joined. Although we believe that large sums of