

duty free, for exportation to the British West Indies. The Monopoly is all in favour of England and the United States.

By an Act of Congress passed in July 1832, wheat, wheat flour, beef and pork, ashes, and all other articles the staple produce of the Canadas, are subject to a tax of £15 on every £100 value, if imported into any port of the United States; Congress choosing to levy duties for the purpose of Revenue rather than those foreign articles of which the United States produce an abundance, than on articles of necessity which come not in competition with the industry of their citizens. Adhering to this principle, the same Act authorises the importation into the ports of the Union, free from duty of Tea, Coffee, Pepper, Ginger, Mace, Nutmegs, Currants, Raisins, Camphor, Flax, Tin in plates and sheets, Drugs, Dyewoods, Grapes, &c. and the consequence is, that Tea and such other articles of general use are cheaper beyond the lines than in this colony are in many instances imported clandestinely by a population who never assented to the legislative Act whereby tea was prohibited to be bought at the cheapest market.

We are necessarily confined to the markets of the United Kingdom and the Colonies as the markets for our produce, for were we to attempt to extend our trade with other countries, the protecting duties imposed by England, in favour of her own merchandize would prevent the importation of foreign goods in exchange.

In the documents appended to this Report, your Committee have taken considerable pains to show the actual state of the trade in Canada, the extent of the tariffs and prohibitions, and protections here referred to, and the arguments adduced in behalf of their respective theories by these in America and in England who advocate the doctrines of free trade, as well as those who give a preference to the Colonial system; with its chain of monopolies, reference has been had to legislative proceedings, and official accounts made up in the Colonies. Great Britain and the United States, in order that parties interested might, by having placed before them a collection of facts bearing on the important questions before your committee be able to arrive at just conclusions.

But although a depression of prices and restrictions which injuriously affect our commerce, are perhaps the more immediate causes of the agricultural embarrassment which now prevails and which is bringing many persons within the vortex of a tedious, costly, and ruinous series of lawsuits, with very little hope of being able to extricate themselves from the meshes of the Courts of Civil jurisdiction, there are other causes of commercial and agricultural distress equally deserving the notice of the Legislature, and perhaps more fully within its power to remedy.

Unless the taxes and rates which are raised from the people are laid out with care and prudence for their benefit, that advantage which good government would confer, is not shared by the community. In Upper Canada a large sum is annually raised by District rates, fees, assessments on uncultivated lands, and other local taxation, which is not well accounted for, and in many instances not judiciously expended. Again—the proceeds of the sales of the Clergy Reserves paid into the Military chest, and incorporated with the finances of Great Britain, serve to impoverish the farming classes here—If one farmer sell land to another, the parties being both resident among us, the public wealth receives no diminution, but the proceeds of the sales of Clergy Reserves are very unjustly taken out of the country altogether, while the clergy of a few are thrown upon the whole population and a large sum annually illegally applied to their maintenance.

Another injurious and unconstitutional scheme whereby a vast sum is annually drawn from the labor of the hardworking farmer, is the Canada Company, an association of European mercantile speculators in those waste lands of the Colony to which the industry of the settled population had given value, but which had been constantly refused when they applied to the local authorities as intending purchasers. We are of opinion that this monopoly is one of the greatest drawbacks upon the agricultural and commercial prosperity of the colony—that its formation was an act of injustice and oppression and that every possible legal effort should be made to root it out of the country.

Our commercial prosperity is retarded, and emigrants of wealth, talent and enterprise induced to avoid our shores, by the knowledge they have, that men in whom the public would have confidence cannot and will not be placed in those situations of power and trust where they might check misrule, and punish the authors of it. Unless the Legislature is enabled to assume the control of the whole public revenue, from whatever source derived, and unless the nature of the government is such that all public officers can be made accountable on this side the Atlantic for their official conduct, those principles of economy and retrenchment, on the operation of which the whole

fabric of domestic prosperity and successful competition in foreign commerce would safely rest, cannot possibly prevail. There is no question but that under a better order of things, the expenses of our canals and public undertakings, and of the government itself, would be greatly diminished; the difference would go back among the agriculturists to encourage them to new exertions; and our public debt like that of Lower Canada and the United States, would be annihilated.

The Legislative Council of this colony have greatly augmented the difficulties with which the British and Colonial Governments have to contend, by the obstinacy with which they have thrice refused to agree to the proposals first made by Lower Canada under the Government of Sir James Kempt, that commissioners should be appointed on the part of Upper Canada to meet commissioners who had been appointed by law in Lower Canada to consult on the state of trade, and other matters of mutual interest in both colonies. There was a bill sent up by the Assembly in different sessions and different Parliaments, word for word with that which had received the Royal Assent in the sister colony, but the council would pass no bill whatever unless it contained a clause that (while the Assembly had nominated commissioners in Lower Canada) the Lieutenant Governor should select the commissioners here. Had the bill passed into a law, the joint deliberation of commissioners possessing the confidence of the two Canadas would have most probably resulted in the recommendation of measures to the British and Canadian Legislatures of great importance to commercial welfare. As it is, the country remains comparatively poor, and the land owners whether resident or non-resident suffer severely.

Having called the attention of the House to some of the causes of the distress complained of by the farmers, your committee proceed respectfully to submit to its consideration some practical measures for their relief.

Until England shall give to her colonists a monopoly in her markets, she cannot be held entitled to a monopoly of ours. If she resorts to the United States for those articles she finds to be cheapest there, why not we do so also?

Our consumption of foreign and British Colonial merchandize is far greater in proportion to our population than of those northern States of the union whom she admits to equal advantages with us in her markets. Compare the duties imposed on British plantation rum, raw and refined sugars, woollens, cottons, silks, hardware, cutlery, &c. in the ports of Boston, New York, Buffalo or Oswego, with the charges levied on their importations at Quebec and Montreal—they are in some cases four-fold—in very many instances ten-fold greater in the former.

In what do we receive an equivalent? We receive none.

Your Committee submit a Resolution which is in substance and effect to follow the example set us by Great Britain, and to allow the distressed agriculturists of this colony to buy in the Markets of the union, free of duty, those articles which do not come in competition with their industry, are of immediate necessity, and cheaper than in Montreal.

To repeal so much of the Imperial Act of 1833, would perhaps be the most direct way of attaining this object, but to this course some may entertain objections. That we have the power, however to appropriate the monies raised in taxation is not doubted—it is a trust reposed in us to apply the public revenue in the way that would be most conducive to the general welfare. The resolutions reported herewith embody the opinions of your committee on this subject.

The article of salt is manufactured in small quantities in the province, but the chief supplies are from Onondaga—a bounty is granted on the exportation of this necessary article by New York State, and your committee submit resolutions for the repeal of the provincial Act under which salt is taxed, and the Farmers on this side the great Lakes obliged to compete, on unequal terms, in Montreal and Quebec with their brethren across the lines, whose salted beef and pork enter these markets duty free.

Another means whereby the payment of the debt due by Canada might be ensured, is the taxing of the stock of joint stock banks. It is evident that these institutions are making great annual profits in the midst of the general distress, and it appears unjust to allow capital invested in the transient concerns of banking, to augment, without contributing to the expense of the government which protects its operations, while the houses and lands and cattle of the agriculturist, and even his salt, are taxed.

The advantages that would be conferred by the adoption of the course suggested by your committee, on the families settled in this province and employed in agriculture are plain and obvious. They would be enabled to purchase much cheaper than they do now, those articles of comfort and necessity which few families can do without—it would be as if two rival stores had been opened in a township where there was but one before. After carefully considering the con-

sumption of the articles proposed to be admitted free of duty, your committee estimated that £5 to £20 would be saved yearly to a large number of the families in this province by following the example of England, and buying in the cheapest market. The Lower Province would scarcely complain of an experiment intended to relieve Upper Canada, and to enable her population to increase those surplus products, the outlet for which is the St. Lawrence, or if she did complain, the remedy would be for her to follow our example, and take off the duties on the same articles whether imported from England, the West India Colonies or the United States. It cannot be shown that British commerce would suffer by such a course of Legislation.

Another remedial measure would be the passage of a law for raising a revenue by imposing moderate duties on imports from the United States, of Flour, Wheat, Ashes, Pork, Beef, live Stock, Lumber, Horses and such other articles as come directly into competition with the staple products of this Colony, said duties to continue at least until Congress shall remove the restrictions which have hitherto prevented the exportation to the United States, of Canadian Wheat, Flour, Provisions, Lumber, &c. when that country would have afforded the best market for these articles. The sum likely to accrue from the passage of such a law, would in part prevent that decrease of Revenue which by some might be brought forward as an objection to the proposition of the removal of certain other duties which ingeniously affect the colonists. The question of the expediency of raising a Revenue from United States imports of Wheat, Flour, Live Stock, &c. has however been referred to the consideration of another committee.

The system of bonding Merchandize, and making up assorted cargoes of foreign and domestic goods duty free, for foreign countries, if it were permitted at Quebec and Montreal to the same extent and in the same way which it is authorised at New York and Boston, would greatly increase the trade of these parts, and add to the commercial prosperity of both Canadas.

The cost of collecting the duties levied on imports from the United States is unreasonably high; the system under which £100 can be retained for collecting another £100, being united to the powers vested in the Government to increase the number of collectors and ports of entry at pleasure, requires revision—From the official returns to the House it appears that twenty collectors of customs collected last year £2117, and kept back £1039 out of it for their trouble.

The appointment, by resolution, of three members of this House to proceed to Montreal after the session has closed, and confer with any three members whom the House of Assembly of Lower Canada may, in like manner, appoint to consult on matters of trade and other matters of mutual importance to both Provinces would be a very useful measure.

Although more than a million sterling had been expended in the construction of an uninterrupted inland navigation by the way of the Rideau between this Province and the port of Montreal, it was the opinion of the House of Assembly that another route had already become necessary: and at great expense and with borrowed pounds the Province has commenced the improvement of the navigation of the St. Lawrence upon a very extensive scale. A Steam Boat Canal 100 feet wide at the bottom, 200 at the surface, and 6 feet deep with locks 200 feet in length, and 50 feet in width is in progress, eleven miles are under contract—upwards of £30,000 have been expended, but no part is finished.

If this Canal shall be completed on the scale on which it was begun, it will involve Upper Canada far deeper in debt although the advantages will be shared by the Sister Colony, and especially by her grand commercial emporiums Quebec & Montreal. Lower Canada has contributed a very small part of the expenditure of the canal navigation of this colony, although she is entirely out of debt, and possessed of a vast and greatly increasing revenue. The commissioners whose appointment has been suggested, might do much towards bringing about a better understanding between the two Provinces in matters of this kind.

Another means of alleviating the existing distress is already adopted by the House, in the disposition its votes have sanctioned of the proceeds of the Clergy Reserves.

The extension of the trade of a country is not a true test of its happiness. Britain has a foreign commerce greater than any other nation, yet, owing to a long continuance of bad government and oppressive taxation millions of her population are in poverty and want—Ireland exports immense quantities of her products, yet is she grievously impoverished, and coercion bills and thirty thousand armed men are found necessary to prevent her population from raising against the authorities even in a time of profound peace. The documents appended show that one of the chief causes of that commercial and agricultural distress by which the British West Indies have so severely suffered can be