

places of entry which may be appointed in the provinces of America for the entry of goods brought or imported by land or inland navigation.

That the 34th section of the same Act enacts, that the duties of Customs imposed by that Act shall be levied upon goods brought by land or inland navigation into Canada, in the same manner as upon goods imported by sea; and by the 36th section, Kingston and Montreal in the Canadas were declared to be warehousing ports for goods brought by land or by inland navigation, or imported in British ships.

Under the operation, therefore, of these several enactments, we apprehend that there would be no legal impediment (assuming that the local difficulties which now prevent a direct and uninterrupted communication by water between Kingston and Montreal were totally removed by the works at present in progress for improving the navigation of the St. Lawrence) to British vessels, or those belonging to the United States, proceeding direct to Montreal, either for the purpose of delivering their cargoes for consumption on payment of the proper duties, or being warehoused under the provisions of the Act 3 & 4 Will. 4, c. 59, hereinbefore referred to; but we would submit that such cargoes could only be exported by sea in British ships, and that it would not be lawful to export them in American bottoms, inasmuch as Montreal has only been declared a port of entry for British vessels by sea, and has never been constituted a free port for the purposes mentioned in the Act 3 & 4 Will. 4. c. 59; the 2d section of which Act expressly enacts, that no goods shall be imported or exported from any of the British possessions in America by sea from or to any place other than the United Kingdom, or some other of such possessions, except into or from the several ports in such possessions called "free ports," as enumerated in the Table annexed to that Act. With reference to that part of the annexed despatch of the Governor of Canada, as well as the memorial of the Board of Trade at Montreal, wherein it is urged as a ground for constituting Montreal a free port, that Kingston, Toronto and Hamilton have been recently erected into free ports, we have to state that some misapprehension would appear to exist, upon the part of his Excellency and the Board of Trade, on the subject. Kingston is situated at the eastern extremity of Lake Ontario, and distant 190 miles from Montreal, and consequently 370 miles from the sea at Quebec, and has never been constituted a free port, but has merely been constituted a warehousing port, as already observed, under the provisions of the 36th section of the Act of 3 & 4 Will. 4, c. 59, for the warehousing of goods brought by land or inland navigation; and with respect to Toronto situated at the western extremity of Lake Ontario, and Hamilton situated at the head of that lake, and distant 40 miles from Toronto, we would refer your Lordships to our reports of the 1st of December 1841, No. 1576, and 8th of March 1842, No. 336, upon various communications which your Lordships had been pleased to refer to us from Her Majesty's Principal Secretary of State for the Colonies, wherein we recommended, with the view of enabling parties to send their goods in bond from Montreal to Toronto and Hamilton, that those places should be placed upon the same footing as Kingston, and declared warehousing ports for the warehousing of goods brought by land or inland navigation; and your Lordships having been pleased to approve of our proposition, Toronto and Hamilton were declared by Her Majesty's Order in Council of the 3d of June 1842, to be warehousing ports accordingly.

Having now offered such observations upon the annexed papers as appeared to us to be necessary for the consideration of your Lordships, it may be proper, in conclusion, shortly to observe, that under the several laws and regulations hereinbefore adverted to, it is competent for the merchants of Montreal to import from sea in British ships into that port any description of goods from any part of the world, and in like manner to export goods in British ships; and that whilst the foreign ship is restricted from proceeding up the River St. Lawrence beyond Quebec, there would be no objection to vessels and craft belonging to the United States of America proceeding from the ports situated on the United States side of the Lakes Erie and Ontario to Montreal for the purpose of delivering their cargoes at that port for consumption, or for exportation in British ships.

But how far it may be considered expedient, under all the circumstances before adverted to, to constitute Montreal a free port, in the most unrestricted sense, for all the purposes mentioned in the Act of the 3 & 4 Will. 4, c. 59, and thus throw open not only to the vessels belonging to the United States which are at present employed in navigating the lakes and internal waters of Canada, but also to the shipping belonging to the sea-ports of that country, the unlimited right of navigating the St. Lawrence from the port of Quebec to the junction of that river with Lake Ontario, a distance of 370 miles, and passing, it is to be observed, in its course between these two points for 250 miles entirely through the British territories, are questions of serious political importance, and the same would therefore appear to be more immediately for the consideration of Her Majesty's Government, and for such directions as they may see fit to give thereon.

(Signed)

R. B. DEANE.
W. CUST.
E. STEWART.
C. C. SMITH.

Custom-house, 17th June 1843.