

western sections of the Province will be most effectually and best secured, when the great fact, unfortunately so long overlooked, is fully and completely understood, that each section of the Province has a perfect *unity of interest* in the development of every public improvement tending to promote public advantage, in whichever section of the Province such improvement may be situated.

The Council of the Board have, on various occasions during the past eight years, pointed out the importance of opening up a water communication between Lake Champlain and the River St. Lawrence. They have also pointed out the benefits to be derived by enlarging the Welland Canal, and every day establishes more and more clearly the necessity of those works, in order that it may be possible to compete with the improved Public Works of the State of New York. The want of these works is no longer matter of controversy; every successive Commissioner of Public Works, every Engineer connected with the Government, has pointed out and continued to urge these improvements.

The most superficial examination of the matter will shew that unless these works are undertaken on a scale commensurate with the magnitude of the St. Lawrence navigation, the Canadian canals and the railways running parallel with them cannot be remunerative. On the contrary, there is much reason to fear that annual loss will be the result; and to meet the increasing Provincial liability, increased taxation will be necessary. In the opinion of your Council these Public Works can be made a source of large revenue, and tend to the reduction of Duty on Imports, so necessary in our rivalry with our neighbours for the Western United States Trade.

That the Public Provincial Works are now a source of great annual loss to the Province will be manifest to every intelligent enquirer. To render this position more clear, and to shew the necessity for a remedy, the Council beg to state that they find that at the close of the year 1849 the whole cost of the Welland, St. Lawrence and Chambly Canals was £3,000,000. Up to the close of 1854, in five years there was expended on these works in special repairs the sum of £480,000, while in the same period the sum of £172,695 was spent in general repairs and cost of management. The interest on cost and repairs, at 6 per cent., is £925,000, or a total of £1,568,000, which has been paid in five years on these works for interest and repairs, while the *Gross Revenue* derived from them in the same period has only been £458,889.

This seems to your Council a financial mis-management of the most grave character, which although frequently pointed out, and a remedy suggested, the efficacy of which has scarcely been disputed and most certainly never disproved, yet no action has been taken to provide a remedy of any kind whatever. Your Council are aware that these suggestions are more of national than local application; that they affect the whole Province as much as they do this City, and they are also aware that no local efforts can be successful in applying a remedy. But as the whole Trade of the Province is directly and manifestly, and every producer and consumer is indirectly, suffering from the evils referred to, the Council feel justified in earnestly urging these considerations upon public attention.

The Council believe that as the tonnage bulk of western produce must always be much greater than its representative value in merchandise moving from the east to the west, there must always be an ample supply of tonnage on the return voyage to the west, without cargo; and that it is this fact which enables Oswego and other United States lake ports, by obtaining freight at almost ballast rates, to compete so successfully with the St. Lawrence route. If these low rates of freight by the return vessel can be made available, at or near an ocean port on the St. Lawrence, it seems clear to the Council that besides competing successfully with our rivals in the United States for the carrying of western products for the consuming markets of the Eastern States, we would thereby offer great inducements, and attract to our ports the freight and emigrant ship which at present goes to New York. Advantages would thus be secured in this cheap return freight at a point on the St. Lawrence 200 miles nearer Liverpool than New York, where there would be only one transshipment between Europe and any lake port, instead of two transshipments via the Erie Canal, where also, the ocean vessel could obtain cargo, which cargo if sent from such point to New York for shipment, would involve not only the cost of freight thence, but increase the distance of its transport to any port in Europe, by 650 miles. The Council therefore believe that when these improvements are made, not only will the Revenue from our Public Works be greatly increased, but an overwhelming influence will be given to the route of the St. Lawrence, in its power to compete for the supply of the Eastern States Trade, and the Import and Export Trade of this Continent.

Your Council are aware that, in order to attract this Trade through our own waters, much has yet to be done. The revision of the present Tariff of Customs for revenue purposes has been pointed out to the Government, its assimilation in many respects to that of the United States, in such a manner as to promote all branches of Canadian industry, and the adoption of ad valorem instead of specific duties, are matters of the first importance, and deserve their immediate attention. Many new lights are yet required in the Gulf of the St. Lawrence, especially one on "Bird Island" and "Point Aiguille," and in this opinion the Council are supported by the Reports of Mr. Page, the Chief Engineer of Public Works, who in strong language urges their immediate construction, and it is to be hoped they will shortly be provided. On this subject a Memorial has been addressed to the Government, pointing out the Manicouagan Shoals as a proper place for a light, in addition to those already named.

The Council would urge on their successors in office the necessity for again pointing out to Government, that while we have Reciprocity with the United States, in the free exchange of the natural products of the soil, and while we admit every foreign product coming through the United States in bond at the same rate of duty and at the original invoice value as from the place of growth direct, the United States Government charge a duty of 20 per cent. on tea and coffee if these articles pass into the United States through Canada, and levy duties on foreign goods from this market at the value of such goods here. This is so manifestly unjust that your Council believe the matter should again be pressed upon the notice of the Government. The Council would also recommend that measures be taken to secure for Colonial built ships the advantages of American registry, and that the Inland Coasting Trade be thrown open equally to the vessels of Canada and the United States.

Your Council have deemed it their duty thus to advert to those improvements upon which, in their opinion, the development of the Trade of the St. Lawrence depends. They ask for no exclusive privileges for the Trade of Lower Canada. They advocate measures which, it is believed, will prove of general advantage; and while they acquiesce in the principle that our fellow subjects in the western section of the Province have the right to purchase in the cheapest market, they would still urge that the people of both sections have a direct and common interest in developing the advantages of their common country, whether by improvements at the East or the West.

But when the Council look at the fact that in the year 1855 the total amount of Imports and Exports at the ports of Quebec and Montreal is only £5,700,344, and that the Imports and Exports of the ports of New York and Boston, of goods entered for consumption, and of domestic produce exported, amounts to £57,651,000 in 1855 from New York, and of £15,524,000 from Boston in 1854, or a total of £73,175,000, they cannot remain silent; for it is their conviction that, were the improvements and changes alluded to carried out, the Lower Canada merchant could attract to the St. Lawrence a large share of this vast trade, and successfully compete with the Eastern Atlantic merchant for the Trade of the West and of Western Canada, while the route to the Ocean via the St. Lawrence would ultimately be found the best for the Exports and Imports to and from the northern and western portions of this Continent.

All nevertheless respectfully submitted,

JOHN YOUNG,  
*President.*