

CANADA.

With respect to the first question, we would request your Lordships attention to our report of the 23d June 1840, No. 931, upon a memorial to the same effect from the Board of Trade at Montreal, addressed to Her Majesty's Principal Secretary of State for the Colonies, and which your Lordships referred to us, and in which report, after adverting to the state of the laws as applicable to the free port system in Canada, we submitted how far your Lordships might see fit to depart from the principle which had been laid down by Her Majesty's Government, that it would not be expedient to constitute a place situated like Montreal, up a great navigable river in the interior of the country at a considerable distance from the sea, a free port, for the purposes mentioned in the Act 3 & 4 Will. 4, c. 59, s. 2, a measure which, we observed, would, in the particular instance of Montreal, have the effect of throwing open the navigation of the River St. Lawrence to vessels belonging to the United States and other foreign countries as far as Montreal, which place is distant from and situated 180 miles above Quebec.

As bearing upon the general question as to the expediency of permitting foreign vessels to proceed from sea into the interior waters of the British North American provinces, we would also bespeak your Lordships attention to our memorial of 22d October 1842, No. 1447, in consequence of a claim which had been preferred by certain citizens of the United States to navigate the American steam-vessel "Huntress" up the River St. John's, New Brunswick, to Fredericton, the capital of the province situate in the interior of the country, at a distance of about 90 miles from the free port of St. John's, for the purpose of embarking passengers and luggage for the United States and the intermediate ports; and in bringing that claim under your Lordships consideration we endeavoured to point out what had been your Lordships policy, under circumstances of an analogous nature, in regulating the navigation of the River St. Lawrence, and restricting foreign ships from proceeding beyond the port of Quebec.

That in reply to that communication, your Lordships were pleased, by Mr. Trevelyan's letter of the 25th November 1842, to transmit to us a copy of one from Mr. Lefevre, signifying the concurrence of the Lords of the Committee of Privy Council for Trade (for whose consideration you had been pleased to cause our memorial to be transmitted), in the view which we have taken of the question, and that in the opinion of their Lordships, inasmuch as Fredericton is situated in the interior of New Brunswick, 90 miles from the sea, up the River St. John's, which river, in that part of its course, falls entirely within the British territories, the collector of this revenue at St. John's would not have been justified in granting a clearance for the American steam-vessel "Huntress" to proceed even in ballast to Fredericton, for the purpose of embarking passengers. It also appeared, from Mr. Lefevre's letter, to be their Lordships opinion, that if the application for the clearance had been made after the date of the late treaty of Washington, between this country and the United States, yet inasmuch as the voyage of the steamer had no reference to the object in respect of which the limited right of navigation of the River St. John's (which it is to be observed is restricted to conveying the produce of the United States down that river, and not up it) had been granted by the third section of that treaty, it would still have been improper for the Customs officers to have granted the clearance applied for. The above reasoning applies, as we apprehend, with equal force to the navigation of the River St. Lawrence from Quebec to Montreal, to which latter place that river passes entirely through the British territories, and it is not until it passes a distance of about 80 miles beyond Montreal that it becomes the frontier line between the United States of America and Canada.

With reference, therefore, to the foregoing circumstances, and to the peculiar position of Montreal situated in the interior of Canada, it becomes a question of political as well as of fiscal consideration, how far Her Majesty's Government would deem it expedient to depart from the principle which has invariably governed upon all applications which have hitherto been addressed to them, having for their object the constituting Montreal a free port for general purposes, a measure which, however beneficial and advantageous it might be to the shipping of the United States, could not but prove injurious and detrimental to the interests of the British and colonial ship-owner as well as to the native craft of Canada.

With respect to the second question, viz., as to the expediency of constituting Montreal a free warehousing port for the warehousing of goods brought by land or inland navigation from the ports and towns of the United States situated on the frontier or on the Lakes Erie or Ontario, we have to state, that by the 31st section of the Act 3 & 4 Will. 4, c. 59, after declaring that it is expedient to make regulation respecting the inland trade of the British possessions in America, it is enacted, "that it shall be lawful to bring or import by land, or by inland navigation, into any of the British possessions in America from any adjoining foreign country, any goods which might lawfully be imported by sea into such possession from such country, and so to bring or import such goods in the vessels, boats, or carriages of such country as well as in British vessels, boats, or carriages."

That by the 32d section of the same Act, it is declared what vessels shall be deemed to be British vessels on the lakes of America; and by the 33d section, it is enacted, that it shall not be lawful so to bring or import any goods, except into some port or place of entry at which a custom-house may have been established; and by the same section, power is given to the Governor of Canada to diminish or increase, by proclamation, the number of places