

to have the assurance that this protection is merely nominal for any beneficial purpose, and to know that to Canada its effects is found already to be practically and extensively mischievous. If the trade is to continue to be drawn from Canadian waters to the canals and ports of the United States, British shipowners will have to compete with foreigners in the ports of that country; if they can do this successfully there, they can do so in the Canadian ports; if not, it is evident that under present circumstances the trade of Canada cannot afford to maintain a monopoly produced by law; and if the supposed protection is only to operate to the desertion of the cities and sea-ports of this country, without serving the interests of the shipowners of England, it is hoped that the useless restrictions, so irreconcilable with the withdrawal of protective duties in favour of Canadian produce, will be at once removed.

That a great portion of the exportable produce of Western Canada, probably by far the greater part, is at this moment on its way to the ports of the United States; that little is expected in Montreal; that the canals constructed on the St. Lawrence are almost idle; that the importing ships coming to Montreal this season are without their usual full freights; that the principal importations into Western Canada are now through the United States; that the trade of the city of Montreal is, in consequence, rapidly decreasing, notwithstanding a rapid increase in the consumption and importation into Canada of the articles formerly imported altogether through that port; and that the opening of the Canadian sea-ports to the vessels of all nations, permitting the produce of the colony to be sent to the United Kingdom in these vessels without distinction, and the permitting the use of the River St. Lawrence above Quebec to Americans, would probably not only restore trade to its original channel, but cause an increase in the commerce and revenues of Canada beyond former precedent,—are facts which the Executive Council of Canada wish to present to the consideration of Her Majesty's Ministers, in the hope of strengthening their hands in bringing about the expected changes. The Committee of Council beg to be understood as not recommending to Her Majesty's Government changes in the law relating to the navigation of the River St. Lawrence above Quebec, which would give any right to foreigners to the use of the waters of Canada, but rather that Her Majesty's Government may obtain from Parliament the power of negotiating from time to time on the subject, and of making the use of the navigation a matter of treaty and regulation; preserving the sovereignty of the territory and the power to resume its exclusive use at the conclusion of any agreement, and the power of putting an end to any agreement on the subject upon convenient notice perfectly unimpaired.

The Committee, in coming to these conclusions on the present comparison of advantages between the means of transit from the interior of this continent to Europe, have not thought it necessary to prepare more elaborate statistical details. The average rates of transport and freight have been furnished by Mr. William Bristow, a merchant of this city, a gentleman of great intelligence, and well acquainted with the subject; his views may be said to represent fairly those of the mercantile body of Canada generally. The Committee have endeavoured in this Minute to embody the opinions entertained in this country, in which they concur, in the confidence that Her Majesty's Government only desire to know what is for the benefit of the colony, as a sufficient ground for any reasonable concession which may be claimed by Her Majesty's subjects here; a confidence which it is their dutiful endeavour to preserve as widely prevailing throughout America as Her Majesty's dominion happily extends.

Your Excellency will perceive, that in mentioning the export trade of Canada, the Committee have not included the timber exportation, as that trade, though extensive, is neither materially affected, nor does it materially influence the commerce thought to depend upon the proposed ameliorations; under any circumstances, the Committee suppose the great export of timber from Quebec will probably be carried on in British ships specially employed in that branch of trade. In the way of furnishing ships, which would produce competition in freights outward from Canada, the timber trade has hitherto only provided upon emergency vessels not employed in the import trade, and not fit for any export but that of timber, and this often at exorbitant rates, consequent upon change of purpose in their voyages; these voyages being, from the character of the ships, in almost all cases single; that is to say, the vessels coming out in ballast, and bearing the whole expense of the outward voyage upon the freight to the ports in the United Kingdom which these ships are intended to supply with Canadian timber.

(signed) *J. Leslie, P. C.*

MEMORANDUM.

THE Inspector-general respectfully submits to the Governor-general, that it is advisable that his Excellency should communicate with Her Majesty's Government on the subject of reciprocal free trade between Canada and the United States of America. The Imperial Parliament has adopted the principle of free trade in corn and other products of the soil; the effect of this policy will be, that in future the manufacturing districts in the Eastern States of the American Union will frequently be the best market for the agricultural products of Canada. It cannot be desired by any friend to British connexion, that the Canadian people should find themselves excluded from the best market for their products, by the operation of high if not prohibitory duties. There is good reason to believe that some influential American statesmen are strongly in favour of admitting the products of the