

of adopting one or all of these proposed alterations is the first and most important point for consideration.—When as at present a large debt has been contracted in furtherance of public works, and an earnest desire is manifested for engaging in many new schemes of improvement, which, if entered upon, could not fail to add considerably to the public burdens, the necessity of protecting and, if possible, of augmenting the Revenue, is not to be questioned.

The second consideration, perhaps, is the effect which such alterations might have on the trade of the Provinces.

Now the abolition of the colonial duty of 2d per lb on Coffee might be advisable, provided that the importation of that article by the Saint Lawrence could be thereby materially encouraged and augmented, but of the probability of such a result reasonable doubts may be entertained. The importation into each Province from the United States seems to be nearly equal.

The Colonial duty on Molasses is five pence currency per gallon. The Returns shew that the abolition of this duty on the ground of its being prejudicial to Trade, would not be likely to have any important effect on the Revenue. The loss would not under any circumstances exceed £1000 a year. Similar results would not however accompany the proposed reduction in the duties on refined and Muscovado Sugars, which at present contribute largely to the Revenue. The competition in this branch of trade, to be anticipated on the side of the United States, does not wear an aspect so formidable as to justify the great sacrifice to which such a reduction as the Committee suggest, would subject the Public Treasury.

The repeal of the duty on Salt, viz: 4d per minot, might perhaps add somewhat to the more extended introduction of that article from Montreal into the Lower Districts of the Province. The annexed return marked R. shews how small a proportion of Sea imported Salt is at present brought up the River. Whether in the existing condition of the Provincial Finances and the prospective state of the consumption of dutiable articles generally, it is expedient to sacrifice any part of the productive tax on American Salt now levied in Upper Canada, by encouraging the increased importation of Salt from Lower Canada, may be found to merit careful inquiry.

The duties on Tea form a valuable branch of the Common Revenue of the Provinces, hyson being subject to the payment of 6d. per lb. Bohea 2d. and all other kinds 4d. Some change in these duties seems indeed to have become desirable, and the loss which their reduction might entail in point of Revenue, could be cheerfully borne if it were safe to believe that it would be accompanied by the removal of the present strong inducements to pursue that illicit trade in Tea, which there is just cause to apprehend that many persons in both Provinces have been largely concerned in, since congress changed its policy on this subject and admitted the free importation of Tea into the United States from the East. It is not, I think, probable that the measure proposed by the Quebec Committee of Trade, viz: taking off the whole duty on Tea, would put an end to smuggling; and if the illicit introduction of American Tea cannot be effectually restrained, even by so great a sacrifice, as the abandonment of the entire duties on the article imported by the St. Lawrence, it becomes a question in all respects worthy of consideration in the proper quarter whether for the protection of morals, it might not be sound policy to sanction the introduction of tea from the United States for consumption in both provinces, imposing on it a small duty, double in amount that which might be levied a four Sea ports, yet not sufficient to hold out any inducement to the dealer to incur the risk of smuggling—say a penny or a half-penny per pound.

In order to form a better estimate of the annual consumption of tea in the Canadas, than could be founded on the returns of importations by ships arriving at uncertain periods in Lower Canada, I obtained from the agents of the Honorable the East India Company, at Montreal, the statement marked W. This paper embraces a period antecedent to the establishment of the free trade in Tea, and shews that the average of the annual consumption of that commodity legally imported into the Provinces for the years 1831, 1832, 1833 and 1834, was nearly 900,000 pounds. It was my intention to pursue this investigation by ascertaining the quantities of Tea forwarded within the same period into this Province by the houses concerned in the carrying trade, but I found that I could not by such a method arrive at a satisfactory result, because the shipping books did not sufficiently distinguish the various packages included in the several weighings.

Had I attempted to form an estimate of the Teas and other articles of merchandise forwarded within the period above mentioned, in the manner pursued by the late Honorable Mr. Clark in the year 1821, the undertaking would have been not less laborious than unavailing, for besides fifty mercantile houses at Montreal, now extensively concerned in the trade with Upper Canada, which fifteen years since was engrossed by some ten or twelve, there are many smaller establishments at which the purchases, in the way of business, and for private use, could never be traced.

Should it be determined on to effect any modifications in the Tariff of duties of the character noticed in the preceding remarks, by which the annual amount of that revenue, which forms the common fund of the two Provinces, would be materially diminished, it would be further requisite to consider by what augmentation of the ad valorem duties, or by what new specific duties, the deficiency might be supplied. But on this point I shall not dwell, for Your Excellency may perhaps conceive that I have already overstepped the strict line of duty prescribed by the commission with which I have been honoured. My only apology for this is the strong desire which I felt while in Lower Canada, to collect as much information as lay with-