

England. In referring to unchecked competition which, so far as British law is concerned, will be established between colonial and foreign corn by the repeal of the corn law, it perhaps may not have occurred to the Assembly that British law alone cannot suffice to establish this competition. The price which the colonial and foreign exporters of corn respectively will obtain for their grain in Great Britain must always be materially affected by the comparative degrees of facility which may be afforded in the country of the one and of the other for the introduction of those British goods by which payment for the corn must substantially be made. British goods are admitted into Canada at very low, into the American Union at very high, import duties. The effect of this is not merely to give to the British exporter a better position in the Canadian market than in that of the United States, but to enable him to give a better price for the commodity he purchases in return, and therefore to give to the corn trade of Canada a corresponding advantage, so long as the present tariffs continue, over that of the United States.

"With respect to that portion of the Address which prays her Majesty to invite the Government of the United States to establish an equality of trade between the dominions of the republic and the British North American colonies, I am commanded to instruct your Lordship to assure the Assembly that her Majesty will readily cause directions to be given to her Minister at Washington to avail himself of the earliest suitable opportunity to press this important subject on the notice of that Government, and it will afford her Majesty the most sincere satisfaction if any communication which may hereafter be held for this purpose shall have the effect which is desired by her faithful Commons of Canada.

"Her Majesty's Government have, as may be known to the Assembly, on several occasions endeavoured to make arrangements with foreign powers for the mutual relaxation of tariffs; and similar attempts have taken place among foreign powers, one with the other, but almost uniformly with ill success. Whatever arguments may be used to show the great increase of benefit that would accrue on both sides if states could have been induced to act simultaneously for this purpose, experience has sufficiently shown the difficulty of effecting those combined operations upon matters which are properly of domestic concern, and has suggested the wisdom of securing the incomplete advantage which depends upon our own free agency alone, rather than of foregoing it, in the vain endeavour to realize benefits larger indeed, but not within our reach. Should the Government of the United States continue to maintain the scale of import duties now in force upon its frontier, her Majesty's Government will view with regret a policy injurious to Canada, but they will reflect with satisfaction on the prevalence of laws more favourable to commerce on the Canadian side, and will anticipate from those laws both a direct benefit to the people and trade of the province, and the further advantage which a consistent example given by this country and by its colonies will, as they believe, not fail to realize in disposing foreign states towards the removal of restrictions on trade.

"With respect to that part of the Address which relates to the duty of 1s. per quarter, which it is proposed to charge on all wheat imported into England after the repeal of the corn law, I am to refer your Lordship to my despatch No. 59, of the 18th of April, on the same subject. From the purport of that despatch it would, of course, be even more difficult to recede at a period when the bill introduced into the House of Commons by the advisers of the Crown has passed through all its stages in that house, and has been affirmed, as to its principle, on the second reading by the House of Lords.

"It is necessary for me here to offer an explanation with regard to an expression of mine, which appears to have given rise to misapprehension. I have stated to your Lordship, in a previous despatch, that her Majesty's Government desire that the trade of Canada should, in all respects, approach as near to perfect freedom as the dispositions of its inhabitants and the exigencies of the public revenue there may permit, and from this it is inferred, that the amount of 1s. per quarter which has been adopted for a long period in this country as the standard of a nominal duty upon corn, ought to be removed. But the language which I employed had reference to the trade of Canada as affected by laws applicable in her own markets and on her own waters. Indeed, if the allusion had been to a rigid and perfect equality of trade in the ports and markets of this country, its first and most important bearing would, I apprehend, have been, not upon the nominal duty of 1s., which it is proposed to retain upon colonial in common with foreign corn, but rather upon the very considerable duties of 15s. and 12s. respectively, which, as against nominal duties of 1s. and 2s. on Canadian timber and deer, it is proposed to continue to charge on the corresponding foreign articles.

"Her Majesty's Government, in the discharge of their duty to the Crown and to the people of this country, and likewise to the empire at large, have not felt themselves to be at liberty to advise her Majesty to pass by the Address of her Canadian Assembly with a brief or merely formal answer, notwithstanding the advanced stage at which the deliberations of Parliament have now arrived might have afforded at least a technical justification for such a course. They have thought a more frank and full exposition of their views of this great question in its bearings upon Canada was due to the important body from which the Address proceeds, and from which they are well assured may be anticipated the most candid consideration even of arguments opposed to their own. It is due especially on account of the importance of that body and of the Province of Canada; but, even in the case of the smallest portion of her subjects, I have it in command to say that it would equally have been the desire of her Majesty that such a frank exposition of the policy of her Government should be made. Her Majesty does not recognise the distinction between her nearer and her more remote subjects with reference to a matter so nearly touching her relation towards them, and the duties and the sentiments of consideration and affection which it involves. Nor can she recognize in this view any distinction between the more and the less powerful, particularly at a time when her Parliament is engaged in the discussion of measures which are recommended to its notice especially upon the ground that they tend to improve the condition of the most numerous and the least opulent classes of her people.

"It would indeed be a source of the greatest pain to her Majesty's Government if they could share in the impression that the connexion between this country and Canada derived its vitality from no other source than from the exchange of commercial preferences. If it were so, it might appear to be a relation consisting in the exchange, not of benefits, but of burdens; if it were so, it would suggest the idea that the connexion itself had reached, or was about to reach, the legitimate term of its existence. But her Majesty's Government still augur for it a longer duration, founded upon a larger and firmer basis—upon protection rendered from the one side, and allegiance firmly and loyally returned from the other—upon common traditions of the past, and hopes of the future—upon resemblances in origin, in laws, and in manners—in what inwardly binds men and communities of men together, as well as in the close association of those material interests which, as her Majesty's Government are convinced, are destined, not to recede, but to advance, not to be severed, but to be more closely and healthfully combined under the quickening influences of increased commercial freedom.

"I have, &c.

"W. E. GLADSTONE."

Public Works.—In our number of 30th May last, we deemed it necessary to comment on the supineness with which the works at the entrance lock into the canal at this place and at Lachine, seem to be carried on; and then expressed an opinion, that all the other parts of the chain of communication to the Upper Lakes would be finished long before the works referred to; and that serious loss would result to the trade and to the shipping interest, from the fact that large vessels intended for this navigation would not be able, in that case, to come below Lachine.

A short time only will now elapse ere we are left to experience the effects of an unrestricted competition with our American neighbours in the transport of Western produce to a market. We have so firm an opinion of the superior advantages we possess in the St. Lawrence, that we have no fears for the result. Much, however, depends on a fair commencement, and should the works here and at Lachine remain unfinished and unfit for use long after the remainder of the other works on the line, it will prove very injurious. We would call, therefore, on the Head of the Department of Public Works to give this subject his attention, for if there is not more energy and activity used by the present contractors, we fear it will be some two years before we shall see vessels passing through the new locks.

When on the subject of the Public Works, we would refer to the deepening of Lake St. Peter. Surely this work is not to be given up. Eight months' work, or 160 days, seems all the time requisite (from the Report published by the Committee of the House of Assembly) to make a channel 150 feet wide in the Old Channel, and 14 feet deep in low water. Why wait for Captain Bayfield, when it is of so much importance to have this improvement in readiness with the canals? Surely three Provincial engineers could be found of sufficient eminence in their profession to give such an opinion as would warrant the present Head of the Department of Works to proceed with a business of so much importance to the trade and interests of this city.

DAMAGED FLOUR.—The complaints of damage done to Flour in the course of forwarding from the West, are loud and universal. From whatever cause the evil arises, there is no doubt that it forms a serious objection to the St. Lawrence line of transportation, and would tell decidedly against it in a competition with the Erie and Hudson Canals. On the latter lines, the flour is carefully secured from the action of the weather, by the use of boats with raised decks, which completely cover in the cargo. With us, large quantities of flour are piled on the open decks of the barges, sometimes left altogether uncovered, and seldom completely protected by tarpaulines. In passing down the rapids, the lower tier of this deck load is deluged with successive waves breaking over the vessel, and can scarcely fail to be more or less injured. Much damage is also done to flour at Kingston, where it is frequently exposed to heavy rain without covering, and also to the heat of the sun. The same exposure is very often incurred at Montreal, where large quantities of flour may be seen lying partially exposed to the weather from day to day. It is not to be wondered at, therefore, that complaints are constantly made in England with regard to the quality of our flour, and that so much of it turns sour. It appears to be for the reasons referred to, rather than original inferiority of quality, that United States flour, known as Western Canal, is preferred to ours, and commands a higher price.

We believe that one effect of the introduction of large craft, and the saving of transshipment at Kingston, will be a removal of this crying evil; and in the construction of new vessels for this trade, we trust that the system of deck loads will be completely abandoned, and arrangements made for securing the whole cargo on all occasions under deck.

The following extract is from the *New-York Albion* of the 4th. The Editor of that paper takes a deep interest in Canadian affairs, and would be the last man in the world to give in his adhesion to any plan likely to weaken the Colonial power of Great Britain. It will be seen that he does not by any means despair of our ability to possess ourselves of the carrying trade—

"In a late number of the *Montreal Gazette*, we perused a very good letter from a practical hand on this subject; and after examining the question of the ability of Canada to compete with the United States for the carrying trade of grain, bread stuffs, and other provisions, arrives at the following conclusions—

"That, under any circumstances, Montreal must lose a very large portion of the trade it at present enjoys.

"That the breadstuffs coming down the St. Lawrence will go to Quebec for shipment.

"That the canals of Canada can successfully compete with those of the State of New York, as long as they are open.

"That during the summer months the route to Britain via the St. Lawrence, may compete with that via New York.

"That to do so, a large class of vessels must be employed, and the charges of pilotage, light dues, and harbours, be reduced.

"That in the fall of the year, say 10th October, the route via New York will always have the preference."

"So long as a differential duty prevails in the ports of Great Britain in favour of colonial ports, the latter must, of course, have the advantage; and even when this privilege is removed, we must still hope, that, with the re-