

PROCEEDINGS

AT THE

EIGHTH ANNUAL MEETING

OF THE

DOMINION BOARD OF TRADE

HELD AT OTTAWA,

On 15th, 16th, 17th and 18th JANUARY, 1878.



MONTREAL :

THE GAZETTE PRINTING HOUSE, NEXT POST OFFICE,

1878.

OFFICE-BEARERS OF THE DOMINION BOARD OF TRADE
FOR 1878.

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JOHN KERRY, Esq., MONTREAL, QUE.

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C. H. GOULD, Esq., MONTREAL.

Secretary :

WM. J. PATTERSON, Esq., MONTREAL.

N O T E .

The pleasure is now afforded me of presenting the REPORT OF PROCEEDINGS at the EIGHTH ANNUAL MEETING of the DOMINION BOARD OF TRADE. It is almost needless to say that, as heretofore, I have given the utmost personal supervision to the details that was possible, consistently with rapid printing. It would be strange if, in the circumstances, some errors had not escaped detection; let me hope that they are not such as to impair the general accuracy which it has been my most earnest endeavor to secure. The printers have produced complete copies in less time than ever before; the official reporters, Messrs. A. & G. C. HOLLAND, handed in all the "copy" in a very short time; and my Assistant, Mr. A. W. HADRILL, has been most assiduous in his services.

WM. J. PATTERSON,

Secretary.

MONTREAL, 12th February, 1878.

LIST OF BOARDS AND DELEGATES.

PLACE.	ORGANIZATION.	NO. OF MEMBERS.	NAMES OF DELEGATES.
Cape Breton (North Sydney).	Board of Trade.....	46	{ Geo. H. Dobson. { R. G. Haliburton.
Fredericton.....	Do.....	40	{ Z. R. Everitt. { Geo. C. Hunt.*
Halifax, N.S.....	Chamber of Commerce.....	80	{ James J. Bremner. { Michael Dwyer.
Hamilton, Ont.....	Board of Trade.....	80	{ Adam Brown. { John I. McKenzie. { W. E. Sanford.
Ingersoll, Ont.....	Do.....	40	{ James Noxon. { Peter J. Brown.
*Kingston, Ont.....	Do.....	52	*
King's County, N.B.....	Do.....	82	{ James Domville, M.P. { Robert Marshall, M.P.P.* { George Barnes.*
Levis, Que.....	Do.....	40	Louis P. Demers.
London, Ont.....	Do.....	80	{ Hon. John Carling.* { Geo. S. Birrell.* { Isaac Waterman.
Do.....	Chamber of Commerce.....	150	{ Colonel John Walker. { R. Sullef. { Daniel Macfie. { S. P. Groat.
Montreal, Que.....	Board of Trade.....	276	{ Andrew Robertson. { Thomas White. { John Kerry. { E. K. Greene. { Wm. Darling. { A. T. Paterson.
Ottawa, Ont.....	Do.....	80	{ Hon. James Skead. { Francis Clemow. { Moss Kent Dickinson.
*Ottawa, Ont.....	{ Ontario and Quebec Tim- } { ber and Lumber Assocn. }	40	*
*Pictou, N.S.....	Board of Trade.....	33	*
Quebec, Que.....	Do.....	120	{ Alexander Woods. { Richard R. Dobell. { Abraham Joseph.
St. John, N.B.....	Do.....	80	{ William Elder, M.P.P. { Richard S. DeVeber.
*Sarnia, Ont.....	Do.....	40	*
*Stratford, Ont.....	Do.....	16	*
*St. Catharine's, Ont.....	Do.....	30	*
Toronto, Ont.....	Do.....	120	{ W. F. McMaster. { John Gillespie. { John Morrison.
Do.....	Corn Exchange Association.	63	{ Robert Spratt. { W. D. Matthews.*
Do.....	{ Manufacturers' Associa- } { tion of Ontario. }	150	{ A. Elliott. { W. F. Cowan. { W. H. Frazer.
*Windsor, Ont.....	Do.....	30	*

NOTE.—Names and Places marked (*) indicate absence of Delegates.

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III.

IV.

OFFICIAL LIST.—*Subjects proposed for discussion at the Eighth Annual Meeting of the Dominion Board of Trade to be held in Ottawa, on Tuesday, 15th January, 1878, and following days.*

I.—Notices of Motion given at last Annual Meeting to amend By-Laws.

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1. To amend Article VIII., Sec. 1,—to substitute "thirty" for "fifteen" (days before the date of Annual Meeting); and that it be obligatory on local Boards to send subjects for discussion.
 2. That Sections 1 and 2 of Article VI. of the Constitution of this Board be amended, by declaring that the Annual Meetings be held alternately in the Cities of Toronto and Montreal, and changing date of Meeting.
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II.—Inspection—Hides—Butter—Fish.

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| I. | { | <ol style="list-style-type: none"> 3. OTTAWA, ONT., BOARD OF TRADE.—Amendment of Inspection Act relating to the Inspection of Hides. 4. OTTAWA, ONT., BOARD OF TRADE.—Amendment of Inspection Act relating to the Inspection of Butter, it being felt desirable that inspection in each of the above cases be made compulsory. 5. LEVIS, QUE., BOARD OF TRADE.—Amendments to the Inspection Law, so as to provide for a better Inspection of Fish. |
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III.—Stamp Duties—Weights and Measures Act—Insurance.

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| II. | { | <ol style="list-style-type: none"> 6. OTTAWA, ONT., BOARD OF TRADE.—Repeal of the Stamp Act referring to Bills of Exchange and Notes. 7. LONDON, ONT., CHAMBER OF COMMERCE.—Amendment of Bill Stamp Act in the direction of the issue of Stamped Paper by the Government. 8. KINGSTON, ONT., BOARD OF TRADE.—A recommendation that Stamped Paper should be issued by the Government in lieu of Bill Stamps. |
| III. | { | <ol style="list-style-type: none"> 9. HAMILTON, ONT., BOARD OF TRADE.—The abrogation of all Stamp Duties on Promissory Notes and Bills of Exchange. 10. TORONTO, ONT., CORN EXCHANGE ASSOCIATION.—Repeal of Stamp Act on Notes and Bills. 11. TORONTO, ONT., BOARD OF TRADE.—Repeal of Note and Bill Stamp Act. 12. HALIFAX, N. S., CHAMBER OF COMMERCE.—The abolition of the Stamp Duty on Bills and Notes. |
| IV. | { | <ol style="list-style-type: none"> 13. LONDON, ONT., CHAMBER OF COMMERCE.—Further amendment of the Law regulating Inspection of Weights and Measures, by doing away with necessity for Trader taking scales to Inspector's Office for examination,—and other ameliorations. 14. LEVIS, QUE., BOARD OF TRADE.—That Insurance Companies be not permitted to take risks beyond a certain amount, not exceeding so many times the paid-up Capital (say ten, twelve, fifteen, or whatever figure the Dominion Board may decide upon). |
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Roman marginal numbers indicate order on revised programme.

Customs Regulations, &c.—(Continued.)

- XI. { 23. MONTREAL, QUE., BOARD OF TRADE.—That the necessity for the strictest uniformity of practice at the several Ports of Entry, be urged upon the Dominion Government by this Board;—it having been represented that, as regards the values of certain kinds of Goods and Merchandise, appraisements are not uniform, the result being detrimental to the Public Revenue, as well as unjust to Merchants who are strictly dealt with.
- XII. { 24. OTTAWA, ONT., BOARD OF TRADE.—Repeal of the Customs duty of 17½ per cent, on Pork Barrels and all Packages containing Meats.

VI.—Shipping Interests—Reciprocal Use of Canals and Rivers—Registration of Vessels.

- XIII. { 25. OTTAWA, ONT., BOARD OF TRADE.—To urge the taking of such steps as will result in securing to Vessel Owners of the Dominion the right of using American Canals and Rivers, as provided by the Washington Treaty.
27. QUEBEC, QUE., BOARD OF TRADE.—That the Dominion Government be urged to take such action as may result in securing the right of Canadian vessels to navigate American Canals.
28. KINGSTON, ONT., BOARD OF TRADE.—*Whereas*, the Ottawa River, an Inland water of the Dominion, and, therefore, uncontrolled by Treaty Stipulations, is now used and navigated by American barges on the same terms as Canadian ones; and
Whereas, an American barge can load a cargo of coal at New York, and deliver it at Ottawa without transhipment, securing a return cargo of lumber; and
Whereas, Canadian barges are debarred from the use of the Whitehall Canal and the Hudson River;
Resolved,—That the Dominion Government be memorialized to adopt such regulations as will place all vessels navigating the Ottawa River on an equal footing as regards return cargoes.
- XIV. { 26. OTTAWA, ONT., BOARD OF TRADE.—A recommendation that a duty be placed on all Vessels imported into the Dominion.
The law, as it stands, being frequently evaded by the practice of parties bringing American vessels into the Dominion, selling the same to a Canadian, who gives a mortgage in return to the party from whom purchased.
- XV. { 29. ST. JOHN, N.B., BOARD OF TRADE.—Admission of Canadian-built Vessels to registration in France on terms of equality with those of Great Britain.
- XVI. { 30. QUEBEC, QUE., BOARD OF TRADE.—The question of Pilotage in the River St. Lawrence. (*Written Paper.*)

VII.—Insolvency.

- XVII. { 31. OTTAWA, ONT., BOARD OF TRADE.—The repeal of the Insolvent Act.
32. HALIFAX, N.S., CHAMBER OF COMMERCE.—The advisability of repealing the present Insolvency Law.
33. LEVIS, QUE., BOARD OF TRADE.—Repeal of the Insolvency Act.

VIII.—Telegraph.

- XVIII. { 34. HAMILTON, ONT., BOARD OF TRADE.—That, in the opinion of this Board, all Railways should be free to Telegraph Companies for the construction, use and maintenance of their lines along such Railways.
35. QUEBEC, QUE., BOARD OF TRADE.—The establishment of Telegraphic communication from the mainland to the Island of Anticosti, and thence to some point in the Straits of Belle Isle.
- XIX. { 36. CAPE BRETON BOARD OF TRADE.—*Whereas*, this Board regards the establishment of a Sub-marine Telegraph System as essential to the safety of navigation of the Gulf and River St. Lawrence, and of the highest importance to the mercantile and shipping interests of the Dominion; therefore,
Resolved,—That the Dominion Board of Trade, through its Executive Council, respectfully memorialize the Government as to the immediate establishment of such Telegraphic facilities, for the convenience of commerce and the protection of our maritime interests.

IX.—*Transportation—Intercolonial Railway.*

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| XX. | { | 37. TORONTO, ONT., CORN EXCHANGE ASSOCIATION.—That it is the opinion of this Association, that every effort should be made to make Halifax the Winter Port of the Dominion, provided that no injury be inflicted on existing commercial interests. |
| XXI. | { | 38. FREDERICTON, N.B., BOARD OF TRADE.—The necessity of the improvement of the navigation of the River St. John, New Brunswick. |
| XXII. | { | 39. CAPE BRETON BOARD OF TRADE.— <i>Whereas</i> , the Cape Breton Board of Trade regards the extension of the Intercolonial Railway to the Eastern sea-board of Canada, terminating at Louisburg, as of vital importance to the commercial and national interests of the Dominion; and
<i>Whereas</i> , such extension (of about 132 miles) of the Intercolonial with fast mail boats, connecting Cape Breton with Ireland, would reduce the ocean passage to a minimum, secure to Canada a large oceanic travel, and practically shorten the distance between the centres of the Old and New World; therefore,
<i>Resolved</i> ,—That the assistance of the Dominion Board is earnestly requested to bring to the consideration of the Government, the importance of an immediate survey for its location. |

X.—*Acts Relating to Noxious Weeds—Apprentices and Minors.*

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OUT OF
ORDER. | { | 40. TORONTO, ONT., CORN EXCHANGE ASSOCIATION.—The advisability of enforcing the Act more stringently in regard to noxious weeds, especially Canada Thistles. |
| | { | 41. LONDON, ONT., CHAMBER OF COMMERCE.—The amendment of the Act respecting Apprentices and Minors, in the direction of making Apprenticeship compulsory. |

XI.—*West India and South American Trade—Department of Commerce—Association of British & Colonial Boards of Trade.*

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| XXIII. | { | 42. CAPE BRETON BOARD OF TRADE.— <i>Whereas</i> , the surplus Mineral, Fishery, Manufacturing and Agricultural productions of the Dominion are, and are likely to be, far in excess of the home capacity to consume; and
<i>Whereas</i> , it is a common policy of nations and countries to provide abroad a market demand for all surplus commodities; and
<i>Whereas</i> , the geographical position of our Maritime sea-board possesses peculiar advantages for an extensive West India and South American trade; and
<i>Whereas</i> , the West Indies and Brazils are large consumers of products that are indigenous to Canada, and we import largely through foreign channels the products of the Tropics; therefore,
<i>Resolved</i> ,—That the Council of the Dominion Board of Trade be respectfully requested to employ their best influence and efforts to impress upon the Government the importance of such modifications of the Treaty relations and re-adjustment of Tariffs, as will secure a reciprocal commerce between the Dominion and the Tropical and South American Countries. |
| XXIV. | { | 43. CAPE BRETON BOARD OF TRADE.—That the Dominion Board, through its Executive Council, again urge upon the Government the importance of establishing a Department of Commerce, to have the cognizance of all matters relating to Foreign and Domestic Trade and Transportation. |
| XXV. | { | 44. QUEBEC, QUE., BOARD OF TRADE.—The desirability of Communicating with the Associated Chambers of Commerce in England, with the view of obtaining their assistance in organizing a Confederation of Representatives from the Boards of Trade of the Dependencies of Great Britain, to meet in London once a year, or as often as may be considered advisable, with the object of drawing closer the trade relations between the Colonies and Dependencies of the British Empire. |

The foregoing is a complete list of all the Recommendations and Resolutions received to date, and is subject to the revision of the Executive Council.

WM. J. PATTERSON,
Secretary Dominion Board of Trade.

MONTREAL, 12th January, 1878.

PROCEEDINGS.

NEW CITY HALL,

OTTAWA, *January 15, 1878.*

THE Eighth Annual Meeting of the Dominion Board of Trade was opened at Ten o'clock, a.m., the President, ADAM BROWN, Esq., in the Chair. After calling the meeting to order, he announced the first matter to be the reading of the minutes. Whereupon it was duly moved and seconded :—

“That the Minutes of Annual Meeting held at Ottawa, in January, 1877, be taken as read and confirmed.”

Motion carried.

APPOINTMENT OF COMMITTEES.

The PRESIDENT then announced the following Standing Committees :—

FINANCE.

R. SPRATT, *Chairman*.....TORONTO.
WM. DARLING.....MONTREAL.
A. JOSEPH.....QUEBEC.

BY-LAWS.

W. F. McMASTER, *Chairman*.....TORONTO.
R. S. DEVEBER.....ST. JOHN, N.B.
E. K. GREENE.....MONTREAL.

CREDENTIALS.

R. R. DOBELL, *Chairman*.....QUEBEC.
W. E. SANFORD.....HAMILTON.
M. DWYER.....HALIFAX.

EXECUTIVE SUB-COMMITTEE ON BUSINESS.

THOS. WHITE, *Chairman*.....MONTREAL.
JOHN GILLESPIE.....TORONTO.
JOHN KERRY.....MONTREAL.

ANNUAL REPORT OF EXECUTIVE COUNCIL.

The SECRETARY, Mr. WM. J. PATTERSON, then read the Annual Report of the Executive Council, as follows:—

To the REPRESENTATIVES constituting the

DOMINION BOARD OF TRADE:—

It affords pleasure to the Executive Council to make the usual communication to the Eighth Annual Meeting, regarding occurrences and transactions since January, 1877. The full Report of Proceedings of the Annual Meeting held in that month, was issued with customary dispatch,—copies being immediately forwarded to the affiliated Boards and Chambers; and, as has been the practice from the beginning, a copy was sent to each Cabinet Minister, also to all the members of the Senate and House of Commons, early in the session of Parliament.

Without delay, the various Petitions, Memorials and Resolutions ordered to be presented to His Excellency the Governor-General in Council, and to Parliament, were transmitted, and formal acknowledgments, for the most part, received. They included the following:—

- Petitions*... Trading Powers of Charitable and Religious Corporations.
Extension of the Telegraphic System to the Gulf of St. Lawrence.
- Memorials*... Revision of Customs Tariff.
Direct Trade between Canada and the West Indies and South America.
Intercolonial Railway Freights.
Utilizing the Intercolonial Railway.
Enlargement of Welland Canal.
Fishing Laws of Inland Lakes and Rivers.
Selling of Liquor to Seamen.
Laws Relating to Seamen.
Differential Duty in France on Canadian Ships.
Registration of American Bottoms.
The Duty on Lobster Cans.
- Resolutions*... Amalgamation of the Cable Telegraph Companies.
Weights and Measures Act.
Government Life Assurance.
Stamp Act.
Extradition Treaty.
Customs Examination of Goods.

SPECIAL NOTICES OF MOTIONS.

Referring to two notices of motions given at last Annual Meeting, which are repeated in the Official Programme,—the first one practically involves a return to the practice which was followed during the first six years of the Board's existence. It would assuredly be advantageous if early notice of subjects were sent to the Secretary, so as to admit of the full list being submitted to affiliated Boards and Chambers for consideration prior to the Annual Meeting; and it must be admitted that two years' experience of the present plan can hardly be reckoned as favorable to its continuance. The great difficulty is to get affiliated bodies to take *immediate* action upon receipt of the Preparatory Circular, the recent one being issued on 8th November.

The second special notice relates to a proposed change as to the place for holding Annual Meetings. By a resolution of the Board, adopted at the Annual Meeting held at Ottawa, in January, 1871, it was resolved, "That the city of Ottawa be decided upon as the permanent place of meeting of the Dominion Board of Trade." There are, doubtless, advantages incident to meeting annually at the Capital; but there would be benefits accruing to commercial interests from alternating the place between Montreal and Toronto, not the least of which would probably be an increase of business relations between the interior centres of trade and the outlying cities. It may be said in favor of holding the Annual Meeting stately at the Seat of Government, that the advantages expected from any change might as likely be the result of semi-annual meetings, such an one having been held at St. John, N.B., in 1874; at any rate it may be mentioned, as of some value in considering the subject, that the principal members of the U. S. National Board now believe that their organization would have been greatly more effective had their meetings been held regularly at Washington, D.C.

The official list of questions, as printed by the Secretary, and placed in the hands of Members, will, as was the case at last Annual Meeting, be submitted to a Committee of the Executive Council; and subjects will be grouped or eliminated, as may be decided upon, report being made from time to time to the Board in session.

ASSOCIATION OF CHAMBERS OF COMMERCE OF GREAT BRITAIN.

R. R. DOBELL, Esq., having been appointed as your Representative to attend the Annual Meeting of the Association of Chambers of Commerce, held in London in February last, the following extracts are from a letter which he afterwards addressed to the Secretary:—

"In attending the sessions of the Association of Chambers of Commerce, I received great kindness and attention from the Chairman, Sampson S. Lloyd, Esq., M.P. for Birmingham,—also from Mr. Behrens, President of the Bradford Board of Trade, and, as Lord Salisbury called him, 'the terror of the War Office.'

"For the first time in a number of years, there seemed to be what might be called an upheaving of the old Protection Party,—many manufacturers pleading that the trade-principles which England is at present supporting are not free trade at all. They alleged that it could not be correctly called free trade to have a parcel of goods shipped to France, upon which thirty per cent. duty is imposed, while precisely similar goods are admitted from France to the markets of the United Kingdom almost free of duty; and one manufacturer declared that, if *free trade* could not be obtained, *fair trade* should be got by all means. Upon the question being put, however, for a direct vote as to whether it was desirable to recede from the old ground, it was almost unanimously carried to adhere strictly to free trade principles.

"While watching the proceedings, I observed that all the resolutions of a particular class were worded as follows:—'In all treaties between Great Britain and Ireland, and other foreign countries,' &c.; and I asked the Chairman whether this Association of Chambers of Commerce was aware that Great Britain had any Colonies,—and if so, where they came in for consideration. The result was that the words 'and her Colonies' were inserted after the words 'Great Britain and Ireland.' On further reflection, however, I came to the conclusion that what the Colonies most needed was more direct intercourse with each other; and that Great Britain,—say, under the machinery now existing in the Association of Chambers of Commerce,—should aid in drawing together a Convention of Delegates from all the Colonies of the Empire, for the purpose of considering questions of trade and fiscal policy. Such an assemblage might be convened at the same time as that adopted for the Annual Meeting in London of the Association, and the Colonial Delegates might have a representative status at its meetings. It is, of course, an important question, whether it would be wise to adopt a retaliatory policy towards the United States, or any other country whose present fiscal policy is so antagonistic either to Great Britain or her Colonies; but I do think that all lovers of

our present connection with the Mother-country should exert every effort to draw the component parts of the British Empire together, in so far as thought and action may contribute to consolidation. This, to my mind, can be better accomplished by establishing freer commercial intercourse between the Colonies themselves, and between them and the United Kingdom;—the result of such action being the building up of a Great Trading Empire, with which foreign countries would be only too glad to join. In this way, free-trade principles would be nursed and protected. I firmly believe that, unless some broad scheme of this kind is planned and given effect to, the commercial prosperity of Great Britain will be undermined by foreign countries demoralising separate portions of the Colonial Empire in detail, and inflicting suffering such as Canada has experienced during the past three years."

Your Executive Council were most cordially invited to send a Representative to the Autumn Meeting of the Association which was held at Hull, England, in September; but had to send regrets that they were unable to do so. A copy of the several resolutions adopted on the occasion has been received, in advance of the full report of proceedings; and, *apropos* of the action of the Association in February, as referred to by Mr. DOBELL, the following resolutions were adopted relating to the new Spanish tariff:—

"1st. That the new Spanish Tariff is exacting and illiberal, and unjust to British commerce.

"2nd. That with reference to the new Spanish Tariff, and generally with regard to the importation of foreign manufactures into the United Kingdom, and the importation of the manufactures of the United Kingdom into foreign countries, the principle of conceding everything and getting nothing in return, is not the best and most practical way to bring about universal free trade."

The next annual meeting of the Association of Chambers will be held in London in February; and it is suggested that the Executive Council be empowered to name a delegate to attend.

U. S. NATIONAL BOARD OF TRADE.

An invitation was received from the National Board of Trade, requesting the Dominion Board to send a deputation to the meeting of their body, to be held in Milwaukee on the 21st August last. The President, accompanied by Messrs. KERRY, WHITE and OGILVIE, of Montreal, Messrs. JOHN GILLESPIE and W. B. HAMILTON, of Toronto, and Mr. W. E. SANFORD, of Hamilton attended the meeting. They were indebted to Mr. BROUGHTON, the General Manager of the Great Western Railway, for special favors—the Directors' car having been placed at their disposal; and to the proprietors of the lake steamers on Lake Michigan for similar favors. The meeting was one of great interest. The question of Reciprocity was referred to a special committee on motion of Mr. HILL, of Boston; and upon the presentation of the report of that committee, Messrs. BROWN, WHITE and GILLESPIE, on behalf of the Canadian delegates, by invitation, addressed the Board. The question excited an apparently increased interest, as will be seen from the report, which the Council deem of such importance as to justify its publication in full. The delegation have to thank the members of the National Board of Trade, and the citizens of Milwaukee, for many courtesies shown to them during their visit. The President, before leaving, extended an invitation to the National Board to send delegates to this meeting of the Dominion Board; and the Executive Council are glad to be able to say, that from information received, the delegation this year is to include the worthy and honored President of the National Board, Hon. FREDERICK FRALEY, of Philadelphia.

The following is the Report of the Committee on reciprocal trade with Canada, presented by Mr. HILL to the National Board:—

REPORT.

To the Hon. Frederick Fraley, President of the National Board of Trade :

SIR,—The Committee of the National Board of Trade, to which was referred the question of reciprocal trade relations between the United States and the Dominion of Canada, begs to report :

The National Board of Trade has repeatedly had before it for its consideration the question of reciprocal trade between the United States and the Dominion of Canada, and has uniformly, and with almost absolute unanimity, expressed itself heartily in favor of the renewal of this trade—suspended in 1866—on such terms, mutually advantageous, as may be agreed upon by the nationalities interested.

Nothing as yet having been accomplished, the subject again comes before the Board, having been placed on the programme for the present meeting at the instance of one of the constituent bodies, and being suggested also in connection with the presence among us of honored delegates from the Dominion Board of Trade.

The treaty of 1854, the result of long years of disputation and negotiation, and the product of the joint labors of such statesmen as Webster and Marcy, and Lord Elgin, was abruptly terminated, at the instance of the United States Government, under authority and by direction of Congress, expressed in a resolution approved January 18, 1865, and communicated by Mr. Adams to the Foreign Office, March 17, of the same year.

It should be remembered that the notice of termination, to take effect at the end of twelve months, was absolute and peremptory, no representations being made by the Government of the United States as to the working of the treaty, no efforts being put forth on their part to correct inequalities under it, and no suggestions being proposed by them for negotiations of any kind in reference to it or to another treaty to succeed it.

It should be remembered also that this action at Washington took place in opposition to the strongly expressed opinions and wishes of the business men of the country. Prominent Boards of Trade and Chambers of Commerce, west and east—Chicago, Milwaukee and Detroit, New York and Boston—protested earnestly against any rupture of the intimate and profitable international commercial relations which had developed under the treaty ; and the Detroit Commercial Convention of 1865, an able and representative commercial body, after a long and careful consideration of the various questions involved, united in urging the Government of the United States to open negotiations without delay for a new treaty to take the place of that which was to expire in accordance with the notice of termination already referred to, which had then been served. It is not known that any commercial body in the United States asked the Government, or desired it, to take the course it did take.

It was of course generally understood that the treaty had not worked in all respects as had been expected, and that it might and should be changed and improved to bring it into harmony with the new condition of affairs which had come into existence since its negotiation. It was said in the report of a special committee of the New York Chamber of Commerce : "The majority of the people of British North America, as well as of the States most interested in the subject, are in favor of a renewal and modification of the Reciprocity Treaty in order to retain its benefits."

As long before as 1859, when it had been complained in this country that recent Canadian legislation had been adverse to the spirit of the treaty, Lord Napier, then British Minister at Washington, submitted proposals for the confirmation and expansion of free commercial relations between the United States and the British Provinces.

In a dispatch from Earl Russell to Sir Frederick Bruce, dated March 24, 1865, after notice of termination had been given and received, it was said :

"Her Majesty's government are quite willing to reconsider the Reciprocity Treaty, in conjunction with the government of the United States, to negotiate for a renewal of it, and to modify its terms, so as to render it, if possible, even more beneficial to both countries than it has hitherto been.

"But before any modifications of that treaty can be considered, Her Majesty's government must be informed whether the notice given by Mr. Adams, in terms so peremptory, is intended to put an end to the treaty, or whether it leaves open the door to negotiation.

"In the former case, Her Majesty's government can only regret that relations which, by conciliatory communications, might be rendered more intimate, more friendly and more beneficial, should be broken and interrupted by the government of the United States. In the latter case you will ask Mr. Seward to inform you in detail of the points upon which modification of the treaty is desired."

It would seem from the published correspondence that the administration of the time at Washington was disposed to meet the British government in the matter in a friendly spirit.

The British Minister at Washington wrote to the Foreign Office, under date of March 9, 1865, as follows:

"Mr. Seward requested me to say to your lordship that, with a view of still further inaugurating a more friendly policy with Her Majesty's government, they were perfectly willing, as the season advanced, to enter into negotiations for a remodeling of the Reciprocity Treaty on terms which might prove, he hoped, advantageous and beneficial to both parties."

Again, under date of June 7:

"The illness of Mr. Seward and the pressure of business thrown upon this government by the assassination of the President, and the sudden collapse of the Confederate government, have made it impossible to execute hitherto your lordship's instructions to obtain a statement of the points in the treaty which the United States wish to make the subject of fresh regulation."

Later, after a circular to Collectors of Customs and others had been issued by the Secretary of the Treasury, and published in the papers, announcing the approaching termination of the treaty, Sir Frederick Bruce wrote on the 6th of November:

"On seeing the inclosed notification in the newspapers, I thought it advisable to ask Mr. Seward whether it was merely an administrative measure called for by the approaching expiration of the Reciprocity Treaty, or was intended to be a declaration of the government against the renewal of the treaty.

"Mr. Seward stated that he was glad I had asked him the question, in order that the import of the notification might not be misapprehended. He said that the question of the treaty remained exactly as it was, and that the notification was not based on any action of the Cabinet, but was issued by the Secretary of the Treasury as an administrative act, which could not be legally deferred."

But however well disposed we may believe President Johnson and Mr. Seward to have been, to the immediate renewal and modification of the treaty, there were opposing influences in active operation, which as we know prevented the opening of negotiations to that end at that time. On the 17th of February, 1866, Mr. Seward wrote to Sir Frederick Bruce as follows:

"Careful inquiry made during the recess of Congress induced the President to believe that there was then no such harmony of public sentiment in favor of the extension of the treaty as would encourage him in directing negotiations to be opened. Inquiries made since the re-assembling of Congress confirmed the belief then adopted, that Congress prefers to treat the subject directly, and not to approach it through the forms of diplomatic agreement."

In the meantime prominent officials from Canada and the other Provinces had been in Washington, and in connection with, or with the countenance of, the British Minister, had endeavored to arrange terms with the Committee of Ways and Means, for, at the least, a temporary continuance by legislation, of reciprocal trade between the two countries. But the effort was fruitless; and on the 17th of March, 1866, the treaty expired. The confederation of the British North American Provinces soon followed, and the Dominion at once set itself to build up a system of manufactures, and to extend its commerce, by way of the gulf, with its sister colonies, and with other countries, so as to render itself, so far as might be, independent of the United States. As an illustration of the severity of the shock which the termination of reciprocal trade under the late treaty, administered to the commercial exchanges between the two countries, it may be said that it took seven years to recover from the reaction which followed, and to attain again, the amount reached during the last years of the treaty; and that the proportion of the entire foreign trade of Canada carried on with the United States has fallen from fifty-two per cent. to only thirty-five per cent. of the whole.

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But the largely increased exchange of products was only a part of the advantage which resulted to the two countries from the treaty of 1854. By that treaty all the vexed and complicated questions relating to the fisheries, which had been the subject of constant correspondence, and we may add, the occasion of almost constant irritation, between the governments of the United States and Great Britain, from the close of the war of independence until 1854, were put to rest. Since 1866 all these questions have been revived; and at this moment a Commission is in session at Halifax, for the purpose, if possible, of determining them again for another period. Distinguished arbitrators and learned counsel are engaged in efforts to ascertain the precise rights of the two parties respectively, and to adjust the pending difficulty between them. Great Britain in behalf of the Dominion of Canada, has made a claim upon the United States for nearly fifteen million dollars, as balance of compensation for the fisheries opened under the treaty of Washington. This claim depends in part upon the assumption made by the government of Great Britain, but controverted by that of the United States, that on the termination of the Reciprocity Treaty of 1854, the treaty of 1818, which had been in abeyance, came into full force again with the strict construction of its provisions in reference to "headlands" on which the British government has always insisted. How this difficult diplomatic question will be decided, we do not know; but this we are well assured of, that if a new Reciprocity Treaty had been promptly negotiated to take the place of that which ceased to be operative in 1866, the issue would not now be open, and the English claim for \$14,800,000 against the United States would never have been set up in behalf of Canada.

The time would seem to be opportune for the presentation of this subject to the President of the United States, by the business men of the country, with the request that he will consider the expediency of taking early action in reference to it, and of calling the attention of Congress to it, in his first annual message. The overtures for new negotiations must of course come from the government of the United States, which took the responsibility of putting an end to the former treaty; but so far as can be judged from the official correspondence which has been published, there is little doubt that the government of Great Britain will cordially respond to any desire expressed by our own, for a new one, and will be ready to join in taking the necessary steps to secure it. Indeed, as showing the friendly disposition of both governments in the matter, it should be remembered that an attempt was actually made to negotiate a new treaty in 1874, and why it did not succeed has never been made quite apparent. It may be hoped, however, that that failure will not discourage the new administration from taking action at the proper time and in the proper way.

If the National Board of Trade may be allowed to make a suggestion, it would advise that at the outset, a new treaty should not be required to cover too much ground. Let the principle of reciprocity be first admitted by and between the two governments; and then let its application be made as broadly as shall seem mutually desirable and practicable to both. This Board has already expressed itself in favor of some such international arrangement as the German Zollverein; but this, probably, would not at present be satisfactory to our Canadian neighbors. Mr., now Sir, Alexander GALT as long ago as 1862 said that in his opinion a Zollverein would be wholly inconsistent with the existing relations between Canada and Great Britain, and most Canadian statesmen are understood as taking the same view. It would seem to be inexpedient, therefore, to press this point now, or any other, which, judging beforehand, would probably be unacceptable to any one of the parties in interest. Perhaps the effort of 1874 failed because this consideration was not duly regarded.

Nor need we stop to inquire as to which of the two neighbor countries most needs, or will most greatly be benefited by, a new treaty. In this connection, it was well said, in a report of the Committee on Commerce of the House of Representatives, submitted to Congress on the 5th of February, 1862:

"Let us not inquire curiously which of the two would render the most useful service to the other, under a just system, and perfect development of actual reciprocity. The various parts of the American continent, like those of the human body, are wonderfully adapted to each other; the different portions of the continent do not profitably admit of any commercial separation; and the principle of unrestricted commercial intercourse with the British North American possessions has been approved alike by free traders and protectionists at all periods of our national existence."

There is another point to which it would seem proper that the National Board

should make some reference in discussing this question. A prominent New England politician, in the course of a speech, on the 4th of July last, said :

"I most frankly avow that the incorporation of the British American Provinces in our Union would be a vast addition to our strength, and a large element added to our growth and prosperity. No manlier, stronger, abler, better portion of the Anglo-Saxon race can be found on the globe than that which inhabits the Dominion of Canada. They are not at present contemplating any union with us, nor are we making the slightest overtures toward them ; but the continued growth of mutual interests, the quickened and quickening influences of constant intercourse will, in my judgment, ultimately bring us together. Our relations with them daily grow more intimate ; we are drawn toward each other by a thousand ties of interest, friendship and kindred, and the outpouring of our sympathy for their lately stricken city is but an expression of the kindly regard we feel for their entire people."

Now to the members of the National Board of Trade, men "whose business," to quote the language of an English merchant, "is their politics, not politics their business," this picture of growing mutual interests, and relations daily becoming more intimate, while it might have accurately portrayed the state of things existing, with more or less variation, between the years 1854 and 1865, does not seem correct in its delineations at the present time. The policy deliberately adopted by Congress in 1865 had the effect to erect barriers between our Canadian neighbours and ourselves ; to make "strangers and foreigners" of them rather than brethren ; to throw them exclusively upon their own resources, and to render them independent of us. That policy should be reversed, and then we shall have an opportunity of seeing what the "quickened and quickening influence of constant intercourse" will accomplish. If we would have the Canadians for friends let us show ourselves friendly to them. What the result, politically, of uninterrupted reciprocity would have been, or of renewed reciprocity will be, this Board does not care to inquire ; nor would it have the discussion of the commercial question complicated, either in the debates of Boards of Trade or in the speeches of our public men, by the introduction and admixture of any such political considerations. The end to be attained is "an unity not of government but of peoples." The union of the former without the latter would be a curse to both ; the union of the latter, either with or without the former, might be made to both an incalculable blessing.

The following resolutions, in conformity with the foregoing statement of the facts of the case, are submitted for the approval of the Board :

RESOLUTIONS.

Resolved,—That the President of the United States be, and he hereby is, respectfully requested to consider the expediency of recommending to Congress, in his first annual message, to authorize and provide by appropriate legislation for the appointment of a commission to co-operate, on the part of the United States, with a commission to be appointed by the government of Great Britain in the negotiation of a treaty of reciprocal trade between the United States and the Dominion of Canada.

Resolved, That the object of the proposed treaty being the promotion of kindly feelings and of mutually profitable trade between two great and kindred communities living in near proximity to each other, the negotiations now recommended should be conducted in a liberal spirit, and with a view to securing such concessions on both sides at the outset, as are generally recognized as desirable and as are immediately attainable, leaving it to time and experience to indicate by what methods and to what extent further freedom of commercial intercourse may be obtained in the future.

Resolved, That in the judgment of the National Board of Trade, it is both unnecessary and impolitic to complicate and embarrass the pressing and important issue of reciprocal trade between the United States and the Dominion of Canada with any considerations or speculations bearing upon the political relations at the present time subsisting, or remotely possible, between the two countries.

Resolved, That a committee of nine (9), of which the President of the Board shall

be chairman, be appointed to take charge of this subject until the next meeting of the Board, and to adopt such continued action in reference to it as may seem expedient.

Respectfully submitted.

(Signed)	HAMILTON A. HILL, Boston.	E. P. DORR, Buffalo.
	J. S. T. STRANAHAN, New York.	J. D. HAYES, Detroit.
	Wm. P. McLAREN, Milwaukee.	R. B. BAYARD, Baltimore.
	W. M. EGAN, Chicago.	

MILWAUKEE, August, 1877.

The above report and resolutions having been adopted, the following named gentlemen were appointed as the committee provided for by the last resolution, to wit :

HON. FREDERICK FRALEY, of Philadelphia, chairman.	
HAMILTON A. HILL, Esq., of Boston.	R. B. BAYARD, Esq., of Baltimore.
HON. J. S. T. STRANAHAN, of New York.	E. P. DORR, Esq., of Buffalo.
W. P. McLAREN, Esq., of Milwaukee.	Hon. J. D. HAYES, of Detroit.
T. C. HERSEY, Esq., of Portland, Me.	Hon. W. M. EGAN, of Chicago.

FISHERIES AWARD BY THE HALIFAX COMMISSION.

The award recently made under the Treaty of Washington, of \$5,500,000, as the amount to be paid by the United States for the right to catch fish in Canadian waters during twelve years, is an event worth noticing. It settles for the time being a matter which had for many a year proved a troublesome one; and it is hoped that the principle thus sanctioned, of settling questions of international dispute by friendly arbitration, will be hereafter generally followed.

THE WEIGHTS AND MEASURES LAW.

Referring to a notice on the Official Programme relating to proposed amendments to the Weights and Measures Law, the Executive Council ask attention to the fact that one of the amendments, sanctioned by Parliament at last session, repealed the clause (section 5) in the original Act, which established the "cental system." The new section contains the following, which, so far as the grain-trade is concerned, re-establishes the old system :—

4. "But in contracts for the sale or delivery of any of the articles in this sub-section mentioned, the standard bushel shall be taken and intended to mean the weight of a bushel as hereinafter mentioned, and not a bushel in measure, or according to any greater or less weight, unless the contrary appears to have been agreed upon by the parties :—

Wheat.....	Sixty pounds.
Indian Corn.....	Fifty-six pounds.
Rye.....	Fifty-six pounds.
Pease.....	Sixty pounds.
Barley.....	Forty-eight pounds.
Oats.....	Thirty-four pounds.
Beans.....	Sixty pounds.
Clover Seed.....	Sixty pounds.
Timothy.....	Forty-eight pounds.
Buckwheat.....	Forty-eight pounds.
Flax Seed.....	Fifty pounds.
Hemp Seed.....	Forty-four pounds.
Blue Grass Seed.....	Fourteen pounds.
Castor Beans.....	Forty pounds.
Potatoes, Turnips, Carrots, Parsnips, Beets and Onions.....	Sixty pounds.
Salt.....	Fifty-six pounds.
Dried Apples.....	Twenty-two pounds.
Dried Peaches.....	Thirty-three pounds.
Malt.....	Thirty-six pounds.

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Sub-section 5 provides that the old wine gallon, and the Winchester bushel, may be used in any case by special understanding between parties, the proportion of such measures being:—six wine gallons equal to five standard gallons;—one Winchester bushel and thirty-one thousand parts thereof equal to one standard bushel.

The clause of the Act (section 27) which imposed a penalty upon every trader or manufacturer who offers for sale, or has in his possession, unstamped weights, measures, or weighing machines, has also been modified; for one of the recent amendments enacts:—“That the manufacturer of, or dealer in, weights, measures, or weighing machines, who has in possession for sale any weight or measure, shall not be bound to have the same inspected and stamped according to this Act, so long as the same remain in his manufactory or warehouse.”

SHOULD THE INSOLVENT LAW BE REPEALED ?

Notices have been given by several affiliated Boards, relative to the repeal of the Insolvent Law. If the Board should now be asked, for substantial reasons, to give its voice in favor of having no insolvency Law, it will endorse the movement for *repeal*. But having on several occasions affirmed the principle that insolvency legislation is required,—and some of those who favor repeal having assumed the ground that that is a necessary condition precedent to procuring better legislation,—the Council cannot help stating that the true policy appears to be to sustain the present law, so far as it is good, and to press for its amendment from time to time until it is made, as nearly as possible, perfect. Opposition to the law has arisen from the fact that insolvents often obtained their discharges too easily,—it seeming to have been considered by some of the Judges that unless an application was opposed, the petition should be granted. This happened under the law of 1875; but section 65 of the amended law (1877) will operate so as absolutely to prevent a discharge from being granted (except in cases of composition duly made and accepted) to any insolvent, unless his estate shall have paid at least fifty cents on the dollar,—or unless it can be established that, but for the negligence or fraud of the assignee or inspectors, such a dividend would have been paid.

DEPARTMENT OF COMMERCE.

The Executive Council have again to call attention to the importance of the establishment of a Department of Commerce in connection with the Government. The Council have before them a draft Bill, now before the Senate of the United States, for the establishment of such a department. Among other duties to be imposed upon it is the following: “Said Department shall collect, collate, and tabulate statistics relating “to the Agriculture, Commerce, Manufactures, and Mining of the United States; and “publish and circulate the same in such way as may be provided by law.” The absence of complete statistics on these subjects in Canada has been felt as a serious embarrassment; and the establishment of such a department, either as a distinct branch of the public service, or a subordinate branch of one of the existing departments, would prove of great value.

PARIS EXHIBITION—INTERNATIONAL COMMERCIAL CONFERENCE.

Information received from the Commissioner for the Dominion, (THOS. C. KEEFER, Esq., C.E.,) gives the assurance that, in so far as natural products are concerned, the Canadian Department at the approaching Paris Exhibition will be admirable in every

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respect, and it is hoped that manufacturing industries may be worthily represented. It appears also, that upon the representation of the Board of Trade and the Corn Exchange of Montreal, the Dominion Government are preparing to send to the Exhibition a map of Canada on a gigantic scale,—showing the water-highways, the railway system, the coal-fields, the area of salt deposits, the oil-springs, the mineral and grain-growing regions, &c.—besides including other general information likely to be interesting to the people of Europe.

Correspondence between your Secretary and M. Havard, Secretary of the “Comité Central des Chambres Syndicales,” shows that that body has under consideration a proposal to request a conference of business men and merchants at Paris (probably next Autumn), for the purpose of deliberating upon matters relating to international commerce. It may be desirable to have the Dominion Board of Trade fittingly represented in any such gathering that may be determined on. (See Appendix, on pp. 20, 21.)

TRADE AND COMMERCE OF CANADA.

An interesting feature in the latest issue of the Annual Trade Report, brought out under the auspices of the Board of Trade and the Corn Exchange of Montreal, is a large and well-executed Map, showing “Canada's Commercial and Geographical Relations to Europe, America and Asia,” prepared by THOMAS C. KEEFER, Esq., C.E. Your Council are informed that a very extensive distribution of the Report and Map has been effected in Europe and America, as well as in the West Indies and Australia, and favorable notice has been taken of the information which the publication supplies, by the Association of Chambers of Commerce of Great Britain, and by the “Comité Centrale des Chambres Syndicales” of Paris—several of the leading newspapers in England having also directed attention to the valuable statements it contains.

The Report is the work of the Secretary of this Board, of whose efforts to promote Canadian commerce previous Councils have spoken in commendatory terms; and the one in question is in every way the most valuable of the series. Copies for distribution were forwarded to each Board and Chamber in the Dominion at the time of publication; and the President is in receipt of a sufficient number to admit of one being given to each Representative who may be present at the Annual Meeting.

THE TREASURER'S ACCOUNTS.

The revenue of last year is short of the expenditure by about \$180; the difference would only have been about \$60, but for the failure of two Boards to pay the *per capita* assessment.

Respectfully submitted on behalf of the Executive Council.

(Signed,) ADAM BROWN,
President.

Ottawa, 14th January, 1878.

On motion of Mr. JOHN KERRY (Montreal), seconded by Mr. W. F. McMASTER (Toronto), the Report was adopted.

APPENDIX TO COUNCIL'S REPORT.

(Translation.)

EXTRACT FROM REPORT OF MEETING OF THE "COMITÉ CENTRAL DES CHAMBRES SYNDICALES,"
HELD AT PARIS, 15TH NOVEMBER, 1877.

Mr. J. L. HAVARD, Perpetual Secretary, said: I have first to ask the attention of the Committee, in the name of Mr. W. J. Patterson, Secretary of the Dominion Board of Trade and the Montreal Corn Exchange Association, to a work on the Home and Foreign Trade of Canada and the Commerce of Montreal.

This publication is the fourteenth of its kind, which is the result of Mr. Patterson's persevering studies; this year he has added to his Report a very fine map, drawn by T. C. Keefer, Esq.

Thus completed, Mr. Patterson's book shows perfectly, Canada's situation, the natural riches with which she is endowed, and her commercial resources.

The map by Mr. Keefer demonstrates what Mr. Patterson's book indicates as regards the special situation of this country. It is, that when the projected railway shall be constructed, which, crossing Canada, shall join Lake Superior to the Pacific Ocean, the shortest way from Europe to China and Japan will incontestably be that which passes through Canada—it will, in fact, only be 10,903 miles, while the route through the United States is 11,925 miles.

As to the natural riches which form the commerce of this country, Mr. Patterson gives to this subject complete and very interesting statistics.

Canada, as you are aware, abounds in rich pastures, cereals, timber of all kinds, and peat grounds; there are also found petroleum wells and salt springs. Finally, amongst its products the best known are skins and furs.

Mr. Patterson justly remarks that the sources of these riches are in the immediate neighbourhood of that great water route, connecting the Gulf of St. Lawrence with Lake Superior, and that, situated thus in proximity to this central channel, a cheap transport is obtained, adding to the commercial value of this country's products.

And besides the interest that we can take in Mr. Patterson's work in respect of our commercial relations, the country of which it treats, appeals to our sympathies, for we cannot forget that, formerly colonized by France, it still counts among her population a large number of inhabitants whose hearts, like their language, have remained French.

Mr. HAVARD placed on the table a number of copies equal to the number of members of Committee.

The PRESIDENT—I think I express the sense of the meeting in saying, that the "Comité Centrale des Chambres Syndicales" accepts with thanks the kindness which Mr. Patterson has rendered them, and that a vote of thanks be accorded to him.

Unanimously approved.

Mr. HAVARD—I have another communication to make in the name of the honorable Secretary of the Dominion Board of Trade. In the letter which he addressed to me, announcing the forwarding of his book, Mr. Patterson imparted to me an idea which he would like to see adopted by our "Chambres Syndicales." He thinks that it would be a great benefit for our commercial international relations, to take advantage of the opening of our Universal Exposition of 1878, in convening on this occasion, an assembly of representatives of the commercial bodies of the world, in which would be examined great questions of commercial interest from an international point of view. He is convinced that, if such a congress should take place, the Dominion Board of Trade would be represented at it.

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the "Syndicat Général de l'Union Nationale," and I do not think it necessary to expatiate on this project of which you all sufficiently appreciate the advantage, for it would be superfluous to dwell on it longer.

The PRESIDENT—I think that the "Comité Centrale" approves the idea of a congress, which has just been brought forward, and that we can take it into consideration. We shall, therefore, give it a place upon the order of the day for the next sitting. Unanimously agreed.

[The following letter was received after the Council's Report was printed.]

(Translation.)

UNION NATIONALE DU COMMERCE ET DE L'INDUSTRIE,

PARIS, 26th December, 1877.

WM. J. PATTERSON, ESQ.,
Montreal, Canada.

Sir,

Our colleague, M. HAVARD, President of the "Chambre Syndicale du Papier," has offered, in your name, to the "Syndicat Général de l'Union Nationale du Commerce et de l'Industrie," a certain number of copies of the valuable Report on the Commerce of Canada, that you have issued.

This work, so complete and full of valuable information, interests in two ways the members of our Association. As commercial men, we cannot remain indifferent to the economical situation and to the industrial and commercial development of one of the richest Colonies of the New World. As Frenchmen, we follow, with a sincere and deep interest, the progressive, peaceful and fruitful march of a country that was once united to us by close ties, and the remembrance of which is still cherished.

Your Report has, therefore, been most welcome amongst us, and the "Syndicat Général" has charged me to convey to you its thanks for the generous supply with which you have honoured it.

The "Syndicat Général" also considers that the Meeting of an International Commercial Congress, on the occasion of the next Exhibition at Paris, would be of a nature to produce the best results. The project has been submitted to the Syndicat Général, and at the present time the most favorable means for its realization are being considered.

Kindly accept, Sir, the assurance of my high consideration.

(Signed,)

LEON HIÉLARD,

President of the "Syndicat Général."

THE PRESIDENT'S ADDRESS.

The PRESIDENT then delivered the opening address as follows:—

Gentlemen,—It is with no small degree of diffidence that I address the distinguished body, over which I have by your partiality been elected to preside. I am sensible that the position requires much more ability than I can command; but I will endeavor to do my duty, relying on the same kindness which has always been extended to my predecessors. Permit me to welcome

you as delegates from the Dominion, and our friends from the National Board of Trade of the United States, to this the eighth annual meeting of the Dominion Board. The hearty welcome we have individually received as we arrived, from the leading people of Ottawa, has tended not a little to mitigate the fatigue of the long journeys which many of the delegates have had to make in reaching the Capital. The influence of the Dominion Board of Trade is being felt in every part of the Dominion. Men representing every separate interest, and with a thorough knowledge of such, are sent as delegates to our annual meetings, where, free from all political bias, questions affecting large and important interests are brought under deliberation, views interchanged, prejudices removed, and results arrived at, as the wise and calm conclusions of business men on the problems of finance, commerce, agriculture, manufactures, shipping, &c., &c. Of course our Commercial Parliament, as some have been pleased to call it, is purely suggestive or recommendatory, but we seek to bring our views to bear on the Government by respectfully placing before Ministers the resolutions of the Board. It is a notable fact that representations made by the Board on important subjects have subsequently become law. Its value to the country is thus at once seen. It is of the greatest importance, therefore, that in such localities in the Dominion within reasonable distance of our place of meeting, where Boards of Trade, Chambers of Commerce or Manufacturers' Associations do not exist, and where there should be such, that efforts should be made to organize and affiliate with us; and further, that all such organizations already in existence and not affiliated with this Board should become so, and thus give additional weight to our deliberations. I have endeavored to arouse some of the dormant Boards of Trade in Ontario, but I cannot say with that success which I could have wished. Since our last annual meeting the heartfelt sympathies of the whole land were awakened for the sufferers by the terrible fire at St. John, N.B. On hearing the sad news, I at once telegraphed the officials of leading Boards of Trade in Ontario, to use all their influence to send relief to those who were left houseless and homeless. The response was, as you all know, noble. The heart of the country went out to those who were "ready to perish," and not only our own people, but good people in the United States, most liberally sent aid. The good city is rapidly rising from its ashes, and although it has had another serious fire, still there are men there of the right stuff to make St. John even more prosperous than before. I know I but utter your sentiments, gentlemen, when I say, "all prosperity attend our brethren by the sea." Among the many subjects to be brought before your notice will be the question of *Reciprocity*

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with the United States. This question has year by year been under discussion, and we in Canada, since the abrogation of the old treaty, having sought out new channels of trade, and our own efforts having rendered us less dependent upon the United States market, desire that, should a treaty be made, it should be one really mutually advantageous to both countries, and not a one-sided arrangement, for the benefit of one of the parties only. At the annual meeting of the National Board of Trade, held in Milwaukee, a very admirable report was presented on this subject. I quote a portion of it: "If the National Board of Trade may be allowed to make a suggestion, it would advise that at the outset, a new treaty should not be made to cover too much ground. Let the principle of reciprocity be first admitted by and between the two Governments, and then let its application be made as broad as shall seem mutually desirable and practicable to both." To my mind this appears the true way to approach this important question. The delegates from this Board to the National Board of the United States were received with the greatest kindness and hospitality by the citizens of Milwaukee, that wonderful and progressive city. Indeed, nothing could exceed the welcome. In addition, the courtesy extended to them by the venerable President of the National Board of Trade, and his colleagues, merits our thanks. The intercourse was most pleasant. In the discussion on reciprocal trade with the United States, Mr. THOS. WHITE, was requested to speak on the question from a Canadian standpoint, which, I feel bound to say, he did most ably. The Board of Trade of Montreal has placed a most important subject on the paper, and I trust it will be thoroughly discussed—"That the necessity for the strictest uniformity of practice at the several ports of entry, be urged upon the Dominion Government by this Board,—it having been represented that, as regards the value of certain kinds of goods and merchandise, appraisements are not uniform, the result being detrimental to the public revenue, as well as unjust to merchants who are strictly dealt with." There is another subject on the programme, which is worthy of your consideration:—The creation of a "Department of Commerce," such as the Board of Trade of Great Britain, presided over by a Minister of the Crown, where just such questions as the Montreal Board of Trade has brought up could be regulated—in short, a general supervision of our commerce, and all that the word implies, importations, manufactures, agriculture, shipping interests, &c.; assimilation and proper interpretation of foreign invoice tariffs; the regular publication of statistics affecting the various interests on which the public could rely; making more sure the helm of the Ship of State. I very much regret that the memorial of the Board, expressive of the resolution passed at our

last meeting, in relation to the industrial interests of the country, was acknowledged as being received too late for consideration by the Honorable the Minister of Finance. A copy was sent by the Secretary, the receipt of which was acknowledged, and the properly signed document was forwarded in due course. I have simply to say that all diligence was used by the executive in placing the Board's views before Government in due time. I know I express your views when I say that we really miss our former assistant secretary, Mr. PATTERSON, junr. All who had the pleasure of his acquaintance liked him; his genial manner and the method he brought to bear at our meetings, caused us all to feel that he was a man we could not spare. However, he has left Canada, and I am sure this Board wish him every success in his new vocation "across the sea." In my open letter addressed to the Honorable Jas. Skead, of Ottawa, copies of which are in your hands, reference was made to several topics of importance; among others to our Northwest Territory, in the following words:—"How may the peopling of the enormous fertile regions, which lie between Ontario and British Columbia, be most efficiently provided for—including the young and vigorous Province of Manitoba, the region which has been mapped out and christened Keewatin, and the vast fertile tracts which constitute the Northwest Territories?" There can be no doubt that our great Northwest will yet be the centre and back-bone—and a strong backbone, too—of Canada. Few questions, if any, which have come before us, are as important as the development of this rich and fertile country—as it regards the great future of Canada. It cannot progress at present as it should, because of the lack of rapid and easy access to markets. I venture to say that the first thing to be done is to push forward the railway as fast as possible from Lake Superior to Winnipeg. This will afford a summer route, and late in the fall for the transportation of the precious fruits of the soil. I should add that it would be an emigrant route, giving easy access and facilities for the development of the country. This railway will carry the merchandise, implements, &c.; and, let me tell you, the export from that country after a while will astonish men. The influence of a railway through a country can hardly be fully appreciated. Look at the astonishing development of the counties of Wellington, Grey, Huron and Bruce since railways have been introduced there. Although via Lake Superior will only be a summer route, this road will do wonders for Manitoba and its trade with Canada. Of course it could not be expected that the fall crop could ever by this route be got to market the same season—some of it might—but by the erection of an elevator at the Lake Superior terminus, the crop could be marketed the following spring. I am told that the

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average fall of snow is not over eighteen inches, and that no difficulty would be experienced in running the road in winter. The road to Winnipeg from Pembina is under construction, and a road from Pembina to Fisher's Landing is in course of arrangement. When these two are completed there will be a good outlet to the United States. But what is of the utmost importance is the completion of the line from Lake Superior and an active system of emigration on a right basis,—I mean one very liberal to the emigrant. The line from the St. Boniface side of the Red River to Selkirk to join the Canada Pacific is already ironed. I make no remarks as to the route of the Pacific Railway; what is desired is to populate the country—the road beyond Winnipeg should be built with energy as fast as the country can do it, as a colonization road—lay the track—*open up this glorious country to the settlers—in with the men and out with the fruits of their labors*—attract substantial farmers—men of strong arm and stout heart—with a little means so as to keep out of debt, and face things for a couple of years or so—in short, men with “hearts resolved and hands prepared” to make happy homes. The road as a colonizer ought to be pushed on. By doing this, breadth and scope for the almost illimitable expansion of settlement would be given, as was the case with the United States, and which made them, in regard to their Great West, all that they are now. Apart altogether from the road going to the Pacific, its progress in that direction for colonization would be the promotion of present advancement and the pioneer of future progress. The vast prospective resources of Manitoba—the prairie province—Keewatin, “*the land of the north wind*,” and the territory beyond both—will cause the older Provinces to feel that they are really but as the fringe of the garment of our country. It will not be long before, with wise councils prevailing, our vast prairie lands will become thickly peopled with busy centres of industry and commerce all over the country, affording ready markets for the products of the soil, and swelling the commerce of Canada as did the west for the United States. No one could read the accounts of the negotiations of Lieut.-Governors Morris and Laird and their co-Commissioners with the Indians without feelings of national pride at the humane and honorable action towards the red man of the prairie. We can fairly claim that we mete out equal justice to all, and the happy way in which our Government deals with the original *lords* of the hunting-ground, is not only such as to ensure safety to settlers, but such as every enlightened and Christian people should do. The visit paid to the Northwest Territory by His Excellency the Governor-General, and the able speeches he made in regard to the country, are now matters of history. The fruit of his utter-

ances will be seen hereafter in attracting settlers to a region where, as Lord Selkirk said long, long years ago, there was room for many millions of people. This was said before the day when Fort William was regarded as the central meeting place of factors. Now it is the front, palatial steamers plying to it. The locomotive, that great civilizer, has commenced its mission from that point, and the land that once was the hunting-ground of Indians, gives place to the influence of emigration and commerce. It belongs legitimately to our Board to refer to the temporary settlement of the long-pending fishery question, which has several times threatened to disturb the friendly relations between the Imperial Government and the United States, and in which the Dominion and Newfoundland are almost the only interested parties in the Empire. The award, although covering a limited period of twelve years—a good portion of which has already expired—will in all probability, I suppose, be the basis of a final adjustment of the question. Bearing this in mind, although both sides are manifestly dissatisfied with the award, our people looking on it as an inadequate compensation, our American friends finding it larger than they expected, we cannot but rejoice that this cause of contention is removed from the relations of the Home and Dominion Governments with the United States. The delegates who attend our annual meetings are subjected to very considerable expense in travelling, &c., which, together with affiliating fees necessary to maintain our organization, is felt by many Boards of Trade as too great a tax. I would therefore suggest that an effort be made to obtain some assistance from the Government. There can be no doubt that the Board is of great service to the country, and that we have a fair claim for aid. I earnestly commend this subject to the new Board. At last annual meeting of the Board the subject of Halifax as the winter port of the Dominion provoked some conversation. The Government had arranged with the Allan line to land the mails at Halifax, and although some anxiety was felt as to the working of the Intercolonial during our Canadian winters, the general feeling was one of approbation with the action taken by Ministers. The result exceeded the expectations of the most sanguine. The mails were delivered with remarkable punctuality, and no delays worth mentioning occurred during the whole season. It is true that the winter was an exceptionally favorable one; but notwithstanding this, it may fairly be hoped that the experience of 1876-77 will be repeated in future years as to the working of our great Intercolonial line. This year, owing chiefly to changes made in the relations between the Grand Trunk Railway and the Allan line of steamers, by which the traffic from Portland, which in former years belonged exclusively to the Allan steamers,

has been thrown open to all comers, arrangements have been made for the landing of freight as well as passengers and mails at Halifax. The object is to make our Nova Scotia port the winter port for all purposes of the Dominion. There can surely be no difference of opinion as to the importance of this being done—if it is practicable—and every patriotic man in Canada, as well as every merchant, will watch with earnest solicitude the success of the steps which are being taken in that direction. It is impossible to ignore the fact that there are difficulties in the way of making Halifax a shipping port for produce from the West. The long railway mileage may, and will perhaps have its influence; but the meetings which have been held at Halifax, and the statements made by Sir Hugh Allan, as representing the Allan steamers, and by Mr. Brydges, as representing the railway, may fairly entitle us to hope that these difficulties will not prove to be insurmountable. As Canadians, it must be for our interest to utilize and build up the ports of the Dominion in preference to those of the neighboring Republic. It is the duty as well as the interest of all parties to unite in that object. I have only to express my own strong hope that as the experience of the future develops the working of our own Canadian route, it will do so in such a way as to meet the most sanguine anticipation of the friends in Halifax as the winter port for the Dominion. I am permitted by Messrs. Dunn, Barlow & Co., of New York, to mention that the failures in the Dominion of Canada in 1877 were in number 110 over the previous year, although the liabilities were somewhat less. There can be no doubt that the true policy is to accept of no compromise from an insolvent where any trick or dishonesty has been practiced. The country merchants cannot too strongly be urged to make the farming community pay up their accounts, selling their grain whenever ready for market instead of holding it over for speculation. The fiscal policy for Canada is a matter which will come up for consideration. It does not become me, from this place, to express any opinion upon the merits of that question; but, without impropriety, I may indicate the methods of reasoning by which you are likely to reach the right conclusions upon it. You will agree with me, I think, that the interests of Canada are matters for just consideration under this head, so far, at least, as these interests are compatible with our honorable obligations to others. Truth formulated on general principles is valuable; but it is apt to be forgotten that these general principles do not take account of all the facts which have a bearing upon them, and it is for us to consider whether any of the sweeping conclusions of political economists are entirely applicable to Canada. Free trade, as it is expounded by its

ablest teachers, does not mean the abolition of Custom-houses and the abrogation of all tariff duties. These are recognized by it as revenue necessities. It means the levying of Customs duties upon such articles as the country imposing them does *not* produce, the object being to allow all duties of Customs to flow into the public treasury, and no part thereof to find its way into the pockets of the domestic producers, which, it is affirmed, would be the case if duties were levied upon articles of home production. This, it seems to me, is an important point in the question. If the *rate* of profit upon home productions is increased by a Customs duty upon similar articles coming from abroad, it must be by increasing their price. Is it true that a Customs duty upon such articles as Canada has the natural facilities for producing, will be increased in price to the consumer—that is permanently? or is it the fact that the internal competition will bring these prices to the point which political economists call the natural cost of production? On this point, it seems to me that the recent experience of the United States ought to furnish us with some valuable evidence. We would all agree, I presume, that it would tend to promote the interests of the country, if we could manufacture much of what we now import. The increase of population, by immigration, which such manufactures would induce, the diversity of employment which it would give to the rising generation, and the expansion of the home markets of our farmers, are all cogent arguments in favor of our manufacturing all such articles for which Nature has given us the facilities. It is quite certain that we do not do so now. The tables of trade and navigation are conclusive evidence as to that. Can we then, by fiscal legislation, give a healthful stimulus to this branch of industry?—or should we allow it either to develop or not, without legislative interference? This subject, I think, is a very important one, and I commend it to your most earnest attention. In regard to railways, let me say that, as the country has largely contributed by public funds and the municipalities by bonuses, there ought, through the legislature, to be such benefits granted to the country in regard to freight rates as will tend to develop our own resources. There is no reason why foreign traffic should be carried over our lines at a lower rate than Canadian, and I do not hesitate to say that the Government should interfere and prevent it—taking, of course, mileage and terminal charges into consideration. No monopolies should be permitted, likely to injure Canadian interests. I do not profess to be thoroughly informed in marine matters, but I do say that for an American ship-builder to be permitted to build a vessel—and a steamer at that—and bring her into Canada, register her as a Canadian bottom, and pay no duty, is not right. Supposing a Canadian builds a vessel in

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Canada and sends her to the United States for engines, or outfit, and the vessel comes back to Canada, duty is charged on these outfits. Is this fair? I have simply again to bid you welcome, and invite your attention to the questions to be discussed.

The address was received with applause.

Mr. THOS. WHITE (Montreal), presented the First Report of the Committee on Business, which was as follows:—

To the President and Members of the Dominion Board of Trade:—

The Business Committee of the Executive Council beg to report:

That they have carefully considered the official programme, with the view to grouping the different subjects, and recommend that they be taken up in the following order:—

- 1st.—Nos. 3, 4, 5, official programme. "The Inspection Law."
- 2nd.—Nos. 6, 7, 8, 9, 10, 11, 12, official programme. "The Stamp Act."
- 3rd.—No. 13, official programme. "Weights and Measures."
- 4th.—No. 14, official programme. "Fire Insurance."
- 5th.—No. 15, official programme. "Reciprocity Treaty."
- 6th.—No. 16, official programme. "The Tariff Question."
- 7th.—No. 17, official programme. "The Coal Interests."
- 8th.—Nos. 18, 19, official programme. "The Sugar Duties."
- 9th.—No. 20, official programme. "Excise Duty on Malt."
- 10th.—Nos. 21, 22, official programme. "Customs additions to Cash Invoices."
- 11th.—No. 23, official programme. "Uniformity in Customs Appraisements."
- 12th.—No. 24, official programme. "Duty on Pork Barrels."
- 13th.—Nos. 25, 27, 28, official programme. "Use of American Canals by Canadian Vessels."
- 14th.—No. 26, official programme. "Duty on Foreign Vessels."
- 15th.—No. 29, official programme. "Admission of Canadian Vessels to French Registry."
- 16th.—No. 30, official programme. "Pilotage in Lower St. Lawrence."
- 17th.—Nos. 31, 32, 33, official programme. "The Insolvent Law."
- 18th.—No. 34, official programme. "Use by Telegraph Lines of Railway Right of Way."
- 19th.—Nos. 35, 36, official programme. "Telegraphic Communication with the Gulf."
- 20th.—No. 37, official programme. "Halifax as the Winter Port."
- 21st.—No. 38, official programme. "Improvement of the River St. John."
- 22nd.—No. 39, official programme. "Extension of the Intercolonial Railway."
- 23rd.—No. 42, official programme. "South American and West India Trade."
- 24th.—No. 43, official programme. "Department of Commerce."
- 25th.—No. 44, official programme. "Imperial and Intercolonial Trade Conference."

Two subjects have been placed on the official programme by the Toronto Corn Exchange Association, and the London Chamber of Commerce, respectively, numbered 40 and 41, the first relating to the importance of enforcing the Act relating to the extinction of Canadian Thistles, and the other for amendments in the Acts respecting Apprentices and Minors. In conformity with former rulings by the Board, your

Committee have to report that, these two questions being subjects for Provincial legislation, they cannot be considered by the Dominion Board of Trade.

Two notices of amendments to the By-Laws were given at the last meeting, which have been placed on the official programme, Nos. 1 and 2. Your Committee recommend that these subjects be taken up as the first order of the day on Thursday.

Your Committee recommend that the election of officers be fixed as the first order of the day on Thursday, after recess.

All of which is respectfully submitted.

(Signed) THOS. WHITE,

Chairman.

Mr. JOHN WALKER (London), asked why the subject of a duty on coal was separated from the general question of the tariff.

Mr. THOS. WHITE said it was because it was given in as a distinct proposition, and it was, therefore, left separate from the general subject, just as that of the sugar duties. It would be quite competent for any member of the Board, when the general subject of the tariff came up, to tack on this question by amendment, as was done last year with the sugar question.

Mr. WALKER: I think, if my recollection is right, we discussed the coal question with the general tariff last year.

Mr. WHITE: You are quite right.

Mr. WALKER thought it would be well to adhere to the same mode of discussion this year. He did not see why the coal trade should be ruled out of its place as one of the general industries of the country. The Hamilton Board of Trade having sent in a resolution on the general subject of the tariff, he respectfully submitted that this industry should not be excluded from it.

Mr. A. JOSEPH (Quebec), said it was in consequence of an apparent injustice done last year to those interested in the coal trade that it was this year separated from the general subject of the tariff. By Mr. Howland's amendment last year all separate questions were set aside, and the tariff as a whole was discussed, leaving the coal question untouched.

Mr. WHITE said the same course was followed now as at the last meeting. Coal was brought in separately now, as it was last year, and the Committee on the Order of Business did not interfere with that arrangement. It was by an amendment, when the discussion on the tariff came up, that the coal interest, the petroleum and other industries, which had been sent in separately, and so reported by the Committee, were included in the general question. The Committee had no authority to strike out

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those subjects and confine the debate to the one question. That was the ground on which they had followed the same course they had pursued last year.

Mr. WALKER drew attention to the fact that two subjects sent in by the Toronto Corn Exchange Association, and by the London Chamber of Commerce respectively, had been struck out—the Act regarding noxious weeds, and the Act respecting apprentices and minors. This, he had been informed, was because they were subjects which came under the jurisdiction of the Local Legislatures. If the rule was absolute in the Board, he would be obliged to submit to the exclusion of these two subjects.

The PRESIDENT: They are local in their nature and cannot be discussed by the Board.

Mr. WALKER: I thought the proposition to make apprenticeship compulsory would be an interesting subject to commercial men.

The PRESIDENT: No doubt it is, but the Local Legislature deals with it, not the Dominion Parliament.

The report was adopted.

THE INSPECTION ACT. (No. I.)

Mr. FRANCIS CLEMOW (Ottawa), moved, seconded by the Hon. JAMES SKEAD (Ottawa):—

“That this Board recommends that Inspection of Butter be compulsory in the future, and that the Act relating thereto, be so amended as to embrace the principle of compulsory inspection in the article of Butter.”

The Ottawa Board of Trade find, with regard to butter, great difficulty in enforcing the law as it now stands, inasmuch as it is not compulsory, and I believe it has had a bad effect on the character of the butter exported from this country. I believe the law should be compulsory, that inspection should be imperative, and not merely permissive. The Ottawa Board of Trade, feeling the great desirability of having the inspection of butter compulsory, have placed this notice on the paper. The subject was before this Board last year, and it was believed then that the law as it stands was sufficient. Finding it has not been so, the Ottawa Board of Trade asks you to recommend its amendment. Our butter does not stand so high in the English market as it should do, and I attribute it to the fact that the inspection is not what it should be. I believe a large amount of butter which is sent from Canada to the English market is unsaleable. It is packed improperly, and is not, in other respects, what it might be. In

our local market we find the need of inspection. The great body of people who go to the market to buy butter are not judges of a good article and there ought to be some means by which they could be protected from imposition. I can see no other way to accomplish that, except by having the law compulsory. I do not believe the character of our ashes would have been so high if the inspection had not been compulsory. I think there are a great many articles of commerce that ought to be included under a compulsory inspection law; therefore, I ask that the inspection of butter and hides be made compulsory in all cases.

Mr. M. K. DICKINSON (Ottawa): The same argument which Mr. Clemow has brought to bear on the inspection of butter, applies to hides. The need of compulsory inspection has been found in this section. The present Act was evidently intended to be compulsory, so far as the inspection of hides is concerned, but it fails to be so in consequence of the phraseology of the clause. The inspector is instructed, under this clause, to compel the inspection of hides by forfeiture, and also a penalty in case of omission to do so; but the difficulty is that the hides are brought to market and sold, and the vendor leaves the city and escapes from observation. He is not to be found. Then, the same hides, though uninspected, passing into the purchaser's hands, are not liable to the penalty provided in the Act, until after they are exported; but after they are exported the inspector cannot follow them. The amendment I have to suggest, is merely to give the officer authority to enforce the law wherever these hides may be found uninspected. The Act has been amended so as to limit the operation of the Act, so far as calfskins are concerned, to those weighing eight pounds or more; whereas, I am informed on good authority, that six pounds is nearer the minimum average weight of calfskins. About twenty in every hundred would be all that would come under the operation of the Act according to this eight pounds limitation. I would suggest that the limit should be made six pounds instead of eight.

Mr. Z. R. EVERITT (Fredericton): In our country the butter is of such excellent quality that it is considered unnecessary to put purchasers to the expense of inspection. I do not know how it may be in Ottawa, but where I come from there is no necessity for inspection.

Mr. DANIEL MACFIE (London), I don't see why a man who makes butter his business should be compelled to have his butter inspected any more than a man who makes flour his business. I hold it is his interest to have his butter inspected, because if it is branded A 1, it brings a price commensurate with its quality; but

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if he chooses to put it on the market without inspection, then he should get just what price it would bring. As to people not being judges of it, don't they buy tea and sugar and other articles that are not inspected? Why should they not depend upon their own judgment in one case as well as in the others. The purchaser ought to see and know what he is buying; and as for the dealer, it is to his interest to have his butter inspected so as to realize the best price he can get for it.

Mr. J. J. BREMNER (Halifax): In Upper Canada you have been accustomed to having your butter inspected, and I can testify to the good effect of it. I can remember when Canadian butter stood higher than it does now, simply because it was inspected. In the Maritime Provinces we are not accustomed to the inspection of butter, and I am afraid compulsory inspection would not be acceptable there.

Hon. JAMES SKEAD (Ottawa): As seconder of the resolution, I feel that I should make some observations on the subject of butter. It is well known that this dairy product of this country has become of great importance; that a great deal of it finds its way to England and other countries, and that we hear very poor accounts of it when it reaches those markets. A great deal of it is sold for grease and other purposes. A very small proportion of the butter brought to the Ottawa market is first class; the principal part of it is second class, and a great deal is fit only for grease, which might be sold in Australia or other sheep-raising countries, if it would pay us to send it there. Now, if we can do anything towards improving the character of the butter we export, by rendering inspection compulsory, we should do it. Our farmers, in this section at all events, just gather the butter in lumps through the summer, sell it to country store-keepers, thrown together, and when enough is collected in this way, it is put into any kind of a package and brought to this city to be sold. The consequence is you have all qualities of butter in one package. Put a tester through it, and, when you withdraw it, you will find it has all the colors of the rainbow. Now, I think that should be prevented. Under the present system, a purchaser may buy a package which looks well enough on the top, but when he comes to use it, he finds half of it fit only for grease. The sooner, therefore, we have compulsory inspection the better. I should recommend that the inspection of hides be taken up separately.

Mr. ROBT. SPRATT (Toronto): When a resolution of this kind is brought up, there should be more details given. If the inspection is to be made compulsory, where is it to take place? The

great difficulty experienced in carrying out all inspection laws is to get enough business to pay the inspector. We find that to be the case even in such a large centre of trade as Toronto. It is very difficult to find an inspector who can make a living out of it; and where butter is collected in villages throughout the Dominion, I do not see how a compulsory law can be enforced. It seems to me that in proposing a resolution of that sort, the mover should state where the inspection is to take place. In reference to the inspection of ashes, there is only one inspection for the whole Dominion, and that is at Montreal. All the ashes collected throughout Ontario have to be sent there to be inspected. Now, butter is made all over Western Canada, and I cannot see that the compulsory inspection of it would improve the quality. When it is bought for the home market it is examined by competent persons, and I think it would be found that compulsory inspection would be quite impracticable.

Hon. JAMES SKEAD: It may be so, but the law provides already for inspection, only it is not compulsory. It is true, ashes are inspected in Montreal, but that is because Montreal is the great port of export. Butter must be sent somewhere to be consumed. Ottawa is a centre, so is London, so is Hamilton, and so are all the towns on the frontier, and it is worth trying whether compulsory inspection at such ports would not improve the quality. All that is desired is to improve the character of the article. I am sorry that a delegate from Montreal, who is engaged in the trade, is not present to take part in the discussion. In a former meeting he showed the importance of this trade, and the great damage which we are suffering from the want of inspection.

Mr. A. T. PATERSON (Montreal): I cannot see that Mr. Skead's arguments are of weight in making inspection compulsory. That is a matter which should be left to the buyer and seller to decide. I should be perfectly ready to accept Mr. Skead's views in support of a motion for the appointment of inspectors, but not to make inspection compulsory.

Mr. J. I. MCKENZIE (Hamilton): Of all the productions of this country, it seems to me butter is the only one that is unsatisfactory. Almost all our products of the forest or farm can go into the markets of the world on equal terms with those of any other country. Butter is the only exception. Now, I think if the gentleman who has brought forward the motion would bring it before the Board in a less crude condition, it should receive our support. As I understand it, there is no real inspection of butter in the Dominion, but there is of hides. Butter is offered in the markets in all our towns and villages, and you have to

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buy it just as people wish to sell it. The result is, Canadian butter is a by-word in the English market. If any bad American butter is shipped there it is called Canadian butter. Good Canadian butter is the exception in foreign markets. You hear it spoken of as Canadian grease. Any dealer who has had experience in purchasing butter from farmers can tell you the difficulty has been to get merchantable butter. I have had some experience of it, and am satisfied that until the Dominion Government establish some efficient inspection—I do not say what it should be, because the matter has not been before my mind in that shape—the same as in ashes and certain articles of our farm productions, we will never have a quality of butter fit to go to a foreign market. The great difficulty is that it comes in such small quantities from time to time; and until the farming community are instructed to prepare an article fit for commerce, and until there is efficient inspection, we will never have butter fit for export. There is a large amount produced in this country, and the Government should be asked to furnish inspection, and ought to be able to do so without such a large expenditure as at first sight might appear necessary. I think a committee should be appointed to consider the whole question of inspection.

Mr. A. JOSEPH (Quebec): There are inspectors of butter in Montreal and Quebec at present. As I understand the mover, he wants the inspection which we have now, made compulsory. I think that should be supported by the whole Board.

Hon. Mr. SKEAD suggested that the question was of sufficient importance to be considered by the Board in Committee of the Whole.

Mr. S. P. GROAT (London), said, if the inspection were confined to butter collected for exportation he would support the motion, but as he understood it the inspection of all butter was asked for.

Hon. Mr. SKEAD: That is just what we want.

Mr. R. R. DOBELL (Quebec), agreed with Mr. Skead that the inspection was requisite. Inferior butter, which was no better than grease, should be branded as grease, and good butter should be marked according to its quality.

Mr. D. MACFIE: Every man who is dealing in butter for the purpose of exporting it, knows, or ought to know his business. He examines his butter when he buys it, just as a man who is purchasing dry goods or any other article, examines for himself. If, on inspection the article suits him, and the price is satisfactory,

he buys. It is a matter between the buyer and seller. Therefore, to appoint an inspector to see that butter is of a certain quality, is to dispense with the judgment of the party buying. You might as well say that an inspector should be appointed to examine the dry goods sold in the stores to see that purchasers get a first-class article. The proper way is to let the man who buys butter be the judge of it and the price he should pay. To appoint an inspector so as to enable an inexperienced dealer to go into the market and purchase on the same footing as the man who, from long experience of the trade, is a judge of butter, is preposterous. It is not the way business should be done. I am opposed to the principle altogether. It should rest with the party who has the butter to sell, to say whether it should be inspected or not.

Mr. WM. DARLING (Montreal): This question has come up in the Board of Trade of Montreal, and the difficulty has always been, where is the inspection to take place. Is the farmer not to be allowed to sell his butter until it is inspected, and, if so, where is he to go to get it inspected? The remuneration would never pay the inspector, and we never could see how the system proposed by the Ottawa Board of Trade could be carried out. It is quite true that when butter comes to Montreal or some large exporting place, it would be very advantageous for it to be inspected before it is exported; but that there should be a compulsory system of inspection from the time the butter is made until it is shipped, it is very difficult indeed to see how it could be carried out.

Mr. EVERITT (Fredericton): I would be perfectly willing to have it, so that by the action of any Board of Trade in any town, they could make the inspection of butter compulsory in that town, but I do not see why, in such a place as Fredericton, where the butter is good and inspection is not wanted, they should be subjected to the operation of such a law as is now proposed.

Mr. JAMES NOXON (Ingersoll): Those who handled the cheese product of the country had at one time the same difficulty to complain of that surrounds the butter trade at the present time; but instead of applying to Parliament for compulsory inspection, those interested in the business took the remedy in their own hands. They gave the producers to understand that if they made poor cheese they would get a poor price for it, and as soon as it was well understood that the quality regulated the price, a first class quality of cheese was made. The consequence has been that at the Centennial Exhibition in Philadelphia, Canadian cheese carried away the principal prizes. As regards butter, to

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have inspection at all effective, it must be made when the first exchange takes place. Therefore, it would be necessary to have an inspector at every four corners in the country where butter is collected, or to send inspectors to every remote corner where butter is sold. If the inspector had to travel far he would expect exorbitant fees, and unless you do either one or the other, your law becomes inoperative. While I would desire to see butter inspected, I am satisfied that such a law would be useless. I had occasion some years ago to give this question some attention in the Canadian Dairymen's Association. The subject was taken up by that body, which is perhaps the most competent existing association in Canada to deal with it, and when they came to investigate the matter, they came to the conclusion that it was inadvisable to make inspection compulsory, and that it should be left to the operation of the same laws which improved the quality of our cheese. We had the same difficulty in exporting cheese that has been mentioned here to-day in connection with exporting butter. While Canadian butter is exported through New York houses to England, the best will be marked American, and the worst Canadian, and thus we get all the odium of exporting nothing but a bad article. We had the same difficulty; but we insisted that Canadian cheese should go to the English market as Canadian, and, if necessary, we would mark the packages "Canadian." The same thing can be done in butter. The organizations throughout the country are conveying useful intelligence to those who produce butter, and the tendency is to improve the quality in the same way that our cheese was improved. I am satisfied that the only way to make inspection efficient, is to have it at the first exchange, and you must make the producer feel the consequences of producing an inferior article. You cannot improve matters by punishing an innocent holder of an inferior article, for then the law would become tyrannical and unjust.

At this point Mr. DOBELL submitted the Report of the Committee on Credentials, which was, after a brief discussion, laid on the table, and the debate on the Inspection Law resumed.

Mr. M. DWYER (Halifax): I desire to make a few remarks, from the Halifax standpoint, on the butter question. It seems to me that the trade in butter has assumed a new phase of late years from what it did in former years. Of late we really cannot tell, except by a practised eye, whether we are getting butter or grease. From my experience of the trade of Halifax, I know there has been, during the last twelve months, an immense quantity of an article called butter sent there from foreign countries, that came in competition with the genuine article; and

it seems to me that it is time some law should be enforced by which it can be determined whether the article sold is butter or not.

Mr. SPRATT : The gentlemen who brought forward this resolution ought certainly to be able to satisfy this assembly what Act of Inspection there is, or in what position we stand in relation to that Act. To my mind there is certainly an Act for the inspection of butter at present in existence, and I think before you pass any resolution on the subject, we ought to understand whether there is such an Act or not.

Mr. CLEMOW : There is an Act.

Mr. SPRATT : Then we ought to understand what it is. I think the remarks of Mr. Noxon bear very thoroughly on the subject. For example, nearly all over the Western Province, the butter is collected in very small quantities, and the storekeepers merely buy it in order to sell their goods. A storekeeper collects three or four hundred packages of butter in a season this way. Now, how is that to be inspected, and where is it to be inspected? You could not have an inspector for every village, and you would put the people in the dilemma of either breaking the law or subjecting them to great inconvenience. There is a large quantity of very choice butter made in Canada, but not in Canada West. The Eastern Townships produce very good butter, which is highly thought of in the English market. The mover ought to give us some information as to how the Act is to be carried out.

Mr. CLEMOW : That seems to be more a matter of detail than of principle. I want the Board to affirm that it is desirable there should be compulsory inspection. I know, as far as we are concerned in this city, it is considered very desirable some system should be adopted whereby protection should be afforded to purchasers of butter. A large quantity of butter comes to this market, much of which is unfit for use, and as this goes to almost every family, it is different from other articles of commerce. In Ontario, we have inspection of grain. I don't suppose any one would deal in grain without having it subjected to inspection. There is some force in the argument of my friend from Toronto, with reference to the difficulty which would be experienced in rural districts in getting inspectors, but that difficulty might be overcome. A large quantity of butter comes into the hands of storekeepers who, as you know, are not particular as to the way they pack it, and in the packing, the quality is deteriorated. If anything can be done to prevent this injury to the character of our butter, it will be a benefit to the country. I am sure the

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farmers will not object to it, because it is for their interest to see the character of our butter improved. As long as the Act is not compulsory there is no use in having it at all. I want the general principle affirmed, whether it is desirable in the interests of this increasing trade to see the law made compulsory, leaving the details of inspection in rural parts to be settled afterwards. There is no objection, except on the plea of expense, and I believe that could be overcome, and that the country would gain largely by the passage of such an Act. At all events, we would have the satisfaction of knowing that when we paid for butter in the market we would get it, and not common grease. I think there should be a small committee of persons conversant with the trade, appointed with a view to reporting upon it.

Mr. P. J. BROWN (Ingersoll), moved in amendment, seconded by Mr. R. R. DOBELL (Quebec):—

"That the subject of Inspection of Butter and Hides be referred to a Special Committee, composed of Messrs. J. Noxon (Ingersoll), R. Spratt (Toronto), D. Macfie (London), M. Dwyer (Halifax), M. K. Dickinson (Ottawa), James Skead (Ottawa), and F. Clemow (Ottawa), to report to-morrow."

The original motion was withdrawn and the amendment passed.

REPRESENTATIVES OF MANUFACTURERS' ASSOCIATIONS.

Mr. R. R. DOBELL (Quebec), moved the adoption of the report of the Committee on Credentials, as follows:—

OTTAWA, Jan. 15, 1878.

The Committee on Credentials beg to present their First Report, which shows that twelve organizations are represented by thirty-five delegates.
Respectfully submitted.

(Signed) R. R. DOBELL,
Chairman.

Mr. S. P. GROAT (London), asked whether the Ontario Manufacturers' Association were entitled to be represented at this Board under the section of the Constitution which provided that "every local Board of Trade, Chamber of Commerce, or other organized body for commerce, and not for any special or private purpose, shall be entitled," &c.

Mr. THOS. WHITE (Montreal), said the Ontario Manufacturers' Association had been a member of this Board for two years at least. It was represented here at the annual meeting last year, and was a regular contributing member of the Board, so that, having accepted them, the Board was not in a position to raise that point. But apart from that, it appeared to him that the only

difference between the manufacturers and the ordinary merchants was, the former manufactured what they sold, and the latter imported. The Association comprised all classes of manufacturers, and was neither a private nor a special corporation. A boot and shoe manufacturers' exchange, or a cabinet makers' exchange might be objected to, though even such bodies as those, he believed, might come in. The Corn Exchanges of Montreal and Toronto, for instance, were bodies much more exclusive than the Manufacturers' Association. They were emphatically special organizations, yet no one ever thought of raising the question that they were organized for special or private purposes. What he would take the clause to mean, was that no building society or insurance company—not associations of building societies or insurance companies, for such would be entitled to representation at the Board—should be admitted. A bank was an organization for special or private purposes, and, as a bank, would not be entitled to representation at this Board; but if there were a bankers' organization for the whole Dominion that would come within the scope of this clause, and be entitled to representation. That was clearly the meaning of the words "special or private purposes."

Mr. W. H. FRASER (Toronto), said, as a delegate from the Manufacturers' Association, he thought it ill became a new member to raise such an objection to a body which had been represented at this Board for two or three years past.

Mr. ISAAC WATERMAN (London), said he was very glad this subject had come up, for he had heard the question asked outside of the meeting, "What right has the Manufacturers' Association to be represented here?" It had been very ably explained by Mr. White why they should send delegates to this Board. They had nothing to do with any private concern, and while millers, merchants and others were represented specially, the Manufacturers' Association represented all classes of manufacturers. This was the third term they had come here, and they had joined on the invitation of the Dominion Board of Trade, who had passed a resolution that they should send representatives. They had paid this very morning their dues, amounting to \$112.50. It would have been well, before raising this question, to have quietly enquired why the Association was represented at this Board. The Manufacturers' Association were doing a great deal for the benefit of the industries of Ontario. At the Philadelphia Exhibition they had done a great deal towards promoting the interests of Ontario, when other Boards of Trade had forgotten all about them. Mr. Groat should know that the Manufacturers' Association was no private body, but represented industries in which hundreds of employers gave work to thousands of employees.

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Mr. W. F. COWAN (Oshawa) did not know what might be the object of the gentleman who raised this question. Probably he had some special legislation to put through, to which he thought the Manufacturers' Association would be adverse, but they were not by any means united in their views. Even on the question of protection they differed among themselves, some manufacturers being protectionists and others free-traders. The statement had been made that there was a desire to pack the meeting. If so, it could not be by the Manufacturers' Association, which had but a small representation. However, it rested with the Board to exclude them or allow them to remain.

Mr. GROAT said he was a new member, and had only asked for information. He had not thrown out any insinuation that the Manufacturers' Association should not be represented at the Board.

The report was adopted.

On motion, the Board was adjourned until 2 o'clock p.m.

AFTERNOON SESSION.

TUESDAY, January 15, 1878..

The PRESIDENT took the chair at 2 o'clock p.m.

RECEPTION OF AMERICAN DELEGATES.

The following gentlemen, delegates from the National Board of Trade of the United States, entered and were provided with seats on either side of the President's chair;—Hon. Fred. Fraley and J. P. Wetherill, of Philadelphia, E. P. Dorr, of Buffalo, and J. D. Hayes, of Detroit.

The PRESIDENT—It affords me very great pleasure indeed to welcome to our annual meeting our distinguished friends from the United States. We have received at their hands the greatest kindness during our visits to their Board of Trade meetings. I have the honor to introduce to you these distinguished gentlemen, all representing various interests in the United States, who have kindly come here to our annual meeting; and I suggest that the Board extend to them the full privileges of debate and everything else. (Cheers.)

Hon. Mr. FRALEY, (Philadelphia), on rising to respond, was greeted with enthusiastic applause. He said:—I feel quite a difficulty in attempting to respond to what your President has so kindly said. I have been mingling with so many of the gentlemen present for the last seven or eight years, that I feel a little like how a father is disposed to feel when he is in the presence of his family—that they feel more kindly to him and he to them, when there is that sympathy of feeling which heart feels for heart, and which it is impossible adequately to express in words. I came here after many promises. I have been endeavoring to come and see you for many years. My friends in our southern latitude have told me—"In your extreme youth you had better not go so far north, for it would be perilous." (Laughter.) I left my home last Saturday, and I have found all along my pathway, with very few exceptions, until I awakened this morning, almost the evidences of early autumn around me, and as I came along north, that inspired me with the feeling that although I might find some snow on the ground at Ottawa, yet everything on the way, both in the appearance of the country and in the voices of greeting which my friends gave me on the journey, seemed to indicate that I would find on my arrival here exactly what I have received at your hands, Mr. President. (Applause.) Now, I stand here in the midst of the representative business men of Canada. One of your delegates had the kindness to put on my table this morning an official list of the subjects which are to be discussed, and I find even there I have a sort of family residence amongst you, for I see that some questions of national character, and some of them of local character, which agitate our own National Board, are also the prevailing questions here. I feel that they are to be discussed here as we discuss them in the United States—in the spirit of brotherhood, and with a strong disposition to arrive at an accurate political and economical conclusion—so that the interests of the two countries, which we, as business men, represent, may be more and more assimilated; and that, although we live under a somewhat different form of government, there is that strong assimilative feeling between our respective peoples that reminds us continually that we are sprung from one nation, and that our great material and social interests are very closely identified. (Applause.) We have been looking forward, and have been urging on the National Board of Trade a reopening of the old reciprocal trade relations that prevailed before our civil war. We have been encouraged by the evidence that has arisen more and more strongly as we proceed, that the day will be soon, when a new treaty of reciprocity can be negotiated, which will be mutually beneficial to both those great American bodies of

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civilized men, and that there will be such a perfect exchange of the products of industries of the two countries as to leave us nothing to wait for in the future, but to go on advancing steadily in the great march of prosperity that I think is before both countries. (Applause.) I feel a great interest in Canada, although I reside at a considerable distance from you. My own State has a little corner which we happened to secure by what might be called "Quaker's diplomacy," from the great Empire State, and it gives us a foothold on the lake which makes us feel that we have some interest connecting us immediately with Canada. I desire, as far as Pennsylvania is concerned, to enlarge our intercourse with the Dominion; and I feel, as representing the National Board of Trade, that the whole of the Northern States have a desire for this reciprocal trade, which must very soon, I think, be realized to the satisfaction of both parties. (Applause). I hope, therefore, gentlemen, that while I am here I shall listen with very great pleasure to the discussion of some of the questions I find on your programme, that I shall go home revived in some respects with the strength of Anglo-Saxon maxims and Anglo-Saxon feelings, and that I will be able to tell my own people what I have learned during my sojourn amongst you. I have much to learn about Canada, and a great deal to know about yourselves; for while I have paid occasional visits to your territory, they have been very few and far between. My first visit to Canada was in the year 1825, and I suppose that quite a number of the gentlemen that I see around me hardly knew anything of Canada or anything else at that time; but I have seen it increase in prosperity and population, and I feel that it is going forward to realize—what we have realized to a very great extent in the United States—the spread of our Anglo-Saxon population over these immense fields which are before you, and which are susceptible of the highest development and cultivation which can attract the attention of human industry. You have all the elements of prosperity within the bosom of your own soil that we have in the United States, and with that field and the use of the energies you are devoting to the development of those interests, the prosperity of Canada will go on, and we shall have two great suns of civilization shining on this continent that will enlighten the whole world. (Loud and prolonged applause.)

Capt. E. P. DORR (Buffalo, N.Y.): Under the guise of a reply to a speech of welcome, your honored President has given me permission to speak on a subject which, in that part of the country where we live, has excited a good deal of attention during last year and the year before, and he has permitted me to prepare a few

words to address to you on a subject which, I thought, when presented, would command your attention.

Hon. President and Gentlemen of the Dominion Board of Trade:

I am glad again to meet you here on this occasion, in this beautiful city among the hills, with its pure air and splendid surrounding streams of water, all emblematic of a great and free people, to meet in council as your invited guests the merchants and representative people of Canada, the connecting link between the people and government for suggestive legislation, to point out your wants and needs to them; and although it is our province to listen and not to speak, my esteemed friend, your honored President, has given me an opportunity to say a few words to you (probably the only one that will offer) on this occasion of welcome, on a subject that lies near my heart; and I feel assured that it will to yours when I state it to you, for are we not a common people, having the same proud ancestry, impelled by the same motives, living on the same plateau, separated only by streams made primarily by the rains from heaven? Then why should not we be men and brethren together when humanity is the question, and the common interests are involved that cluster around the word?

Gentlemen, I speak to you of life and property-saving around our lakes—the great inland fresh water seas of America—owned in common; the great dividing line between the two countries, starting, as we suppose, in the Rocky Mountains, from the snows and rains of their summits, precipitated down their eastern water sheds towards the sea, forming these great highways of commerce, down your beautiful St. Lawrence, connecting with steamers and sailing ships to traverse the world, wherever the British and American flags float. Gentlemen, there is of this fresh water domain over five thousand miles of continuous navigable Lake and River coast, including both sides of it, spanning a distance that would cross and re-cross the Atlantic Ocean to the mother country, from which we all primarily spring.

And is not this domain a goodly heritage that no other country does possess, and are we not the natural guardians of it, friends and brethren alike; to see that in all that relates to its use for the protection of human life and property, that it remains as free in that light as was designed by the Great Giver when confiding the trust to us for its protection? Gentlemen, I allude to this question that has arisen recently between us, within the past two, three or four years, of the right of "wrecking," as it is termed, on each other's shores; or, in other words, the right to save life and property when in imminent peril of being lost from the elements.

A simple statement, as expressed in those few words, but fraught with great interest to those exposed, and to their friends and relatives, the wives, children and loved ones at home dependent upon them, whose lives are imperilled in the wreck to which the quickest succor possible should be rendered, "*to save or I perish.*" Every attribute of our nature impels us to do this, untrammelled and free to act in the effort without restraint. No laws or regulations should intervene between the worthy and humane object intended.

Gentlemen, it is the highest mission of our nature and race to save, if possible, human life, and the right to do it without restraint should be free entirely, for life once lost cannot be restored; and, as guardians of our lake coasts, should we not throw around it all the protection possible?

Gentlemen, in my opinion all this misunderstanding arises from a want of knowledge of this important subject—neither country understands it—from a practical

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standpoint. The commerce of the lakes is made up of something over two thousand five hundred (2,500) steamers and sail-vessels. These vessels when actively employed pass and repass through them many times, passing exposed and dangerous places, liable to be shipwrecked and lost, crews, and vessels with their cargoes, many, many times during the season of navigation. I suppose there is no coast line in the world whose shores are covered so constantly with moving sail and steam vessels for eight (8) months (during the season of navigation). The work of these vessels is a quick one.

Our gales of wind, as you all know, are sudden and violent; the seas are as large as those upon the ocean. Many, or most of our lake harbor entrances are narrow and inaccessible, particularly those of Port Colborne and Grand River, Canada. Many vessels and much property, and a large number of lives have been lost at both those ports in the past. There are no facilities at either of them, of any kind, for saving life or property. Assistance is almost always necessarily sent from Buffalo to both of those ports to render aid to shipwrecked vessels, when going ashore at those points, to save life and property. Life-boats have been sent from Buffalo, to save life, to Port Colborne, I know, eighteen miles distant by land. The American Government have recently established, all along its lake coasts, life-saving stations, furnished with first-class English life-boats, capable of being towed and going to sea to save life in any weather. Our people in charge of them would like to extend their services and usefulness to the Canada side of the lakes, if an occasion should offer. I think those in charge are instructed so to do; but under the present ruling of your Customs, "that wrecking vessels from foreign countries are not allowed to work in Canadian waters," the life-boats would be debarred from making or carrying out their humane offered intentions, as published in the public newspapers in 1877. The loss of life, as said before, is of the greatest importance. The loss of property is of second importance, but it is the world's loss; the world is so much poorer, and all proper efforts should be made to save it—second only to saving life.

Gentlemen, I am fully aware of the importance of this subject. It is not a new one to me, for in early life I had the honor to be appointed agent of the New York Board of Underwriters for the Northwest Lakes and tributaries, and the whole Northwest, which I hold to-day; though its duties are changed. Considering this subject carries me back to more than 35 years ago, when engaged in local marine underwriting upon the Lakes, I built and introduced for the protection of commerce—Canadian, as well as American—large steamers of 400 tons burthen for wrecking purposes, to protect and save human lives and property, the crews and cargoes of imperilled vessels, introducing at the same time steam wrecking pumps and wrecking appliances, all owned and worked by Underwriters. Gentlemen, I know the horrors of the lee shore with its great waves and quicksand exposure, the same as upon the ocean. I know the dangers of boat-service attempting to save in them, those whose lives are exposed, clinging to the breaking up wreck. It is this knowledge of the importance and value of a few moments of time to get official permission from Custom house officials first, to save those poor drowning people who are clinging to their frail supports of perhaps falling spars and breaking planks, that impels me, Mr. President and you gentlemen of this Board of Trade, to beg of you to urge upon your government the great importance of throwing this privilege open to the world, to every one, to save life and property when cast upon your shores by shipwreck, in the quickest way possible, without the slightest restraint. You have kindly given me this opportunity, the only avenue open for that purpose to speak to you. May I ask you to ask your government to throw around this important question the same humanitarian rules of action that have governed them

throughout the whole history of English Government, in their protection to *the subject* wherever he may be when needing it. The mantle of the British flag covers him in the most remote corner of the world, if he is a true and loyal subject, and suffering wrong; perhaps a prisoner unjustly held, he may be all alone when he turns his face to his far off island home, and asks her aid and protection; it is freely given him, and at once; expenditure of money is no object; ships are loaded and the expedition sails—troops march through the burning sands of India for the relief of those shut up in Lucknow, or to the capital of the barbarian King Theodorus, demanding and getting the people confined there; men move towards the Pole mid the icebergs of the North, all to save life or get record of the lost subject imperilled or unjustly held.

Gentlemen, may I ask in the name of humanity to allow free permission to save life and property upon the lakes, as in all the years of the past, until within the exceptional past three years. It is not a question of revenue or profit. No one can be benefited by a misfortune—at least they should not; then this question resolves itself into one of humanity only, and a simple announcement from your government that all people have the right or privilege from them to save life and property upon the shores of the lakes on your side when exposed to loss by shipwreck, free from official interference, as quickly as possible under the exigencies of the case, and to report action to the nearest Canadian Custom-house afterwards.

There is no precedent, I think, among the nations of the world to do otherwise, that I am aware of—we must “give and take” in these matters.

The U. S. Steamer “Michigan” is upon the Lakes at this time from the action of your Canadian Parliament petitioning the British Government through Lord Lyons to allow her to remain upon the Lakes for the services she had rendered Canadian vessels when in distress. She was in excess of size and armament provided by the treaty of Ghent, and her removal had been demanded by the British Government. One word fitly spoken by your people to repay an act of kindness did this, and undid and set at naught the treaty of nations. Let the exigencies of the case have the same effect, it may be, and it is likely to be, your people as well as ours the sufferers—a Canadian vessel as likely as an American—that may need service of succor to save life and property by an American wrecker. Let both countries furnish the aid as needs may be in such cases without let or hindrance to save all they can, and adjust the report of good services afterwards. The approval of all will follow, as well done.

E. P. DORR.

OTTAWA, 15th January, 1878.

One word, Mr. President and gentlemen of the Dominion Board of Trade, on another subject. For over thirty years the American Government have been engaged on a survey of the Northwestern Lakes and Rivers. Men of the first class, eminent as engineers, have been employed on the work. It is about finished. I take great pleasure in presenting to the Canadian Government unofficially through you, Mr. President, a complete set of the charts of the Northwestern Lakes, some sixty or sixty-two in number. There are two or three more only to be published, which I will see added to the list when issued. I also present to you, Mr. President, a similar set. These charts have been distributed by our Government through headquarters of the

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Lake survey at Detroit, and by myself at Buffalo, while in course of publication, *free and without cost of any kind*, to *Canadian and American* vessels alike, without distinction, all the time during the progress of the survey, and are now in supply at Detroit headquarters and at my office in Buffalo, for all vessels that have not had them navigating those waters they cover. The application should give the *name of vessel, owner's name, tonnage, hailing place and name of master*. In making this survey of the lakes, in one or two cases we have adopted Admiral Bayfield's survey. He was the pioneer surveyor of this north-west country, commencing down in the Gulf of St. Lawrence, or even in the Strait of Belle Isle. I had an interview with him, personally, and he related to me how he had surveyed these coasts. It was done in open boats, manned by English sailors, and it was the most rapid work ever accomplished in any country, and the most correct. General Meade, who surveyed Lake Huron, tested Admiral Bayfield's charts, and found them so correct that he adopted them, without any correction, as our own. The same course has been followed on your own side, too. Recently, at the headquarters of the survey, I had my attention called to this fact, that Admiral Bayfield's charts are correct so far as they go; but there are portions on your side of the lake that have never been surveyed, and there are a great many points that should be looked after. You lost a fine steamer, the *Northumberland*, at Collingwood last summer, on a rock that is not laid down on Bayfield's charts. I was asked by our Board of Trade to present to you this fact when I came here, and ask if arrangements could not be made with your Government to practically survey the shore line, or if they would give us permission to do it. We have no right to go on your coast line to survey; but I inferred from what our Board stated that they would be glad to do so if they had the chance. Gentlemen, I thank you for your attention. (Applause.)

Col. J. P. WETHERILL (Philadelphia): I feel that I am addressing a body of practical business men, and therefore it seems to me that I need do no more than fully endorse what the President of the National Board of Trade has stated, and take my seat. I feel the more impressed with that fact when I look at your programme, and see the number of important subjects you have to discuss within the three or four days of your meeting. I recollect eight years ago when we commenced our National Board of Trade, and I have had the honor to represent that body almost continuously since, that you commenced this Board about the same time, and you have been working on, as we have been working, to do what you could for the commercial prosperity of

your country. I am not at all surprised to find, on looking at your programme, that there is one topic on which we can unite, and on which we ought to be united. We have had the question of reciprocity brought ably and forcibly before us by representatives from this body, and we have had, also, in our own Board, very many of its warmest and most attached friends. Although large bodies move slowly, and we know the difficulty of urging representative men at the seat of Government, yet I assure you that the National Board of Trade believe there ought to be a community of interest between two such countries as these, lying so closely together, and where advantages on both sides can be presented and secured by either country. I thank you, gentlemen, for the kind reception you have given us. (Applause.)

Hon. J. D. HAYES (Detroit): Like the gentleman who has just sat down, I feel that I ought not to say anything more than to thank you for the courtesy and the cordiality with which you have received us. When I came first to the city of Ottawa, the ground where your Parliament Buildings now stand, was covered with pine trees; and the only communication with the place was by a little steamer which plied on the Rideau Canal between here and Kingston, and anyone who took that trip once will remember it all his life. (Laughter.) We could get off and walk on the tow-path for some distance ahead, and get on again, and catch fish and muskrats on the way. (Laughter.) But we find you have developed your resources as much in this country since then as in any part of the world—so far as the business community is concerned, you are equal to any I have come in contact with, and to-day we feel that we are in a business community that has interests alike with us. As the President has already stated, the matter of reciprocity has been brought thoroughly before our own Government, and there are some prospects of our getting measures introduced there that will be a benefit to both countries at large. I do not wish to occupy your time, as you have so many matters to attend to, and I simply thank you for all your kindness. (Applause.)

Mr. THOMAS WHITE (Montreal), moved, seconded by Mr. ANDREW ROBERTSON (Montreal):—

"That the Dominion Board of Trade, in welcoming the Honorable Frederick Fraley and Col. J. P. Wetherill, of Philadelphia; Capt. E. P. Dorr, of Buffalo, and Hon. J. D. Hayes, of Detroit, delegates from the U. S. National Board of Trade, accords to them the full privileges of debate during the present Session."

In moving this resolution, I desire to express my personal very great gratification, which I am sure is shared by all the members of the Board here, at the fact that not only the usual delegation from the United States is with us, but that we are also

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avored with the presence of their honored President, Mr. Fraley. (Applause.) For the last five years I have had the good fortune to be at the National Board of Trade as a delegate, which is, perhaps, more frequently than any other member of this Board; and I may say the only feeling we have had, and which acted almost as a weight on us, was that we would be unable, no matter what we might do, to requite the kindness shown us by the National Board of Trade. Wherever we have gone, not only the members of the National Board itself, but also the citizens of those places where its meetings have been held, have accorded to the Canadians in their representative character the greatest possible kindness and courtesy. (Applause.) Our feeling is one of almost oppression, because we recognized the impossibility of returning so great kindness. I have great pleasure in moving this resolution.

The resolution was carried amid applause.

Hon. Mr. FRALEY : I am sure this is a very unexpected compliment. My friends, Mr. White and Mr. Robertson, are so near to me that I can hardly trust myself to say exactly what feelings arise to my lips. We have listened to their eloquent words in various cities of our Union; and while he says they have felt oppressed with the weight of their responsibility, and that they were unequal fully to discharge their duties to Canada, as I understand it, because of the overwhelming civilities of the people of the United States, I feel that it is due to them to say, that they have always been true to the interests of Canada, true to the interests of their race, and true to everything that should animate a patriotic mind in any country. I hope that the years to which he has referred may be extended to fifty years, and that he may live to participate in the proceedings of the National Board of Trade when he is a good deal older than I am at the present time. (Applause.)

THE STAMP ACT. (No. II.)

Moved by Mr. W. E. SANFORD (Hamilton), seconded by Mr. F. CLEMOW (Ottawa):—

“That this Board urge upon the Government the repeal of the Stamp Act upon Promissory Notes and Bills of Exchange, believing the revenue from this source is in no sense an equivalent consideration in view of the vexations and frauds occasioned by the collection of this tax.”

Mr. F. CLEMOW : This is the usual annual question that is discussed before the Dominion Board of Trade. The Ottawa Board of Trade are very anxious to persevere in demanding the repeal of this Act. As I stated on a previous occasion, there are individual members of the Board who are adverse to the repeal

of the Act, but it is the opinion of the Board, as a whole, that it should be done away with. I rather favor a change to stamped paper, and if we cannot get the Act repealed, our Board are willing to take stamped paper as a substitute.

Mr. W. E. SANFORD: The fact is, as has been already stated, this is a subject that has been under discussion at this Board for sometime back, and, I think; three facts embody all the arguments for discussion necessary on the subject. The first is, that the request emanates from seven separate interests—Boards of Trade and Chambers of Commerce—from one end of our country to the other. This is the strongest possible evidence that the law is irksome and objectionable. Secondly, the fact—I say the fact, for I feel sure it can be proved to be one—that fifty per cent. of the notes in use to-day are illegal and could not be collected. This is a strong reason why this law should be repealed. The law, I understand, provides that the party giving the note shall put the stamp upon it. Failing to do so, any party receiving the note must put on double the stamps the first party should have affixed, or the note is illegal. The fact that the country merchant cannot get those stamps, the fact that in nine cases out of ten they make no pretensions to get the stamps, but send the note to the wholesale merchant or dealer, who, unless he puts on the amount required, lays the holder open to difficulties from this source, is sufficient reason why the Act should be repealed. Thirdly, the revenue derived from this source is small, and after deducting the cost of the stamps and commission, the gain is so trifling as compared with the burthen and annoyance which the trade suffer from the tax, that I feel if the matter is properly pressed on the Government they will repeal the Act.

Mr. R. SULLY (London): There has been a stamp tax ever since I can remember. In England they collect about three millions of pounds sterling from stamps annually; and though the amount collected in this country is not large, it would be impossible for the Government of Canada to do without that revenue. You must find some other source of revenue if you repeal this Act, and, I suppose, all forms of taxes are disagreeable. As to the convenience of stamped paper—I have been in trade in the United States, and I know in that country we could ascertain what stamp was required by looking at an almanac, put that stamp on and make the document legal. Now, it seems to me that stamped paper would not improve matters. It would be as difficult in country places to get stamped paper as to get stamps. It would be an easy matter for any party, on coming down to the city, to get stamps and make his document legal

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If the maker of the note does not do that, he runs the risk of not having legal paper. It is not to be expected that the Government could do without the revenue derived from this tax, and I think the subject is hardly worth discussing.

Mr. JOHN GILLESPIE (Toronto): I believe that the Government are very anxious to know the opinion of the commercial community on any question, and they can hardly do so if we merely pass resolutions without discussing them and giving our views. This is no new topic. It has been before this Board for two or three years, and it appears to me from the number of local boards that have asked for the repeal of this Act, the feeling against the duty is increasing. The mover of the resolution has given some reasons for its repeal. I will give one or two others. In the first place, when a tax is intended to be general, provision should be made for its general distribution; but the operation of this Act unfortunately seems to concentrate the tax upon a very small part of the community. It is very plausibly spoken of as a tax upon the whole community, because it is brought down as low as a half cent, but it is really concentrated on a very small class. I stated last year that I believed half the notes in the banks were illegal, but I was contradicted by Mr. Joseph. However, I find the same statement repeated here to-day, and I believe it is correct. The notes are returned to the wholesale dealer without any stamps, frequently with the excuse that the stamps cannot be got in their town. I got some paper recently unstamped, with the excuse that there were no stamps in the whole Province. The wholesale dealer seldom complies with the provision of the Act requiring a note to be doubly stamped in such cases. In the operation of the Act, if it is found that it is a burthen on a few, as it has been shown it is, the Government should take up the question and raise the tax in a manner that will distribute it more equally. Of course, those who do not feel the oppression of the tax will not ask for its repeal, and consequently the demand comes only from a small part of the community, which suffers from the injustice. I hope the Board will increase its vote against the Act, and that the motion will carry.

Mr. A. JOSEPH (Quebec): I would like Mr. Gillespie to point out any tax which the people willingly accept of. He says the tax falls on a small number. I think it falls generally on the public—on any man who gives a note; and this statement that the banks hold such a large number of illegal notes is a broad assertion, which I defy any one to prove by anything he can show. I think that Banks hold more notes that have been forged than notes that are illegal from want of stamps. As to the tax

being onerous, I would like to know if there are not taxes which are more so. The excise duty is even worse. The manufacturer has not only to pay the tax, but has to bear the presence, at all times, of the excise officer, and that is not very pleasant. I hope the opposition to the repeal of the law will be greater than it was last year.

Mr. M. DWYER (Halifax): The Halifax Chamber of Commerce passed a resolution to repeal the act, and I can only echo all that has been said against the duty. Our bankers, merchants and all classes of the community complain of the injustice of the act. I would call attention to the fact that the innocent holder of a note has to pay the penalty for the omission of the maker, by the fact that the document being invalid without stamps, must be doubly stamped, I think, therefore, that the act should be abolished.

Mr. JOHN MORRISON (Toronto): The gentlemen from the larger cities of Lower Canada have not so much to complain of as the merchants of the rising towns in the West, because frequently notes are sent to them to be signed, which, for want of stamps, they cannot make legal; and I agree with Mr. Gillespie that a large number of the notes in the banks are illegal. The wholesale dealer does not put on double the stamps as required by law, and, consequently, the note is not valid, and if brought into court, would be thrown out. Of course, the wholesale dealer could sue the maker upon his open account, but the note would be illegal and could not be collected. With regard to the statement that all taxes are obnoxious, I do not think there are many merchants here who object to the Inland Revenue officer's presence in the collection of Excise duties, because they know that taxes must be paid. But this system of duty is annoying, because it is almost impossible to get a supply of stamps, and there is a penalty if they are not affixed when the note is made. I do not believe that there is one note in ten that comes into my office that is legally stamped; therefore, I think that this Board ought to take up this question, and urge upon the Government to do away with this tax if they can see their way to do without it. If we cannot get rid of the tax, stamped paper, the same as is issued in England, would be better than what we have now. As to English precedent for the tax, I need only say that England is an entirely different country from this. Business is done there more on the cash principle than here. We do ours almost entirely on credit, and, therefore, in a young country like this I do not think it is fair to impose such a duty upon the commercial community.

Mr. ANDREW ROBERTSON (Montreal): I find this tax has

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been up at this Board for five years—or rather up one year and down another. I have always opposed the repeal of this tax, though probably no one has suffered more than my own firm by it since the duty was put on by the Government. I can quite understand the difficulties that have been complained of. No doubt, in sending out notes to customers, they often return them with postage-stamps, or no stamps at all, but the difficulty could be obviated by an amendment to the Act. It seems to me that the maker or endorser ought to be allowed to affix the stamps, and, so far as that goes, I should like to see the Act amended. I very much doubt if the Government would be willing to repeal the Act and do away with this tax. I therefore move, in amendment, seconded by Mr. WM. DARLING (Montreal)—:

“That all the words after ‘That’ be omitted, and the following substituted:—
The law be so amended as to allow either the maker or the endorser to stamp bills or promissory notes, and that, in addition to the stamps at present in use, stamped paper be introduced to as large an extent as possible.”

Mr. E. K. GREENE (Montreal): The law, as it stands, is a very unsound one. It is practically an encouragement to break it. I find, from experience, that notes are generally sent without stamps, and, from the very fact of their being sent in that shape, they are illegal, and must be sent back to the maker, in which case the chances are they would not be returned. I favor the motion of Mr. Robertson to amend the Act, so as to do away with the present penalty, or to substitute stamped paper.

The ayes and nays being called for on the amendment, the vote was declared to be as follows:—

Ayes—Messrs. Brown (P. J.), Dobson, Darling, Dobell, DeVeber, Elder, Everitt, Greene, Groat, Joseph, Kerry, Macfie, McKenzie, Noxon, Paterson, Robertson, Spratt, Sully, White, Walker, Waterman.—21.

Nays—Messrs. Bremner, Cowan, Clemow, Dickinson, Dwyer, Frazer, Gillespie, McMaster, Morrison, Skead, Sanford—11.

The main motion, as amended, was declared to be carried on the same division.

WEIGHTS AND MEASURES ACT. (No. III.)

Mr JOHN WALKER (London): It will be in the recollection of the Board that at last year's meeting a resolution was submitted from the London Chamber of Commerce asking the Board to petition the Government to get some amendments made to the Weights and Measures Act, with a view to lessening the charges for inspection and adjustment, and if possible to do away with

compulsory annual inspection and charges to which the trader is subjected. The representations of the Board, I am glad to say, had a very good effect, as is noticed in the report of the Executive Council, the Government having very considerably reduced the charges attendant upon the carrying of this act into operation. But there is still room for improvement, and I trust the Board will kindly support the resolution that I am about to lay before it, in the direction of doing away with the necessity of the trader taking his weights and measures to the inspector's office for examination every year, also in some other respects that I will explain to the Board. At present the trader has got to take to the inspector's office once a-year, every weight, every scale and every measure that he may have in his possession for the purposes of his trade, and there submit them for inspection and verification. This is a very great hardship to traders generally throughout the country. There is only one exception, the weigh-bridge scale, which it would be physically impossible for them to take to the inspector's office; and, strange to say, there are also the very large hopper scales at the millers' offices, which the inspector goes to inspect; but the weights and everything required to adjust the scales, must be brought from the mill at the trader's expense. Practically there is no necessity for this. Every inspector of weights and measures is supplied with what is called a portable kitt—that is, a portable set of standard weights, and other machinery requisite to test any man's weights and measures. He is supplied with this kitt, and takes it with him where a township is attached to a city for inspection purposes, to traders' places of business, and inspects their weights and measures. Now, why should not this be allowed in cities and towns as well as in townships? Why should not the inspector go round with his portable kitt in cities and towns as well as in the country? Unfortunately the regulation requires the trader, at his own charge, to take his weights and measures and scales once a-year to the inspector's office, and there wait his turn to get them inspected. In the meantime he leaves his premises without those necessary articles. I would like this Board to call the attention of the Government to another fact. By an Order-in-Council issued in 1875, an order that was necessary to carry out the provisions of the Weights and Measures Act passed some years before, it is decreed that on the First of July, 1878, every 56, 28, 14, 7, 4, 2 and 1 pound weight presently in use in the Dominion of Canada shall be rendered useless. It shall be a crime after the First of July of this year to use any of those weights, so every trader in the country will have to sacrifice on the First of July next every one of the weights of these denominations that he has in his possession, and use no weights but those

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on the decimal principle. Now, would it not be possible to decri the necessity of absolute forfeiture of these weights; that the change should be effected in a milder form—that no new weights of these dimensions described should be stamped in future, and that traders be allowed to retain their old weights. I am asked by a delegate beside me, if there is a penalty when the weights do not come up to the standard when examined by the inspector. There is no penalty attached at present. I beg to move, seconded by Mr. D. MACFIE (London):—

“That this Board petition the Government for a further amendment of the Law respecting Inspection of Weights and Measures, by doing away with the necessity of Traders being compelled to take their weights and measures yearly to the Inspection Office, and also to amend the Order-in-Council which declares that certain weights and measures shall be forfeited on 1st July, 1878.”

Mr. WM. DARLING (Montreal): I don't know any Act that has caused more irritation throughout the country than the one for the regulation of weights and measures. It has thrown out of use a large number of labor-saving weights and measures, and it at the same time decreed that the manufacturer or dealer in these articles must not have them in his place of business. This has been altered. Now, those weights and measures should not have been declared liable to forfeiture unless they were actually in use where commodities were being weighed upon them for purposes of transfer. This alteration has taken place lately, but it is not made in the manner in which it was desired; and I hope the attention of the Government will be called to this, as well as to other matters that have been mentioned by the mover of the resolution. The alteration is that the manufacturer of weights or weighing machines shall not be bound to have the same inspected and examined so long as they remain in his factory or warehouse. But if he sells them to a merchant what has he to do with them? There should be no forfeiture or fine unless they are used in weighing commodities for sale. I hope this will be included in the motion. I would move in amendment the following addition to Mr. Walker's motion:—

“That weights or measures should not be subject to seizure either in the warehouse or out of the warehouse of the manufacturer or dealer, but only when they are being used by the seller of commodities without being stamped.”

Mr. Z. R. EVERITT (Fredericton): I would like to go even further with the resolution. The law, as it now stands, requires that the weights and measures shall be stamped, and that the merchants shall in all cases, whether correct or not, pay for the inspection. Now, this is a great tax on the mercantile community. A merchant using four or five scales would have to pay a considerable tax, even though they should be found correct. The proper plan

would be only to compel the merchants to pay for inspection if the scales and measures are found incorrect. I have found this law in my own business—hardware—where I have to keep a large number in stock, to be oppressive. In some cases the loss has been very great. I have scales which, according to law, I cannot sell although they are quite correct. I think the Act has been exceedingly burthensome, injurious and oppressive, and it is necessary that it should be amended. I go with Mr. Walker as far as he goes, and even further. He should so amend his resolution as to provide, that, unless weights and measures are found incorrect, a merchant should not be obliged to pay for inspection.

Mr. R. SULLY (London): I think the Act altogether is a clumsy one. If the inspector were to go round not at a stated period, but whenever he chooses to call on the shopkeepers, and try their weights and measures, it would have the effect of keeping people honest, for then they would not know when to expect him, and they could not have them adjusted before the visit. I would add, therefore, to the resolution, and ask the Government to provide a penalty in case, on inspection, the weights, measures, or scales should be found incorrect.

Mr. WALKER: The resolution is not for the imposition of penalties, but for the taking of them off.

Mr. SULLY: Unless you enact a penalty for using short weights, I cannot see what good the Act does.

Mr. DARLING'S amendment was adopted, and the motion as so amended was carried.

RECIPROCITY. (No. V.)

Mr. JOHN WALKER (London), moved, seconded by Mr. THOS. WHITE (Montreal):—

"That the Dominion Board of Trade records its opinion as heretofore in favor of a Treaty of Reciprocity between the United States and Canada on a broad and comprehensive basis."

This is a resolution we have passed at successive meetings of the Board for many years, and I am sure it will meet to-day with as hearty a response as it has met with on former occasions. We must be all proud to see such an influential delegation from the United States as this which honors us to-day by its presence at this Board. They have given us kindly treatment and a hearty welcome whenever we have visited them at their annual meetings. They find here, as we have found there, an almost universal

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desire among the commercial people of the two countries for a reciprocity treaty which will break down the wall existing between the two countries, and bring us into a closer union. I know it requires no remarks from me to bring this matter to your favorable consideration. It is a subject which we are all well versed in, and I therefore beg to move the resolution.

Hon. Mr. FRALEY (Philadelphia), being called upon to address the Board, said : This subject has been so thoroughly discussed at various meetings of our Board, commencing, I think, eight years ago, at a preliminary meeting held in Boston, that we found that really there were very few practical questions of difficulty between the representative men of the two countries. I had the pleasure, about two months ago, of presenting at Washington the various points of reciprocity. I dwelt at considerable length, and endeavored to impress upon those gentlemen the importance which the National Board of Trade attached to the negotiation of a treaty on a comprehensive basis, and of its being entrusted to a commission of business men from both sides of the line, and that this might lead to its final ratification by both countries. So far south as where as I reside, we feel that the negotiation of such a treaty, so far as the United States is concerned, should be mainly entrusted to men who reside along the lakes and along the country which is more closely affected by those relations than we who are at such a distance from you. The only point of difficulty there appears to be in the matter is the extent to which such a treaty should go. I attended the commercial convention in 1865, where I had first the pleasure of making the acquaintance of many of my Canadian friends, and where this subject was very thoroughly discussed. I had then the honor of being on the committee that was entrusted with the resolutions, and from that time until now, I have seen no cause to change my mind, that there was a very wide field in the matter of reciprocity which could be most advantageously opened to both countries. The only difficulty about it was, when we approached questions of a strictly internal character which concerned both countries in their local interests and relations. What was desired in the negotiation of such a treaty was to make it, in the first place, so tentative that there would be no committal by either country to so long a time as might produce the sort of troubles which, so far as I was able to examine them at the time, affected the old treaty. We have to bear in mind in the United States, the very great burden that is upon us, growing out of the late unhappy civil war that raged in our country, and which has imposed upon our Government the necessity of raising a very large amount of revenue. Shortly after the

war, a very considerable amount of that revenue was raised by excise taxes; we had almost everything taxed by stamps, by returns made monthly by our manufacturers, and it was very difficult in the year 1865 to see how, with the burdens that were then upon our country, it was possible to enter into anything which would lead to a treaty of reciprocity that would not be very burdensome upon the people of the United States, owing to these internal taxes. But they have now happily been almost entirely removed; the only remnants of them we now have in existence, are taxes on whiskey, distilled spirits, on tobacco and malt liquors, and a very small stamp duty, which we have on cheques and patent medicines. The probabilities are that in a very short time those duties will be essentially modified, and will also to some extent be abolished. The next point is, of course, a very difficult one to touch upon at all, and that is, our duties upon imports. We are obliged to raise at least one-half of our whole income by duties upon imports, or to resort to taxes upon income, which are very unpopular in the United States, or to resort to direct taxation. Our country is so vast, the population in many parts of it is so sparse and so widely separated from each other, and the land of so little value, that it is very difficult to adopt a system of direct taxation which would give our Government an adequate revenue. Hence, we have adhered to the system established at the time the independence of our country was proclaimed, raising a large part of our revenue by duties on imports, and hence this system has grown up in the United States, modified and changed in different periods, relaxed as the prosperous condition of the country required relaxation, and, when the exigencies of the country required it, increased. That is one of the chief difficulties that, I think, we will find in the way of negotiating a treaty of reciprocity, the moment we begin to come upon the boundary which reaches the introduction of manufactured articles upon both sides. It is such a delicate question that I will not attempt to discuss it here—for I see upon your programme indications that there is felt to be a necessity in Canada for looking to a certain extent in the same direction in which we have been compelled to look in the United States,—and, therefore, I will forbear saying a single word on that point except this: that there is a positive necessity, for financial reasons, in our country at present to have what is called a protective tariff. The protection comes in the percentage of duty which it is absolutely necessary for the Government to impose, in order to honestly pay its debts. When those debts are diminished, it is not only probable, but it is almost certain that those duties will be modified and to a very considerable extent reduced; and as the manufactures of the country grow

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up and prosper and are established in different parts of the land, bringing factories close to the farmer (the consumer), these difficulties will vanish. But there is so large a list of articles that are produced naturally in both countries, where they are raised almost precisely upon the same foundations, that those things could be interchanged with great advantage by people on both sides of the line, and leave the other questions to be disposed of as time and opportunity will permit them to be settled. Those are the views I have always looked upon since 1865 as the basis for the negotiation of a reciprocal treaty, and I think that is the feeling which, to a very large extent, is prevailing among the thinking people of the United States: that at various points along the dividing line there are opportunities to make those exchanges perfectly free, and as we become better acquainted with each other's resources, and the habits and mode of life in both countries, and the ability to produce and consume, the treaty can be made to reach far and wide, and ultimately to become practically as free an interchange of the domestic productions of the two countries, the agricultural and mineral resources, as if we were one people. (Applause.) That is the end to which, I think, all patriotic men should look, and endeavor to bring about a public sentiment in the two countries that would lead to such results, leaving other points to be settled afterwards. In both countries there will be a desire to have manufacturing establishments, which will make them practically independent of foreign supplies, for those articles which are necessary for domestic comfort and for countries which may unhappily become involved in war. Upon the basis I have referred to there is ample scope and verge for the business men of both countries to press upon their respective Governments to bring about a treaty which, though not perfect in its character, will yet be so beneficial in its effects as to lead to a better feeling between the peoples of the two nations. I hope to live to see such a treaty negotiated, and to see it prepared in such a form that both Governments will be able to modify it as the exigencies of the countries may require, and that finally it may become as perfect as possible, while the independence of the two nations remains as now,—and I hope that will remain forever. (Cheers.) I think we can operate on each other by our civil and social institutions in a way that will promote the greatest good, and much greater good than if either country were to grasp at an annexation of the other. (Cheers.)

Capt. E. P. DORR (Buffalo): I would only add to what our President has said, that we are in debt over there. We have to impose a duty to assist us out of debt, but I have always felt that two peoples living along the same plateau, side by side, ought to

have kindred interests; and I would hail it as one of the best things that could be done between your country and ours if we could have a liberal reciprocity treaty, flexible, as Mr. Fraley has said, in order that one country should not have any advantage over the other; and if, after a year's working, it should be found unsuitable, it could be readjusted and made of equal benefit to both nations. I never expect to see a treaty of reciprocity between this country and ours until it is done by practical men. It has to be shaped by the intermediate class that stands between the people and the Government. All along this boundary, all along the great lakes, the people should be called together in council to make suggestive legislation for the men who administer the Government. We have a right to tell our rulers what we want, and it is their duty to conform to our wishes. I hope to see the day when the common people—the mechanics and merchants—will have a voice in this matter. Instead of being entrusted to theoretical men, it should be started by the people, and the day that a treaty can be thus made between these two countries will be a happy one for both. That is the treaty I wish to see. (Applause.)

The resolution was carried.

Capt. A. SNOW (New York), one of the delegates from the National Board of Trade of the United States, was introduced, and took his seat.

UNIFORMITY IN CUSTOMS APPRAISEMENTS. (No. XI.)

Mr. A. T. PATERSON (Montreal), moved, seconded by Mr. WM. DARLING (Montreal):—

"That the necessity for the strictest uniformity of practice at the several Ports of Entry be urged upon the Dominion Government by this Board; it having been represented that, as regards the values of certain kinds of goods and merchandise, appraisements are not uniform, the result being detrimental to the public revenue, as well as unjust to merchants who are strictly dealt with."

He said: The object is simply to urge upon the Government the necessity of adopting such measures at the different ports of entry throughout the country as may be necessary to ensure a uniformity of practice. There is reason to believe that the system of valuation at different ports varies somewhat, and, of course, it will be apparent to everyone that a difference of valuation results in a difference of duties imposed. I think there can be no difference of opinion as to the necessity of what is proposed here. The difficulty arises from the number of small ports for which it is not easy to supply competent appraisers. What we

ask is the adoption of a system of inspectorship that would ensure uniformity of action.

Mr WM. DARLING: In seconding this resolution I would only point out the necessity there is for a similar mode of imposing duties in the smaller ports that there is in the large centres of commerce; for in the latter everything is done in the most special and particular manner in imposing and collecting duties, and the large importer is placed in a worse position than merchants in smaller ports, where such stringent regulations are not in force. In large centres the invoices are inspected by men thoroughly acquainted with the nature and value of the goods imported—men who have been regularly brought up in the business. It is quite true the Government cannot maintain in small places a sufficient force to get anything like the same accuracy in valuation that prevails in larger ports, and it seems to me it is a question whether there should be so many of those small places or ports of entry. If they are to continue, the mode of ensuring uniformity is a matter for the Government to consider, but it is certain there is an absolute necessity for uniformity at all those ports of entry.

Mr. JOHN MORRISON (Toronto): I don't think there can be two opinions around this Board as to the abstract justice of what has been said, but to my mind speakers have not made out a case. For instance, they do not give a line of goods entered lower at one port than at another. There are ports in this country all along the frontier—at Kingston, Cobourg, and other places—and it would be unfair to gentlemen who do business in such towns to say they must have their goods entered at Quebec, Montreal, Toronto or Hamilton. The only thing we can do is to ascertain if the goods are undervalued at those small ports in any line, and then there would be a case made out to lay before the Government.

Mr. PATERSON: I purposely avoided entering into any details of the kind; but for myself, I can say I had a case which I laid before the Customs authorities. I would prefer not to mention the port or the party, but in that case the purchaser of the goods complained that, through our entering them for him at Montreal, and having the duty fixed there, we had deprived him of the benefit he would have obtained had he entered them himself at his own port.

Mr. JOHN GILLESPIE (Toronto): This is the old question that has been debated here for several years. On former occasions cases were cited and fully made out. I gave instances myself where goods that were subject to duty in the city were entered

at small ports free, and others which were entered under certain heads in Toronto, which were entered under other heads in the smaller ports. Moreover, there was a system of crediting country importers that was not allowed in the cities. Last year we unanimously instructed the Executive to urge upon the Government the importance of remedying this evil. I should like to ask what the Executive has done, and what has been the result.

The PRESIDENT: So far as I can see, the Government, acting upon our suggestion, have appointed one or two additional appraisers, who visit the different ports, and, I think, there is great improvement. Mr. Paterson's remarks are perfectly correct, in every respect, as to the necessity for further improvement.

Mr. J. I. MACKENZIE (Hamilton): The remarks of the gentleman from Montreal would have been appropriate some years ago, but as a matter of fact, the Government have taken action. In Ontario, at all events, the small ports of entry were improperly managed, owing to want of proper supervision. Of late, the Government have appointed inspectors to visit all those outports, and assimilate the valuation of invoices there with the invoices in larger places, where the Customs have been better managed. As a matter of fact, in the past, at those outports, the differences did exist that are referred to. Men have been appointed of late who have posted themselves in the prices of commodities in the American markets.

Mr. R. S. DEVEBER (St. John, N.B.)—Mr. Cudlip was commissioned, some time ago, by the Government, to look into this matter, in New Brunswick, Nova Scotia, and Prince Edward Island, where different rates existed. He was appointed as inspector, to go through the three Provinces and examine the accounts of the Custom-houses, and look generally into their management; and the result has been that great alterations have been made, very beneficial to the Government and to honest people. Of course, it is out of my power to say whether anything is wrong in Montreal or not; but I hardly think, so far as we are concerned, there is any necessity to ask the Government to do anything in the direction suggested by the resolution.

Mr. GILLESPIE—In view of those explanations, I would suggest that this resolution be withdrawn, because the Government, having taken action at the suggestion of this Board, there is no further necessity for it.

Mr. ANDREW ROBERTSON (Montreal): In 1874 I moved a resolution on this subject, and I am glad to say the Government

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followed the advice it contained, to a certain extent. While they have done all they probably could to cure the difficulties then existing, for which we thank them, such difficulties still exist. There have been complaints to the Montreal Board of Trade; and I can tell you cases in our own business where the valuation was different on goods entered at Toronto, from that on goods of the same class entered at Montreal. At Toronto, it so happened, the rate was lower than at Montreal. This was in dry-goods. There is no doubt, at all events, that there is great laxity in some of the ports compared with others. If you take such places as Montreal and Toronto, it is quite clear the Government can afford to keep a better staff than at smaller places, and the regulations will be enforced with greater stringency. The only remedy is to reduce the number of ports of entry in the Dominion, and I am in favor of abolishing nearly every inland port.

Mr. W. F. McMASTER (Toronto): The Government have appointed inspectors who have been going through the Dominion and thoroughly investigating this matter. The rules are so stringently adhered to now, that it is rather a reflection on the Executive Council of this Board to move such a resolution. That discrepancies have occurred in the past, is true. I am one of those who complained of it, but the fault lay in the fact that incompetent persons, not conversant with trade and commerce generally, were put in the position of valuing goods that they knew nothing about. They simply accepted the position without any preparation whatever, and therefore a good many mistakes arose from their being ignorant of their duties. I think a great change has been made for the better, and it would be difficult for improper entries to be made now,—the surveillance that is exercised being quite sufficient to detect any fraud. I hope this resolution will be withdrawn. It looks like a censure, and should not be put in that light.

Mr. JOHN KERRY (Montreal): There is one thing that causes a great deal of trouble. When the duplicates of entries are forwarded to Ottawa, a far stronger scrutiny is exercised over those coming from a large place than from those coming from small ports. The latter are generally thrown aside after a very slight examination. If they were all looked at in the same way, a great deal of this trouble would be avoided.

Mr. J. NOXON (Ingersoll): From my own personal knowledge I am aware that where those evils did exist for a number of years, they have been entirely stopped of late. I am satisfied, too, from my own personal experience, that where goods have been entered for less value than they were worth, it has been

detected in the Department here, and the invoice sent back for correction. In some cases where the discrepancy was great, an inspector has been sent out to ascertain why such a difference should exist, and experts have been employed to detect the cause. I should be very sorry to see a resolution of this kind passed here now, after the resolution adopted by the Board last year, when it is so evident that the Government is giving the matter such thorough attention. I would much rather see a resolution passed thanking the Government for the action they have already taken to comply with the wishes of the Board, and hoping they would continue their good offices to redress what was a great wrong to the commercial community. I know there are some houses that could sell me goods of a certain class cheaper than other houses. The reason has been found to be that they entered their goods lower than they should. The Government have put a stop to this, and those houses have, in consequence, been obliged to raise their rates.

Mr. FRAZER: As a delegate from the Manufacturers' Association, I am aware that in many cases our manufacturers have suffered injustice from under-valuation of goods brought into the country, especially from the United States. I have here a letter which I will read, which bears out my statement. It is as follows:—

CANADA IRON FOUNDRY AND PIPE WORKS,

HAMILTON, 14th January, 1878.

E. GURNEY, Esq.,
City.

DEAR SIR,

I have yours of this morning, asking for information relative to our transactions with Ottawa Water Commission in proposing to furnish them with water pipes. Last spring they advertised for tenders to supply them with about 600 tons. I went to Ottawa to obtain the necessary information, and afterwards went down at the time of tendering to put in my offer personally. I did so, and the evening that the contracts were awarded, I was informed that P. D. Wood & Co., of Philadelphia, had been awarded the contract. Their offer was at the rate of \$30- $\frac{2}{3}$ per gross ton *in Bond*, and the Commission, basing their estimate on the supposition that they would be able to enter the pipes at a valuation of \$20 per gross ton, made out that there was a difference in Messrs. Wood & Co.'s favor of \$700 to \$800, and gave them the contract. When the pipes were delivered, there were Custom-house invoices made out, invoicing the pipes at \$24 per ton—(these invoices I have seen personally.) The rate of freight paid from Philadelphia to Ottawa was \$3.75 per ton; so to keep within the law, they should have been invoiced at \$26.45 per ton at the least—thus duty has been paid on the whole at \$2.45 per ton less than should have been paid. If I had not made the matter known to the Customs authorities, I am convinced that an effort would have been made to pass them at a still lower rate. Since that time my firm has come into competition with other American pipe makers, and in one instance (that of St. Catharines) where upwards

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of \$6,000 worth of pipe was taken away from us, the chairman of the Water Commission, Mr. H. H. Collier, had a tender sent to the same firm who supplied the pipes, purporting to come from a large town in the Western States, and the offer was nearly \$6 per ton higher than what they supplied the pipes to St. Catharines. I only quote these instances to show the efforts the large pipe makers in the United States are making to kill us off. Nearly all those in the business over the lines are long established; have had the markets of Canada open to them for a number of years, and are able, if they choose, to make and deliver here pipes at such a price as to starve us out. If anything else occurs to you in reference to these matters I will be glad to furnish them, but the above statements I am prepared to substantiate. I may say, in conclusion, that I am within the mark in saying that, for the past five years, the import of water pipes alone has amounted to upwards of \$750,000 per year—work that could all be done at home—and in hardly any instance, does the invoice entered at the Custom-house represent the actual price paid, or anything like it.

Yours faithfully,

A. GARTSHORE.

I had on several occasions to call the attention of the Commissioner of Customs to cases of a similar character, and I must say Mr. Johnston has at all times shown a disposition to apply the remedy.

Mr. PATERSON: Notwithstanding what has been said, I cannot withdraw the resolution, as our Board of Trade seem to think that although some remedy has been applied, the evil still exists to a certain extent. It is not proposed or intended to throw any censure on the Government by this resolution. We recognize the difficulties which exist, and which are necessarily due to our small ports throughout the country; we merely wish to continue to urge upon the Government to use every means in their power, to secure uniformity in appraisements at the various ports of entry. I am willing to modify the resolution in a manner to suit the views of the Board, but not to withdraw it.

The resolution was thereafter modified as follows:—

“That this Board is pleased to learn that its representations, recommending strict uniformity in the valuation of goods entered for duty, are receiving the attention of Government; and beg further to recommend the reduction of the number of small ports of entry, without which it is hardly probable any effectual remedy of the evil complained of can be found.”

Mr. THOS. WHITE (Montreal): I have nothing to do with invoices, and therefore nothing to do with the practical working of the system, except that I have been called upon on several occasions, as a journalist, to direct attention to such evils as have been complained of here to-day. In that way I have had a good deal of experience. A great deal has been said about the number of small ports of entry; and no doubt that is a great cause of the difficulty, but I do not see how the number can be diminished.

When Sandfield Macdonald, in 1862, cut off a large number of those ports of entry, the political pressure brought to bear upon him was so great that he was obliged to restore them, and the number became greater than ever. The difficulty is, every Canadian town wishes to be a port of entry, and if you take it away, the loss becomes a political grievance, and I don't care what Government is in power, it will be used against them. But the cases that have been brought under my notice have relation, not to the small ports of entry at all, but to difference of valuation at the two large ports of Montreal and Quebec. I remember one case just at the moment (and I have no doubt I could remember others if I could think over the matter) where a Montreal man was in the habit of entering stuff at Quebec because it was entered free there, and once when, by mistake, it came to Montreal, he had to pay duty. The matter was investigated, and he had to pay duty afterwards. Another case was that of a gentleman largely engaged in the sale of an article which involves the carrying of samples. He had been getting samples in at Quebec free of duty, and once, when he came to Montreal, he found a duty was imposed on them. The attention of the Government was called to the matter, and he has had to pay duty ever since. What has always seemed to me to be the greatest difficulty—and I venture to express it here—is the appointments made to the Custom-houses, not by this Government alone, nor by any particular Government, but by all. It seems that, if the whole Customs system from one end of the country to the other were looked upon as an army, and the leading men in one place promoted to others, the difficulty would be got rid of, because men would go into responsible positions with experience. Of course, I understand the difficulty in the way. Every Government will want to use the patronage to reward political supporters. They will say, in case of a vacancy occurring in a certain town, "Here is John Jones who has failed in business. He has been a good staunch supporter of the party, and he should have this vacancy in the Customs." But I believe if any Government had the courage to lay down the principle that, as to the Custom-house, where skill in the particular duty of the office is essential, where training and uniformity are so necessary, they would not appoint any man to the collectorship of a small port unless he got a special training for it, and do away with political appointments to the highest offices of the Custom-house altogether, it would remove a great many of the causes of complaint. There is no doubt the appointment of inspectors has done a great deal; but I am inclined to believe that in spite of all that can be done, so long as the present system continues, there will be numerous difficulties remaining.

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They can only be substantially removed in the way I have indicated.

Mr. NOXON: While the proposition now before the Board is a vast improvement on the resolution as originally introduced, there is an addition which I do not approve of,—the recommendation to close the small ports of entry. So far as Ingersoll is concerned, while it is not a large place, we feel the necessity of having a port of entry there. We find it a great advantage and accommodation to the people of that town; and now, to turn round, after having got the port of entry by great exertions, and ask the Government to abolish it, is something which we cannot do. If that were struck out, I would like to see the motion carried.

Mr. S. P. GROAT, (London): I think the resolution, as it stands, is a very selfish one. The Boards of Trade which send delegates here are supposed to represent large centres, but there are many small places where they would consider it a very great hardship to have the port of entry taken away. I am satisfied such a change would meet with very strong opposition, and would not accomplish what it is proposed to carry out. I believe in those small places there are men of experience, who have been appointed, and who can be appointed, and I don't think there are too many of those small ports of entry in the Dominion.

Mr. W. F. COWAN (Oshawa): I for one, as representing the small port of Oshawa, must protest against this resolution.

Mr. JOHN WALKER (London): I think it would be better to strike out the part of the resolution objected to. There are many rising towns in the West where, I know, the port of entry is a great convenience to the public. I would be sorry to vote against a part of the resolution, because I believe it is right, but with this obnoxious clause, I must vote against it.

Mr. Z. R. EVERITT (Frederickton): As representing a small port of entry, I shall have to vote against the latter part of the resolution.

Mr. W. F. McMASTER: While it would be a great advantage to the large centres and the frontier towns to abolish the smaller ports of entry, the benefits which they would derive from it would be small compared with the advantage which the existence of the smaller ports confer on the public. I think the resolution is illiberal.

Mr. JOHN GILLESPIE: I am very sure if the Government were to undertake the reduction of the number of ports of entry, they would exercise discrimination in carrying it out, but I think the principle affirmed in the resolution would not effectually

check the want of uniformity which at present exists. To appoint experienced men to all those ports of entry would necessarily greatly increase the cost of collecting the revenue. If returns were made of the various ports, a great many could be struck off without much inconvenience. If we simply affirm the principle to furnish the right kind of inspection at every port, we recommend something which would involve a large expense, and it is just in the small places where the mischief is done. Therefore, I think the object desired cannot be effectually accomplished without a reduction of the number of small ports.

Mr. Z. R. EVERITT: What does the gentleman mean by "small ports?"

Mr. A. T. PATERSON: That must be left to the discretion of the Government.

Mr. THOMAS WHITE, (Montreal,): I am not prepared to urge the abolition of the small ports, because the political pressure would be so great that no Government could do it; and I have always taken the ground at this Board that we should not recommend the Government to do what we know they cannot accomplish. I beg leave to move in amendment, seconded by Mr. J. NOXON, of Ingersoll—

"That all the words after 'That' be omitted, and the following substituted:—

"This Board, while expressing satisfaction at the measures already adopted by the Government, in acquiescence with the views of the Board, as expressed at former meetings, to secure more strict uniformity in the appraisement of goods at the different ports of entry, would urge the continuation of the efforts of the Government in the same direction; the want of uniformity still existing being detrimental to the public revenue, as well as unjust to merchants, who are strictly dealt with at the larger ports."

The question being put on the adoption of the amendment, it was declared to be carried; and the main motion as thus amended was adopted.

The Board was thereafter adjourned until 10 o'clock a.m. on Wednesday.

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SECOND DAY'S PROCEEDINGS.

MORNING SESSION.

NEW CITY HALL, OTTAWA,

WEDNESDAY, *January 16th*, 1878.

The Board met at 10 o'clock a.m., the President in the chair. The roll was called, and the minutes of proceedings of the previous day read and confirmed.

THE INSPECTION LAW. (No. I.)

Mr. R. SPRATT (Toronto) presented the Report of the Special Committee on the Inspection Law, as follows:

The Committee appointed to consider the amendments asked for in the Acts for the Inspection of Butter and Hides, after due consideration beg leave to report by the following resolution in reference to Butter:

Moved by Mr. J. NOXON (Ingersoll), seconded by Mr. F. CLEMOW (Ottawa), and

Resolved:—"That it be recommended that the Government be asked to give municipalities power to appoint Examiners for the purpose of the appointment of Inspectors of Butter; and that when so appointed, the inspection of butter within the municipalities may be made compulsory."

The application for alteration in the Act for the Inspection of Hides, is referred back to the mover for further information.

All which is respectfully submitted.

ROBERT SPRATT,

*Chairman.**Ottawa, January 16th, 1878.*

Mr. SPRATT then moved, seconded by Mr. D. MACFIE (London), that the Report be adopted.

Mr. THOS. WHITE (Montreal): I am afraid you will find that the suggestion you make is impracticable. I do not see how the Dominion Parliament can do anything in connection with municipal matters at all. A conflict between the provincial

and the federal jurisdiction will arise at once; and inasmuch as the matter of inspection is one belonging to the Dominion Parliament, and municipalities come exclusively under the jurisdiction of the Local Legislatures, the Dominion Parliament will not carry out your suggestion. Inspectors appointed by the Dominion Parliament must have some allegiance to the power that appointed them.

Mr. JOHN WALKER (London): I do not see any such difficulty in the way. This question has, no doubt, been carefully considered by the Committee, and I will vote for the adoption of their report, leaving the Government to find the necessary means of carrying out their recommendation if approved of by them.

Mr. SPRATT: The object is to give the power to municipalities to exercise their discretion as they may feel best, in order to meet the circumstances of the case. The inspection of butter is a very difficult question; in one place it is wanted, in another it is not; and therefore it is felt desirable, if the Government can do so, to confer the power upon the various municipalities to make inspection compulsory if they consider it advisable.

Mr. J. I. MCKENZIE (Hamilton): The suggestion of Mr. White has a good deal of force. I cannot, for the life of me, see how the Dominion Parliament can legislate on subjects that pertain altogether to the Local Legislatures. I think the only way is to let the local Boards of Trade have the power to make the inspection compulsory. It is true there is not a Board of Trade in every locality, but there is in every county, or there should be one. If this matter be relegated to the local Boards of Trade, it will strengthen the hands of this Board to induce the counties to invariably have local Boards. The Dominion Parliament certainly have jurisdiction over the Boards of Trade. They have given them certain powers already, and can increase them.

Mr. MACFIE: Municipalities have inspectors of bread, and I cannot see why there should be an objection to appoint inspectors of butter if the municipalities approve of it. I do not altogether approve of the appointment of inspectors; but there seems to be such a strong feeling in favor of it in Ottawa, that I do not see why they should be prevented from having compulsory inspection. The municipalities have been entrusted with many powers, and I do not see why they should not be entrusted with this.

Mr. J. NOXON (Ingersoll): There is a great deal of force in the objection taken by Mr. White, that it would be altogether unlikely the Dominion Government would undertake to invest local municipalities with power to deal with matters of trade and

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commerce, while it would be just as unlikely that the Dominion Government would invest Boards of Trade with powers paramount to those of the Local Legislatures. The Dominion Government undertakes to make laws for the whole Dominion, and these should be uniform, but in this case we ask them to pass laws which are local in their nature. My own impression, as a member of that Committee, is, that we could adopt no recommendation that would be likely to make an improvement in the existing law. If we undertook to make the law compulsory, we would find it difficult to get a body in whom that power could be reposed without coming in conflict with the local authorities.

Mr. WHITE: I have no doubt the municipal laws might be so amended by the Local Legislatures as to give municipalities power to appoint inspectors for any purpose, so long as it is not compulsory. The question is, whether the Dominion Parliament can confer such powers on municipalities. But there is another and more serious objection. If you have inspection of any article, and it is only partial in its character, it will do more harm than good. You create the impression that butter is an inspected article in Canada. Some municipalities appoint inspectors and others do not. The result is, uninspected butter goes abroad and the very evil complained of—that purchasers are not protected from an inferior article—will be multiplied. It seems to me, this Board ought not to recommend anything which would not be uniform in its character. If there be any inspection, it should be uniform all over Canada. I am speaking now simply with regard to a body like this, which is supposed to represent the views of the whole Dominion. This seems to me to be a fatal objection to the resolution.

Mr. NOXON: I might further explain the reason why the Committee arrived at the conclusion they did. It was found the Boards which sent this resolution up were influenced more by local considerations than that it was a great commercial question. The object was to protect the consumer from buying an inferior article. It was thought if this was the moving cause of the whole matter, it would be better to leave it to the municipalities to deal with. As to dealing with the butter known in commerce, it would be entirely different in that respect. Of course, the inspection of butter, to be of any use, must be uniform, and to have it uniform, you must have experts. If local municipalities all over the country are going to appoint examiners, you will have inspection as varied as the butter itself. Although we did arrive at the conclusion we did, to meet the views of the local

Boards, I contend we cannot effect any improvement in the existing laws. Butter is one of those articles that must regulate itself.

A vote was then taken on the adoption of the Report, with the following result:—

Ayes.—Messrs. Brown (P. J.) Cowan, Clemow, Dobson, Dobell, Dickenson, Dwyer, DeVeber, Demers, Everitt, Frazer, Gillespie, Greene, Joseph, McMaster, Macfie, Mackenzie, Noxon, Skead, Spratt, Sanford, Walker.—22.

Nays.—Messrs. Bremner, Darling, Elder, Groat, Kerry, Paterson, Robertson, White, Woods.—9.

RECEPTION OF AN AMERICAN DELEGATE.

At this point the PRESIDENT introduced Mr. J. C. BATES, of Boston, a delegate from the National Board of Trade, who was received with applause.

Mr. BATES: I thank you for this very cordial reception. I arrived here late yesterday or I should have been present to listen to the speeches on the reciprocity question which, I know, is the one subject that occupies the minds of the people of Canada and the United States, especially that portion of the latter country from which I come, New England. All we can do is to agitate the question from time to time, and endeavor to bring our Government to such action as will secure reciprocity. The idea should be, not for a short experiment, but long enough to demonstrate on which side the advantage would be. We should not forget that the object is not to give either country an advantage over the other; but we ought to endeavor to arrange for a reciprocal trade which will be mutually beneficial to both of us. I know your time is fully occupied, and I will not trespass longer upon it. (Applause.)

THE TARIFF. (No. VI.)

Mr. J. I. MACKENZIE, (Hamilton): The question of the tariff has always been one of great interest before this Board, and has always elicited a great deal of consideration from its members, and doubtless it will be considered with equal interest on this occasion. I feel how very inadequate I am to properly introduce this subject to-day; but as the reference has been made by the Board of Trade which I represent, (Hamilton), I trust you will bear with my imperfections. A very strong feeling has

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existed throughout the country, that during a time of crisis such as we are passing through, in common with almost every other civilized country, there should not be a change in the fiscal policy. Doubtless, that has influenced the Government thus far to make as few changes as possible. I do not, and I don't think the Hamilton Board of Trade, approve of making a change now, and I believe the great body of the people of this Dominion are of the same opinion. There are three elements in this discussion—extreme free-trade, extreme protection, and incidental protection. The first is an impossibility in this Dominion, at all events in the lifetime of any of us here, so I find we may set free-trade altogether to one side. There is no such principle working among us, because we must derive our revenue from a tariff on imports into the country. We never can adopt direct taxation for revenue purposes. I come to the principle of protection pure and simple. It is always desirable that the Government should legislate in such a way as to encourage manufacturing industries in the country. All our Governments have, of late years, taken steps in that direction, by giving incidental protection. Our industrial interests have grown up in the last twenty years to be of very great importance; and I believe the great majority of our people (because they are the agricultural class) are perfectly satisfied with the present tariff of $17\frac{1}{2}$ per cent., and consider it should not be higher, unless the exigencies of the country should necessitate an increase to raise a larger revenue. I therefore come before this Board to advocate retaining the tariff as it now stands, pronouncing it sufficient for all purposes at this time; and if eventually the Government of the country should deem it right and proper to increase the tariff, that they would do so in the direction of encouraging our manufacturing interests. The policy of this country for a number of years has been to give incidental protection to native industries. We have flourished under that system quite as much, relatively, as any other country I know of. We have suffered a good deal of late, as all other civilized countries have, from the prevailing commercial depression, but not more than they have done. I have no doubt whatever that the yeomanry of our country are in a state of very great prosperity. It is true, the manufacturing and commercial classes have suffered, as similar classes have in other countries; and it is a fit subject for enquiry why that depression has taken place. I believe one of the causes has been overtrading. We imported more goods than we could consume, and that has been followed by an era of economy during the last two or three years. I believe that the wave of extravagance that spread over the neighboring country

after the war, flowed into Canada; that our people spent more money than they had a right to spend, and the result was a collapse, which we have felt for the last two or three years. With regard to manufacturing, there is no doubt that we produced more than our small population required. In introducing manufactures into Canada, we have overdone that interest; yet I nevertheless think our manufacturers are recovering, perhaps, in a greater degree than the mercantile classes. I believe many manufacturing interests are enjoying very great prosperity. One thing that helped them was the great Centennial Exhibition at Philadelphia. Some of our manufacturers, I know for a fact, visited that grand display of the works of art and manufactures of the world, and came back satisfied that they were considerably behind the age. They found the reason why some American goods, notably stoves and iron castings, competed with ours, was because of their superior finish. But they did not give up the strife. They took a leaf from the book of our neighbors. I happened to step into a manufacturing establishment in Hamilton the other day, and remarked that there was a great improvement in their manufactures. "Why, yes," was the reply, "I saw how far behind we were when I went to Philadelphia; and I believe now, during the time that has elapsed since the Centennial, we have been able to catch up with our neighbors." I asked if he found the manufacturers of the United States competing with him. He said: "No, not to any extent. Our stoves were as good as theirs, but we did not finish them well, and they had not such a good appearance, but we have improved in that respect." Such has been the case with that class of manufactures, and so it is with many others. The turn is taken, and our manufacturers will find, so far as our own market is concerned (and that is all we have a right to look to, so long as the United States continue the policy they inaugurated after the war) that their prosperity is returning. Then, again, there will be another amelioration of the condition of our manufactures, and I believe that the cry for protection comes almost altogether from them. Some years ago, it was well known to honest importers of goods that there was a good deal of dishonesty practiced through the Custom-house. Invoices were brought for entry at very much reduced prices as compared with the market value of the goods where they were purchased. Sometimes that might arise from the holder of the goods in other countries, but more particularly the United States, being obliged to sacrifice them—what we call "slaughtering,"—and those goods were entered at "slaughter" prices. The present Government have remedied that very materially. They have appointed inspectors to visit all the ports of the Dominion, to inspect the

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markets outside of Canada and ascertain the value of goods there, and when such invoices as I have referred to are presented at the Custom-house, they invariably add 25, 50 or 100 per cent., as the case may be, to bring them up to the proper value. They do not take the "slaughter" value, but the value of goods in the markets from which they come. That is but fair to the honest trader, and I can give one or two instances to show how this worked. Three or four years ago there was a great cry from the sewing-machine manufacturers with regard to the interference of American competitors in our market. It was alleged that the American manufacturers sent in their goods in pieces, at the cost of the labor and material. Sewing-machines which sold for \$24 in the United States were entered at our port at \$12—the cost of the material. The Government made enquiries, and finding the complaint of our manufacturers well founded, compelled the American sewing-machine makers to enter them at the proper value. That checked the introduction of them to such an extent that, except in very superior articles, they did not interfere with our own manufacturers. The same thing occurred with the manufacturers of saddles and saddle trimmings. I believe there is but one factory of the kind in this country, and the American manufacturers determined to close it up. They ran in their goods at any price; but the Government interfered and compelled them to enter everything at the rates which prevailed in the markets of the United States. It is so with other classes of manufactured goods. That is the system now in operation, and, if continued, I have no doubt it will afford sufficient protection to our manufacturers without an increase of the tariff. Now, as this is simply introductory to the discussion which I know will take place, and which I hope will be conducted in that calm and proper manner which has always characterized the deliberations of this Board. I shall say nothing more, but simply move, seconded by Mr. E. K. GREENE (Montreal):—

"That while, in the estimation of this Board, the present tariff of 17½ per cent. is fair and reasonable: yet, in the event of its being found necessary to increase the duties for Revenue purposes, that this Board would respectfully request the Government to consider the industrial development of the country, in any readjustment of the Tariff."

Mr. GREENE (Montreal): The adjustment of the tar touches so many interests of the country either favorably unfavorably, that it is well to consider first what constitutes the wealth of a country. If we can satisfactorily establish that question, then the next step is what legislation is necessary to develop that wealth. To my mind the wealth of a country must of necessity come from labor, and the profit from our agricultural, mining and manufacturing industries; and the prosperity of a

country depends upon the extent of that labor, as from the product of that labor we supply our own wants and develop the internal wealth of the country. My friend on the other side has drawn a rather pleasing picture of the condition of the country; but I think no man who has a thorough knowledge of this Dominion will question for a moment that evil times have befallen this country during the last three years. There was a time when this country was prosperous—for the twenty years extending from the passing of the Reciprocity Treaty in 1854, to the failure in the U. S. of Jay Cooke in 1873. During that period it increased in wealth and prosperity more than at any previous time in its history. We find since then that the country has gone steadily backward. We are now entering on the fourth year of depression, and the failures in 1877 were about as large as in any of the preceding three years. The effect of depression in the manufactures of the country is felt in this way. There is first a diminution of the labor employed in those industries. If the cause is from a surplus sent from the United States or other countries in any particular branch of manufactures, either the producers of such manufactures must close up their factories for a part of the year, or discharge some of their operatives, as has been the case in this country. The result is, the retail trade in all the cities and towns is considerably reduced from this cause. If the sales of the retail merchant are reduced one-fourth, the business is conducted at a loss, for that fourth is his profit. The retailer, finding his business declining and his accounts uncollected, is obliged to compound with the wholesale merchant, who thus shares in the loss. This again reacts upon the banks, who furnish the importer with a considerable portion of his capital, and eventually reaches the farmer, in the lessening of his home market for a large amount of his perishable products, which he cannot send out of the country. The result is a serious depreciation in the value of real estate, which in some instances has been 25 per cent., and even 50 per cent. We see bank stocks within the last two or three years seriously reduced, and there is hardly a bank in the country to-day that is earning a satisfactory dividend. In 1849, previous to the passing of the Reciprocity Treaty, the duties against Canadian products prevented our farmers from sending anything to the United States at remunerative prices. Our exports in 1849 to the United States were only \$2,000,000; but in 1854, the first year of the Reciprocity Treaty, they rose to \$9,000,000, and in 1866, the last year of the Treaty, they had reached \$48,000,000. During that period our tariff was raised. In 1847 it was $7\frac{1}{2}$ per cent.; in 1849 it was $12\frac{1}{2}$ per cent.; in 1859 it was raised to 20 per cent., and nearly all the industries which exist to-day in this country were established under that tariff. The duty on boots and shoes was raised to 25

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per cent., and the result was the establishment of a number of boot and shoe factories in Canada; and, from being large importers of boots and shoes, we became able to supply ourselves with them at half the price for which they were sold in the United States during eight years following the outbreak of the civil war. The saving effected to our own people by the development of that industry in our midst amounted to over \$100,000,000. I find from statistics that during the thirteen years previous to the treaty, the exports to the United States were \$44,000,000, and during the thirteen years' operation of the treaty they increased to \$325,000,000, being a gain in round numbers of \$280,000,000. It should be remembered that we received war prices for a very large part of those exports. Now, the condition of the country has changed, and our relations with the United States have also changed. Practically, during the civil war, so far as we were concerned, they had no manufactures to export; they supplied themselves, but they could not go outside of their own markets. Gradually, as the effects of the war passed off, the United States have come forward as a manufacturing nation, and, though to-day they are not large exporters, they are supplying almost entirely their own home wants. Now, the question is: What are we going to do in Canada? Are we going to allow our tariff to remain as it is, and let the future take its chances?—or are we going to re-adjust the tariff? I think we cannot go very far wrong in following England in adopting the system which has given her the position she holds to-day as a great manufacturing country. In 1663 an Act was in force on her statute book which provided: "that no commodity, being the growth or manufacture of Europe, shall be imported into the British Colonies, except in English ships, whereof three-fourths of the crew are English sailors." In 1669 the export from the colonies of *wool* and *woollens* to foreign countries was prohibited by law, which continued in force nearly one hundred years. In 1700 an Act was passed prohibiting the importation of India *chintz*, *calicoes* and *muslins*, under a penalty of £200 to buyer and seller. In the tariff of 1787 the importation of the following articles was prohibited, viz.:—*Iron*, in *hoops*, *rods*, *cast or wrought*; manufactures of *steel*, *brass*, *copper* and *silk*; *boots*, *shoes*, *hats* and *leather gloves*. These are but a few of the protective laws under which English manufactures were established. The next great step in the growth of British manufactures came through the invention of the *steam engine*, and the development of her mineral wealth in *coal* and *iron*, which gave her cheap steam-power. These, added to the invention of the spinning-jenny, the carding machine and the power loom, gave Britain the advantage of machinery over hand labor. These great advantages warranted her statesmen in

modifying her fiscal laws, which was accordingly done, by reducing the duties upon raw linen yarn, and other raw material. England, however, still maintained high protective duties in favor of her iron manufactures, which were rapidly growing in importance. To show how zealously she protected this industry, I may mention that the duty upon iron, which in 1710 was £2.10 per ton, was raised at successive periods until in 1819 it was *six pounds ten, sterling*, per ton. Seven years later, England was producing iron at £3.10 per ton cheaper than any other European country, and it was afterwards reduced, in 1834, to £1 per ton. As we continue to trace the history of English legislation in later years, and nearer our own times, we find that she continued to exercise the same watchful and fostering care over all her other industries, only abolishing the duties upon those articles in which foreign competition was not feared. Sir Henry Parnell, in a Parliamentary return issued in 1829, enumerates the following articles as still subject to a duty of 30 per cent:—Manufactures of brass, copper, leather, lace, silk, embroidery, needle-work, pencils, pens, sealing-wax, hair of goats, wool, pots of stone, varnish, &c., &c. Thus we see that the policy of the Mother-country has been to develop her own internal industries, and after she became supreme mistress of the world in shipping and manufactures, she took these duties off. For what purpose? Simply to increase the sale of her manufactured goods. The operation of her free-trade policy was to take the duty off corn, which they did not raise, and thus cheapen food and increase the profit on her manufactures. I think no one will deny that the foundation of England's wealth is her *coal* and *iron*, the one furnishing cheap steam, the other the material for manufacturing. We have in Canada coal and iron in equal abundance. Professor Dawson, referring to the mineral wealth of Canada, says it exceeds that of the Mother-country in many things, yet it lies comparatively untouched. While England manufactured six million tons of pig iron last year, we in Canada manufactured only seven thousand tons. While the production of coal in England last year reached one hundred and thirty-one million tons, in Canada it was less than one million tons. The United States, following the example of England, maintains to-day a duty of \$7 per ton on pig iron, while Canada is without duty. In certain classes of iron wares we are importing more from the United States than we are from England. I maintain that the prosperity of a country depends more upon its internal products than upon its exports. The home market, and the supplying of that market, is far more important than seeking a foreign market; and no country that does not manufacture within itself and supply its own wants, can go abroad to compete with other coun-

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tries. The United States Census of 1870 places the value of the manufactures of the United States at \$4,000,000,000, while our statistics for the same year place the value of our manufactures at \$220,000,000. If we were manufacturing in this country in the same ratio that they are producing in the United States our products would be \$400,000,000, our population being one-tenth of theirs. E. B. Biglow estimates the value of the manufactures of the United States in 1877 at six thousand millions of dollars. I question whether anyone will say that our manufactures have increased since 1870. In their foreign trade the United States have had a balance in their favor averaging \$100,000,000 annually for the last five years. In Canada we have had the balance of trade against us to the extent of \$32,000,000 annually during the same period. It seems to me, taking these facts into account, it is plain that we are acting upon a wrong principle in this country—that we are attempting to create wealth by commencing where England left off. Free trade, which has only been in operation about 30 years in England, is yet upon its trial. No other nation in Europe that holds any position of wealth or prosperity has considered it advisable to adopt the principle. All have protective tariffs. Look at Russia. She has not been a manufacturing country, and consequently she is poor; but within the last 18 months she has adopted a fiscal policy similar to that of the United States; and if the war should continue, will emerge from it as the United States has done, a large manufacturing nation. I contend that the country which feeds its population within itself and possesses mineral wealth for manufactures, will, in course of time, produce the cheapest goods. This is the position of Canada and the United States; it is not the position of England. England sends abroad over 600,000,000 dollars a year to supply her people with breadstuffs and other articles of food. I think we can learn something from the experience of these countries. I am satisfied that unless the fiscal policy of Canada is changed so as to develop the industries within this country, the depression from which we are now suffering will continue. The question is whether we will legislate to employ the labor of our own people, and retain the product of that labor to be spent among ourselves, or employ the labor of other countries and send our wealth to be expended in those countries. Unless we develop our own resources we are not going to see prosperous times in this country for many years to come.

The question of adopting the motion was put, and it was declared to be carried.

SUGAR DUTIES. (No. VIII.)

A letter having been addressed to the President by GEORGE GORDON DUSTAN, Esq., of Halifax, the same was read by the Secretary as follows:—

WOODSIDE HOUSE, HALIFAX, NOVA SCOTIA,

10th January, 1878.

ADAM BROWN, Esq.,

President of the Dominion Board of Trade, Ottawa:

SIR,—

I beg once more to ask the aid and influence of your Board in favor of an industry now extinguished in this country by the erroneous fiscal administration of the neighboring Republic—and by neglect, indifference, and unreasoning hostility in our own country.

The sugar industry has been recognized by all European Governments as second to no others in importance, as the parent of manufacturing activity.

The carrying trade of maritime nations has been largely dependent on it—and even at this moment departments in all the Governments of the great powers are occupied in discussing the subject; and it may be safely asserted that the real cause of these prolonged international discussions, which have for years occupied European powers, is the determination of each not to part with, or even prejudice, the trade and commerce arising from the manufacture and refining of sugar.

If these facts are granted—and they cannot be denied—why, I may ask, has Canada deliberately permitted the piecemeal extinction of this trade, which had already obtained a footing on her soil? Why has she seen, with indifference, working-men driven to New York and Boston, when her own great object should be profitable occupation for them at home? Why has she permitted the spectacle of the considerable capital planted solidly within her borders in this trade, stagnant, unproductive and silent, a monument of the danger to which such enterprises are exposed in this country, when she depends so directly on the confidence of investors for the development of her resources?

It will serve little to enquire as to the origin of the popular prejudice hitherto existing against the trade. Unquestionably it has succumbed to a strong popular prejudice, which has overridden all the arguments and facts which could be adduced in its favor, and has overpowered every effort made to save it.

It is no secret that those who carried on the business and fought the battle so long, yielded at last to the conviction that no facts, no arguments, and no warnings uttered by them, or on their behalf, had the slightest hold on the public, and that there existed no chance of justice being done them, except by their standing aside, bearing their losses as best they might, and leaving the results they foresaw to speak for themselves.

This popular prejudice may have originated in the efforts of interested competitors, but the task was easy. It was sufficient to brand as a "monopoly" the last survivor of the trade, and to appeal to mythical profits as justifying indifference to any complaints.

It is not requisite that I should detain your Board with a recapitulation of facts proved publicly, time and again, with reference to the injustice under which the trade:

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has struggled for years, which has destroyed the solitary enterprise which then existed, and prohibited myself and others from commencing the manufacture here and elsewhere.

Every one, who has brought to the consideration of the subject any practical knowledge, knows that partly in consequence of adverse legislation in our own country, partly in consequence of too favorable legislation to refiners abroad, the business could not be carried on in this country, except at a loss; but it is not every one who does know the subject, and the temerity with which the celebrated Committee on Depression undertook to prove, with the aid of figures, at least two propositions which every practical man knew to be utterly antagonistic and irreconcilable, viz.—that our refiners had nothing to complain of, and that the American refiners received no bounty from their Government. The very figures adopted from American sources and endorsed, proved conclusively that both of these conclusions could not possibly be true, because one proved the other false; but the fact that Canadians could be found to endorse and advocate American views and interests as opposed to those of their fellow-subjects, and that the aggrieved Canadian refiners should submit without remonstrance or reply, is ample proof of the strength and popular prejudice then prevalent, to which I have alluded.

Subsequent events, as every one knows, have brought their revenge.

The assertions and arguments of the Canadian refiners have been proved to be true, and have been adopted, partially, at least, by the American Government; and, I trust, the Honourable ex-Chairman of the Depression Committee will cordially confess his error, and do his share in redressing the wrongs which he assisted to perpetuate.

Now, I call, with confidence on the Board of Trade, to render their powerful aid in obtaining justice in this important matter. No conflict of opinion can, I think, exist among well-informed men of business as to the necessity of a revision of our legislation, or as to the strong claim it has on the country.

The trade of refining, fairly and equitably treated, can be restored to Canada. It will give employment to our ships now driven to American ports. It will give employment to a large number of hands—not only directly, but in many subsidiary trades. Coopers, and producers of cooperage materials; bankers, engineers, masons, bricklayers, and many others will be employed; and the spectacle (surely not a pleasant one) of public works undertaken and carried on with borrowed money to provide employment—while our factories are wholly or partially closed by our indifference or neglect—will no longer be seen.

It is an error to assert that large protection is needed; most unquestionably every discrimination against the trade, such as duty on packages, and the extra duty on molasses for refining must be swept from our Statute Book, and a countervailing duty, where bounties are given by foreign countries, must be granted. But, above everything, there is wanted some reasonable security that the trade will not be lightly sacrificed to the accidents of American legislation, or to interested clamor amongst ourselves. This result can only be attained by our carrying with us the popular conviction that the trade is a benefit to the country, and this your Board can render most powerful aid in securing.

I am fully satisfied that it must be quite apparent to your Board that the development of our trade with the West Indies—and success to any effort to establish the making of sugar from beet-root—depend directly on our keeping the trade of sugar refining. I might well include, therefore, farmers and lumberers in the classes to be directly benefited by the change of policy I advocate.

I shall not take up the time of the Board further by argument on the question. I urge the Board to aid this cause, not from personal motives only, but with a well-assured conviction that my interests are identical with those of the country, and that any advantage which may be grasped from a foreign bounty is very dearly and only temporarily purchased by the extinction of our own trade and manufactures.

I have the honor to remain, with great respect,

SIR,

Your obedient and obliged servant,

(Signed)

GEORGE GORDON DUSTAN.

Moved by Mr. J. J. BREMNER (Halifax), seconded by Mr. E. K. GREENE (Montreal):—

"Whereas, from recent improvements in the mode of refining sugar, the refined article has almost entirely superseded raw grocery sugar in the consumption of the Dominion of Canada, and

"Whereas, the system of granting bounties on the exportation of refined sugars from the United States has, together with other disadvantages under which refiners in Canada labored, been the means of putting an end to all refining of sugar in Canada, and consequently to the profitable importation of raw sugars from the countries of production, the continuance of which is so necessary to the profitable conduct of an export trade with those countries ;

"Therefore, Resolved,—That the Government be urged, by memorial from this Board, to take such steps as shall counteract in the future the effect of any such unfair attempt to destroy an industry so important and so necessary as sugar refining, to the successful prosecution of an export trade to the West Indies and other sugar-producing countries, and that they be requested so to adjust the duties on sugar as to encourage the prosecution of so important an industry in this Dominion."

Mr. BREMNER said: I have been charged by the Halifax Chamber of Commerce to present to the Dominion Board of Trade their views on a matter of the greatest importance to the whole Dominion of Canada, and especially to the Maritime Provinces. I refer to the subject of sugar refining. In speaking on this subject, I shall do so in some manner from a Nova Scotia point of view, as, of the whole trade with the West Indies, about four-fifths are carried on by that Province, whilst the products of the other portions of the Dominion are just as suitable for export to the West Indies. The West India business cannot be successfully prosecuted unless freights can be obtained both ways. Late improvements in the refining of sugar make it impossible for West India grocery sugars to compete with refined; and importers have been unable for the past three years to sell a single hogshead of refining sugars in the Dominion of Canada. In former years West India merchants could, as a rule, depend upon making at least a freight on sugar imported, so that between the outward and homeward cargoes there was a fair prospect of doing a safe business. Now, the profit of the voyage has usually to be

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made on the outward cargo only; and experience has shown that this cannot be done, for unless return cargoes of sugar can be imported, the business must dwindle down to very small proportions, and will pass into the hands of others who are able to work it both ways. It is asked, why do we not accept freights from the West Indies to the United States? The reason is, our vessels, necessary for the fish trade, are too small to be profitably thus employed, being vessels of about 100 to 150 tons. For prudential reasons we often take cargoes of refining sugar to the United States; but as a rule it does not pay, the profit being eaten up in commissions, port charges, &c., and loss of time to the vessel,—the difference on a cargo of sugar such as our vessels carry being from those charges \$1,000 to \$1,500 in favor of Halifax on the same price received at Halifax and Boston. For example, take a cargo of 400,000 lbs. sugar sold in the United States, say at 9c. duty paid, which is higher than the *present* price there, but will do for a calculation,—the amount is \$36,000, and 2½ per cent. commission of \$900, charges which would not be paid at Halifax, say \$150, port charges \$250, loss of time of vessel, say two weeks on an average, \$300, in all \$1,600. That difference, or even half of it, would in most cases secure the success of the voyage. If the cargo has to be stored at a United States port, the difference in favor of selling at Halifax is still greater. In 1872, the United States established a bounty on the exportation of refined sugar by granting excessive drawbacks. In that year the importation of sugar from the West Indies into Nova Scotia amounted to 21,960,958 lbs. There was, besides, a large quantity of sugar in that year shipped direct from the West Indies to Montreal on Nova Scotia account, *via* the St. Lawrence, and by Grand Trunk Railway *via* Portland, making in all, in that year, sugar imported into Canada, on Nova Scotia merchants' account, over 30,000,000 lbs. From that time the importation of raw sugar from the West Indies, on Nova Scotia account, gradually decreased,—Messrs. Redpath having ceased to make certain grades of sugar, preferring to import from the United States all of the grades they required for the wants of their trade. In 1875, the United States Government still further increased the bounty for the export of refined sugars. The refiners, who, independently of the United States bounty, professed to be working at a disadvantage under the tariff, now ceased to buy raw sugars altogether, and the importation has fallen off last year to 7,517,036 lbs., or less than one-fourth of that of 1872; and last season's business has so demonstrated the impossibility of raw grocery sugars competing now with refined under present circumstances that the trade must be given up. In the year ending 30th June, 1876, there was duty paid in the Dominion of

Canada on 109,445,778 lbs. sugar, of which only about one-fifth was from the West Indies. The direct freight on this whole quantity would have been about \$400,000, but of which we received only about \$80,000. That there was a bounty in the drawback granted by the United States Government previously to 1st October last, no one can now have any doubt; that there is still a small bounty, I think there is as little doubt. Whilst there is a possibility of any country being permitted to swamp an industry by granting bounties on the exportation of manufactures to Canada, no one would be insane enough to embark a large capital in sugar refining. This can be met only by neutralizing any bounty on sugar granted by other countries by a countervailing duty.—This is not contrary to free-trade principles, in proof of which I beg to quote Adam Smith, who says, when arguing that in certain cases it is proper to meet foreign countries by a duty on their exports,—“In this case it seems reasonable that an equal tax should be imposed upon the like industry of the former. This would not give the monopoly of the home market to domestic industry, nor turn towards a particular employment a greater share of the stock and labor of the country than what would naturally go to it. It would only hinder any part of what would naturally go to it from being turned away by the tax into a less natural direction, and would leave the competition between foreign and domestic industry, after the tax, as nearly as possible upon the same footing as before it.” It has been said that the United States Government would not continue to pay a bounty on the exportation of refined sugar, after the fact of a bounty being given had been established. They have not now reduced the drawback to the full extent of the bounty. They appointed commissioners at New York, Baltimore and Boston to enquire into the matter. The first reported that there was a bounty in the drawback of 60c per 100 lbs., the second 54c., and the last 42c. They adopted the last and lowest report, although it is well understood that the bounty paid amounted to 60c. And it cannot be too carefully remarked that the bounty has been withdrawn, as far as Canada is concerned, only after the United States had no cause for continuing it, for they had already, by the operation of the bounty, closed up the last refinery in the Dominion; and it is no wonder that Canadian refiners doubt whether, in the event of their putting refineries into operation, the U. S. would not again grant bounties which would have the effect of closing them up in a few months, if they are permitted to do so. No prudent man would trust them. We know what powerful influence refiners, and other bodies, have upon the United States Government. It has also been said: “If the Americans are willing to make us a present of so many cents a hundred pounds, why not

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accept it"? When the bounty was increased in 1875 to such an extent as to kill off our last refinery, the question was asked on the other hand: "How long will the American Government *continue* the bounty after it has served its end and given them the command of your market for sugars?" and the event has justified the query, for the United States Government have now reduced the drawback by 42c. per 100 lbs. It is a libel upon the intelligence of the United States Government to say that they were not aware that there was a bounty in the drawback which they paid on the exportation of hard refined sugars, and they are not likely to give away anything without value received. Their outlay was a good investment. They have obtained, as far as Canada is concerned, the importation and manufacture of a large quantity of sugar, the profits on which should have gone to Canadians, and they have by so much increased their facilities for export to the West Indies, thereby diminishing ours. It is possible to accept even a *gift* at too high a cost. Besides, the consumers got very little of this bounty. It was absorbed by importers and jobbers before it reached them; I believe, moreover, that consumers lost more in the autumn of 1876 by being so dependent upon foreign sugar refineries than they ever gained by the bounty, and they are now, without any equivalent, exposed at any time to the same danger. But even if consumers *did* derive considerable advantage from this bounty, is it wise that such a policy should be adopted, which, for a petty *temporary* advantage, should ruin the West India trade of this Dominion, the principal industry of no unimportant portion of it, the Province of Nova Scotia? And, I can assure you, that this policy has almost ruined, and, if continued, will most assuredly ruin the West India trade of Nova Scotia. I cannot believe that any portion of this Dominion is willing to sacrifice the interest of another portion of the Dominion for so paltry and doubtful an advantage, and an advantage of so temporary a character. It was not for this that Nova Scotia entered the Confederation. It cannot be that those opposed to Confederation were right, when they told us that we would not receive justice at the hands of Canadians. If it is so, besides making export trade from this Dominion impossible, this policy will ruin the best customers the Upper Provinces have, and will cause the supplies which now come from Ontario and Quebec to be drawn from the United States. Under the present system the West India trade is being gradually but surely drawn to the United States. Take, for example, the Havana trade. In former years one or two vessels, sometimes more, sailed from Halifax alone for Havana every month, carrying each about 2,000 quintals of fish. No vessel has sailed for Havana with fish for the past seven months, and only three during the

past year. As we cannot now bring back return cargoes of sugar, and the Americans can, they can carry so much cheaper on the outward trip than our vessels, which have to make up their freight on the outward trip only, that our shipments for Havana are now carried to New York in American steamers, and thence in American steamers to Havana. If the present state of things continue, not only will Americans carry our fish to Havana but to all the other important West India Islands. In fact, we have already been notified that arrangements are being made for similar connections by steamers from New York with other West India Islands; and when that is done, if there is no change by which we can import return cargoes of sugar into the Dominion, our fish for the West Indies will be all forwarded *via* New York. When it comes to that, the trade will not remain long in that state. It will be seen that there will be greater economy in taking the fish direct to New York, whence they are eventually to be shipped, than to intermediate ports in Nova Scotia. The schooner taking the fish to New York, instead of returning in ballast, will bring back cargoes of American products, and the present immense demand in the Maritime Provinces for Canadian produce and manufactures will be at an end. But it is not in this way that the Upper Provinces will suffer most. The trade of the United States with the West Indies and Brazil amounts to over \$200,000,000 annually. The trade of the whole Dominion with the West Indies for the year ending 30th June, 1877, amounted to \$5,377,565, of which \$4,171,374 belonged to the Province of Nova Scotia, leaving only \$1,206,191 for the whole of the other portions of the Dominion. The entire imports from the West Indies amounted to \$1,389,449, of which \$647,105 belonged to Nova Scotia. There can be no large export trade to the West Indies, unless we are able to bring back return cargoes of sugar. It would be impossible to compete with those who can work the trade both ways. The outward freights would necessarily be too high. Only a few years ago the homeward cargoes were more relied upon for the success of the voyage than the outward; and we not unfrequently shipped Canadian flour, butter, peas and other produce, which usually left some profit and furnished funds for the purchase of sugar. At that time there was not nearly so cheap or easy access to Ontario or Quebec from the Lower Provinces. Under circumstances similar to those of that time, the export of these products would have been much larger, and would ultimately develop into a very large and lucrative trade. Now, having to depend upon the outward cargo only, the shipment of these products of the Upper Provinces has almost entirely ceased. In New York and other American ports, vessels are usually chartered for the round voyage

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to and from the West Indies at a certain rate, per hogshead sugar or puncheon molasses, home. The charterer then gets all the freight he can home, and generally takes it at such moderate rates that an export trade is encouraged; and when certain articles are once known, a regular demand is established for them. This is instanced by some manufactures of Halifax which are now shipped regularly to the West Indies, although they have now to pay \$1 per barrel freight, viz., ale and porter, soap and candles, and some other articles. It has been said, that Canadian refiners are at a disadvantage compared with American, on account of being farther from the West Indies. This is a mistake. There is a difference of only about 150 miles in favor of New York compared with Halifax, and the islands more to the eastward are nearer to Halifax than to New York. There is also much in favor of Halifax on account of the prevalence of westerly winds, and vessels as a rule will make quicker passages to Halifax than to New York or Boston. It has also been said that Canadian refiners are at a disadvantage because they would have to import their sugars, whereas the Americans buy all in their own market. This is not correct. American refiners import largely on their own account, and Canadian refiners imported also a part of their sugars, because they considered that it was for their interest to do so. Now, as to the position of refiners in buying their sugar in their own market. Sugar could be sold in Canada at least as low as in the United States. Canadian West India merchants would be very glad to receive at Halifax prices considerably less than the current rates at New York or Boston. The expenses at Halifax are much smaller than in the United States. Halifax West India merchants who pay for their sugar principally from proceeds of outward cargoes of fish, have an advantage in the matter of exchange over American importers, who pay for their imports with bills. Suppose, instead of taking sugar, the owner of a cargo of fish took payment in bills of exchange. On England they are usually private bills at 90 days' sight. In purchasing bills they would have to pay the highest rate, generally in the West Indies one per cent. higher than they could get in selling. In selling their bills at home again, they would have to take considerably lower than the current selling rates. There would also, in Cuba and some other places, be a commission charged of $1\frac{1}{2}$ per cent. for endorsing these bills, as it would not be prudent to take these bills not endorsed. It would thus be proper for the importer of sugar to deduct 2 per cent. off on the cost of his sugar, as against the proceeds of the outward cargo. The American importer, on the other hand, has in Cuba and other large centres, to pay $1\frac{1}{2}$ per cent. for endorsing and negotiating the bills drawn against his bank letter of credit. He has to pay the bank for the accom-

modation, and has to take for his bills usually about one per cent. less than he could buy for. The last item I have allowed for in my calculation of 2 per cent. above, but for the others there is still further allowance to be made in favor of the Halifax merchant, as against the American importer. I think I have shown that the Canadian refiner would be at no disadvantage, as compared with the American refiner, as to the cost of the raw article, and that the business is a national one, and should be in this country a most important industry, it being the only means by which an export trade with the West Indies can be carried on from Canada. As to the disadvantages of the refiner, they are neither natural nor geographical, but arise entirely from our fiscal arrangements. By the returns of 30th June, 1876, it appears that sugar pays, on No. 13, 46 per cent. duty per cwt.; on No. 11, 44.4-7 per cent.; on No. 9, 40.5-6 per cent. The last grade is very seldom imported from the West Indies. There is certainly not much protection, then, when it is considered that manufactures are protected to the extent of $17\frac{1}{2}$ per cent.; and it does not seem unreasonable that the difference between the cost of raw and refined sugar, being that part which represents the cost only of manufacture (not taking the cost of the raw article into account at all, as is done in manufactures paying duty) should be taxed. There are, however, some things which should be considered in fixing the duties on sugar. In refining there is a waste of 5 per cent. In our specific duty of 75c. there is a loss to the refiner in this respect of $3\frac{3}{4}$ c. per 100 lbs., which the refined article does not pay. There is also a considerable quantity lost by drainage, upon which the refiner has to pay duty. Refiners complain of 25 per cent. duty on cost of casks at \$5 to \$7, amounting to \$1.25c. @ \$1.75c. per hogshead, which, when emptied, are worthless here. If the empty cask is more valuable in England, or other refining countries, this is a just cause of complaint. But the great difficulty is the matter of bounty paid by the United States. Although it has now been much reduced, it may at any time be increased; and to give confidence to refiners, a countervailing duty, in such an event, to the extent of the bounty granted, is absolutely necessary. I trust this Board will support the motion which I now move, not only in the interest of the Maritime Provinces, to which the subject is of such vital importance, but also in the interest of the whole Dominion of Canada, whose interests are in this matter identical.

Mr. E. K. GREENE (Montreal): I beg to second this resolution, for the reason I think the law, as it now stands, has prevented the development of this industry. It practically operates as direct legislation against the development of sugar refining

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in Canada; and if we are ever to have a foreign trade with the West Indies, the sugar interest is one of the most important elements of that trade. If we are ever to export our manufactures from this country, it will be the only means for lessening freights and assisting us in developing our natural resources.

Mr. Z. R. EVERITT (Fredericton): A resolution lately passed at our Board of Trade reads as follows:—

Resolved, That in the opinion of this Board, the Government, in considering the fiscal policy of the country, should not impose any higher rate of duties on imports."

I may say that I am in accord with that resolution; that I consider the present duty, protection enough to foster our manufactures. And in reference to the sugar question, our Government has not done anything to injure the sugar trade; but the United States Government, by giving to their sugar refiners a bounty, are making the people of that country pay for cheap sugar in Canada. There are other interests in this country, as well as manufacturing interests, that require to be guarded, and it should not be the policy of any government to build up one industry at the expense of all the others. I would like to see our manufacturing industries prosperous; but are the manufacturers the only persons who have felt the hard times, and to whom the remedy is to be applied? In what branch of trade does the largest and greatest number of failures take place? Is it not amongst the merchants? And if Government can devise a remedy for you manufacturers, why not for us merchants? This rule must work all round, or somebody is bound to be the loser. I fail to see—in a country like ours, where land is cheap, and plenty, and fertile—that manufacturers or anybody need have anything to complain of. If their business will not pay, they can do as others have had to do, try some other. If there is over-production in manufactures, and they cannot find an outside market, protection is not the remedy. We must apply some better one, namely, we must try and induce those people who are living in our cities and towns, mechanics and laborers who cannot find employment, to go and settle on the soil and grow wheat for our own use and for England, where, according to Mr. Mechi, the great agriculturist, the country feeds only forty per cent. of its people, and that sixty per cent would be without their bread, and a good deal of their butter and cheese, but for foreign imports. There, in that one country, we have 20,000,000 of people who must be fed by foreigners. They don't want our manufactures, but they want our bread, and we have the land to raise it, and can just as well make money by that means as by manufacturing; and we will also, in that way, find

a larger market for all kinds of agricultural implements and other manufactures. To show that this is practical and not theoretical, I will give you one instance: Bishop Sweeny, of St. John, N.B., about ten years ago, induced a large number of laborers and mechanics to leave that city, where they were earning a precarious livelihood, and take farms; and for that purpose he took up a block of land in Carleton county, now called Iberville. What has been the result? These people are to-day independent, honest farmers, having finely-cultivated farms with good houses, and barns filled with plenty, and the manufacturer is finding a market for his goods among these people. They have done what we must all learn to do—helped themselves by honest, hard work. And it does not matter what kind of labor we work at, so long as it is honest and yields a good return. I would just as soon make money at farming as at store-keeping. We must all labor, or we cannot live. Now, if the manufacturers could be protected without injuring some other interest of the country or their brother manufacturers, I might be disposed to help them to some extent; but, take the Londonderry Iron Works, lately started in Nova Scotia, no doubt they would like to get a duty of \$2.00 per ton on pig iron—

At this point Mr. Everitt's remarks were ruled out of order:

Mr. M. DWYER (Halifax): This is a question which seriously effects the whole Province of Nova Scotia. The present fiscal policy is destroying our trade with the West Indies. We say to you, gentlemen of the Upper Provinces, we are large consumers of your produce, and we are large purchasers of your manufactures. We are purchasing your produce by millions; we are purchasing your manufactures now by millions—in fact, our purchases of your manufactures for the last year, I am quite certain, amounted to much more than we formerly paid for your produce. This is an important statement, but I have the figures here from returns of the Intercolonial Railway. We would say to you—grant us this boon by assenting to this resolution. It can do you no harm; it will do us immense good, make us more prosperous, enable us to purchase more of your wares, and help us to pay for them. The gentleman who has just sat down stated—if the Americans were willing to give us sugar at 42 cts. per 100 lbs., less by means of a drawback we should be willing to take it. See how fallacious such statements are. Although the bounty concealed in the drawback was formerly 60 cts., it was afterwards reduced to 18 cts., so that we cannot possibly get, under any circumstances, the 42 cts. he speaks of, but if we do not have legislation to meet their bounty, it will be reduced to

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nothing very soon. That is the way they kill out our refining industry and our trade with the West Indies, but, with the help of such a policy as we propose, it will soon be revived.

Mr. W. H. FRAZER (Toronto): As representing the manufacturing interests of Ontario, I may say we are willing to aid this industry by a change in our fiscal policy. To let the people of the neighboring Provinces know what is the opinion of the manufacturers of Ontario, I will read you a resolution which was passed at their last Convention:—

"That this meeting cannot too strongly condemn the fatal want of policy through which our direct tea trade, and our direct sugar trade, have both been annihilated, inflicting upon Canada immense loss and injury, which by wise legislation might easily have been prevented; that we are needlessly and without any object, throwing away upon foreigners the profits of the large direct trade that we might do with the West Indies, Australia, and other Southern countries, thereby making employment for Canadian shipping, also for thousands of our own people, and that it is the duty of the Government to provide for restoring and extending direct trade with these countries, both by a wise adjustment of the tariff, and by subsidies to lines of ocean steamers, where such aid can advantageously be given."

With regard to the trade which we have done for some time past with the West Indies in the shipment of one of our principal products, flour, I find from the last report on trade and commerce, that a very small quantity indeed of flour has been shipped from Canada to the West Indies. I find, for instance, that our entire shipments for 1876 consisted of 415,504 barrels, and that we have sent to the British West Indies only fourteen barrels, and to the Spanish West Indies 100 barrels. If more attention were paid to this sugar interest, it would enable us to cultivate that trade much more profitably. Our imports of sugars for 1876 amounted to over \$5,000,000. I find of that \$5,000,000 we imported from the United States in 1876 \$2,060,581, on which the sugar refiners of the United States received a drawback of \$740,802.22. In the year 1877 we imported from the United States \$3,018,957 worth of sugar, on which a drawback was received by the refiners of \$918,662.09. The disadvantage that Canada labors under by importing sugar from the United States, with the drawback given by the Government of that country to the sugar refiners, is, that it prevents us from extending our trade to the West Indies. It is an injury because the people of Canada cannot expect the people of the West Indies to purchase their products unless we are in a position to receive West India products in exchange. It would be wise on the part of our Government to arrange their fiscal policy so as to enable us to make that exchange. How much wiser would it have been to have taken that five millions of dollars spent in importing refined sugars and invested it in lumber and other products of Canada, exported them to the West Indies, and purchased raw sugars there to be refined in

Canada, thus cultivating the trade with the Indies properly, besides affording employment to our own workingmen. As a speaker who preceded me made some remarks on the question of stoves, and represented so prominently to the Board that our manufacturers were prosperous, I must make some allusion to it.

The PRESIDENT: That does not relate to the sugar question.

Mr. FRAZER: I will conclude by saying that the manufacturers of Ontario are anxious for the opportunity to cultivate a trade with the West Indies, Brazil and other foreign markets, and this can only be done by enabling us to exchange our products for the natural products of those countries.

Mr. J. C. BATES (Boston), having been requested to address the Board on this question, said: I simply wish to remark that the duties now returned by the United States to the exporter are specific. Formerly they were \$3.60 in gold per 100 lbs. less one per cent. Last spring, sometime, they were reduced to \$3.18, less one per cent., in gold. That is the rebate which the United States has given to the exporter, and which, of course, the importer in Canada has the advantage of. Now, I don't know how this may work with you, but with us it is a gun that has kicked at both ends. The result of this rebate was to increase greatly the export of sugar; that export increased so much that the figures advanced to a greater extent than we had known for years. Stocks came in from all quarters of the world to the United States, and in May or June last, the markets became glutted to such an extent that prices declined. I listened last year with great interest to the discussions going on upon this very subject, and had you then passed your resolution in favor of protection to the sugar refiners, you would have saved the importers of the United States from large losses—because the losses by importers from the West Indies have been very great. Those losses have been counted, not by thousands, but by hundreds of thousands of dollars, the largest refineries having been closed in Boston and other cities for months. Sugars and molasses have been lower than at any time since the beginning of the war. Such is the condition of the sugar trade with us.

Mr. R. S. DEVEBER (St. John, N.B.), moved in amendment, seconded by Mr. WM. ELDER (St. John, N.B.):—

That all the words after "that" be omitted and the following substituted: "in the opinion of this Board the Government should be memorialized to revise the sugar duties, by decreasing the duties on the lower grades [and increasing on the higher], in order at once to advance the interests of the consumer and manufacturer."

I shall make no comment on this of any importance. I may say, however, that we are not allowed to make differential duties.

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If you put on an equal duty all round, it will not be open to that objection, but what we want, if possible, is to get cheap sugars. At the present time they are low; the lower grades of Scotch refined sugar can be landed at 7 cents per pound; still there is a complaint that the lower grades of sugar are taxed more in proportion than the higher grades, and that is injurious both to the manufacturer and to the consumer. Our Board wish a reduction of the duties on sugar, but I think this resolution will answer both purposes and assist our refiners. I therefore move my amendment.

Mr. J. J. BREMNER: There is one very important matter that resolution does not touch at all, and on which the whole question hinges—that is bounties. I am speaking from actual knowledge when I say that it is in the power of any other country to shut up the works in ours in six months. Suppose a refiner comes to Halifax and wishes to build a refinery there, costing hundreds of thousands of dollars. It is not reasonable to suppose that he will do so if any neighboring country can, by allowing a bounty, put a stop to his business in six months. It has been represented that this bounty is a benefit, but how long is that bounty to be given to us? Just long enough to suit the ends of the country which pays it. The only way for us to do, is to put on a counter-vailing duty, and thus protect our refiners.

Mr. WM. ELDER: In St. John we are very desirous of aiding the refining industry, and we are in sympathy with the people of Halifax, and the rest of Canada, who desire to promote the West India trade. We believe we cannot sell goods to advantage in the West Indies unless we purchase there. We are, therefore, very anxious to increase our trade with the West Indies, in sugar; and it is the feeling of a large part of the community that the duties on the lower grades of sugar are disproportionately high. They are from 40 to 50 per cent., and inasmuch as sugar is one of the necessities of life, we think it is in accordance with an enlightened Christian policy to reduce the duties on articles of universal necessity, as far as possible. We would, therefore, favor a very slight duty on the lowest grades of sugar imported, and a little higher on a sugar of a rather better class—whatever the number of classes might be, whether three or four—we would favor a larger duty on the higher grades, so as to assist the refining interest. While this is the case, we do not feel that the refining of sugar is a thing that can be very easily settled. We have seen how the French Government paid £800,000 annually in bounties with a view to killing the sugar-refining interest in England, and I do not think that we would, if we could, do

anything to that extent. The price of sugar to the consumers was 30 or 40 per cent. higher than to the consumer in England, and the price to the consumer in the United States is higher than to the consumer in Canada. That is the effect of the bounty system. I do not know that we have resources in Canada to contend with such a policy. I have never been able to see how it pays France to give £800,000 to cheapen the price of sugar in England and other countries. I would go this far, however:— to reduce the duties on lower grades, so as to give refiners a profit in manufacturing. Then a large class of consumers, who only consume lower grades of sugars, if they chose to continue to use those sugars, would have an opportunity to do so. I am entirely in sympathy with Mr. Bremner with regard to the difficulty in carrying on this trade without buying as well as selling in the West India market. I believe a trade we should carry on with the West Indies ought to be in the nature of assorted cargoes, and we are in as good a position to supply the West Indies with many of those articles which are now supplied from the United States, as any other country. But we feel we cannot successfully sell in those markets, unless we buy from them in return. I feel that our Commissions of Inquiry are of no use, unless we take steps to make a favorable tariff as regards the import of raw material. I feel that it would be a fair thing for a Board like ours to endeavor, if possible, to get the Government to so deal with this question, as to promote the interests of the consumer and of the manufacturer.

At 1 o'clock p.m., the Board adjourned for recess.

AFTERNOON SESSION.

WEDNESDAY, *January 16th*, 1878.

The President resumed the chair at 2 o'clock, p.m., and said:

I have pleasure in calling the attention of Members of the Dominion Board of Trade to copies of the Montreal Trade Report, now on their desks, by the courtesy of the Montreal Board of Trade, through their representatives here. That publication contains the map referred to in the Report submitted to you by the Executive Council.

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Moved by Mr. R. S. DEVEBER, (St. John, N.B), seconded by Mr. Z. R. EVERITT, (Fredericton)—

"That the thanks of the Dominion Board of Trade be, and they hereby are, tendered to the Council of the Montreal Board of Trade, for their kindness in furnishing copies of the valuable Trade Report and Map for the use of the Representatives."

Carried unanimously.

Mr. R. R. DOBELL presented the second report of the Committee on Credentials, which was as follows:—

OTTAWA, January 16, 1878.

The Committee on Credentials beg to present their second report, which shows that three more organizations, represented by six delegates, have presented credentials since those submitted yesterday.

R. R. DOBELL,
Chairman.

The report was adopted.

SUGAR DUTIES (No. VIII.)—*Continued.*

Mr. DEVEBER asked leave to strike out the following words in his amendment:—"and increasing on the higher," which was allowed by the Board.

Mr. BREMNER said—I rise to ask this Board seriously to consider this amendment. I think the very fact of its being so materially altered shows that its promoters did not give the matter that consideration that they should have done. The first amendment, to decrease the duties on lower grades, and increase it on higher grades, would be to give an opportunity to our refiners to re-open the refineries. The proposition now is to decrease the duties on lower grades only. I need not tell the members of this Board that no resolution of that kind would bring refining into existence in this Dominion again; for as long as it would hang over the heads of refiners that at any moment the United States Government might revive the bounty on sugar refined for export to this country, no refiner would risk it. In my resolution here I do not presume to dictate to the Government how they should arrange the tariff; the only thing I insist on is that this bounty should be met by countervailing duties. What is the effect of our refineries being kept closed? We are not only losing our export trade, but we are also losing our trade from the Upper Provinces, and getting absolutely nothing in return. I hope this Board, in the interest not only of the Maritime Provinces, but of the Dominion, will seriously consider this

matter, for it depends entirely on how this question is settled in Parliament, whether Nova Scotia is to lose her export trade to the West Indies or not. Without this trade we will not have the means to pay for products from Ontario, while we will have to go to the United States with our products, and buy in the American markets the return cargoes for our ships.

Mr. JOHN MORRISON, (Toronto): I beg to move in amendment to the amendment, seconded by Mr. JAMES NOXON, (Ingersoll)—

That all the words after "that" be omitted, and the following substituted therefor: "while this Board are of the opinion that the Government should give their best attention to the sugar refining interest of this Dominion, it nevertheless is of the opinion that the present tariff, with reference to sugar, is the fairest we ever had."

In rising to discuss this question, I do so with great diffidence, because the best minds of our country have been engaged for years in arriving at a fair and just tariff. This Board should give so important a subject great consideration before coming to any conclusion. I think, therefore, it is well that we should go back for the last twenty years and take a review of the different tariffs and how they have worked. In 1854, or the year that the Messrs. Redpaths started their refinery, the duties on sugar were specific, and were on a sliding scale ranging from 90 cents, \$1.30, \$1.75, and \$2.50 per 100 pounds, according to color, and in a few years after they were increased to \$1.68, \$1.90, \$2.25, \$2.60, and \$3.00 per 100 pounds. Under this tariff there were great complaints; petitions pouring in from all parts of the country demanding of the Government a change, there being no two ports of entry where the same grade of sugar was charged the same duties; and in 1867 the Government of that day changed the tariff to part specific and part *ad valorem*, and made the duty on all grades under number 9 Dutch standard 25 per cent. *ad valorem* and three-fourths of one cent per pound specific, and over number 9, 25 per cent. and one cent per pound *ad valorem*. That tariff has practically remained in force to the present time. It is true, that when the Mackenzie Government came into power the Hon. Mr. Cartwright proposed a change; but immediately on receipt of the news that he had done so, almost every city and town in the country sent a delegate to Ottawa to oppose such change. Being one of the delegates from Toronto, and you, Mr. President, another from Hamilton, you must remember the interview we had with the Government; the result being that they changed their policy to exactly the same tariff as was formerly in force. From that day to this, there has been no complaint, at all events from the importers; and the consumers have had sugar at as low a point as keen competition

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and money could buy that article for them. Now, let us see in what position the refiner stood: We find, from 1854 to 1867, under the sliding scale of tariff, they flourished, and from 1867 to 1876, under the same tariff as we now have, they prospered still the same; and it is said that the most prosperous years the Messrs. Redpaths ever had were from 1867 to 1872-73. I may say, further, that in those years they had competition from the Messrs. Molsons; but they, finding the country limited for two refineries, abandoned the enterprise, leaving it again in the hands of the Messrs. Redpath & Son; and finally they closed, and gave as their reason, that the United States Government gave a bounty to their refiners, which made the business in Canada unprofitable. Now, Sir, as far as that question is concerned, whatever opinion existed before the Commission was appointed by the United States Government to inquire into this matter, there should be none now, because they came to the conclusion to reduce the drawback 42 cents per 100 pounds; and the facts are that since that time we have been able to buy cheaper, either in Greenock or Liverpool, than in the United States. With reference to the amendment urging the Government to lower the duty on low grades of sugar, I would say they are one-quarter cent less now than we are paying for what are called grocery sugars, and that is, I think, protection enough for any refiner. The gentleman from Halifax informs us, he makes more by sending his sugars to Boston, and, I see, adds his commissions, &c., on nine cents per pound, that being duty paid. Now, I think that is not a fair price, because I can buy sugar, about the grade he speaks of, for four and one-half cents per pound in gold, which price certainly would change his figures considerably. He also has a number of grievances, such as drainage, &c. Now, I think every importer has the same, and as he has only to compete with other importers in raw sugars, there can be no disadvantage to him, any more than there is to them. Now, Sir, I shall not enter into a discussion about the relative strength of raw and refined sugar; but will say, and I think I have shown it to be a fact, that both refiner and importer were satisfied for a number of years under this tariff (in fact I think it has been the only one that has given satisfaction); and therefore again ask this Board to give this subject their most careful consideration before they ask the Government to change the present duties on sugar.

Mr. THOS. WHITE (Montreal): It seems to me, Sir, that the amendment which has just been moved really brings the issue very squarely before this Board. I am bound to say, that I cannot quite compliment the mover on the skill which has been evinced in the preparation of it, because, to my mind, the first part is

contradicted by the last. There is an admission in the last amendment that it is the duty of the Government to take such steps as are necessary to promote the sugar refining interests of the country; and then it is followed by a statement to the effect that the present tariff in relation to sugar is the fairest we have ever had in this Dominion. Now, what is our experience under this fair tariff? Mr. Morrison has already told us that we have had one large refinery in Canada; that it went on with great apparent prosperity; that another was started with very considerable capital; that after going on for some time they were unable to continue, as they found it impossible to manufacture at a profit; that the Redpaths' refinery, however, still continued—and those who know the gentlemen, especially Mr. Drummond, who had charge of it, will admit that it was due rather to the very great skill and wonderful ability that he displayed with regard to this question, that it was kept open as long as it was—but finally it had to shut down, and we are asked to accept this as a proof, that the tariff is a fair one! This is not a question of free trade and protection. There are so many interests bound up in this question of sugar, that it seems rather to be a question of the foreign trade of the country, than the protection of a home industry. If you establish a boot and shoe factory, for instance, it gives you a very considerable amount of internal trade, which is an advantage; but everyone will admit that the question of trade with those countries in which the raw sugars are produced, has always been a matter of the greatest consequence to this Dominion, independently of the internal trade of the country. We have asked the Government time and again for subsidies for a line of steamers to the West Indies, in order to cheapen the cost of transport for our exports and establish direct communication. Subsidies are a tax on the people just as much as a revenue from sugar is, and the granting of such subsidies is a proof that they were given for a purpose that justified it. Although a duty on refined sugar may somewhat increase the price of the article, it is opposed because it is declared to be a direct tax upon the consumer, while, at the same time, they are quite prepared to grant bonuses to steamers to promote the trade of the country. It is a question whether this trade, upon which the prosperity of the western Provinces depend largely, shall be promoted or not. I am of the opinion that the first statement of that amendment is the correct one, that it is the duty of the Government to develop the sugar industry, because by that means you promote that foreign trade, the success and development of which is the object of all free-traders. As I understand the motion, the proposition of Mr. Bremner is simply this: that the difficulty in connection with the refining industry in this country is two-fold. First, that the

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tariff itself is not calculated to promote the establishment of refineries. I have heard Mr. Drummond say before the Depression Committee, and in private conversation elsewhere, that if the duties were abolished altogether on raw and refined sugars, if sugars were admitted free into the country, that his condition would be greatly improved; for, instead of having a protection of $17\frac{1}{2}$ per cent., he had no protection whatever now as between the raw material and the manufactured article, therefore there was no protection to refiners. But there was a greater difficulty. Our friends on the other side have large refining interests; they have a population of forty millions, while we have a population of only four millions. Every one who knows anything about manufactures knows this, that manufactories that are established to supply forty millions of people can supply an additional four millions at a comparatively small cost, and they naturally desire to control our market. They have done it in the past by means of efforts in the shape of drawbacks. Two or three years ago, it was a question of dispute whether those drawbacks operated as bonuses or not, and it was a question that very few persons were able to speak dogmatically upon. But the parties who would not admit it then, admit the fact now that a drawback really operates as a bounty. Now, the practical difficulty may perhaps be said to have been got rid of; that there is no longer a bounty in the United States, and Redpath and Dustan can go on and re-open the refineries. But where is the assurance, the refineries being re-established, and the expense and capital being involved, that that bounty will not be re-imposed? Sugar refineries are not established without capital, and a great outlay of skill. It would cost a great deal of money to re-establish the Redpath refinery to-day in Montreal, although it was only closed a few years ago. Therefore, no refiner will risk the expenditure of his capital, so long as he is open to being exposed to the bounty system being renewed on the other side of the line. The Government should take to themselves the power to meet that bounty at any time it is put on, by countervailing duties, and then the refiner has the assurance that he will not be subjected to this unfair competition. We have had this same system operating against us before in the tea duties, but the Act of Parliament which met it by providing for a countervailing duty did not impose any duty on tea. Tea was free, but there was a clause in the Act providing that it should be competent for the Governor in Council to impose a duty on any tea coming into this country from the United States, equal to that which the United States charged on tea going into that country from Canada, if they did not charge it on other countries as well. The moment that ten per cent. tariff was abolished on the other side of the line, by the operation of that

very Act, our ten per cent. disappeared as well. That is the principle of countervailing duties. I believe it was a very important advantage to this country, and I believe its abrogation has been a very unfortunate circumstance to Canada, as it has tended to build up the American tea trade at the expense of the Dominion. It seems to me, we cannot, in the same resolution in which we declare that it is in the interests of Canada to develop the sugar industry, declare that the tariff under which that industry has been destroyed, is the best we have ever had in Canada.

Mr. JOHN WALKER: I rise to support the amendment of Mr. DeVeber, as I think it gives us a way out of this question. In his amendment he proposes, I understand, to reduce the import duty on lower grades of sugar. That, he claims, (and I understand he has good reason for claiming) will be satisfactory to our present existing refiners in Canada, and that they will be satisfied with that concession. A concession of one quarter cent per pound on low grades of sugar will put them in a position to meet the eighteen cents bounty that is given to the United States refiner by the United States Government. If that will enable our refiners to re-open and continue their works, I cannot see where the consumer is to come to any harm through it. It is an undoubted fact that a large amount of that low grade sugar is used at present by consumers in Canada for domestic purposes; and if they are benefited by this duty, I am sure there are many at this Board who argue in favor of the consumer, who cannot object to this amendment of Mr. DeVeber's. I, for one, will support it heartily, seeing that it will enable our refiners to re-open their manufactories without injury to the consumers. I have very much pleasure in supporting it.

Mr. JOHN MORRISON: Last year our Government gave a quarter of a cent more protection to Mr. Redpath on all grades of sugar up to No. 12 Dutch Standard; consequently, this $\frac{1}{4}$ cent protection on all sugars up to No. 12 which we did not use as grocery sugars, was more than they had under the tariff of 1867, the tariff under which both Molson and Redpath ran their refineries profitably up to 1870.

Mr. J. J. BREMNER: I am surprised that members will speak so positively on a subject to which they seem to have given so little consideration. Mr. Morrison's first statement about the duty on sugar is entirely inaccurate. He seems since to have been informed by some one, but his statement is still incorrect. His assertions about what I have said are not correct. He says, that we prefer sending our sugar to Boston instead of to Canada. We send

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them to Boston because we have no market whatever in Canada, there being not a single refinery working in the Dominion. He says, in calculating the commission paid in Boston, I should take the price less the duty. I take the price on which we have to pay the commission. Sugars are sold to the refiners uniformly at the duty paid price. When bank letters of credit are sent to Cuba, the commission of $\frac{1}{4}$ per cent. is still charged on the drawing of the bills. I said that the refiner paid duty on the drainage of his raw sugar. It is not for the sake of refiners only, that I want action taken; it is for the sake of importers, that they may have a market for the raw sugars of the West Indies.

Mr. NOXON: I wish simply to state a difficulty which those who are not acquainted with the trade in sugars feel in voting on a question of this kind. This is not the most favorable way of arriving at a satisfactory conclusion. I would prefer to have appointed a committee of gentlemen, who are familiar with the trade, to report a recommendation to the Board. Then we would, having confidence in those men, have their report to guide us. If that recommendation would be accepted, I would be very much better satisfied that this matter should be sent to such a committee, rather than that it should be settled now. In the case of the sugar refiners, it has been proved that the business was built up and carried on under a tariff almost precisely as we have it now; at all events the tariff on sugar was increased $\frac{1}{4}$ cent per pound last session, in order that they might receive this benefit. Still, we cannot ignore the fact that the refineries were built up and carried on satisfactorily under a tariff very like what we have at present. There has been a change, but that change is not in our own tariff, but in the tariff of a foreign country, by their allowing a rebate on sugars refined for export—in the first place, taxing their own sugars, and then taxing themselves in order to make sugars cheap for us. If we put on a countervailing duty, where is this thing to end? If we give a bonus to our refiners, the American refiners will ask for greater bounties from their Government, and where is that to end? This drawback system is not peculiar to this continent, it exists also on the continent of Europe; as I understand, a system precisely the same exists in France. The consequence has been, they have destroyed the sugar refining industry in England. But did England undertake to meet that hostile policy on the part of France with the same policy at home? No, they rather welcomed it, as they thought it a very good thing for France to give them cheap sugar as long as they could continue it. I believe that we are attempting to legislate for the whole people,—not for the people of Nova Scotia only, but for the people of New Brunswick, Quebec,

Ontario, and also Manitoba and British Columbia. If we are to legislate for sectional interests, then, as a matter of course let us be guided by what would promote sectional interests; but our object should be to legislate so as to give the greatest possible amount of good to the greatest number. If we find we can frame a policy that will give us cheap sugar, then that is the policy for us to adopt. I venture to say that the present tariff is a fair one, and no one who understands sugar refining here will pretend to get up and advocate the doing away with the existing duties, as has been suggested, because the American refiner would then have a double advantage,—of the bonus from his own Government, and of having no duties to meet him on coming into Canada.

Mr. WHITE: What Mr. Drummond stated respecting the abolition of the duty altogether, was irrespective of the question of bounties.

Mr. NOXON: The United States have already seen that the rebate that they had allowed their refiners was not the best policy in the interests of their own country; they have seen that they were simply paying so much money to give our people cheap sugar at the expense of their own tax-payers. I would ask the American delegates if it appears at all flattering to the wisdom and foresight of their statesmen, that they should continue a policy in their country, the result of which is the price of sugar is increased to their own people, and reduced to the people of a foreign country? My greatest hope is, that the Americans will soon see the erroneousness of their policy with regard to this matter, and a change will take place not only in their whole tariff, but more particularly with that which relates to sugar refining.

Mr. DWYER: The bounty system of the United States has swept our refineries out of existence, and what we now ask, is for legislation to prevent such a thing being done again, by the adoption of countervailing duties. A countervailing duty would not raise the price of the article to the consumer at all, because if we can once get our refineries re-established here, we can refine sugar as cheaply as they can in the United States, and will not only be doing that, but cultivating a large trade with the West Indies. If we can sell raw sugars in the American markets at a profit, surely we can sell it in our own market at a lower price, and refine it to compete with American refiners on fair terms.

Mr. R. SPRATT, (Toronto): Like Mr. Noxon, I have listened to this discussion, but am in a very difficult position to know how

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to vote. It seems to me the sugar refining question is one of local interest as compared with the other interests throughout the country; and, if it is to be considered, all other local interests ought to be considered at the same time. Even the parties who are most interested in the re-establishment of the refining industry, seem to disagree as to how the question should be decided; and I think it would be far better to refer it to a special committee from the different Boards of Trade, with instructions to report to this Board at its next annual meeting. The Halifax gentlemen tell us the sugar question involves the prosperity of their shipping interest, and, in order to have a West India trade, they must have cargoes to take there, and bring back cargoes of sugar in return. In order to induce us to vote favorably on this question, they tell us they draw large supplies of products from Ontario; but when they take into consideration the decline of the sugar interest, they should also take into consideration the bankrupt condition of the milling interest. If we are to look into your interests on the sugar question in Halifax, you ought also to take into consideration the milling interests of the West. It is very evident that you, gentlemen, think that we are opposed to assisting you in promoting the sugar industry because we are voting against your local interests. I do not think there is any feeling of that kind at all. When you ask us to vote on a question on which you are not agreed yourselves, you should also be prepared to take into consideration all other industries that are affected by the sugar interests.

The amendment to the amendment was then put to a vote with the following result:—

Ayes.—Messrs. Brown (P. J.), Groat, Joseph, Morrison, Noxon, Sully, Woods.—7.

Nays.—Messrs. Bremner, Ccwan, Clemow, Dobson, Dobell, Darling, Dickinson, Dwyer, DeVeber, Demers, Elder, Everitt, Frazer, Gillespie, Greene, Kerry; McMaster, McKenzie, Paterson, Robertson, Skead, Spratt, Sanford, White, Walker.—25.

Mr. R. SPRATT (Toronto), moved in amendment to the amendment, seconded by Mr. P. J. Brown (Ingersoll):—

“That the question introduced by the Halifax delegates is of so much importance that it be referred to a committee to be selected by the several Boards of Halifax, Quebec, Montreal, Toronto, Hamilton and London, and to report at the next Annual Meeting of this Board.”

The motion was declared to be lost.

Moved by Mr. A. T. Paterson (Montreal), seconded by Mr. A. Robertson (Montreal):—

“That the question of the sugar duties be referred to a Committee of nine, with

instructions to report at 11 a.m. to-morrow,—the Committee to be comprised of Messrs. J. J. Bremner (Halifax), M. Dwyer (Halifax), T. White (Montreal), J. Morrison (Toronto), W. Elder (St. John, N.B.), R. S. DeVeber (St. John, N.B.), A. T. Paterson (Montreal) J. Noxon (Ingersoll), and the President."

This motion was adopted.

WRECKING ON THE LAKES.

Mr. JOHN GILLESPIE (Toronto), moved, seconded by Mr. W. E. SANFORD (Hamilton):—

"That a Committee of five, to be named by the President, be appointed to confer with Capt. Dorr, and take into consideration the matter referred to in his statement to the Board on the subject of wrecking and saving of life and property on the shores of our Lakes and Rivers, with instructions to report to-morrow."

Motion carried.

The PRESIDENT thereafter appointed the following gentlemen to form said Committee:—Messrs. J. Gillespie, P. J. Brown, J. I. McKenzie, R. R. Dobell and E. K. Greene.

INSPECTION OF FISH. (No. I.)

Mr. L. P. DEMERS (Quebec), moved, seconded by Mr. THOS. WHITE (Montreal):—

"That a Committee be appointed, composed of Messrs. A. Woods (Quebec), R. S. DeVeber (St. John, N.B.), M. Dwyer (Halifax), A. T. Paterson (Montreal), and the mover, to consider the question of better provision for the inspection of fish, submitted by the Levis Board of Trade, and numbered 5 on the official list, with instructions to report to-morrow."

Motion carried.

EXCISE DUTY ON MALT. (No. IX.)

Mr. J. I. MCKENZIE (Hamilton), moved, seconded by Mr. S. P. GROAT (London):—

"That the question of excise on Malt manufactured in Canada be submitted to the Minister of Inland Revenue, with a view to take into consideration, whether the onerous and vexatious regulations now in force to collect a revenue from Malt cannot be collected from Beer and Ale with less expense to the country than the present system entails; and that in order to promote the agricultural interests of the country, in the production of Barley and Hops, it is desirable to make Malting as free as possible."

This question was brought before our Board by a maltster, who felt that his interest was suffering from a peculiar grievance in the collection of the excise duty on malt. I was not aware at the time whether it affected the whole brewing industry as well, or only the maltsters. Since then I met a deputation from the brewing interest, and I find that brewers complain equally with

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maltsters on this point; the result, therefore, is likely to be that the Minister of Inland Revenue and the Government will take the case into their serious consideration. The grievances under which the maltsters labor are of a very onerous and aggravating character. Previous to 1869 the tax on beer and ale was collected on the liquor and not on the malt. But difficulties arose in levying the duties at that time, and it became necessary for the Government to interfere. Our Government at that time believed that they could follow no better precedent than that of the Mother-country, and they took the excise off ale and put it on malt. Of course, it is very well at times to follow the policy of the Mother-land, but in a new country like this we make mistakes sometimes by doing so. Now, the brewers must pay the excise on malt before they make it into ale. Under the old system they had to make the ale first and then pay the excise—a system they prefer. Two cents per pound on malt is equal to six cents on ale, and the constant supervision of the excise officer who has to stay in the malt house and oversee every operation, makes it exceedingly vexatious and irksome. The following paper, which has been placed in my hands, will lay the matter more clearly before the Board:—

“Previous to 1869 the duty on beer was rated per gallon, and the brewer's statement, under oath, of the quantity made, was accepted, and duty paid on that amount. This mode of collecting revenue was found to be very unsatisfactory, and in that year an Act was passed adopting, as near as may be, the English law, which taxes malt instead of beer—a law perhaps well suited to English trade, where the malt is all consumed in the country, and where malting and brewing may be called one interest, but which has been found unsatisfactory to Canadian trade, where malting and brewing are separate businesses, and where a large and important interest is growing up in the manufacture and export of malt, which, but for the hindrances and extra labor and annoyances of excise law, would soon become one of great importance. It is estimated that the barley crop of Canada amounts to ten millions of bushels annually, of which only a little over one million is consumed in the country, the balance being exported chiefly as barley, which, if made into malt, would require, in addition to all the malt-houses now in the country at least eighty, with a capacity of one hundred thousand bushels each, costing not less than \$25,000 each, or a gross sum of \$2,000,000, and adding to the value of the crop, as the cost of manufacturing, the sum of \$800,000 to \$1,000,000. But, so long as the maltster has to pay the license, and has to give seventy-four hours' notice to an officer to be present to put in a steep; to gauge it when it is ready to be taken out, to gauge it next day in the couch, to be present and gauge it before it goes on the kiln, to be present and gauge it and weigh it when taken off the kiln, capitalists will pause before subjecting themselves to such delays and annoyances. Each of the notices and transactions have to be entered in a book, with the date and hour of the day at which they take place; and lately it is required that the barley must be weighed as well as gauged, going into the steep, which not only takes time and labor, but requires about one-sixth of the room of the storehouse. For every kiln of malt put into store, also, a warehouse bond has to be given, and for every shipment

made, a bond has to be given for double the amount of the duty. For instance, on five cars shipped, a bond has to be given for \$4,800, with another name as surety. So long as this state of things exists, it will be up-hill work to compete with American maltsters, who are as free from excise regulations as the miller who makes wheat into flour. It is not asked to interfere in any way with the revenue, but to relieve the manufacturer of malt from the excise law, and put the duty on beer, giving the brewer the same facility as the distiller of holding his beer in bond until it is required for consumption."

Mr. S. P. GROAT (London): As the paper just read by Mr. McKenzie tells us, there are about ten millions of bushels of barley raised annually in Canada, about one million of which is used here, and the balance is exported. Of course, any encouragement which the Government can give, whereby this large amount of grain can be manufactured into malt in Canada, would be a great advantage to the country, and it would very largely decrease the expenses of the Government in collecting the excise. In starting a malt-house, a maltster has to give a bond to the amount of \$30,000, and I believe he has to get two names, and they must swear that they have property to the amount of \$30,000 before they can get a license for a malt-house at all. Instead of allowing them to do the weighing of the grain themselves, the Government refuses to take the weighing at the hopper, and insists on weighing it after it is in the vault and ready to go into the steep-tubs; then the inspector of the malting has to be there and weigh it, and see it run down into the steep-tub. It takes even a larger proportion than one-sixth of the room of the malt-house. Then it goes into the steep-tub, and there the Government insists that it shall be weighed again. The minute it comes through the process of steeping, and it is placed on the floor for the purpose of germination, it is there measured again. It is then taken to another floor and measured a third time, and when it goes on to the kiln it is measured again, making four measurements which it has undergone; but when it comes from the kiln it is actually measured again and weighed, making in all five measurements and two weighings in the process of malting, and requiring the whole time the presence of the inspector in the malt-house. The consequence is that oftentimes the inspector has to be on duty on the Sabbath, when it is well known that very little brewing is ever done on the Sabbath. In England they saw fit to put the excise duty on the malt, because that country does not produce barley enough for home consumption, and nearly all the malt that is used is manufactured from barley brought in from other countries. But in Canada they malt about ten times as much as they use. For instance, there are some malt-houses in Canada in which the process is going on all the time for exportation, and the Government keeps inspectors in them constantly. The present system

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requires a very complicated set of books, and there is an amount of red-tapeism about it that is really wonderful. Of course, it will be readily seen from this, that the Government are employing a lot of officials that are not necessary, where it would only require a few under a better system. In the United States there is no excise on malt; the excise is on beer, and it is placed in the shape of a stamp on the bung of the barrel. Without increasing the number of officers at all in this respect, I believe the Inspectors of Weights and Measures could so arrange it in every town and city, as to do this weighing for the Government, and dispense with the services of a large number of the inspectors who are now employed to watch the maltsters of the country. I have it from maltsters themselves, that, if the malting were placed on the same footing it was a few years ago, it would greatly increase the business in this country, and the Government would be largely the gainers thereby.

The motion was carried.

CUSTOMS ADDITIONS TO CASH INVOICES. (No. X.)

Mr. W. F. McMASTER (Toronto), moved:—

"That the Executive Council of this Board be instructed to urge the Government to abolish the addition of two per cent. on cash invoices, and upon which duty is levied."

Mr. A. ROBERTSON (Montreal): I quite approve of the motion that Mr. McMaster has presented; but I have just to say, that I called upon the Commissioner of Customs, who put in my hands the following circular, which covers this whole question:—

[Circular No. 208.]

[No. 1.]

CUSTOMS DEPARTMENT,

OTTAWA, 4th January, 1878.

SIR,

I am instructed by the Minister of Customs to call your special attention to the subject of discounts on invoices, and the proper manner of treating invoices reduced to cash values; and in doing so I have to remind you that the law specifies that "the fair market value for duty of goods imported into Canada, shall be the fair market value of such goods in the usual and ordinary commercial acceptance of the term, at the usual and ordinary credit, and not the cash value of such goods."

In order to the equitable administration of this law, I have to instruct you as follows:—

First—Whenever a discount appears on the face of an invoice which is clearly intended as a discount for cash, such discount must not be allowed, but be included in the value for duty.

Second—All discounts of 5 per cent. and under are, as a general rule, purely discounts for cash, but this rule is not without exceptions, especially in importations of

hardware, and, in every doubtful case, you should carefully use every means in your power to enable you to decide the point correctly.

Third—When an invoice is presented for entry without any discount on its face, you are to accept the duty on the same and not to add an arbitrary percentage thereon, unless you have reason to think the value of the merchandize mentioned in the said invoice has been reduced for the purpose of undervaluation, or to make it less than the fair market value in the country from which imported.

In such cases you are to submit the goods in question to the test of regular appraisement, according to the provisions of sections 44 to 48 inclusive of the Customs Act

(Signed,)

J. JOHNSON.

I am very glad the Government have done this without being asked by the Dominion Board of Trade.

The resolution was withdrawn.

DUTY ON PORK BARRELS. (No. XII.)

Hon. JAMES SKEAD (Ottawa): The Ottawa Board of Trade has an item on the programme asking for the repeal of the duty of $17\frac{1}{2}$ per cent. on packages containing meats. It may seem a very small item, but there are three interests in this country—lumber, shipping and fishing—which are seriously affected by it. The importation of meats from the United States during the past year was 25,861,150 pounds, including pork in barrels and smoked. In other words, about 130,000 barrels of pork are imported, and as the barrels are valued at \$1 each, the duty of $17\frac{1}{2}$ per cent. amounts to a large tax on the three interests affected by it. I am sorry to say we do not raise enough pork to feed our own people; we have to import it from the United States. Perhaps our Board of Trade may appear inconsistent in demanding protection, and, at the same time, advocating a movement which looks very like a step towards free-trade. I move, seconded by Mr. R. R. DOBELL (Quebec):—

"That this Board desires to record its disapproval of the imposition of $17\frac{1}{2}$ per cent. on barrels or packages containing Pork or Meat imported into this country, over and above the *duty of one cent per lb.*, collectable on the contents, and that a recommendation be made to the Dominion Government to except Pork Barrels or Packages containing Meats from payment of the said duty of $17\frac{1}{2}$ per cent."

Mr. WM. DARLING (Montreal): I would only say that pork barrels, like all other packages that come with the goods, should pay duty. If this principle is to be introduced in the case of pork barrels, it should apply to all other packages wherever the articles imported in them are sold with them. I don't see why it should be made applicable to pork barrels, any more than to

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any other packages which are sold with the goods they contain. It is a universal rule of customs.

Mr. W. F. McMASTER (Toronto) : I don't think there is any justice in taxing consumers of pork in this country any more than consumers of other classes of goods. In our business, I know, there is no duty charged on the packages, and I do not see why there should be any on pork.

Mr. A. T. PATERSON (Montreal) : The remarks of Mr. Darling are quite correct. You pay duty on boxes containing raisins, and Mr. Darling merely argues that the principle should be carried out in regard to all packages subject to duty. If the duty is taken off one, it should be taken off all.

Mr. JOHN MORRISON (Toronto) : In my own business I know the boxes are taxed, and if you go into this question the very hogshead in which the sugar is imported should also come in free of duty. The Government look upon those packages as competing with our own manufacturers. If the pork barrel be taken up by this Board, every other package should be considered.

Mr. Z. R. EVERITT (Fredericton) : There is another reason why the pork barrel should be taxed. After the meat is out of it the barrel is worth something—sixty cents, I think—and it should pay duty like other packages.

Mr. JOHN WALKER (London) : I am surprised at this being brought up by the Ottawa Board of Trade. I am surprised that such a body should ask that the 17½ per cent. protection to the coopers of Canada should be taken off. I do not know how it is in Ottawa, but I know in London the cooper interest is very large and important, and so it is in most of the cities and towns of Canada. I do not see why the coopers should not receive the same protection, for revenue purposes, enjoyed by other trades. It is surprising that this should come from a Board of Trade which has expressed itself so decidedly on the question of protection, especially when we consider that the timber is in some shape being protected by the tax on the wood in those barrels. I will, therefore, vote against the resolution for the reasons I have given, and because I do not believe in dealing with an isolated case like this when the whole question of the duty on packages can be taken up.

Mr. R. R. DOBELL (Quebec) : In seconding the resolution, I was prompted by this idea, that the 17½ per cent. on pork barrels is a serious tax on lumbermen and shipowners, because the barrel is of no use to him after the meat is taken out of it. I don't think it was ever contemplated that the revenue should be

derived from the cask. With reference to raisins, I fancy the box in which the raisins are packed forms a very small part of the cost; but $17\frac{1}{2}$ cents on each barrel is a high tax, while it is no protection to our coopers, because the barrel, after the meat is taken out of it, is of no further use.

Mr. DARLING: I do not mean to say that the duty on packages should not be abolished, but I contend that if the duty is to be taken off in one instance it should be removed in all.

Hon. JAMES SKEAD: In reply to Col. Walker, I would simply say, in the first place, there is no oak in this country of any importance to be protected; and, in the second place, the barrel is of no use after the meat is taken from it.

A vote was taken on the resolution, which was rejected on the following division:—

Ayes.—Messrs. Dobson, Dobell, Dickenson, Dwyer, Elder, McMaster, Skead.—7.

Nays.—Messrs. Brown (P. J.), Bremner, Cowan, Darling, DeVeber, Demers, Everitt, Elliott, Frazer, Gillespie, Greene, Groat, Joseph, Kerry, Macfie, McKenzie, Morrison, Noxon, Paterson, Robertson, Spratt, Sulley, Sanford, White, Walker, Waterman.—26.

RECIPROCAL USE OF CANALS AND RIVERS. (No. XIII.)

Mr. M. K. DICKINSON (Ottawa) moved, seconded by Mr. R. R. DOBELL (Quebec):

"That this Board regrets that it has again to draw attention to the serious injustice done to the inland carrying trade of the Dominion in consequence of privileges enjoyed by United States vessels in our canals and rivers, which, to an important extent, are denied to Canadian vessels in theirs, the remedy for which appears to be provided for in Article 27 of the Washington Treaty; and that the early and earnest intervention of the Dominion Government be solicited with a view to procuring compliance with the conditions in said Article by the Government of the United States."

Mr. DICKINSON said: The importance of the subject embodied in the resolution I have the honor to submit, I feel assured, will secure for it the consideration and unanimous approval of this Board; for it must be admitted on all hands that our "inland international carrying trade" with the United States is of great importance,—while, owing to the existence of various unjust disabilities to which it has continuously been subjected (dating, I may say, as far back as 1852 or thereabouts, and as yet practically unredressed) it is very seriously obstructed. For these reasons, and these alone, nearly all, indeed I may say the entire advantages which should accrue to this country from so import-

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ant a branch of its national commerce, have been allowed to drift, as it were, into the hands of our competitors of the United States. This is notably the fact respecting the transport of sawn lumber from the Ottawa and St. Lawrence rivers to such markets of the United States as are accessible, via the Chambly river, Lake Champlain, Whitehall canal and Hudson river. It may be well to state that this trade had its commencement in 1851 or 1852, by the exportation from Ottawa of less than half-a-million feet of sawn lumber, which was conveyed by me, as forwarder, to Whitehall, this quantity constituting the total export of that year. Since then it has gradually increased, with occasional fluctuations during the last two or three years, but often reaching a yearly aggregate of from 250,000,000 to 300,000,000 feet, representing in freight earnings the yearly average of from one to one and one-half million dollars. As expressed in the resolution, the special grievance of which this Canadian interest has to complain is: that, while United States craft enjoy, on equal terms with our own, all privileges of the canals and rivers of Canada—coasting excepted—Canadian vessels are not allowed similar advantages in the canals and rivers of the United States. And, Sir, this one-sided policy, directly against ourselves, was introduced in either 1851 or 1852 by the Government of that day passing an Order-in-Council whereby special permission was given to United States vessels to navigate, on the same terms as our own, the Chambly and Ottawa Canals to Ottawa, and the St. Lawrence so far up as Hogansburg, (an American port nearly opposite Cornwall). That concession on the part of this country was neither solicited nor reciprocated by the United States, but, on the contrary, up to this very time our vessels are not allowed to enter the Whitehall Canal. I may remark that this act by our Government was at the time considered, "doubtfully constitutional, and designed to be temporary," being only adopted for the time being, as a stimulant to the sawn lumber trade with the United States, then in its infancy. These unreciprocated concessions to the United States were, however, made a subject of representation by the forwarders of Canada from the cities of Hamilton, Kingston, Ottawa, Montreal and Quebec, by memorial to the Honorable Commissioners, Lord Elgin and Hon. Francis Hincks, prior to their departure from Toronto to negotiate the so-called Reciprocity Treaty, consummated in 1854, praying that the grievances referred to should be righted by obtaining like privileges from the United States. However, our remonstrance received no attention; the Treaty was closed, and contained no reference thereto. Allow me to further explain, that appended to this memorial was a reply from Mr. Corwin, then Secretary of the Treasury of the United States, in answer to

this direct query by me, viz., "Have foreign bottoms the privilege of navigating the canals of the United States." The prompt reply was as follows:—"Foreign vessels are not permitted to use the canals of the United States?" This fact I consider particularly noteworthy, shewing clearly that at that time, at least, the Federal Government of the United States did not recognize the sovereignty of State rights in such respects; as they have subsequently so clearly intimated in Article No. 27 of the "Washington Treaty," and which has for years past been made a pretext by them for not fulfilling their treaty obligations. The clause referred to reads as follows:—

"Article 27.—The Government of Her Britannic Majesty engages to urge upon the Government of the Dominion of Canada to secure to the citizens of the United States the use of the Welland, St. Lawrence and other canals in the Dominion, on terms of equality with the inhabitants of the Dominion; and the Government of the United States engages that the subjects of Her Britannic Majesty shall enjoy the use of the St. Clair Flats Canal on terms of equality with the inhabitants of the United States; and further engages to urge upon the State Governments to secure to the subjects of Her Britannic Majesty the use of the several State canals connected with the navigation of the lakes or rivers traversed by or contiguous to the boundary line between the possessions of the high contracting parties, on terms of equality with the inhabitants of the United States."

Although this Treaty was consummated in 1871, it was not until 1875 that Canadian craft were allowed to use the Whitehall Canal; and even this, our clear right under the clause quoted, was not conceded until the United States had apparently provided themselves with another pretext, viz.,—excluding our craft from the Hudson River—which, if enforced, completely nullifies all benefits that would accrue to Canadians from the use of the Whitehall Canal. On the other hand, the Dominion of Canada complied at once, without hesitation or prevarication, with the fullest intent of their obligations under this Treaty; indeed, as I have stated, in so far as the Chambly and Ottawa rivers and canals are concerned, the United States had enjoyed them, without requital since 1852, by the voluntary act of the Government of Canada. In further elucidation of this subject, I would state that in May, 1875, a Forwarding firm of this city (Ottawa) started five barges laden with lumber for New York. These were allowed to proceed to that city and return with cargoes of coal; but afterwards the firm were notified by the Secretary of the Treasury of the United States, through the Custom House at Plattsburg, that such trade was illegal, and if repeated, would subject the craft to confiscation or fine. These are the only Canadian craft that ever made a through trip from Ottawa, or any other part of Canada, to New York. On enquiring as to the grounds for such prohibition, the firm were informed that a Customs regulation was in force restraining foreign vessels from carrying foreign goods from one

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United States collection district into another ; in other words, Canadian barges would be compelled to discharge in the first collection district. Our Government, by correspondence, met the United States Government on this point by claiming that goods were not foreign after having duties paid thereon. The United States finally admitted the force of this argument ; but they then raised the point that the Hudson River, not having been included in the Washington Treaty, they could not allow us the use of that river. At this juncture certain members of our Government raised the point—could we not with equal propriety raise the same objection in reference to the Chambly and Ottawa rivers ;—and it was considered we could, as these rivers are not mentioned in the Treaty. This point, however, our Government refused to consider or maintain, for certain reasons best known to themselves. The United States Government, as I have stated, after nearly five years' refusal, notwithstanding the Treaty clause quoted, now do give our craft leave to use Whitehall Canal to Albany only. But this, as shown, is no advantage to us, as return cargoes are not obtainable there. In conclusion, I desire, on behalf of the Canadian forwarders, to be clearly understood, that they only claim to be put on an equal footing in American waters, with American vessel owners in Canadian waters. Failing that, they humbly pray for a reciprocal policy by our Government, refusing United States vessels from Lake Champlain to proceed any further than the foot of Chambly canal, as this canal occupies towards the Chambly river precisely the same relative position as the Whitehall canal does towards the Hudson river.

Mr. R. R. DOBELL, (Quebec) : I only wish to say one word in seconding this resolution, and it is this—I think we should hear something from our executive on the subject ; because year after year this Board has urged upon the Government the necessity of having our rights granted to us. I know in Quebec American vessels can come from New York to our Montmorency mills and take cargoes of lumber to New York ; but when we attempt to load our barges and send them down the Hudson, we find we are stopped at Albany, and must tranship there and let the cargo go down to New York in other craft. I am told also we are unable to ship in bond. If we want to load with lumber for the Cape or Australia, we cannot send it down to New York in Canadian bottoms. I think the executive ought to be able to give us some explanation why the resolutions, adopted unanimously by this Board, should lie over year after year. At every meeting we have to reiterate the often-expressed regret that no action has been taken. I might call attention to the remarks made by a representative of the National Board last year. He said the difficulty

was not that our boats could not go to New York, but that when there we wanted to go up some private canal and load coal, which, of course we did not think of doing. That is not what we complain of. We complain that we cannot go down to New York as freely as the American barges come to Canada.

The motion was carried.

DUTY ON FOREIGN VESSELS. (No. XIV.)

Mr. F. CLEMOW, (Ottawa) : This subject also was before the Board at its last meeting, and it was then stated, and quite correctly, that the law at that time was considered sufficient; inasmuch as the grievance complained of arose from an evasion of the law—viz., the selling of a foreign vessel and taking back a mortgage—which was not intended by the law to be legal. Since that time transactions of another character have taken place, which demand the attention of this Board. A steamer can be built in the United States with her machinery complete, and transferred to this country, becoming British property by the simple affirmation of the purchaser. I think that a duty should be imposed on such transactions, or, if that be considered inexpedient, that our laws should be assimilated to those of other countries. There it is hardly possible to effect the registration of vessels, except those built in that country;—the exceptions are in case of confiscation, and when the vessel undergoes repairs to the extent of two-thirds its value. I don't see why our laws should not place us in the same position as our American neighbors; and therefore move, seconded by Mr. A. ROBERTSON (Montreal),—

“That this Board recommend that a duty be placed on all vessels imported into the Dominion; the law, as it stands, being frequently evaded by the practice of parties bringing American vessels into the Dominion, selling the same to a Canadian, who in return gives a mortgage to the party from whom purchased.”

Mr. R. S. DEVEBER, (St. John, N. B.) : Are we to put a duty on vessels from Great Britain ?

Mr. CLEMOW : No ; I say foreign vessels.

Mr. R. R. DOBELL (Quebec) : I suppose it is intended to cover American barges ?

Mr. CLEMOW : Yes.

Mr. DOBELL : Well, it would be better to put it that way. The resolution, as it stands, would embrace ocean-going ships, which is not intended.

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Mr. DEVEBER: Are we permitted to impose a differential duty? Could our Government make a law to prohibit vessels being brought in from the United States, France or Germany, and not on those from Great Britain?

The PRESIDENT: That is a matter I cannot decide.

Mr. DOBELL: At last year's meeting, I think Mr. Fry showed that the law can only be evaded by one of the parties, either purchaser or seller, committing direct perjury.

Mr. CLEMOW: What I want to provide against is the registration of American barges as British vessels. If we can do it constitutionally, I do not see why it should not be done.

Mr. J. NOXON (Ingersoll): This is entering upon a course of legislation entirely unknown in this country, or any country having the benefit of British institutions. It would be a most extraordinary thing if we were here to set up the avowed policy to make a differential duty against any State. It has never been done, so far as I know, by Great Britain or Canada, and I do not believe it would be allowed by the Mother-country if passed here. It is a monstrous position in which it is desired to place us by this resolution. A proper administration of the present law would meet the whole difficulty, and no further legislation is necessary. I would suggest that Mr. Clemow withdraw his resolution, and frame one calling attention to the evasion of the law of which he complains, and asking the Government to take such steps as will prevent it in the future.

Mr. S. P. GROAT (London): Can the Canadian Government adopt a retaliatory policy towards the United States in anything? Can they discriminate against the United States without the concurrence of the Mother-country?

The PRESIDENT: That is a very large subject.

Mr. CLEMOW asked permission to withdraw his resolution in the meantime, which was allowed.

PROPOSED ASSOCIATION OF BRITISH AND COLONIAL BOARDS OF TRADE. (No. XXV.)

Mr. R. R. DOBELL (Quebec), moved, seconded by Mr. J. NOXON (Ingersoll):—

"That it is desirable to communicate with the Associated Chambers of Commerce in England, with the view of obtaining their assistance in organizing a Confederation of Representatives from the Boards of Trade of the Dependencies of Great Britain, to

meet in London once a year, or as often as may be considered advisable, with the object of drawing closer the trade relations between the Colonies and Dependencies of the British Empire."

Mr. DOBELL said: This appears on the programme owing to some remarks I made while attending the meeting of the Association of Chambers of Commerce of Great Britain in February last. I there found that the Colonies of Great Britain did not receive that consideration in their discussions that I think they should. I found a number of resolutions on their paper which were worded, "In all treaties between Great Britain and Ireland and other foreign countries, &c.," and in the whole list of their subjects, I did not see the slightest reference made to the trade between Great Britain and her Colonial Dependencies. When I asked where the Colonies came in, whether they were classed with Great Britain, or foreign countries, they seemed very much struck with the question, and immediately changed their resolutions by adding the words, "and her colonies," after "Great Britain and Ireland." That was a point gained; but I could not help feeling that we were ignored in all treaties suggested by that body, and it accounted for the exclusion of Canadian interests from the benefits of the treaty with France. I brought up the subject of our shipping interest in connection with that treaty, and showed that while British ships were admitted by paying a duty of two francs per ton, Canadian ships were taxed 40 francs per ton. I was told by some that such a thing was impossible, that I must be mistaken, but I proved it was a fact by reference to the official records. I don't think the Home Government is altogether to blame for this state of things. We make overtures to the United States for renewal of reciprocal trade, but we never take any steps at all to approach Great Britain to aid her, as much as lies in our power, to carry out the principle of free trade between Great Britain and her Colonies and Dependencies. I feel that our manufacturing industries would receive a great stimulus if we could draw closer the bonds which bind the Empire together. If we could meet together and discuss our several interests, and make up some special arrangements by which our goods would be received with more favor than those of other countries, it would draw the Colonies closer together. I am not surprised to find that at the last meeting of the Association of Chambers of Commerce they reverted to the question of free trade again. At the discussion which took place on the subject the following resolution was adopted:—

"1st. That the new Spanish tariff is exacting and illiberal, and unjust to British commerce.

"2nd. That, with reference to the new Spanish tariff, and generally with regard to the importation of foreign manufactures into the United Kingdom, and the importation

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of the manufactures of the United Kingdom into foreign countries, the principle of conceding everything and getting nothing in return, is not the best and most practical way to bring about universal free trade."

That is certainly, on Great Britain's part, going back ten or twelve years. They begin to find that France can manufacture the same goods they produce in England, and compete successfully with English manufactures which Great Britain used to send to France. An English manufacturer who sends his goods to France has to meet a tax of 30 to 35 per cent.; whereas, the French manufacturer can send similar goods into England by paying an almost nominal duty. The manufacturers of the Mother-country are beginning to look round to see what can be done, and I think now is the time for us to take the step of asking them to combine with the colonies, and let us work together. Let us say—"You take the lead; let the centre be in London, and let us see how much we can make a great commercial Empire, by trading within itself to the advantage of every part."

Mr. R. SULLY (London): Great Britain is a thoroughly free-trade country. While she opens her ports to all the world, she certainly opens them to us. She does not tax anything we produce, and yet, out of \$73,000,000 worth of our importations, we buy only \$19,000,000 from her. I do not see how such a proposition as this before us can be entertained at all. It is a question of a combination between Great Britain and her colonies; but you cannot expect Great Britain to favor you by taxing other nations. That would be retaliation, and I am quite sure nobody will entertain that principle in Great Britain. Without doubt, at this moment, there is a little agitation with respect to Great Britain instituting again protective duties, but that is impossible. She imports every year £200,000,000 stg. worth of food and raw material, a great deal of which she gets from America; and if she could not manufacture cheaper than other countries, she could not get that food, because other nations would get her trade. Cobden laid it down as a folly for England to attempt to negotiate such a treaty as is now proposed. All that was necessary, he said, was to open her ports to the world, and they would have plenty of trade. Every country that had anything to sell would send it there. Under a free-trade policy great Great Britain has flourished, and is it likely she will adopt a retaliatory policy? That would be folly indeed, and I contend there is no use in proposing such an arrangement as this to her.

Mr. W. M. ELDER (St. John, N.B.): Admitting what has been so well said in many respects by the gentleman who has just addressed you, I think there is great weight in what has been stated by Mr. Dobell. It is quite evident from the facts that he has set

forth and what he has personally experienced, that Great Britain, in negotiating treaties with other countries, has not always shown that consideration for our interests that we think they deserve. This is frequently the result of want of information. In the papers that are before us we see that when Mr. Dobell called attention to the fact, that the colonies were omitted from the resolutions of the Associated Chambers of Commerce relating to treaties between Great Britain and other countries, they were surprised at the fact, and made the change proposed. Now, I believe, that whether we have respect to the information which Canadians will receive in England by learning the standpoint from which they regard the colonies and their trade, or whether we have respect to the information that our delegates might be able to communicate to the English people, a motion of this kind is well worthy our consideration, and I believe it will be mutually beneficial. It has been said that it is well worth while for a man to cross the Atlantic to see how his house looks from the other side. A great deal depends on the standpoint from which you view a question, and many gentlemen at this Board would, therefore, naturally derive great advantage from attending the discussions of the Association of Chambers of Commerce in England. Beyond the commercial question there is the great political question, namely, whether or not the separate parts of this mighty empire are to be dissolved,—whether or not they are, one after another, to be thrown off and disincumbered,—or whether some master mind is to bind them into one great whole. Either in this country, we must go on in the anomalous, and sometimes unsatisfactory, relations that now exist, or we must be more closely identified with the Mother-country than we are at present, or we must become independent. Independence, I feel satisfied, does not mean Independence; but loss of our nationality and severance from the Empire to which we belong; and such Independence, I trust, will never be realized. (Applause.) Anything that would point in the direction of this resolution and gather into closer and more intimate relations, commercial and political, the great and wide-spreading parts of this British Empire, so beneficently ruled and so enlightened in its fiscal policy, I would most heartily support. If it were for the purpose of asking England to go into a coercive or retaliatory policy, that we were asked to send delegates to England, I would not for one moment support it. The United States does not pursue a retaliatory policy towards us. It is true that their tariff bears unequally upon us, because theirs is high and ours is low, but their tariff bears on every country that deals with them; and if we were to adopt a retaliatory policy towards the United States, they, in consequence of our extended

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trading border and by means of their immense resources, could extinguish us, while we could not do so with them. I will not say "extinguish us," but I will say that they could embarrass us more than we could embarrass them. I do not look upon this as a proposition to establish a retaliatory policy, but to draw closer our political and commercial relations with England, and not only ours, but every colony of the British Empire. I heartily support the resolution. (Applause.)

Mr. DOBELL: I had not the slightest intention of making a protectionist speech. I am a free-trader pure and simple, and, if possible, would open every port and sweep away every custom house. What I want to point out is this—we must not blame Great Britain for this apparent neglect of our interests. It is our own fault,—we have made no overtures to her; we have not approached her to bring us closer to her. Great Britain has very wisely made her colonies little independent nations, but she has not said "you may go." She wants to draw us together with silken threads to form the greatest Empire in the world. We ought, therefore, in every way to show union, love and loyalty to that country that has dealt so liberally, broadly and loyally with us. (Cheers.)

The PRESIDENT: In submitting this resolution to you, I am sure the Chamber must feel very much indebted to Mr. Dobell for bringing the subject forward.

The motion was carried unanimously.

ADMISSION OF CANADIAN VESSELS TO FRENCH REGISTRY. (No. XV.)

Mr. WM. ELDER (St. John, N.B.) moved, seconded by Mr. R. R. DOBELL (Quebec):—

"That the good offices of the Dominion Government be asked, with a view to procure, through the assistance of the British Government, the registration in France of Canadian-built vessels on terms of equality with those of Great Britain."

This question has already been before this Board, and, I believe, the discussions on it have borne fruit. The subject is, I understand, now occupying the attention of the British and Canadian Governments, and correspondence is going on upon it. Mr. Dobell mentioned incidentally just now, that, whereas under a recent treaty with France, British ships can be registered at two francs per ton, we have to pay forty francs per ton. No doubt this is the result of an oversight. Our ships bearing British register are British ships, and there is, therefore, no necessity

for this mistake being continued. However the mistake may have arisen, we have to pay forty francs per ton before our ships are admitted to French register. Canada is a much larger ship-owning country than France, and there ought to be a large intercourse in the purchase of ships, between the two countries. We have in years gone by sold annually half a million dollars worth of ships to France; and, if we could now sell on the same terms as Great Britain, it would revive an industry of which we have been proud, and which is now somewhat depressed. The tendency in the Maritime Provinces is to retain only new ships, and sell old ships to other countries. The very reverse prevails in France. They are willing, for their coasting trade, to buy old ships of four or five hundred tons. The ships we want to sell they want to buy, but we are met with this duty of forty francs per ton. We are seeking to obtain the same privilege as Great Britain, by admitting light wines into this country at low duties. This resolution is in accordance with the policy which prevails between France and England, and has everything in its favor. I hope it will again receive the favorable attention of this Board.

Mr. DOBELL: I should like to hear from the Executive what steps they have taken to present the views of the Board to the Government. I would like to hear what progress they have to report.

The resolution was adopted.

PILOTAGE ON THE LOWER ST. LAWRENCE. (NO. XVI.)

Mr. A. WOODS (Quebec) moved, seconded by Mr. R. R. DOBELL (Quebec):

"That this Board would again urge on the Government the desirability of a change in the Pilotage Law, with a view to enhance the element of competition between pilots, and to restore the law of Compulsory Pilotage of the Lower St. Lawrence."

And thereupon read the following communication, which had been addressed to the Quebec Board of Trade:

REVIEW OF THE GENERAL WORKING OF THE PILOTAGE ACT, AS REGARDS THE HARBOR OF QUEBEC AND THE LOWER ST. LAWRENCE.

To the Council of the Quebec Board of Trade, Quebec.

If the St. Lawrence route is to maintain its present position as regards ocean shipping, it is imperatively necessary that many evils now existing must be removed; and the writer, before proposing a remedy, would exhibit events of frequent occurrence, and which, if perpetuated, must ultimately divert a large number of vessels from this route to other places, where the pilotage system is carried out in such a manner as ensures that safety to underwriters and ship-owners, which must recommend itself as

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essential in the mind of every business man ; indeed, there has already commenced a falling off in arrivals from sea, many vessels preferring to load at the Lower Ports, to meeting the existing disabilities through this route. It may be well to trace a vessel upwards bound, and point out the abuses occurring and damages accruing therefrom, for which no compensating redress can be obtained. It is obvious that, when no return can be had for losses caused through the neglect or ignorance of a public officer, it is the more necessary that the qualifications of, and rules guiding, the actions of such officer should be undoubted and stringent. It is a matter of not uncommon occurrence that a ship coming up to a pilot station flies a flag for a pilot, and losing a whole day before she gets one ; and very often no pilot schooner is to be seen, as they (as a result of the pilotage being compulsory whether the duty is performed or not, and the revenue being equally divided, there is no emulation), often lie in some snug harbor instead of being on the lookout, and frequently vessels reach Brandy Pots before a pilot is obtained ; whereas in former years, before the incorporation of the pilots, a pilot was always to be had at Bic, and frequently a considerable distance lower down. Serious damages occur in the Port of Quebec from incapacity of pilots, their selection being by rotation ; it frequently happens that when ships are ready for sea, a pilot declines to take the vessel out, alleging want of water, while at the same time and place other pilots are proceeding with their work. Punishment for negligence or incapacity is of so slight a nature compared with the losses often resulting from such negligence, that reform is hopeless under the present system. Carelessness or gross negligence in a pilot may cause heavy and disastrous losses to ship-owners and underwriters, while such dereliction of duty is visited by a penalty only depriving the pilot of his branch for a certain period, which is sometimes very limited.

It may be well to state that before the present equal payment of pilots existed, and when each pilot received his immediate earnings, emulation existed between them, and the utmost attention was paid to the wants of ship-masters ; while, under the present system of equal distribution of income, the pilots are, many of them, quite careless in affording every facility to despatch, as such inaction does not affect them financially.

To remedy present evils, I would propose that masters of vessels have the privilege of selecting their own pilots, and that every pilot shall have liberty to pilot all the vessels he can, and to receive pay for what he does, subject only to such assessments as the Board may institute, to the Widow and Orphan Fund ; and that any old and infirm pilot wishing to retire should be at liberty to do so, and should receive out of the funds of said corporation an annual pension of two hundred dollars in lieu of all other claims. This will not interfere with the working of the corporation, as there will still remain a sufficient number of pilots, and the means of reaching the different stations are now greatly increased by railroads, &c., &c.

The adoption of the foregoing suggestions would accomplish an improved state of affairs, and tend to elevate the average qualifications of pilots,—to give vessels more despatch, and to reduce largely the enormous losses suffered annually by ship-owners, merchants and underwriters on vessels visiting said route, and induce a material return of shipping.

To bring about the desired result, I would press upon the Dominion Board of Trade the necessity for addressing the Government urgently upon the subject, praying for such action as may tend to make the St. Lawrence a desirable route for ship owners.

I have the honor to be, Gentlemen,

Your obedient servant,

HANS HAGENS, M. B. T.

QUEBEC, 26th December, 1877.

Mr. L. P. DEMERS (Levis): I am sorry that the gentleman who wrote the letter is not here himself. There is a great deal mentioned in that proposition which, according to my own knowledge, is not correct. I think the pilots cannot be blamed for not having done their duty. Every ship coming to the pilot station has a right to choose its pilot. If there is anything wrong with the pilots of Quebec, there is something wrong with the pilots of Liverpool. Last fall a ship had to wait two days at Liverpool before it could get a pilot. I ask for justice to the pilots. We should not pass such a resolution without hearing from the pilots themselves. If they had a delegation here, I believe the Board would be induced to change the resolution.

Mr. WOODS: I quite concur with my friend from Levis that it is desirable the writer of the paper should be here to read and explain it. At Liverpool the element of competition works very well. The system is an admirable one. There appears to be some three or four pilot boats stationed at different points on the river. They are independent of each other, and the earnings are shared among them. As one is engaged, the next one moves lower down, and thus each boat gets its turn. I know a great deal can be said in favor of our pilots, but a great deal can be said against them. The pilots will have ample opportunity to let their views be known through the representatives of the people in Parliament.

The motion was carried.

THE INSOLVENT ACT. (No. XVII.)

Mr. F. CLEMOW (Ottawa), moved, seconded by Mr. L. P. DEMERS (Quebec):—

"That the question relating to the Insolvency Law be referred to a Committee, to consist of Messrs. W. Darling (Montreal), A. Robertson (Montreal), W. F. McMaster (Toronto), B. S. DeVeber (St. John, N.B.), M. Dwyer (Halifax), with the mover and seconder, to report thereon at as early a period as possible."

Motion carried.

The Board then adjourned until Thursday morning at 10 o'clock.

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THIRD DAY'S PROCEEDINGS.

MORNING SESSION.

CITY HALL, OTTAWA,

January 17th, 1878.

The Board met at ten o'clock a.m.,—the President in the chair.

The roll was called, and the minutes of yesterday's proceedings read.

A QUESTION OF PRIVILEGE.

Mr. JOHN GILLESPIE (Toronto): Before the minutes are confirmed I would like to speak a word on a question of privilege. The Board must have been struck yesterday by the contrast between the remarks made by the seconder of the resolution on the tariff question, with the mild nature of the resolution itself. Lest the friends throughout the country and at this Board, who desire an early revision of the tariff in favor of the industries of Canada, might be under some misapprehension, I think it proper to ask the Board that the question may be opened again for amendment. The explanation of the position appears to be that the seconder of the resolution was busy at his notes, or some other occupation, when the resolution was read, and, therefore, did not comprehend exactly the tenor of it. He thought it was in full accord with conversations he had had with the mover on the subject. It appears that in the interval which ensued between that conversation and the presentation of the resolution to the Board, the mover thought proper to modify the resolution. Of course, it was not his fault that the seconder did not understand it; but, inasmuch as the seconder of the resolution was occupied and did not understand it, I think it is but fair to him, as his remarks were entirely inapplicable to the resolution, that he should be given an opportunity to amend it. The resolution states that the country is entirely satisfied with the duties now imposed on imports. That is not strictly true, and is not in har-

mony with the views expressed at this Board by the friends of the industries of the country. Of course, we cannot ask it without the unanimous consent of the Board; but, inasmuch as there was a misunderstanding on the subject, he should be given an opportunity to put himself right on the record.

Mr. E. K. GREENE (Montreal): As the notice on the paper from the Hamilton Board of Trade was the only one on the subject of the tariff, and as the view expressed by it was "consideration of re-adjustment of the tariff," it was left to the Hamilton members to draw up the resolution. I read the resolution somewhat hurriedly, and added a word or two, which I thought strengthened it, but it did not exactly suit me. However, I did not critically examine it, but inferred from the notice on the paper that it would be substantially correct. When the mover read the resolution here, I was very much surprised at the construction which was put upon it, and much more surprised at the remarks he made in relation to the industries of the country. I had supposed he was a Protectionist in principle, but his statement of the satisfactory condition of the manufactures of the country took me quite aback. My remarks were strongly in favor of a revision of the tariff, and the development of our resources. I do not in any sense impute wilful blame to the mover of the resolution, and I do not think there was any alteration except the addition of the clause by myself, which strengthened it; but, not having examined it critically, I was not aware of the rather mild form in which it was drawn. I make this explanation lest there should be any mistake as to the position in which the friends of Protection stood.

Mr. J. I. MCKENZIE (Hamilton): The explanation of Mr. Greene is very fair; it is what I would expect from that gentleman. Mr. Gillespie's statement is evidently made under misapprehension. He seems to labor under the impression that I, as mover and original framer of the larger portion of the resolution, had made some alterations in it, to which Mr. Greene, the seconder, had not been a party. Mr. Greene has already stated to the Board that that impression is not correct. He was a party to the resolution, and, as I judged at the time, went over it with me very carefully. I hold the original resolution, as altered by Mr. Greene, in my hand. I have not changed it, and Mr. Greene's pencil marks are on the paper. The alterations are not important, but they are so important in the minds of some members of this Board as to have changed the resolution more in the direction of the views held by Mr. Greene. For instance, he struck out the word "commercial" and left the word "industrial."

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The last words are added by Mr. Greene and are in his own handwriting. We were very candid towards each other. I did not approach him,—he came to me. I believe honestly the resolution would have carried by a large majority as I had it, without the aid of Mr. Greene, but I was very glad indeed to have his assistance.

Mr. THOS. WHITE (Montreal): I am sure every member of the Board is glad to find that there has been no bad faith on any side. It would have been a very serious matter indeed if any gentleman here, after agreeing upon a resolution with the seconder, should have taken the opportunity of altering it before submitting it to the Board. The resolution was passed very hurriedly. I did not intend to take any part in it for reasons which every gentleman here will understand. When such a Protectionist as Mr. Greene was satisfied with it, I thought we could find something in it, under which we could shelter ourselves.

Mr. GILLESPIE: I brought up the question under the conviction that some alteration in the resolution was made. That is my excuse; but there is no reflection on Mr. McKenzie, the mover of the resolution, because, having read his motion here, if Mr. Greene did not hear it, Mr. McKenzie was not to blame. I brought up the question under the conviction that, during the interval between the time Mr. Greene saw the resolution and its being submitted here, it was drawn in a milder shape, and Mr. Greene seconded the motion without hearing it; but, if the resolution was not altered after it was shown to the seconder, I have nothing to say.

The PRESIDENT: I am sure the explanations on both sides are quite satisfactory.

The minutes were thereupon confirmed.

THE INSPECTION OF FISH. (No. I.)

Mr. L. P. DEMERS (Quebec) presented the following report of the Committee on the Inspection of Fish:—

The Committee appointed to consider the question of better provision for the inspection of Fish have the honor to report that they recommend the following alteration in the Act:—

1. "That Deputy Inspectors of Fish should be appointed along the coast, say Labrador, Vatasquan, Anticosti, Gaspé, Cape Cove, Percé, and New Port, and that they should be under the control of the Inspector at Quebec."

2. "That the classification of cod-fish should be as follows: Fish from 16 inches, upwards, be branded No. 1; from 10 to 16 inches, No. 1 small; and from 10 inches, downwards, No. 2."

3. "That herrings imported into the Dominion from Newfoundland, [for consumption,] shall be subject to inspection."

Respectfully submitted,

L. P. DEMERS,

Chairman.

OTTAWA, 17th January, 1878.

Mr. J. J. BREMNER, (Halifax): This is a most important matter to the Lower Provinces. The only kind of fish that come from Newfoundland for consumption in the Dominion is Labrador herrings; but there is a very large quantity of herrings imported from Fortune Bay and Baie St. George, which are not consumed in the Dominion, but are exported to such places as Porto Rico, where very cheap fish are in demand. If the expense of inspection be added to the cost of those cheap fish, it will destroy that export trade. Now, I do not see the necessity for inspecting them, when the packages bear on them the statement that they are caught and inspected in Newfoundland, and not in Canada. I must object to those kinds of herrings being inspected.

Mr. DEMERS: The idea of the people of Quebec and Montreal is this:—We import about 25,000 barrels of herring from Newfoundland; they are of very good quality, but we have no right to inspect them unless the buyer pays for the inspection. I think, if the herrings caught in Canadian waters must be inspected, Newfoundland herrings ought also to be subject to the law. It has been found that a great deal of the Newfoundland herrings that come to our markets are light in weight, and very often the Summer catch is mixed with those caught in the Fall, which is very unsatisfactory to the buyer. For instance, I bought eight hundred barrels of fish from Newfoundland. The man from whom I bought had the barrels stamped "Newfoundland," and said I had no right to have them inspected. I would not take them that way, but had them inspected. It turned out that two hundred barrels contained only one hundred and ninety instead of two hundred pounds of fish, and some only one hundred and eighty pounds, so the seller lost \$800 on that transaction, and I was saved that much by the inspection. The complaint comes from Montreal, as well as from Quebec, that a great deal of the Newfoundland herrings are found light in weight. The profits on a barrel of herrings are very light, and, if there is any such loss, the trader is injured. That is why we ask to have Newfoundland fish placed on the same footing as our own.

Mr. BREMNER: I think, if the resolution were amended to read "that herrings imported into Canada from Newfoundland, for consumption in the Dominion, shall be subject to inspection," it would meet the views of all parties interested. It would not

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interfere with the export trade to which I have referred, while it would protect those who purchase for the Canadian market.

Mr. DEMERS: I accept the amendment.

The report was sent back to the Committee, and on being again reported, was adopted.

ORDER OF BUSINESS.

Mr. THOMAS WHITE (Montreal) presented the following report of the Committee on Business:—

The Business Committee of the Executive Council beg to make their second report:—

Two questions have been submitted to them for consideration by the Board by Mr. W. E. Sanford, delegate from the Hamilton Board of Trade.

In accordance with former precedent, the Committee recommend that these questions be taken up, after the present programme has been exhausted, if there shall then be time to do so.

Your Committee beg to call attention, however, to the inconvenience of questions being submitted during the sessions of the Board by individual members; and would recommend that hereafter it be an invariable rule, that no question be considered other than those on the official programme, unless the same has been duly forwarded by a constituent body, with explanation of the causes which have prevented its being sent in to the Secretary in time for inclusion in the official programme.

XXVI—1st. Subsidy to Australian vessels.

XXVII—2nd. Encouragement of iron manufacture in Canada.

All of which is respectfully submitted.

THOMAS WHITE,
Chairman.

OTTAWA, 17th January, 1878.

On motion, the report was adopted.

Mr. JOHN KERRY, (Montreal), moved, seconded by Mr. JOHN GILLESPIE, (Toronto)—

"Resolved, That in all discussions which may hereafter take place during the present annual meeting, the ten minutes limit for speakers be enforced, the mover of any resolution being excepted in introducing a subject."

Carried.

THE SUGAR DUTIES (No. VIII.)

Mr. A. T. PATERSON, (Montreal), presented the following report of the Committee, to which the sugar question was referred:—

The committee to whom the sugar question was referred, beg to report that they have agreed upon the following resolution:—

"Resolved, That this Board fully recognizes the great desirability of cultivating

direct trade with the West Indies and other sugar-producing countries, not only as in itself an important branch of commerce, but also as directly benefiting the fishery and shipping, and indirectly the agricultural and other leading interests of the Dominion; and, as such trade cannot be successfully maintained unless sugar refineries exist in Canada, it respectfully urges upon the Government the adoption of such measures as may be necessary to counteract the payment of bounties on sugar by other countries, and thus afford a fair field for refining in Canada; and in accordance with this policy, and in the interest of consumers, the Board would further recommend a slight reduction in the duties now levied on raw sugars."

Mr. MORRISON dissenting.

A. T. PATERSON,
Chairman.

Mr. PATERSON: In moving the adoption of the report, I shall only refer briefly to the leading points in it. As to the importance of the trade. I think it was pointed out last year that the sugar trade of Canada involves a consumption approaching 50,000 tons annually, so that both in amount and value the trade is, perhaps, one of the most important in this country. As regards the influence of the direct trade with the West Indies on the fish trade, Mr. Bremner explained yesterday the difficulty of conducting the export trade to the West Indies, unless means exist for bringing back return cargoes from thence. In regard to its influence on shipping, a very large proportion of the great fleet owned in the Maritime Provinces was in former years engaged in the West India trade. That trade has practically died out, and the shipping engaged in it has been driven to seek other employment. If the trade can be restored, employment can be found for a very large number of vessels and seamen engaged in connection with it. In regard to the effect upon agriculture and other leading interests of the Dominion, I would point out that not only will our West India trade create a demand for flour, cornmeal, butter and other produce of Canada, but the vessels carrying fish from the maritime ports will take Canadian instead of American agricultural products to make up their cargoes. The present system of shipping to New York and other ports in the United States instead of to the West Indies direct, leads to large importations, in return cargoes, of American flour and produce into Nova Scotia and New Brunswick, to the injury of the farmers of Ontario and Quebec. Mr. Morrison dissents from this report; but the particular point to which he objects, is the statement that a direct trade with the West Indies cannot be successfully maintained unless sugar refineries exist in Canada. In regard to that, facts are more eloquent than any assertions I could make. I would simply point out the fact that the trade between Montreal and the West Indies has in reality died out since the refinery was closed; that although a trade still exists between the West Indies and the ports of Halifax and St. John, it has decreased greatly in volume, and apparently is about to become extinct. The reason is, nobody

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can export to the West Indies unless he can bring back unrefined sugar, and in the absence of refineries there is no market for such sugar. The reference in this resolution to bounties is purposely made of a general character; because we think that any measures taken should be such as to apply to all countries which give bounties on the export of sugar. The reduction on lower grades is intended to give cheap sugar to the poorer classes, if they wish to use raw sugar. There is an indisposition in this country to use unrefined sugar, arising greatly, though not wholly, from the fact that the duty on lower grades has been higher than on high grades—that is, the specific duty has told more heavily on the intrinsic value of the lower grades, and, consequently tended to increase the use of refined sugars rather than of raw. However, if such a resolution as this were adopted, it would have the effect of giving the poorer classes a cheap and strong sugar, if they choose to use it. I move the adoption of the report, seconded by Mr. R. S. DE VEBER (St. John, N.B.)

Mr. JOHN MORRISON (Toronto): I wish to give my reasons for dissenting from the report. The first exception that I took to the resolution was, simply, that it states the importation of raw sugars from the West Indies cannot be successfully carried on without refineries. I dissented, because for years those gentlemen in the Maritime Provinces have carried on that importation of raw sugar with success. They never thought upon the refinery until this last year or two; consequently, that should not be taken as a serious argument. The next point that I object to is the statement that there is a bounty given at the present time. In the United States, where the tariff has been all gone into, experts say there is now no bounty. They thought a year ago there was a bounty of 42 cents to the 100 lbs., but since that time the bounty has ceased to exist. Since that reduction was made, we have been able to buy cheaper sugar than we ever could before, and our market is Greenock, instead of New York. Then, again, I oppose the resolution for this reason: Why should the Government of this country name any sugar that they should legislate differently upon? If the consumer prefers refined sugar to raw sugar, the Government must not say he shall pay dearer for it. Therefore, I think the resolution all through is not what a Government, legislating for a whole country, should take into consideration.

Mr. DE VEBER: When this question was brought before the Committee yesterday, it was stated the refiners wanted no protection to speak of; and the object I had in bringing forward that proposition to make raw sugar cheap, was because

our Board requested that the duty on sugar should be lessened. I thought it would be for the benefit of the consumer also to put a small increase on the refined article. It is said sugar comes cheaper, at the present time, from England than from the United States. The price of sugar varies every week; sometimes we can import cheaper from the United States, sometimes from Great Britain, and sometimes from other European countries. I do not see why we should alter the resolution which has been recommended in the report.

Mr. Z. R. EVERITT (Fredericton): I cannot go for a policy that will in any way tend to counteract bounties paid by other countries. If other countries choose to give us cheap sugar, we cannot oppose such a policy.

Mr. D. MACFIE (London): It would take an expert to understand this sugar question. It is quite evident to me that the gentlemen who bring up this report are in favor of a reduction in the price of sugar, so as to enable manufacturers to go on—the very reverse of what protectionists want. Therefore, as a free-trader, I think this is a measure I can support.

Mr. W. H. FRAZER (Toronto): The manufacturers of this country are always desirous of having the raw products come in free. It is only manufactured articles they want protected.

The question having been put on the adoption of the Committee's Report, and the resolution which it embodies, it was carried on the following division:—

Ayes.—Messrs. Brown (P. J.), Bremner, Cowan, Clemow, Dobson, Dickenson, Dwyer, DeVeber, Demers, Elder, Elliott, Frazer, Gillespie, Greene, Groat, Kerry, McMaster, Macfie, McKenzie, Noxon, Paterson, Robertson, Skead, Spratt, Sulley, Sanford, White, Walker.—28.

Nays.—Messrs. Darling, Everitt, Joseph, Morrison, Woods.—5.

THE PLACE OF MEETING.

Mr. JOHN WALKER (London), said the notice which appeared on the paper covered the removal of the place of meeting of the Dominion Board, and also a change in the date of that meeting. Since giving this notice, and more especially since the City of Ottawa had placed at their disposal this magnificent hall for their annual meetings, he found the feeling of the Board was against a change of the place of meeting, and in deference to that feeling he would withdraw that portion of the resolution. With regard to the date of meetings, his proposal to make a change was based

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on the fact that the statistics, which came up in their discussions were always two years old. For instance, the statistics used at this meeting were only up to July, 1876. He would, therefore, suggest that the annual meeting be held the second week after the opening of the session of Parliament, when the statistics for the previous fiscal year would be before the country. There would be the additional advantage of being in a position to present the conclusions arrived at by the Board to the Government. He would, therefore, move the latter part of his resolution, as follows:—

“That the time of the Annual Meeting of the Dominion Board of Trade be changed to the second week of the Annual Session of the House of Commons.”

Mr. W. F. McMASTER (Toronto), in seconding the resolution, said, a strong point in favor of the proposed change was the complaint made at this sitting that the executive had not in all cases carried out the instructions of the Board. If the meeting were held at the time suggested, it would give the executive an opportunity to convey the decisions of the Board at once to the Government and Parliament.

Mr. A. JOSEPH (Quebec), said he would not vote that the sittings of the Board be held during the session of Parliament. The inconvenience at such a time would be even greater than at present. He had nothing to say against Ottawa,—certainly not of the people who had always treated the Board with the greatest consideration in every way,—but he thought it should be left to the executive to say where the meetings should be held. Some change was required. Nobody would say the Dominion Board of Trade was the success that was anticipated by its promoters. They had to deplore the absence of some important bodies, especially the Corn Exchange of Montreal, who had not given any reason for sending no delegates. They did not say it was because the annual meeting was held in Ottawa, but they gave no reason. The system which he proposed in the following amendment was that adopted by the United States National Board of Trade and the Association of Chambers of Commerce of Great Britain:—

“That all the words after ‘that’ be omitted and the following substituted therefor:—Sections 1 and 2 of Article VI. of the Constitution of this Board be amended by declaring that the Annual Meetings be held in such cities and at such dates as may be fixed by the Executive Council from time to time.”

Hon. JAMES SKEAD (Ottawa), rose to a point of order. A year's notice should have been given of the amendment, which was really a new proposition. It could not be considered before the next annual meeting.

Mr. E. K. GREENE (Montreal), said there were serious objections to changing either the place or time of meeting. Parliament was a political body; this Board was commercial. The Government decide upon their commercial policy before the meeting of Parliament, and if the Board were to attempt to interfere with it, serious evils would result. Then, as to a change of place, Toronto would be too far from the Maritime Provinces, and Montreal from West Ontario. Ottawa was certainly the most central point, and if Mr. Joseph's amendment were to be carried, it should be distinctly understood that Ottawa be the place of meeting for next year, at all events.

Mr. THOS. WHITE (Montreal), said the amendment was out of order, no notice having been given of a proposition to take the decision of the time and place of meeting out of the hands of the Board and place it in the hands of the executive. That was not covered by the notice given by Mr. Walker.

Mr. D. MACFIE (London), thought the amendment was entirely out of order. If Mr. Joseph wished to have the original motion put, he could insist upon a vote being taken upon it in the shape in which it was originally presented.

The President ruled the amendment out of order.

After some further discussion,—

Mr. THOS. WHITE said,—When this matter was mentioned last year he confessed it had attractions for him, because it seemed very convenient, but there were difficulties in the way. During the session of Parliament, Ottawa is crowded with delegations as well as members, and there would be the practical difficulty of finding accommodation for the 40 or 50 members of the Board. After finding themselves stuck into out-of-the-way garrets while in Ottawa, many members of the Board would not care to come to another annual meeting. Then, again, by meeting at this period of the year the reports of the Board, whatever they might be worth, were always published before the meeting of Parliament. Notwithstanding what had been said of the want of influence of this Board, he knew from constant attendance at the sessions of the legislature and of committees—particularly the Committee on Banking and Commerce—that the proceedings of the Dominion Board of Trade had exceedingly great influence upon the decisions of Parliament, that its proceedings and resolutions were referred to, and the speeches made by men known to be experts in particular branches of trade, were quoted. A great deal of influence, in that way, was brought to bear on the proceedings of the committees of Parliament, which were entirely non-political bodies. There was another practical difficulty; at

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the time of the meeting of Parliament, all the reporters that are worth having, are employed in the Parliament Buildings. Newspaper men would know it was the most difficult thing in the world to get gentlemen qualified to report the proceedings of Parliament, and this Board would be entirely unable to get efficient reporters. A great deal had been said of the disposition to make use of this Board as a political body. No more improper charge was ever made against any body. He had been five years attending these annual meetings, and, except in the case of those gentlemen with whom he was intimately acquainted, he did not know what the politics of the members of the Board were; but if they were to meet during the sessions of Parliament, and discuss questions which were matters of political conflict in the legislature, the Board would soon get the character, which it did not now deserve, of being a political body. They could not avoid the apparent influence at any rate (if not the real one) of members of Parliament manipulating the members of the Board on the subjects brought up in Parliament. On all these grounds he thought it would be better not to change the time of meeting.

Mr. JOHN WALKER (London), said he had much pleasure, in deference to the views expressed by Mr. White, in withdrawing his motion.

The motion was withdrawn.

USE BY TELEGRAPH LINES OF RAILROAD RIGHT OF WAY. (No. XVIII.)

A letter having been handed in from Mr. DWIGHT, General Western Superintendent of the Montreal Telegraph Company, the Secretary was asked to read it.

Mr. W. F. McMASTER (Toronto), inquired if it was in order to read a letter from an outsider.

The PRESIDENT: I will leave it in the hands of the Board.

Mr. THOS. WHITE said there was another objection; it reflected on a member of this Board.

The reading of the letter was ruled out of order.

Mr. J. I. MCKENZIE (Hamilton), moved, seconded by Mr. JOHN WALKER (London):—

"Whereas, the Legislature of the State of Vermont has, in the general interests of the public, enacted that any duly incorporated Telegraph Company may erect and maintain its line of telegraph, or any part thereof, along the sides of railroad tracks within the limits of lands owned or held by Railroad Corporations in said State, reason-

able compensation being paid therefor to such Railroad Corporations, and, in case of disagreement as to the amount to be determined by arbitration, and,

"Whereas, it is deemed essential that such principle should, in the case of Telegraph Companies, be established in Canada, therefore, be it

"Resolved—That, in the opinion of the Dominion Board of Trade, it is desirable, in the public interest, that the Government of Canada should extend the same powers to all Telegraph Companies in the Dominion, by amending the general Act respecting Electric Telegraph Companies."

He continued: The resolution I have read has been placed on the programme by the Hamilton Board of Trade. I think it might have been well if they added the words, "on equitable terms to those having prior rights," because it is on that principle I am here to place the matter before the Board. I wish it to be understood that there is no desire on the part of the Hamilton Board of Trade, or any gentleman connected with that Board, to take any step which would be hostile to any particular interest. I know I am speaking to gentlemen able to judge of those questions, and it is quite unnecessary for me to say to them that this matter is not brought before them with hostile intention to any company. In making that remark, I refer more particularly, as gentlemen here are aware, to the Montreal Telegraph Company. I stand before this Board to render my meed of praise to the manner in which that Company have managed their business in the Dominion of Canada. They have managed it very much to the satisfaction of the country and of the public, and, therefore, it is in no hostile spirit to them that I bring this matter before the Board. I might, perhaps, refer very briefly, to the fact that my name has been more intimately connected with this matter in the public press than any other, for the reason that I have taken a very deep interest, during a number of years, in the subject of telegraphy. I have done so in the public interest, and not in any sense as a shareholder in any telegraph company; because my individual interest in any such enterprise is not a feather in the balance compared with the aggregate shares in the company. I am not influenced, therefore, as Vice-President of the Dominion Telegraph Company, in bringing up this matter. Every gentleman knows that the electric telegraph is one of the most permeating influences in the world; that we can hardly conceive how any civilized country could proceed with its business—either social, political or commercial—without the use of this great power. In dealing with it in that way, I would simply allude to the fact that there is always danger of controlling influence taking possession of the telegraph system, to the detriment, to the injury, and to the extra expenditure of money by the public in using that instrument of communication. This was seen in England, where the

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rates for telegraphing were such that it became necessary eventually for the Government to step in,—as that paternal Government usually does where the interests of the public are at stake,—and purchase, at too enormous a price, I think, the telegraph system of that country. They brought it under the control of the Post-Office Department, so as to make it as useful and universal as the penny postage introduced there years ago, and which the world now recognizes as the right principle for the postal service of any country. The reasons for advocating the control of the telegraph system by the Government, as was done in England, are, first, that capital can be obtained at a lower rate by stable governments than by independent companies; and, second, economy in working. Under the postal system the post office and telegraph management can be worked together much more economically than they could be separately. Another element that is of great moment in many ways, is that it secures greater secrecy. That has been found to be the case in England. I do not mean to say that we in Canada have had to complain on any one of those points. I believe our lines have been built and worked as economically as circumstances would permit, and there has been no complaint on the score of want of secrecy. Still, there may come a time when our Government might wish to control the telegraph system of the country. Though that time has not come, I as a citizen of this country, would never object to the Government getting control of the telegraph system at a fair price. When we come to the absorption of the telegraph system by other influences than the Government of the country, the question becomes most serious. That can be seen very clearly by reference to the Atlantic cable monopoly which now exists, and that monopoly is considered a detriment to the commerce of the world by every man engaged in business. We had originally a cable laid by a company between England and the United States, but it was found by the business community on both sides that the charges for transmitting messages were by far too heavy—more than was necessary to be borne—and that a cable line might be laid that would compete successfully with the older company, and reduce rates. This being the case, the Direct Cable Co. was organized on the principle of independence. They were chartered by the British Government, on the understanding that they would, for all time, remain independent; and they also received their charter from the Canadian Government on the distinct understanding, specified by their own agent, and set forth in the charter granted to them, that they should remain independent for all time. The same powers were granted to the Direct Cable Co. by the United States

Government, and they became a company, and went into operation; but a way was found to abrogate all those charters, by placing the Direct Cable Co. in liquidation, through the influence of the older company, which absorbed its competitor, and the rates were raised. I might also refer to the United States, where two great companies have been in operation—the Western Union, and the Atlantic and Pacific. The former was the older company, and was strong; the latter was a newer and weaker company, and it struggled on for some time. The rates for telegrams were satisfactory to the people of that country, but the stockholders and stock brokers, in connection with the Western Union Co., gradually absorbed the other company, and amalgamated them to such an extent that the control fell into the hands of one company; and now by that means the telegraph system of the United States is altogether controlled by one company, to the detriment of the people who use the telegraph wires. Rates have been changed, hundreds of offices have been closed, and the people of that country, to relieve themselves from the difficulty under which they labor, must perforce organize another independent company to carry on the business of telegraphing. In Canada we have the Montreal and the Dominion Telegraph Companies; the former an old company permeating the whole country—the Western provinces, at all events—and the other doing their share of the telegraphic service. Difficulties have arisen owing to the Montreal Company being in the field at a much earlier date than the other, and through astute management, for which they are not to blame, they took advantage of the situation and entered into contracts with railway companies to the exclusion of any other company, and so hindered the newer company from constructing their lines as economically and as favorably to their interest as they otherwise might have been able to do. If, as it is asserted, they have vested rights—I deny that they have any vested rights, I think they are vested wrongs—if it is right for any company to form a special contract such as I have alluded to with a railway corporation, it becomes monstrous when such an arrangement is entered into with a Government or Government railways. I say that is simply monstrous and contrary to public policy in every way; and the Government of the country should intervene and see that the telegraph system of the country is not injured in any way by giving exclusive rights on railways under their control. That is the main point on which I argue this question before the Board, and for this other reason that the Dominion Telegraph Company have constructed their lines in the Maritime Provinces. They desire to occupy that country and bring it into direct connection with the Upper Provinces, and they want to use the

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Intercolonial Railway route for that purpose. Why should they be debarred, by an agreement between the Government and the Montreal Telegraph Company, from putting up their poles to connect with the Maritime Provinces? Yet, under the present state of affairs they must build their line hundreds of miles through a wilderness to connect with the Maritime Provinces. I say that is monstrous, and I want this Board to call upon the Government to rectify the wrongs that have been inflicted on this company, by the arrangement with the Montreal Telegraph Company, to hinder the construction of a line along that railway. It has been alleged it would be unsafe and dangerous to have more than one line on the railway. Now, any railway man can understand that is all nonsense. There is a railway running to the Georgian Bay, a distance of nearly 200 miles, and there are two systems of telegraphs on that railway. The Dominion Telegraph Company got possession of that first, but they said, "We do not want exclusive privileges; any other company may come in," and the Montreal Telegraph Company came in. That is the policy we have adopted throughout. I dare say if we had lived in the time the Montreal Telegraph Company was organized, we might have been as selfish as they have been; but that is not the state of things now. If the people of the Dominion are not willing to maintain two strong companies capable of holding their own, you will see just such absorption and amalgamation as occurred in the cable system and in the United States. What I ask this Board and the Government to do, is to maintain two strong independent companies to compete with each other, and keep the telegraph rates in the country at a reasonable rate. Both companies have been earning all along good and fair dividends. As we have seen, the Montreal Company earned a good surplus and paid a dividend last year, notwithstanding the depression. So did the Dominion Telegraph Company. Their surplus was larger than the Montreal Company's in 1877, and larger than they ever had before. So it is to the interest of the country to keep the two companies independent. With the permission of the Board I will read a paper on the subject.

The PRESIDENT: It will be for the Board to say, after the long speech of Mr. McKenzie, whether the paper shall be read or not. It might be as well to take it as read, and print it in the minutes.

This arrangement was agreed to.

RIGHT OF WAY ON RAILWAYS TO TELEGRAPH COMPANIES.

One of the subjects which the Hamilton Board of Trade considered would be matter

for proper discussion at this meeting, was the invidious effects of the policy adopted by the telegraph companies first established in this country and in the United States, of making private bargains with the different railway companies, for constructing, working and maintaining their telegraph lines upon such railways, to the entire exclusion of all other telegraph companies, and which has proved, and continues to prove, a most harmful and prejudicial impediment to the creation, development and success of rival telegraph lines, and the continuance of cheap telegraphy naturally induced thereby.

When telegraph lines were first promoted by companies specially incorporated to construct and work them, neither the public nor the railway companies upon whose lines it was found most convenient to establish them, foresaw the ramified uses to which they would be put, nor the vast and inestimable benefits to the world at large, that would accrue from the introduction of such a novel and marvellously swift instrument of communication, and which in the very brief space of time that has elapsed since its inception, has by its proved reliability as a medium of instantaneous intelligence, made it an indispensable and universal necessity for carrying on the multifarious affairs of the whole human race.

It was only those identified with and specially interested in the development of this new science who formed any broad idea, or comprehended to any great extent, the uses to which it was adaptable, and whose cupidity led to the device of securing exclusive rights of way over the leading railways then in operation, and the possession of which, it was naively foreseen, would be a strong barrier to the promotion and location of rival systems.

For cheapness of construction, for quick and easy repairs, for a clear road, and freedom from interruption by contact with trees, or acts of wantonness, it was at once manifest to those engaged in the promotion of this new enterprise that railways, as compared with the ordinary highways, presented by far the most favorable features and unquestionable advantages for securing cheap construction and maintenance of telegraph lines.

It had also been found that the telegraph had become an invaluable auxiliary to the working of railways themselves, and this led to the deduction that it would be mutually beneficial for telegraph and railway companies to enter into arrangements for combined facilities.

Accordingly, private agreements of the exclusive nature alluded to, were planned by the earlier telegraph companies with the railways, the telegraph companies finding the operators for the railways, but at their expense, and supplying battery power free, and making other considerations, for the privilege of stringing their wires upon the railway telegraph poles, or poles subscribed for by them in exchange for being made the exclusive possessors of the right of way along the railway for telegraph operations, and for certain facilities of transport.

A monopoly of telegraphing upon railways was thus virtually established by the companies, who first secured these privileges, and the disadvantages to the public of such a combination only became apparent as telegraphy developed and rendered itself an essential necessity to daily and hourly business transactions, and to urgent domestic affairs, and when its growing use brought a pressure to bear upon the telegraph companies for the adoption of more reasonable tariff charges. This being resisted, it forced upon public consideration the desirability of establishing rival organizations; but hereupon it was discovered that such rival organizations would be precluded from the advantages of constructing their lines upon these railways who had been induced to

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enter into the forestalling contract referred to; and thus, as all the main railways then open had been so secured and prevented from according right of way and facilities to others, the new organizations had no alternative but either to contest the right of railway companies to give exclusive privileges for constructing telegraphs within the fences of their railways to any particular telegraph company, or for such new organizations to adopt the common highways for the lines they might decide upon building.

The latter alternative was chosen, and telegraph lines have since been built upon highways; but experience has shown that the greater extent of mileage usually involved, the extra cost of hauling and digging and placing the poles in position, the augmentation of the aggregate wages paid, the slower and inferior means of access for repairs, and the heavier cost of general maintenance caused by the constantly recurring necessity of trimming trees, or by other casualties which do not happen to the same extent upon railways, or do not fall upon the telegraph companies, have proved most serious and aggravating obstacles to those telegraph companies forced upon the highways, and which, if permitted to continue, may be fatal to their independent existence, retard the development of the telegraph system, and jeopardize the maintenance of cheap telegraphy induced by their opposition, and which has proved an inestimable boon to all classes of the community.

The knowledge of these facts, and the just apprehensions created by the subverted independence of the Atlantic and Pacific Telegraph Company of the United States—a highway telegraph company, formed for the purpose of competing with, and keeping in check the high charges of the Western Union Company, which, like the Montreal Telegraph Company of Canada, before the existence of the Dominion Company, had entered into exclusive agreements with all the main arterial railway companies then existing, have induced the Hamilton Board of Trade to bring forward at this meeting the consideration of this important question, namely—the policy of allowing, in the national interests of the country, the continued possession, by any particular telegraph company, of the right or privilege of constructing its lines along railways to the exclusion of any other telegraph company.

This question, it is urged, is especially pertinent at the present moment, when it is known that, owing to the greatly increased cost of construction and maintenance of the lines of the Atlantic and Pacific (or the American highway) Telegraph Company, to the disadvantages referred to, and to other antagonistic causes, that Company's shares became so depreciated in their market value, as to enable its great (Railway) telegraph rival—the Western Union Co.—to purchase a majority of its stock, and thereby to gain control over its future operations; to close immediately hundreds upon hundreds of telegraph offices in the United States, which had been in active opposition to them; and not only to do this, but at once to increase, and yet go on increasing, the telegraph charges—throughout the length and breadth of the land; to create, in point of fact, a gigantic telegraph monopoly, and to place that monopoly in a position the more effectually to crush any attempts at establishing rival enterprises.

The Hamilton Board of Trade have thought it well to bring these facts and circumstances before the Dominion Board of Trade, and the great commercial interests represented by that Board, with a view to the recommendation of the adoption of such measures by the Government as may be best calculated to foster reasonable competition instead of to check it; and to lessen, rather than to increase, the charges of telegraph companies; or, so to govern those bodies, that all shall be placed on an equal footing, so far as rights of way are concerned, in the same manner as it has been deemed proper

and expedient to give the same rights alike to all railway companies; and that these railway companies, chartered for the special purpose of providing for the general convenience, accommodation, and necessities of the public, shall not be permitted to be the means, by private arrangement or otherwise, in opposition to the public weal, and in violation of the principle of the *General Carriers' Act*, of granting facilities over their railways to any one Telegraph Company, to the exclusion or detriment of all others, so long as the construction and working of separate telegraph lines within the fences of railways is feasible, and not inconsistent with the public safety and the proper operation of such railways.

Mr. THOMAS WHITE (Montreal): So far as I am personally concerned, all my interests are bound up in the Dominion Telegraph Company. It is an establishment that has been to me, personally, a source of very great profit indeed, as it has been to any man who has been compelled to use the telegraph to any extent outside of sending private messages over the wires. If, therefore, I could support this resolution, nothing would give me greater pleasure. It seems to me the preamble of that resolution is not such as should commend it to the confidence of this Board. Unfortunately our friends on the other side of the line—with all the respect we have for them when we meet them here or elsewhere, socially and otherwise—we are bound to admit, in their State Legislatures, are not influenced by very high consideration for vested rights; and I am bound to say that, to ask us to do something in this country because the State of Vermont has done it, is a proposition I for one cannot accept. I think the resolution, in that respect, has been rather unhappily drawn up, because I should be sorry to find the actions of State Legislatures in the United States made precedents for legislation in this country. But there is a broader question involved in this matter. Railway and telegraph companies are private corporations, and when they make arrangements by which the railway company, having paid for its right of way, gives independent privileges to a telegraph company over it, that is a matter between the two corporations. It is proposed here that this Board shall ask the Dominion Parliament to pass an act to declare that that which belongs to the railway company, for which it paid, shall belong to somebody else. That is practically what is asked in this resolution. I can quite see, as to Government railways, which belong to the people as a whole—that is, between the Government railways and corporations—the case would be vastly different. I believe it would be to the advantage of all parts of this Dominion, and especially of the Maritime Provinces, isolated, as they are, from our system of telegraphy (which is the best and cheapest in the world) if on the Intercolonial, where the right of way belongs to the whole people, that it should be so used as to inure to the benefit of the public; and, so far as Government

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railways are concerned, every one should say the greatest possible facilities should be given to all telegraph companies to use the right of way for their lines. Four years ago, when this was discussed here, we had the testimony of a number of people on the subject. It will be remembered letters were sent in by the Grand Trunk, the Great Western, and the Northern Railway Companies, all testifying to the great danger that would result in the working of their roads if this were granted. I am not a practical railway man, and I cannot say what force there was in their representation, though I must confess it did not strike me as a strong argument; but it came from people who have the lives and property of the travelling public under their care, and if Parliament should force upon them legislation which they contended would increase the liability to accidents, we could not blame them if loss of life occurred. The question before us is simply whether the Dominion Board of Trade is prepared to recommend the Parliament of Canada to enact a law which would practically vitiate the contracts made by private corporations in relation to property paid for and owned by them. This is a matter with which this Board and Parliament have nothing to do. It may be that the Montreal Telegraph Company, by starting first, have got the advantage; so has the merchant who starts first and builds up, by his skill and enterprise, an extensive business. The man who starts after him, with less capital and experience, finds great difficulty in getting on; but it would be absurd for him to ask Parliament to enact a law to deprive the great merchant of all the advantages which his enterprise, capital and experience have gained for him. I hope the resolution will not pass in its present form. If Mr. McKenzie had moved a resolution to give the right of way on Government railways to all telegraph companies, I would be happy to vote for it; but I cannot vote for such a resolution as he has submitted to the Board.

Mr. JOHN WALKER (London): After the exhaustive remarks of Mr. McKenzie, I do not think it is necessary for me to say much on the subject. I concur with him that it is an injustice (to use the mildest term) to the different sections of the Dominion to have our great public highway, the Intercolonial Railroad, made the exclusive ground for any one telegraph company.

Mr. WHITE: Confine it to that.

Mr. WALKER: I am sure our friends in the Maritime Provinces will join with us in using every means to put this matter right. It is included in Mr. McKenzie's resolution, and to my mind is a practical grievance which this Board should recommend

the Government to redress. Private rights and contracts have to be respected, as a matter of course; but when the question touches upon public property, as it does in this case of the Intercolonial Railway, I think the Government ought to be loudly called upon to put the matter right. I am not aware what the exact terms are of this monopoly which seems to exist on the Intercolonial Railway, or by whom it was granted; but whoever granted it, or whatever the terms may be, I think the whole of the inhabitants of the Dominion are justified in calling loudly on the Government to put an end to such a monopoly at the earliest possible moment.

Mr. FRAZER: I trust the mover and seconder of the resolution will not consider that those who give a negative vote are hostile to the Dominion Telegraph Company. Many, like myself, give the preference to that company over the other; and if the resolution were confined to the Government railways I would vote for it; but, as has already been stated, since it is an interference with private contracts, I think I am justified in voting in the negative.

Mr. WM. ELDER (St. John, N.B.): There are one or two points in which this question strikes me. I must say, as a newspaper man, I should like to see the Dominion Line get all possible facilities to reach the Maritime Provinces, consistent with the rights of others and the principles of justice. We of the Maritime Provinces who are interested in newspaper property, are subject to two tolls. I am paying for messages, in many cases, four times the amount the men of Toronto have to pay. For what they pay 25 cents per 100 words of ordinary news between Quebec and Sarnia, I have to pay a dollar; consequently, the enterprise of newspapers in the Maritime Provinces is largely interfered with, owing to the arrangement between the Western Union and the Montreal Telegraph lines, inasmuch as they refuse to give one toll, but charge two—and the Western Union the higher one. Therefore, I would like to see every facility given for the extension of the Dominion Telegraph Line to the Lower Provinces; but as I understand the statement of Mr. McKenzie, who moved this resolution, with regard to private railways there are existing contracts between the Montreal Telegraph Company and private railways. I see the action of the Vermont Legislature is cited, but I believe the act referred to has been repealed by some higher Court. We are asked to interfere with private contracts in order to promote the public interest. The principles of commerce must be based on principles of public justice, and though I am profoundly interested in the extension of the Dominion Telegraph

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Company's line, I could not favor any policy that would do injustice to any company, or interfere with any contract that now exists, unless, indeed, abuses were very great. I know in the case of endowed schools in England, and some of the older charters where bequests to hospitals could not be carried out, they are interfered with, but they must be in the interests of justice and for special causes. The mover of this resolution must either withdraw the motion or change it, or it must be amended to meet the circumstances of the case. So far as Government railways are concerned, anything the Government are at liberty to do I should be glad to see them do, to give equal rights to all companies. I do trust that this Board, which is on trial before the public, and on which, as has been said, various aspersions have been cast, will not take any step that would at all interfere in an honest judgment on the whole case as between the two companies.

Mr. A. WOODS (Quebec): I quite sympathize with what has been stated by Mr. White. I think it would be a very bad precedent for this Board to do anything which would appear to interfere with the rights of any company. It appears to me, as has been already stated, it would be right and proper on the part of the Government of the Dominion to place all telegraph companies on an equal basis on Government railways. I therefore move in amendment:—

“That all the words after ‘that’ be omitted, and the following substituted:—In the opinion of this Board all Government railways should be free, on an equal basis, to telegraph companies, for the construction, use and maintenance of their lines along such railways.”

Mr. W. F. McMASTER (Toronto): I have great pleasure in seconding this amendment. I have no desire to interfere with the vested rights of any company; at the same time I feel confident it is not in the power of railway directors to delegate their trust unless by reference to the stockholders of that company.

Mr. F. CLEMOW (Ottawa) said: This matter seems to be a controversy between these two companies. It has been very clearly stated by the mover of this resolution that these companies have discharged their duty, so far as the general public is concerned, in a very satisfactory manner; there is no outcry from the public against either of them, and the only question seems to be—and that has been before the Board on several occasions—that the Montreal Telegraph Company enjoy privileges which the Dominion Telegraph Company do not. Now, this is owing to the circumstances under which the Montreal Telegraph Company was organized. They entered into an arrangement with railway companies before the formation of the Dominion Telegraph Company; but, since the construction of the Inter-

colonial Railway, the Government invited proposals from both companies for the use of the right of way on that railroad.

Mr. MCKENZIE: No; that was before the Dominion Telegraph Company was in existence.

Mr. CLEMOW: I am informed that the Dominion Telegraph Company were invited to make an offer for the use of the right of way on the Intercolonial railway, as well as the Montreal Company; and when the proposals were received, it was found that the offer of the Montreal Telegraph Company was more in the interest of the public than that of the other. That is what has been told me. I believe it would be in the interests of the country if the Government controlled the telegraph companies, as they are controlled in England; and I believe the Government might control a great many other enterprises of a similar character in connection with the Post Office Department. If that question were brought up, I can easily understand that the unanimous vote of this Board might be in favor of such a proposition; but I cannot understand why they should try to dispossess the Montreal Telegraph Company of vested rights without showing some cause,—without showing that they have conducted their business in such a way as to merit the disapproval of the people of this country. There has been no such argument adduced, and therefore I cannot see why vested rights and privileges, obtained by the Montreal Telegraph Company many years ago, should be taken from them and placed in the hands of another company. It has been shown that these two companies have been working well, and if they were amalgamated—as it has been suggested they might be—other companies would arise in their place. In the case of future railways being opened, it would be nothing but fair that both lines should have the permission to make propositions to the railway company to bid for the use of its right of way; but up to the present time, unless some grievance can be shown against the Montreal Telegraph Company, the public have nothing to do with their vested rights, and should not attempt to interfere with them.

Mr. ANDREW ROBERTSON (Montreal): I am very much in favor of the remarks made by Mr. Woods, but his resolution is somewhat objectionable. I therefore move, in amendment to the amendment, seconded by Mr. A. T. PATERSON (Montreal):

“That the word ‘whereas’ and all following words be omitted, and the following inserted instead thereof:—That, in the opinion of this Board, the Government should afford the amplest facilities to all telegraph companies to use the right of way on all governmental railways for their lines, on equal terms, provided that, where special contracts have been made, compensation be given to any telegraph company that may have incurred expenditure in virtue of such contract.”

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Mr. MCKENZIE: The last amendment is unnecessary under the circumstances of the contract between the Intercolonial Railway and the Montreal Telegraph Company. There is a contract in existence which provides for compensation to the Montreal Telegraph Company in the event of the Government choosing to take the line from them. The amendment proposed by Mr. Woods covers all the ground that is necessary, if the amendment is considered by this Board to be the more correct way of dealing with it. However, with reference to what appears in the motion relative to the State of Vermont having enacted a law on the subject, I would just say we have introduced that in the motion, to show that in other countries this question has been agitating the public mind. In Massachusetts and in New York there is an agitation on the subject, and it is likely legislation will be asked for. No doubt it will take place very soon, as it should in this country, though not to interfere with vested rights. I would not be a party to coming before this Board, and asking for their interference with vested rights without fair compensation. No government that ever existed in Canada would sanction an inequitable arrangement; and, therefore, no danger need be apprehended by any corporation or individual so far as that is concerned. It is a very good argument to bring up in convention; it tells well, but it means nothing, because the Government would not interfere with vested rights. What we want to do is to bring our telegraph system in the Western parts of the Dominion to the Maritime Provinces, and connect them more intimately with us. From the remarks made by Mr. Elder, it is evident it is none too soon to attempt that connection.

The amendment to the amendment was then carried, and the original resolution as amended was adopted.

THE QUESTION OF WRECKING.

Mr. JOHN GILLESPIE (Toronto), presented the following Report of the Committee appointed to confer with Captain Dorr on the subject of wrecking:

Your committee had a conference with Captain Dorr, of Buffalo, according to instructions, who detailed instances showing that the enforcement of our present Customs regulations proved a hardship to some citizens of the United States, who, prompted by the instincts of friendship and humanity, attempted to render assistance to lives and property in peril; but, in the absence of fuller information, beg to recommend the appointment of a deputation by the President to wait upon the Minister of Customs to ascertain if any modification of the regulations of the Department can be made, to

facilitate immediate assistance being rendered by the citizens of both countries to those whose lives are imperilled on the coasts of our lakes and rivers, wherever discovered.

All which is respectfully submitted.

JOHN GILLESPIE,
Chairman.

He said it required very little to commend this report to the hearty approval of the Board. The subject had been introduced by a member of the National Board of Trade of the United States, prompted, no doubt, by the feeling that it was the sentiment of the people of this country as well of his own, and that the Government would justify any effort made by citizens of either country to save life and property. He felt this was the sentiment of our people, and that the Government would give whatever attention they could to the subject.

On motion, the report was adopted, and the PRESIDENT thereafter appointed Messrs. J. Gillespie (Toronto), E. K. Greene (Montreal), John Kerry (Montreal), and J. I. McKenzie (Hamilton), to form a deputation to wait upon the Minister of Customs.

TELEGRAPHIC COMMUNICATION IN THE GULF. (No. XIX.)

Mr. A. WOODS (Quebec), moved, seconded by Mr. G. H. DOBSON (Sydney):—

“That this Board would reiterate the desirability of carrying out the telegraphic system in the Gulf of St. Lawrence, as proposed by them at their annual meetings the past two years. In the meantime, should the finances of the country not justify undertaking the whole system at present, this Board would recommend that the same be commenced by carrying out that part between the mainland and Island of Anticosti, and thence to the Straits of Belle Isle.

He said: At a former meeting of this Board we unanimously recommended the carrying out of this important project. So far the Government have not been able to comply with the request of this Board; and no doubt it involves a large expenditure. However, the knowledge on the part of our Board of the vital importance of this matter induced them to put it on the paper again.

Mr. DOBSON: The many losses that have been sustained in the Gulf and River St. Lawrence, and the necessity of this telegraphic system to the commerce of Canada have induced our Board of Trade to put this question on the programme. It is not necessary to say anything on the subject, as it has been so ably discussed here before.

The resolution was adopted.

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REGISTRATION OF FOREIGN VESSELS. (No. XIV)

Mr. F. CLEMOW, (Ottawa,) moved, seconded by Mr. J. NOXON, (Ingersoll)—

"That the attention of the Government be again directed to the fact that great injustice still continues in reference to the registration of foreign-built steamers and barges, contrary to and in evasion of the Imperial Act, and this Board would strongly urge this subject upon the consideration of the Dominion Government, in the hope that some substantial and effectual remedy may be provided."

Motion carried.

HALIFAX AS A WINTER PORT. (No. XX.)

Mr. R. SPRATT, (Toronto), moved, seconded by Mr. D. MACFIE, (London)—

"That it is the opinion of this Board that Halifax, being a large distributing point for coasting, and also for the West India trade, and being connected with the western part of the Dominion and the United States by the Intercolonial, Grand Trunk, and Great Western Railroads, in the success of which we are largely interested, it is deemed very desirable that every effort should be put forth to make Halifax the winter port of the Dominion."

He said: I think it quite unnecessary for me to make any lengthy remarks on this subject, as we all are so thoroughly aware that our interests are to a very great extent connected with Halifax. In the western section of our country we have very large business transactions with Halifax, and it becomes quite necessary that the terminal arrangements there should be equal to the transaction of the business we have to send there. For many years we have had very satisfactory arrangements with Portland as a terminal port; but, of course, Halifax being made our own terminal port, it becomes our duty as well as our interest to assist in every way making it equal to the carrying on of the business that may be received. This opens up a large question, because the arrangements they may make there in order to carry on the West India business will affect us very materially in the west. I hope when the refineries are established and the West India business is opened up, we may be able to send hundreds of thousands of barrels of flour and meal to that port. Up to the present time, the mails and passengers have been carried from Halifax westward much more satisfactorily than we expected; and I think the only thing that stands in the way of making Halifax a place of export is want of terminal accommodation. Until we can obtain arrangements such as to enable us to send freight to Halifax as satisfactorily as to Portland, it is, of course, hopeless to expect any cargoes of flour will be shipped from that port; but it is the general opinion in the western section of the

country—and, I have no doubt, all over—that whenever we can obtain rates of freight equal to those charged *via* Portland, the Halifax people will receive all the exports we can send them.

Mr. M. DWYER (Halifax): In asking you to use your influence to make Halifax the winter grain port of the Dominion, I must admit that the people of Halifax cannot as yet point to anything it has done in that line, as evidence that it is for your interest to give that port an immediate trial. Yet we do say, that the moment arrangements can be made to enable you to ship grain to Europe *via* Halifax as cheaply as by any other route, if a saving in time is an object, you can depend upon the cargo being quickly despatched to its destination. It is a staple argument of those who do not understand or appreciate the work the Intercolonial Railway is doing, that there is danger of delays from snow-drifts. The reverse is the case, for there is no road on this continent better provided with the means of avoiding such a contingency than the Intercolonial Railroad. I am not making an assertion only, but I am stating that which is the opinion of practical men, who believe and affirm that there is as much danger of delay from this cause on the railways of New Hampshire or Vermont, as there is on the Intercolonial; and if the Riviere du Loup section was well equipped the danger would be lessened very materially. At all events, the merchant who makes the first contract with the Allan Line of steamers, or any other line, for a shipment of grain *via* Halifax, will have sufficient moral assurance that no exertion will be spared to land it at its destination with speed, for the very simple reason that the route has a character to maintain; and then we are willing to let the future speak for itself. If you visit Richmond depot, and witness the rapidity with which the cargoes of these steamers, averaging about 800 tons each, are landed and started over the line, and the acknowledged promptitude with which it is delivered at its destination, you would readily admit that there was no reason why the same promptitude could not be afforded to outward freight, whether of grain or any other produce. I would also remark that, independently of the numerous steamers touching at Halifax, there are many foreign sailing ships, also vessels owned in the Province, which call at the port for orders, and would gladly accept grain freights at very low rates, rather than proceed to expensive ports. But whilst endeavoring to make Halifax a grain port, the Intercolonial Railway must receive that attention which its importance requires, for they are inseparable. Without the one we cannot have the other. To show you that the road is worthy of your attention, worthy of all the favors you can bestow on it, you will pardon me if I take up a few moments of

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your time in describing its usefulness. As your own winter mail route to and from the Atlantic Ocean, or to and from Europe, it has been referred to in terms of much approbation by your President in his opening address. For the conveyance of passengers from Europe or elsewhere, who may land at Halifax, it is a safe and pleasant route, and it will not be the fault of the Intercolonial Railroad if they do not arrive at their homes with promptitude and comfort, and perhaps a saving of valuable time. When leaving Halifax, some of our former delegates advised me very strongly to provide myself with extra heavy clothing, and to take with me a week's provisions. They were relating their experience of former routes; but I am happy to say that I required neither the extra clothing nor provisions, as our New Brunswick friends can testify, notwithstanding that we were met by a heavy snow storm, which prevailed during the greater part of our journey; and my colleague, Mr. Bremner, who left the day after, and whom we supposed would be exposed to its force, arrived as we also did, at Montreal upon time. As a carrier or distributor of your produce and manufactures to your Maritime customers, either in summer or winter, the railroad is very far in advance of former routes, for rapid delivery, and for the fine condition in which goods are delivered. This fact alone is increasing our trade with you very materially, by diverting a portion of that which has always existed between us and the United States, and for certain manufactured goods which formerly came from Great Britain. Previous to the opening of the Intercolonial, if it came to a question of promptitude in delivery between Boston and New York, or Montreal and Toronto, we decidedly gave preference to the former. That is now changed. There is another important fact, and that is the connection of the Intercolonial with all the railways of New Brunswick and Nova Scotia. If it does not connect with them at present, it will do so eventually; and as there are many new lines being built, its importance to you, gentlemen of the Upper Provinces, as a distributor of your wares is continually increasing. As an evidence of the nature and extent of the trade that passed over the road from Riviere du Loup into the Maritime Provinces, allow me to read for you the returns which have been kindly forwarded to me within the last few days by the local superintendent, Mr. Luttrell. I endeavored to get the returns in such a form as would enable me to get at a comparatively correct valuation, and also to give due credit to our New Brunswick friends,—for their consuming capacities are just as good as ours, and they wear equally as good clothes,—but unfortunately this was impossible, as I can show by reading an extract from the letter to which I have referred.

MONCTON, CANADA, JAN. 7, 1878.

DEAR SIR,—

In compliance with your wishes, I have had a statement made out by our people of the amount of freight forwarded from Rivière du Loup to the Maritime Provinces, the larger portion of which was for Halifax. I found it impossible to give you the information you asked for in less than two months. This, however, will give you a slight idea of what is being done; and although it is not as complete as I should like, it must, and will in a measure be satisfactory.

Such, gentlemen, is Mr. Luttrell's explanation. You will allow me further to read the statistical statement, which I will do as rapidly as possible. I may remark that it deals only with car loads of 20,000 lbs. each, or if flour or meal a car load is 100 brls.

STATEMENT OF DIFFERENT KINDS OF FREIGHT FORWARDED FROM RIVIÈRE DU LOUP FROM
1st JANUARY, 1877, TO 1st JANUARY, 1878.

<i>No. of cars each averaging 20,000 lbs.</i>	<i>Description of Freight.</i>
2 cars	Horses.
9 do	Horned cattle.
263 do	Lumber, boards, deals and scantling.
8 do	Tan bark.
3 do	Lime and cement.
3 do	Bricks.
5 do	Iron, copper, bolts, scrap and castings.
4077 do	Flour in barrels.
315 do	Meal do.
54 do	Flour, oats, corn, rye and buckwheat in bags.
185 do	Oats.
1 do	Wheat.
34 do	Barley.
114 do	Corn, peas and beans.
13 do	Cheese and butter.
1 do	Hay.
286 do	Oil.
6 do	Apples.
2 do	Sugar.
23 do	Salt pork in barrels.
2 do	Fresh pork in lbs.
9 do	Salt beef in barrels.
3 do	Fresh beef in lbs.
3 do	Hides.
4 do	Leather.
6 do	12 ships' masts.
2783 do	Dry goods, hardware, liquors, groceries, merchandize, etc.
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Total,	8214

Now, Sir, I was prepared for a large increase of trade with the Upper Provinces since the opening of the Intercolonial, because in every store that you may visit, either in city, town or country, throughout the Maritime Provinces, will be found not only your produce stored away in their warehouses, but also

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displayed on their counters and shelves—piles of your grey cottons, tweeds, ready-made clothing, hats and caps, boots and shoes, hardware, and an assortment of nearly every other article that you manufacture. I was aware, from my knowledge of the trade, that the Intercolonial Railway was distributing these throughout almost every section of the country; but I must confess I was hardly prepared for so large an increase; and it is no wonder that the Superintendent said it would take two months to give me all the information I asked for. How am I to get at the value of those 2,783 car loads of dry goods, hardware, etc.? The rest is easily valued. There is no record kept of the statistics of inter-Provincial trade, but I have endeavored to arrive at it in this way. Of liquors and groceries the proportion must be small, for we can get them from the other side as cheaply as you can. To get at the value of your manufactured dry goods, I visited the store of one of our large wholesale dry goods firms, where I saw piles of your dry goods. I asked what is the value of a bale of Canada grey cottons. The answer was we have just ordered 100 bales from Cornwall, Ontario, the average value is \$70 per bale, 80 bales of the 100 would make a car load, each bale weighing 250 lbs. The value per car would thus be \$5,600. I value tweeds in the same way. A car load contains 42 cases, valued at \$11,500. Ready-made clothing received may be valued at \$10,000. Boots and shoes at about \$8,000. Of course, excepting grey cottons, there could not be a full car load of any one description of these goods. Every car load must be assorted with other merchandise. Then, is it too high to average each car at \$5,000? Taking this as a valuation for each of the 2,783 car loads which entered the Maritime Provinces by the Intercolonial, I value the whole 8,214 car loads close up to \$17,000,000.

Mr. ANDREW ROBERTSON: Do you mean of freight passing both ways, to and from?

Mr. DWYER: I mean that only which passed into the Maritime Provinces from Riviere du Loup, which averaged 27 car loads for every working day in the year, and this notwithstanding that all other former routes are still open. If you turn to page 86 of the evidence taken before the Committee on inter-Provincial trade, which includes Newfoundland, it will be seen that the whole value of imports for 1876 was estimated at from \$10,000,000 to \$11,000,000. Now, when you consider that all the other avenues of trade are still open, you can form some idea of what the Intercolonial has done in one year. The mover of the resolution, Mr. Spratt, has alluded to the terminal arrangements

which, he says, should be made as perfect as possible, to enable Halifax to perform well the duties assigned to her as the Winter-port of the Dominion. On this subject, I would remark that the Richmond depot, which I have spoken of as having such facilities for the discharging and loading of steamers entering our port, is about two miles from the business centre; and of so much importance was it considered, to get the road extended into the business portion of the city, and of having a depot there on the water front, that the previous administration, as well as the present, left no means untried to get the consent of the Imperial authorities to pass through the dock-yard, which would have given them easy and inexpensive access to the position they desired. Unfortunately, the request was refused. The Government then decided to improve the Richmond depot, and erect a passenger station about one-half mile nearer the city, and establish a central freight depot in the centre of the business portion on the water side. The site for the central depot, they so far have failed to secure; but in lieu of this (which of course will be only temporary) a small freight depot has been built on the side of the hill, near the passenger station. The opinion of practical men is, that an extension of the track along the wharves or whole water front of the city is feasible, and would add much to the value of the road, and be a fitting terminus to so great a work. Halifax is a large distributor. In support of this statement I refer you to the large number of coasting vessels entering its port, as also to the fact that we have a weekly line of steamers freighting along the eastern and western shores. This waterside extension would place all produce at the ship's side without any intermediate expense, and would have the effect of lessening still further the import trade between us and the United States, referred to by Mr. Bremner. It would also make every West India man's store a portion of the terminus, and place their fleet of fast sailing vessels at your disposal for shipment of produce to the West Indies. For several years there have been shipments of your produce to the West Indies by these vessels, but the trade has been comparatively small. This fact I account for in this way: The merchant wants to assort his cargo with Western produce; his vessel is at the wharf loading; he goes into the Halifax market, pays the merchants' profit there, with all intermediate expenses. This mode of doing business can't stand American competition. The present system of transacting an export West India business is this: All the fish sold to the merchant is brought in small vessels to his wharf, landed and placed in his store. When he decides to which market he will send one of his vessels, which he is expecting daily from a return voyage, he has the fish put up in such packages as will suit the particular market to which they

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are best adapted. The extension of the track to his stores will remind him that the West Indies consume many things besides fish; he wishes to assort his cargo with your western produce; he keeps posted in prices both there and here; he knows that he can have a car-load, or car-loads, of produce landed at his wharf promptly without any intermediate expense, or profit, or the risk of delay at an over-crowded depot; he sends a telegram for it, and in a week it is alongside of his vessel. When he gets his returns, he is satisfied if it gives him a freight, for it does away with the necessity of sending out bank credits upon which he would make no freight. If this does not develop the West India trade of the Dominion, there will be none to develop. There is another view to be taken of the Intercolonial Railroad; and, gentlemen, do not let it be said that merchants cannot see farther than a bag of grain or a case of dry goods. By referring to the Act of Confederation, you will find that the road was built for the consolidation of these Provinces. The English Government is security on its bonds, and why? There may complications arise; our territory is large and our people remote from each other; we need the assurance of protection and aid if danger should come. One more illustration. When the citizens of St. John were visited by one of the greatest misfortunes that could befall a people—the destruction of their whole or nearly the whole of their city; when the property that was saved from the fire lay unprotected, and men had as much as they could do to gather together and watch over that which was most dear to them; the Intercolonial Railroad, in twelve hours, placed a company of British soldiers in the streets of St. John, to which for some years they had been strangers. In the midst of their misfortunes, hope was renewed, and men gathered their little household effects together, and set to work with manly energy to build the new St. John. It was not the physical force which this company of soldiers could bring into activity, if necessary, that gave such a sense of security, but it was the fact that behind that little band stood the whole power of Great Britain. Such, I have no doubt, would be your experience, gentlemen, if you were in similar circumstances. The Intercolonial Railroad is your Winter national highway. Halifax is worthy to be its terminus; for there it stands facing the Atlantic, with English cannon above and around it, saying to the world: "This is the Winter-highway to the young Canadian nation, which I am here to guard. I have fostered it in its childhood; I am protecting it in its youth, that it may be able to act for itself in its manhood." (Cheers.)

Mr. ROBERTSON (Montreal): I believe our Board of Trade memorialized the Government a year ago, not to use the port of

Halifax for mails that season. It was for this reason : The year before the Grand Trunk was partially blockaded three or four weeks, and we were afraid that a similar blockade might occur on the Intercolonial and interfere with the mails. No one rejoices more than the Board of Trade and the people of Montreal, in the success that has attended the efforts of the Government to open the line last year. In regard to the proposal of our friend from Toronto, the only way to make Halifax the Winter-port is to send your goods that way and to get the cheapest rates possible. It is by all Canadians patronizing our national route that it can be made a success. The firm to which I belong are doing that, and we want every Canadian firm to do likewise. I move that the last words in the resolution, "provided, &c.," be struck out, and let us join in building up our own Winter-port. (Cheers.)

Mr. DWYER thanked the Board for the interest they had taken in this subject.

Mr. A. WOODS (Quebec) : I think there is another question which comes in here that deserves our consideration. This Board has, on former occasions, advised the Government to try the experiment of Winter navigation, and they have followed that advice. During the past season the experiment has proved an entire success; and, I think, inasmuch as it is desirable to have a Winter-port in the St. Lawrence, it would be well to test the feasibility of Winter navigation before declaring the relative merits of one port over another. I would simply say, as to the question of the desirability of Halifax or any other port for Winter navigation, that the port of Quebec is nearer to Liverpool by 120 miles than Halifax, 200 miles nearer than Shediac, and 1,120 miles nearer than Portland. These figures will commend themselves to all who desire a cheap and economical route to the sea. I, therefore, move in amendment, seconded by Mr. A. JOSEPH (Quebec) :—

"That, prior to deciding finally the question of the most desirable Winter-port for the Dominion, the question of Winter navigation of the St. Lawrence to Quebec be decided by actual experiment."

The amendment was lost, and the original motion was carried.

The Board adjourned at one o'clock, until 2 p. m.

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AFTERNOON SESSION.

THURSDAY, 17th January, 1878.

The Board reassembled at 2 o'clock, p. m.,—the President in the chair. The roll was called.

Mr. W. E. SANFORD (Hamilton), from the Committee on Credentials, reported in favor of substituting the name of Mr. R. G. Haliburton, in place of Mr. Wm. McDonald, who had been unable to be present to represent the Cape Breton Board of Trade.

On motion the report was adopted.

ELECTION OF OFFICERS.

The PRESIDENT announced that the first order on the paper was the election of officers for the ensuing year, and appointed Messrs. J. Gillespie and W. E. Sanford to act as scrutineers of election.

Mr. W. F. McMASTER (Toronto) moved, seconded by Mr. A. ROBERTSON (Montreal), that Mr. A. Joseph (Quebec) be President.

Mr. JOHN GILLESPIE (Toronto) said he thought it was a mistake to change the highest executive officer every year. He felt certainly the work connected with the office would be more effectually done, if the President felt that his efforts would be rewarded by a continuance in the position. In the United States they found it an advantage to re-elect their President from year to year, and that accounted a great deal for the efficiency with which the duties of the office were discharged there. While there could be no possible objection to the gentleman who had been nominated, he thought, when there was a good man in the office, he should be kept there; and he therefore moved that Mr. Brown be re-elected President for the ensuing year.

The PRESIDENT said he would like to see Mr. Joseph elected by acclamation, and he hoped Mr. Gillespie would withdraw his motion.

Mr. GILLESPIE's nomination having been withdrawn, and a ballot having been taken, the President declared the unanimous election of Mr. A. Joseph, Quebec, and complimented the Board on the selection that had been made. Mr. A. Joseph thereafter acknowledged, in suitable terms, the honor conferred.

Further nominations and balloting resulted in the election of the following gentlemen :—

Vice-Presidents.

W. F. McMASTER, Esq., Toronto, Ont.
 JOHN KERRY, Esq., Montreal, Que.
 J. J. BREMNER, Esq., Halifax, N.S.
 R. S. DEVEBER, Esq., St. John, N.B.

Executive Council.

W. E. SANFORD, Esq., Hamilton, Ont.
 WM. DARLING, Esq., Montreal, Que.
 JOHN WALKER, Esq., London, Ont.
 ANDREW ROBERTSON, Esq., Montreal, Que.
 R. R. DOBELL, Esq., Quebec, Que.
 JAMES NOXON, Esq., Ingersoll, Ont.
 ALEX. WOODS, Esq., Quebec, Que.
 THOMAS WHITE, Esq., Montreal, Que.

IMPROVEMENT IN THE RIVER ST. JOHN. (No. XXI.)

The motion was withdrawn by consent.

THE COAL INTERESTS OF THE DOMINION. (No. VII.)

The PRESIDENT announced that he had letters from Mr. Haliburton, Mr. Routledge, and Mr. H. A. Budden on the coal question.

The SECRETARY read Mr. Budden's letter, which was as follows :—

MONTREAL, 13th December, 1877.

SIR :

In response to your request for information on the resources of Canada, and the requirements for developing them, I beg to offer the following :

Among the various industries of the Dominion, that of coal-mining is destined to take a prominent place, and exert an influence second to none. Canada will not attain its proper position until its extremities are bound together by a trans-continental railway, and traffic from the Atlantic and Pacific oceans carried over it. The motive power, coal, lies in abundance, in the track of vessels bound for the harbors of either ocean, and is also found in British Columbia, away from the sea-board, and on the great interior plains. The area of the known fields is uncertain ; but there is no doubt, that they are far larger than those of Great Britain.

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The Nova Scotia collieries have been worked since 1785, while those of Vancouver Island are only in their infancy. No other fields have yet been opened. The total product of Vancouver Island in 1876 was about 150,000 tons, the principal amount going to San Francisco. The quality of the coal is very similar to that of Nova Scotia. The collieries are well situated near the sea, and capable of an indefinite extension. The principal economic material near them is iron ore, which exists in very extensive deposits.

In order to draw attention to the magnitude of the possible coal interests of the Dominion, a comparison with the total yield of Great Britain will be of interest. The collieries of Nova Scotia have not yet attained an annual out-put of 1,000,000 tons. Those of Great Britain, in 1876, reached the enormous amount of 130,000,000 tons. Of this quantity, 15,000,000 tons were exported to foreign countries, furnishing ballast and cargo for outgoing vessels; 10,000,000 tons were used for domestic purposes, and the balance consumed by the various industries depending on its use.

The Nova Scotia coal fields, stretching out, as they do, into the Atlantic Ocean, invite the commerce of the world; and furnish coal at a nearer point to the sea-board, than any coal-fields of the United States.

On the Island of Cape Breton the coal area is very extensive, and the coal of excellent quality, much esteemed for gas-making and other purposes. The seams are numerous and easily worked, lying at a moderate angle. North Sydney is becoming an important port of call, for vessels seeking cargo, not only in the St. Lawrence, but from all ports on the Atlantic sea-board. The collieries delivering coal in Sydney Harbor, can supply an unlimited amount. Ship agents are in daily telegraphic communication with all the great shipping centres.

The Pictou coal-field is on the mainland of Nova Scotia, and within a few miles of Pictou Harbor, being also connected by rail with Halifax, one hundred miles distant. Although its total area is comparatively small, yet the well-known immense thickness of the seams is a guarantee that as yet little has been done in drawing from their resources. Five collieries are in operation, fully equipped, but languishing for want of demand. The excellent quality of the coals renders their use available for every purpose. They are peculiarly free from sulphur, and make a coke equal to the best North Durham. Their hardness and freedom from foreign substances make them safe for shipment to warm climates, not being liable to spontaneous combustion.

Pictou and the adjacent counties contain immense mineral wealth. The iron mines of Londonderry draw their principal supply of fuel from the Pictou coal-fields. The works, which are extensive, have lately been put into operation by the Steel Company of Canada. Veins of rich iron ore extend for miles through their property. The product is of the best quality, equal to Swedes. Still nearer the Pictou coal-fields are the iron deposits of the Pictou Coal and Iron Company, situate near the East River. Dr. Dawson, in 1873, wrote of them: "These ores, from their variety, richness, accessibility, and proximity to large deposits of coal, already extensively worked, are in my opinion, the most valuable known on the eastern coast of North America." The analysis of the various ores, made by the most celebrated chemists of Great Britain, give for the Limonite 62 per cent. of metallic iron; Hematite, 45 to 55 per cent. Specular, 61 to 68 per cent., and Spathic, 40 to 42 per cent. Limestone abounds in the neighborhood.

The coal areas of Cumberland County, Nova Scotia, are not as yet extensively worked, the principal collieries being at Spring Hill and the Joggins. The Springhill

coal is remarkably pure and tender, and is much liked. The mining of these coals extensively will require considerable outlay of capital, as the seams lie at a steep angle, and the basin of the field will be found to be of great depth. Their proximity to the Bay of Fundy will, in the future, render them very available for the demand that will come from the eastern United States.

The coal measures of New Brunswick cover a large portion of the country, but so far no valuable seams have been discovered.

No coal exists in Quebec or Ontario.

The coal fields of the Saskatchewan are next in order, their development, as well as those of British Columbia, will come in time, as necessity arises, when a way is opened for the millions who will populate their fertile plains and valleys.

How is this rich heritage to be made available, and conducive to the welfare of the whole Dominion? Is it to languish as at present, or start into full life and give vigor to a thousand industries? The United States show us an example that we might with profit follow. The various States are members of one body. It may inconvenience one member slightly to suffer somewhat for the good of the whole; but we find very little grumbling over it. A strong national sentiment overrides individual prejudices, and a willingness is exhibited even to suffer for the general welfare.

Confederation has started this sentiment in the Dominion, but, as yet, local feelings influence the various sections to too great an extent. All the Provinces have to realize that their future growth will be in proportion to their unanimity in developing the resources of the various members.

The Maritime Provinces, with their shipping, fisheries and mineral wealth, will afford a growing market for the agriculturists of Ontario and the West. Quebec will naturally take a foremost position in manufactures, and draw supplies from all. Ontario, besides her agriculture, has her petroleum wells and salt deposits to develop. All have their forests to add to the general good, and the far West will at all times be ready to receive any redundant population or adventurous spirits.

The statesmen of Canada, desirous of guiding the country to its true destiny, will reason from analogy, and perceive that all countries have become great by first developing their home industries and resources. Increase of population and wealth brings increase of commerce, and the peculiar advantages derivable from its various products enable a country to take its proper rank among the nations.

To enlarge the home market for coal and iron, among other requisites, a moderate revenue tariff is required. A duty of fifty cents (50c) per ton on coal, and two dollars (\$2) per ton on pig iron, would be sufficient to give an impetus to their production and manufacture.

This necessity arises from the peculiar position of Canada; her present home market is limited, and the miners and manufacturers of Great Britain and the United States are eager to control it.

It must be remembered that to pay for foreign supplies, either gold or the natural products of the country have to be exported; and, in proportion to the bulk of the articles exported is the charge for carriage, &c., to be deducted from the gross price obtained. The farmers and lumberers of Canada have been misled by theorists and political charlatans. Her near market is the valuable one, and an increase of city and manufacturing population enriches the agriculturist far more than the export of his whole products to a distant country.

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The peninsula of Western Ontario can have no cause to complain of a moderate tariff on coal and iron. The products, breadstuffs, cattle, butter, cheese, and petroleum, will find an increasing demand from a growing population in the Maritime Provinces, while her proximity to the great coal fields of Ohio and Pennsylvania is a guarantee that a moderate duty on coal and iron will never be felt.

An increased production of coal will enable it to be produced at a very much lower price, and there is no reason why it should not compete with American coal on Lake Ontario, and neutralize the effect of the proposed duty.

At Montreal and Quebec Provincial coals now meet with the irregular competition of imports from Great Britain, the supply at these points depending so much on the demand for vessels to load in the St. Lawrence, creating at times a glut in the market.

A large out-put of Provincial coals will ensure steady moderate prices, which the proposed duty will not enhance.

The uniform supply of Provincial coals would be a guarantee that the price would never be unduly raised owing to small imports.

The inter-Provincial steam lines depend, in a great measure, on coal as a return cargo, particularly to Montreal, thereby enabling them to carry cargo outwards at moderate rates. The continuance of these lines of vessels is of great importance, but it is to be feared that they cannot be sustained unless a greater demand for coal is established.

An important factor, in the improvement of the coal trade, would be the revival of sugar importing and the establishment of refineries at Halifax, Saint John and Montreal. Not only would the consumption of coal, as fuel, be considerable, but the export demand for coal, as return cargo to the West Indies and other sugar-producing countries, would soon reach a magnitude much to be desired.

The supply to the home market will always form the largest portion of the trade.

An earnest endeavor to increase our home industries in the various portions of the Dominion will not only give a largely increased demand for coal, but enable producers to compete in the markets of the world at as low a price as any country.

Yours, obediently,

HENRY A. BUDDEN.

TO ADAM BROWN, Esq.,

President Dominion Board of Trade.

Mr. HALIBURTON read his own communication, as follows :—

QUEEN'S HOTEL, OTTAWA,

17th January, 1878.

ADAM BROWN, Esq.,

President of the Dominion Board of Trade :

SIR,—

As the interests of the coal owners of Nova Scotia are practically unrepresented at this meeting of the Dominion Board of Trade, and as Pictou County, though it has so much at stake, has neglected to send a delegate, I feel that the importance of the coal trade of the Dominion is of such magnitude, and so deeply concerns the trade of the country, that I may be pardoned for urging it upon your attention.

Its importance, as respects the interests of the coal owners themselves, is a matter

of secondary consideration, compared with its value to the commerce of the country at large.

It has been estimated that only one-sixth of the profits of the coal trade go to colliery owners, while the remaining five-sixths are distributed among shippers, agents, &c. Its indirect profits to the Dominion are infinitely greater. Let us bear in mind that all the immense benefits which English trade derives from outward freights of coal, can be realized by the Dominion from its coal supplies, if judiciously utilized.

The permanence of the Dominion depends on our being able to convert our political, into a commercial union of our different Provinces, and on the solution of two great problems: 1st.—How can we profitably export the products of Ontario and Quebec to the Maritime Provinces, and carry back the productions of the east to western consumers? and, 2ndly, How can we compete for the still greater prize—the movement of grain from the Western States through our great water-highway, the St. Lawrence? Nature has placed within our reach the lever with which we can set in motion the machinery of this vast traffic, at the very point where it is most needed—coal at the eastern outlet of the St. Lawrence. Were our coal mines situated on the shores of Lake Ontario or of Lake Michigan, they would be valueless for the purpose I have referred to, for we have already an excess of bulky articles, such as grain, for down freight; and coal, therefore, would not be needed for this trade from the west to the east.

What New York and Montreal have sorely needed, in competing for Western trade, has been what England has possessed, and what we, too, can employ—large deposits of coal at the right point—Eastern coal, which can be sent West to replace the bulky freights from the West.

Up to the present we have not only done nothing to utilize this lever, but we have actually done everything to destroy it. We have allowed our coal trade, though only in its infancy, to be crippled and dwarfed by the hostile policy of the United States, and by the equally hostile policy of our own country. The results are too startling to be regarded with indifference.

Thus, in consequence of the repeal of the Reciprocity Treaty, our exports of coal to the United States fell off in one year from 465,194 tons to 71,634 tons, while our total sales diminished from 881,106 in 1873 to 634,207 tons in 1876. Meanwhile we have developed our foreign importations of coal from 574,308 tons in 1873 to over a million tons in 1877.

I prefer substantiating these statements by quoting from the facts and figures given by Mr. Vernon, of Montreal, in his evidence last year before the committee on the coal trade and inter-Provincial trade (p. 122), many of whose facts are equally applicable to the great problem of the age—the cheapest mode of transport for Western produce to the ocean:—

“If a regular trade be carried on between our Maritime Provinces and Ontario, the 50,000 tons of cereals, which now go *via* New York and Boston, would be moved by rail or steamer, and coal could be carried back as return freight, delivered in Toronto at \$4.50 long ton. Coal fresh from the mine and delivered by rail is worth fifty cents per ton more than coal that undergoes the dumping process and exposed to the weather in the yards.

“The development of our coal-fields is of the utmost importance to the country at large, and Ontario is as much interested in this matter as any other Province of the Dominion. But there is no reasonable hope to be indulged in until our iron interests are developed. The iron ores of Canada comprise hematite, limonite, magnetite, &c.,

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"It may be estimated that 4,000,000 tons of coal would be consumed annually in the Dominion; and under a fair development of home industry, about 300,000 tons of pig iron would be demanded annually. To make this would require the labor of 13,000 men, and the mining of the coal 20,000 men. Thus it is seen that, by encouraging these two branches of industry, the labor of 33,000 men is required annually, and which would represent a population of 120,000.

"The transportation of this coal and iron alone would double the tonnage of our ports and treble the traffic on our railways, and place us in a position to command the trade of the West and our great Northwest which seeks other channels to tide-water.

"Let the Government extend its fostering care over our national industries, and there is no difficulty in the way of supplying Ontario with Nova Scotia coal for her manufactories and domestic consumption as cheaply, if not cheaper, than she now obtains it from the United States, and much cheaper than the New England States pay for their supply from Virginia and Pennsylvania. New England pays from \$6 to \$8 per short ton for the coal, and yet she submits gracefully to a 75c. per ton duty because her other industries are amply protected against foreign competition.

"Let the Government place us on an equal footing with the United States, by charging them 75 cents duty per short ton, and we will give Ontario as cheap coal as she now receives, and we will be enabled thereby to command our own market, and the \$3,320,000 spent annually for coal from other countries will remain at home.

"The average cost for five years of the coal imported into Ontario was \$4.50 the short ton, or \$5 the long ton. There is an arrangement in progress by which Toronto will receive coal at \$4.50 the long ton, or about \$4 the short ton.

"When this coal trade to the West is fully established, it will enable railways to carry the products of our Western Provinces to market lower than was ever contemplated by any railway man."

In 1870 we tried a duty on American coal. The results of even one year's trial are thus described by Mr. Robinson in his evidence before the same committee (p. 84):—

"Q. What would best tend to stimulate inter-Provincial trade?—I think the imposition of a duty on foreign coal. It is also thought necessary by steamer owners to give a subsidy to two steamboats for the first year. This would give Ontario producers the entire supplying of the Maritime Provinces. Ontario people are quite mistaken in supposing that they can command the Maritime markets by the Intercolonial Railway. There are Prince Edward Island, Newfoundland, Cape Breton and Liverpool (N. S.), Yarmouth and Annapolis, which import directly from the United States. They can do it much more cheaply than by Halifax and the Intercolonial.

Q. How did the duty in 1870 affect the coal trade of Canada?—In 1869 the imports were 389,485 tons; in 1870, 272,595; in 1871, 484,826. The year that the duty was on, we imported about 100,000 less than the previous year.

Q. Did Nova Scotia take more flour from Canada that year than in 1869-71?—In 1869 we imported 91,511 barrels from old Canada; in 1870, 109,950 barrels; while in 1871 our imports declined to 100,096 barrels.

Q. So that the imports of flour were much larger in the year of the duty?—Yes.

Q. Did the duty increase the price of flour in the Maritime Provinces; or the price of coal in the Upper Provinces?—I find by Mr. Patterson's report that the price of flour in Montreal, in 1869, No. 1 quality, was \$4; in 1870, \$3.95; in 1871, \$4.91.

Q. So that it was actually lower when the duty was on?—Yes, lower than the previous year or the year after. Coal was also cheaper. In 1869 it was \$5 to \$8 during the season, in Montreal. In 1870 it was \$4.50; in 1871 it went up from \$5 to \$10.

Q. So that practically coal was cheaper in Montreal when there was a duty than before or after?—Yes.

Q. How has the American duty on foreign coal affected the coal trade of the United States?—It has secured the American market for the American producer. In 1864, before the duty was imposed, coal was \$8 in Boston; in 1865 it was a little below that; since that it has gone down gradually to the present prices.

Q. So that since the imposition of that duty of \$1.25, and more recently of 75c., the prices to consumers have been steadily decreasing?—Yes, and it also secured to the producer the American market.

Q. Has the production of coal in the United States increased since the imposition of the duty; and if so, to what extent?—In 1870 it was 32,000,000 tons; in 1871, 41,000,000; in 1872, 45,000,000; in 1873, 50,000,000; and the present production in the United States is 50,000,000 and some odd tons.

Q. What quantity of Nova Scotia coal could be marketed in the New England States under a reciprocal tariff?—From 800,000 to 1,000,000 tons. That is the estimate of Perkins & Job, of Boston, who are the agents for a number of the Cape Breton mines.

Q. Then materially the New York, Boston, and the Eastern States would draw their supplies from the Nova Scotia mines?—Yes; to a very large extent."

Under these circumstances, those who are interested in the coal trade may be pardoned for denouncing a policy which not only ignores a commercial interest of such importance, but also actually selects it as being the only branch of industry which should receive no encouragement whatever. Within the past ten years the Australian coal trade has sprung into existence, and has developed to a volume of ten millions of tons; while ours has shrunk to a mere nominal figure. Meanwhile, all other branches of industry have been protected by 17½ per cent. duty.

On this point, permit me to quote from a very able letter, written by Mr. Lithgow, a person of practical experience as a merchant and a coal owner.

"1. Our agricultural interests are protected by 1 cent per lb. on imported beef, pork, lard and tallow, the duties collected from which for the year ending June, 1875, amounted to \$221,638. On imported butter 4 cents per lb. duty is levied; on cheese, 3 cents per lb.; on green fruits, vegetables, hay, straw, horses, cattle, swine, sheep, etc., the duty is 10 per cent. *ad val.*, and on these articles the duties collected for the year aforesaid amounted to \$129,880. Again, cattle imported for improving stock are admitted free, as are also agricultural implements imported by agricultural societies. Thus our tariff protects our Farms, our Dairies, Orchards, and agricultural interests generally.

"2. Our Manufacturers are protected by our present tariff. Iron for castings is admitted *free*; castings pay 17½ per cent. Hides are *free*; leather pays 17½ per cent. Broom corn is *free*; corn brooms pay 17½ per cent. Iron for nails pays 5 per cent; iron nails pay 17½ per cent. Various sorts of woods not grown in the Dominion come in *free*, such as mahogany, rosewood, walnut, pitch pine, etc.; the furniture, piano cases, etc., into which these woods are manufactured, are protected by 17½ per cent. In this way our foundries, tanneries, broom, nail, furniture and piano factories are protected; and in like manner many other trades which import *free* what they do not manufacture, and are protected by 17½ per cent. on the articles they make up. So our distilleries are cared for under our tariff: they pay an excise duty of 75 cents per gallon on the whiskey and spirits they manufacture, but the imported article pays \$1 per gallon,—a protection of 25 cents per gallon, besides 17½ per cent. *ad val.* on the package. Our tobacconists get their leaf *free*, and are protected by 5 cents per lb. and 12½ per cent. *ad val.*, the difference between the excise duty they pay and the customs duty on the imported article. Our brewers' interests are in like manner regarded—imported ale, porter and beer paying 5 and 7 cents per gallon, besides duty on package, whether cask or bottle; while the duty paid by the home-produced article is only 3½ cents per gallon—a protection of 2 to 4 cents per gallon. Above all, the interests of the Ontario oil wells (in marked contrast to the interests of Nova Scotia coal mines) have been most paternally watched over and provided for by your Honorable House. Ontario coal oil pays 5 cents per gallon; American kerosene pays 15 cents, and 17½ per cent. on the cask. I would have little to say against this giving to Ontario oil-well owners a monopoly of the home market, if only a moiety of the same paternal protection were extended to their less favored brethren, the coal-owners of Nova Scotia, with whom Ontario oil-well proprietors would learn to sympathize, if American coal oil, like American coal, were admitted *free* of duty.

"3. Our Dominion fishermen are protected and cared for. Formerly their fishing

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"6. I shipbuilders
What has country to for our cost of Nova Scotia employes; as Nova Scotia capital in of tons has being absolute the Province perhaps in process of ready for owing to illustration Little Glen railroad where piece tract of land other building locomotive fuses, show 17½ per cent for ships' look over on every brightens I could NONE WOULD

grounds were guarded by Dominion cutters and steamers; now, in lieu of that, a great free market has been opened for them in the United States. Had the same market been free for our coal, as it should have been, I would not have had occasion to plead for an equivalent. Not only have the fishermen of Canada, Prince Edward Island, New Brunswick and Nova Scotia the privilege of the United States market, and the right to fish in the rivers, creeks and bays of the Dominion, without payment of license or royalty, but everything they use in the prosecution of their calling is admitted under our considerate tariff—considerate to all except one unfortunate class who yet deserve equally well of their country—free of duty: their salt, hooks, lines, twines, seines, nets, cork,—everything, in short, our fishermen use, are *duty free*.

"4. The same kind consideration is extended under our tariff to the shipping interests of the Dominion. As with our fishermen, so with our ship-builders or ship-owners: our tariff admits their chains and anchors, their composition sheathing, nails, spikes and bolts, their tar, pitch, pitch pine, wire rigging, and other articles I might enumerate, *free of duty*. Their iron, sail cloth, and hemp cordage pay 5 per cent, some minor articles only, paying 17½; and thus a mere trifle of revenue is obtained from our ship-builders. They are satisfied, and should be, with the tariff as it is.

"5. Our lumberers have a protection of 17½ per cent, imposed on pine, spruce, oak, birch, and other sorts of lumber produced in the Dominion; and although in Nova Scotia they have to purchase the Government timber lands at sixty cents per acre, for which they get a grant in fee simple, and in New Brunswick and Canada pay stumpage, yet what they pay for the lands or the trees, standing ready for the axe, cannot be compared with the ten cents per ton paid to their Government by Nova Scotia coal owners, for the privilege of raising coal from the depths of the earth, in many cases never to see the cost of it. Again, if the lumber trade become depressed, the business can be curtailed; many mills can stop sawing for a time, without much sacrifice of capital or outlay in connection with them, and in the meanwhile the trees grow and increase in value. Not so with a coal mine and its connections, the mere interest on the cost of which is a very heavy item.

"6. Having seen how our farmers, manufacturers, distillers, brewers, fishermen, shipbuilders and lumberers are cared for under our tariff, we come now to enquire: What has been done for an industry second in importance to no other in this or any country that has the needful for carrying it on?—what has been done under our tariff for our coal-mining interests? First of all, as you have been reminded, the Province of Nova Scotia gets ten cents on every ton of round coal sold, except to mines' employes; and I can safely say that since 1865, except perhaps in 1873, not a coal mine in Nova Scotia has made sufficient to pay said royalty and six per cent. interest on the capital invested. Not only so, but collieries that have shipped hundreds of thousands of tons have never given their owners a cent even of interest, their whole earnings being absorbed in expenses and royalty. Ten cents per ton being the price payable to the Province of Nova Scotia for the raw material, as it should be regarded in the seam, perhaps hundreds of feet below the surface of the earth. What articles are used in the process of converting it into a marketable commodity, mined, hoisted and screened, ready for use? Shafts have to be sunk, costing frequently very large sums of money, owing to their great depth and the immense quantities of water they make. As an illustration I may mention that a pumping and a hoisting shaft only 240 feet deep, at Little Glace Bay Mines, has cost over \$40,000, and it is not yet completed. Then a railroad has to be built to some convenient shipping place, usually a most costly affair, where piers, turn-tables, shutes, etc., have to be built. At the mines a considerable tract of land has to be purchased on which to erect engine and miners' houses and other buildings, and to obtain space for banking coal. Pumping and hoisting engines, locomotives, coal wagons, etc., have to be provided; quantities of powder, dynamite, fuses, shovels, picks, rope, olive and other machine oils, are required, all of which pay 17½ per cent. duty. (Yes, even the wire hoisting-ropes we use pay 17½ per cent., while for ships' use that article is free.) Let any one acquainted with the details of a colliery look over the tariff, and he will soon see how heavy, and even exceptional, are the duties on every article used in converting the *raw material* into the merchantable coal that brightens and warms, and that cheaply, the hearths and homes of Nova Scotia;—would I could say, of the Dominion! And what protection does the coal owner receive? NONE WHATEVER. He *pays* ten cents per ton on his coal and 17½ per cent. on nearly

everything he uses, and has been always, except in one memorable year (1870), compelled to compete with the foreign article admitted into the Dominion free of duty. Is this fair? Is it reasonable? Is it in accordance with the sense of justice which every man whom I address has and feels? Shall such an unrighteous state of things continue another year? Is there even a freetrader among you who will say that it ought to continue?—that, as far as he is concerned, the coal mines of Nova Scotia shall have no such favor or protection as is afforded to oil wells, farmers, fishermen, factories, etc.?"

Assuming that this exceptional treatment of this important industry should be rectified by the imposition of a duty equivalent to 17½ per cent., a difficulty arises from the fact that the Quebec timber trade may claim its right to enjoy the benefit of back freight, of free coal from England. I believe Mr. Dobson, who has devoted much attention and ability to this subject, will be able to convince you that so far from a duty on imported coal being an injury to Quebec and Montreal, it will ultimately largely increase their supply of tonnage.

But should this not be the case, and you should come to the conclusion that we ought to give English coal a favored position in our tariff, we must then face a difficulty with which our statesmen ought long ago to have grappled, the right of England to force the crotchets of its political economists upon us, and to say, "you must not discriminate in our favor," or, in plain English, "we shall stand beside your rivals. If you try to defend yourselves, you must fire at us too if you venture to fire at them."

Is it right that we should thus have our hands tied, and be forced to engage in an unequal fight with our more wealthy and powerful rivals?

We have surely paid already dearly enough for the whims and crotchets of English, theorists. It is because we have adopted them as an article of our commercial creed, and have employed them as our shibboleth in trade, that our only consolation for the depressed state of our trade is the conviction that we are being starved on the latest and most improved principles of political economy.

England has crushed out the wine interests of South Africa by discriminating against them in favor of French wines; and has practically allowed Canadian shipping to be discriminated against by France in favor of English ship-owners.

If England will not allow us to discriminate in her favor, let her bear the consequence of her own theories. Henceforth our hands must be free, and our first consideration must be the duty we owe to our country and to ourselves.

Permit me, in conclusion, to refer to a resolution of no ordinary importance, which you have adopted to-day, and which I believe is likely to mark the beginning of a new era in the history of the Empire.

From 1872 to 1874, while I was residing in London, the discussion of the question of the unity of the Empire took place. The battle of the Colonies was fought by its friends, and was effectually won, and no public man dare openly now to advocate the disintegration of the Empire.

In 1873 the late Mr. Eddy, Secretary of the Royal Colonial Institute of London, proposed that the Colonial Boards of Trade should be affiliated with the Associated Chambers of Commerce of England. The proposition was favorably entertained by that body, and a circular was sent to Colonial Boards of Trade, and I think it will be found that one was forwarded to this Board. As the only Colonist in the Council of the Institute, I was asked to forward copies to Newfoundland and to the Halifax Boards of Trade. The reply of the St. John's (N.F.) Board is still in my possession, and will be forwarded to you. Nothing definite, however, came of it, much to the regret of Mr.

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Eddy and of the Institute, who felt that a permanent unity of the Empire could only be built up by some common basis for commercial legislation for Britain and her Colonies. It was felt that the movement so far had been carried on by outsiders, and that it should rather come from the people, and, above all, from the business men of the Colonies. Your resolution will give infinite satisfaction to the friends of the unity of the Empire, and, if followed up wisely and well, will lead to results which will be always recalled with pleasure and pride by those who have taken part in the proceedings of your Board to-day.

Trusting you will pardon the length of these remarks,

I remain,

Very respectfully and

Faithfully yours,

R. G. HALIBURTON.

Mr. ROUTLEDGE'S communication was taken as read, and ordered to be published with the minutes. It is as follows:—

To the President and Gentlemen of the Dominion Board of Trade assembled at Ottawa, January, 1878:

MR. PRESIDENT AND GENTLEMEN,—

Having been called upon by the Cape Breton Board of Trade to place before your annual meeting the extent of area, extent of coal, past and present production, capacity, &c., of that important industry, the Nova Scotia Coal Trade, I beg most respectfully to submit to your notice the following notes bearing on the same.

EXTENT OF AREA.

In speaking of the Nova Scotia coal field it may not be generally known that our coal deposits are scattered over several counties from the Joggins section on the Bay of Fundy to the westward, to Sydney coal field on the eastern shores of the Atlantic, and comprising, as far as is known at present, about 500 square miles of available coal, and containing an approximate of about four thousand million tons of coal, deposited as under:—

	Tons.
Cape Breton County.....	1,850,000,000
Pictou County.....	1,000,000,000
Cumberland County.....	1,000,000,000
Inverness County.....	100,000,000
Victoria County.....	50,000,000

making an approximate total of 4,000,000,000 tons of steam, gas and domestic coal in the Province of Nova Scotia,—more than enough to supply the wants of the whole Dominion, at the present rate of consumption, for 4,000 years; or, allowing for a reasonable increase in consumption consequent on increase of manufactures, consumption of gas and the more general use of coal instead of wood for domestic purposes, we can rest assured the Province of Nova Scotia contains coal enough to supply all our wants even beyond that time when scientific men date the extinction of the British coal fields.

Taking the several sections of the Nova Scotian coal field as before named, and in the order of their extent and past productive capacity, we have first the

SYDNEY COAL FIELD,

or district extending from Mira Bay to the south to St. Ann's on the north, a distance of about 35 miles in length by about 6 miles in breadth, the land areas occupied by

the productive coal measures of the Sydney district may, so far as is known, be estimated at 200 square miles, and those areas adjoining and underlying the waters of the Atlantic may safely be estimated at 50 square miles and having all the seams of coal underlying sea areas, thus making 250 square miles of available coal.

The land areas of the Sydney coal field forms the western margin of troughs or basins of coal which are, to a great extent, hidden under the waters of the Atlantic Ocean. The whole coast is deeply indented by bays and rivers, affording in the rocky cliffs numerous natural sections of the strata and exposures of the coal seams. Some of these bays also constitute excellent harbors, first among which stands Sydney harbor, which ranks among the finest and most commodious on the Atlantic coast. Other harbors are also on the coast which afford considerable facilities for the ready shipment of coal, and are located at a short distance from the mines of production. Lingan, Glace Bay, Port Caledonia and Cow Bay are not in any case more than two miles from the working collieries. Such natural advantages, combined with its highly favored geographical position, point to the Sydney coal field as probably the most important in the Dominion for the supply of fuel to the numerous steamships crossing the Atlantic, and but for the low price at which English and Scotch coal is sold in Quebec and Montreal, many ship-owners would coal their steamers entirely at Sydney.

The aggregate thickness of coal in workable seams in the Sydney district is from 20 to 40 feet, comprising seams from three feet to nine feet thick. Among them are seams suitable for all purposes of manufacture, steam, gas and domestic purposes. The seams already opened out, and from which the present supply is obtained, are :—

	ft.	in.
Sydney Main Seam.....	6	0 thick.
Victoria Seam.....	6	0 "
Lingan Seam.....	8	6 "
Harbour Seam, Glace Bay and International.....	6	0 "
Phalen Seam.....	7	0 "
Emery Seam.....	5	0 "
Torway Seam.....	4	0 "
Gardiner Seam.....	4	9 "
Clyde Seam.....	8	0 "
Block House Seam.....	9	0 "
Gowrie Seam.....	5	0 "

All of the above seams are of the bituminous or soft variety, and yield a coal well adapted for general purposes, while the produce of some of them are especially applicable for the manufacture of gas, and will compare favorably with the best English coals.

The next most important Nova Scotia coal field is what is known as the Pictou District, in all respects different from the Sydney being entirely inland, the coal seams there are altogether land areas, having no connection with the seaboard. This district contains a superficial area of about 40 square miles, and is underlaid by valuable coal seams, among others the famous Albion Main Seam, 37 feet thick, probably the thickest coal seam in the world. One of the peculiar features is its immense thick seams. First is the

	ft.	in.
Albion Main Seam.....	37	0 thick.
Cage Pit Seam.....	16	0 "
Acadia Seam.....	18	0 "
McBean Seam No. 1.....	8	0 "
McBean Seam No. 2.....	6	0 "

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The coals worked from these several seams are well adapted for all manufacturing, steam, gas and domestic purposes, and, being of a harder nature than Cape Breton coals, are suitable for carriage over long distances, and will bear much handling without depreciation.

This coal district is admirably situated, all the mines having shipping places on the several arms of Pictou Harbor, and within from five to sixteen miles from the mines; and each having railway connections with the Pictou Branch Railway, are in a position favorable for shipping either at Pictou or Halifax, or for sales on Intercolonial Railway, or for supply of coal for railway purposes. In fact, the opening out of the Pictou & Truro Branch Railway a few years ago has been of considerable advantage in helping to develop new collieries in the Pictou District.

The next in order and capacity is the Spring Hill or Cumberland Coal District, the limit of which, up to this time, has not been defined, but, from what is already known, we may reasonably expect to find about 120 square miles of coal bearing strata in this section; about 60 square miles are already under working lease, and it is presumed as much more can be selected. Up to this time only four collieries have been opened out in the Cumberland District, the most extensive one, Spring Hill, on the Intercolonial Railway, to whose proximity much of its success is due, enabling this colliery to have access by rail to St. John, N.B., and Halifax and the several consumers on the line of railway. Three more collieries are worked in this section, located on the western shore of the Bay of Fundy, where the produce of the mines are shipped. The coal measures of this section contain seven different seams of coal, varying in thickness from 2.0 up to 13.0, and, from want of names, as in other districts, may be put down as:—

	ft.	in.
A Seam.....	13	0
B Seam.....	6	0
C Seam.....	2	4
D Seam.....	11	0 (Black Seam, so called.)
E Seam.....	2	6
F Seam.....	4	0 (Sometimes called Shaley Seam.)
G Seam.....	2	0

Like the rest of Nova Scotia coals, the produce of the Cumberland District is the soft variety of bituminous coals, being of a more tender and fragile nature than Cape Breton or Pictou coals.

There are two more coal fields in Nova Scotia, both located in the Island of Cape Breton. One, the Inverness, it is supposed, will at some future day take an important place in our coal producing counties. Several fine seams of coal are known to exist in that section, varying from 4.0 thick up to 13.0 feet, but, for want of means and facilities for shipment, little has been done in development. One colliery is, however, working on a small scale at Port Hood. In Victoria County is a coal field of limited extent, almost entirely owned by C. J. Campbell, Esq., who has one working colliery in the district.

The aggregate production of coal from all the Nova Scotian mines, as per Government returns was, up to end of 1876, 14,422,710 tons, of which 5,146,509 tons were exported to the United States, being an average of 35 per cent. of our total sales of Nova Scotia coal sent to United States consumers; whereas in 1876 United States consumers only took 71,634 tons, equal to 11 per cent. of Nova Scotia coal, showing a falling off from the average of 24 per cent. Up to and including 1865 the returns show a gradual and satisfactory increase of our sales to the United States market. The sales in 1865 were 465,194 tons, equal to 73 per cent., whereas on the abrogation of the Reciprocity

Treaty in that year, our sales have been gradually declining, until, in 1876, they only reached 71,634 tons, or a falling off from 1865 to 1876 of 393,560 tons, or 62 per cent. in 11 years. On the other hand, the exports of coal from the United States to the Dominion of Canada increased from the sum of \$815,794 in 1865, to the sum of \$2,034,527 in 1875, showing plainly that by the abrogation of the Reciprocity Treaty, Nova Scotia coal owners are not only shut out of the coal market of the Eastern States of the Union, which is their most natural market, but for want of a duty of a similar amount on coals coming from the United States, we are practically shut out of the markets of our own Dominion to a great extent, particularly as regards the Province of Ontario. I am aware it may be said that the lake shores of Ontario are the most natural market for American coals, but the same may be said of the New England or Eastern States in reference to Nova Scotia coals; and why the one should enjoy the protection of a duty of 75 cents per ton and the other duty free, passes my comprehension. Moreover, the Nova Scotia coal owners labor to a great extent under the same disadvantages in the Province of Quebec by the free importation of English coal.

The total sales of coal from the Nova Scotia collieries as per Government return for 1876, were 538,029 tons, the produce of 27 established works, four of which raised no coal, and three others a very small portion, practically reducing our working mines for 1876 to 20 working collieries for the small total sales of 538,029 tons, an average of little more than 25,000 tons each, a quantity barely sufficient to pay working expenses,—or, to use a homely phrase, make both ends meet,—exclusive of depreciation of plant, interest on capital, or the very important consideration of reduction of value of area from each successive year's working of coal, for which a specified sum was paid at commencement. The sales of the several collieries in 1876, and minimum and maximum capacity, are as follows:—

Name of Colliery and County.	Coal sold, 1876. Tons.	Men employed, 1876.	Min. Capacity. Tons.	Max. Capacity. Tons.
CUMBERLAND COUNTY—				
Cumberland Colliery.....	3,096	41	20,000	40,000
Scotia	1,121	13	20,000	40,000
South Joggins.....	11,765	64	30,000	60,000
Spring Hill.....	52,395	214	100,000	150,000
Folly Mountain.....	10	..	.....	.....
PICTOU COUNTY—				
Acadia.....	45,319	192	100,000	150,000
Albion Mine.....	90,550	615	120,000	180,000
Intercolonial.....	40,622	214	100,000	150,000
Nova Scotia.....	12,674	85	80,000	120,000
Vale.....	28,365	170	100,000	150,000
CAPE BRETON—				
Block House.....	31,033	129	80,000	120,000
Caledonia.....	25,323	83	80,000	120,000
Collins.....	5,693	83	20,000	40,000
Emery.....	40	14	40,000	80,000
Gardiner.....	....	5	40,000	80,000
Glâce Bay.....	28,598	127	80,000	120,000
Gowrie.....	20,103	166	50,000	75,000
Ingraham.....	40	..	.....	.....
International.....	24,111	109	100,000	150,000
Carried forward....	420,858	2,329	1,160,000	1,825,000

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Name of Colliery and County.	Coal sold, 1876. Tons.	Men employed, 1876. Tons.	Min. Capacity. Tons.	Min. Capacity. Tons.
Brought forward...	420,858	2,329	1,160,000	1,825,000
Lingan.....	15,289	103	60,000	90,000
Ontario.....	11,095	75	20,000	40,000
Reserve.....	.....	10	80,000	120,000
Schooner Pond.....	.....	20	40,000	60,000
South Head.....	653	11	20,000	30,000
Sydney Mines.....	102,644	516	150,000	200,000
Victoria.....	17,672	90	50,000	75,000
Port Hood.....	2,548	27	20,000	30,000
New Campbellton.....	3,362	48	20,000	30,000
Total.....	574,121	3,229	1,620,000	2,500,000

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From the above tabular statement it will be seen that, for the production and sale of 538,029 tons of coal, we require the labor of 3,229 men; whereas if our sales were even only up to the minimum of present plant capacity we could employ probably three times as many, causing a much greater consumption of flour, &c., besides dutiable goods consumed both by the working miner and mining companies.

To show that Nova Scotia bituminous coal is equal to almost any other coal from the great coal-producing centre, I beg to give below average analyses of the several under-mentioned coal districts:—

	Vol. Matter.	Carbon.	Ash.
Pennsylvania, United States.....	29.50	64.40	6.10
Virginia, ".....	33.68	57.76	8.56
Indiana, ".....	39.00	52.00	9.00
Illinois, ".....	36.59	59.47	3.94
Iowa, ".....	44.00	48.50	7.50
Missouri, ".....	34.06	50.81	15.73
Newcastle, England.....	37.60	57.00	5.40
Staffordshire, ".....	37.86	59.64	2.50
Derbyshire, ".....	35.10	61.65	3.25
Yorkshire, ".....	35.67	62.08	2.25
North Wales, ".....	35.56	57.49	6.25
Spring Hill, Nova Scotia.....	35.40	60.82	3.78
Pictou, ".....	30.00	61.38	8.62
Sydney, C.B., ".....	34.07	61.43	2.39
Average United States coals.....	36.10	55.50	8.40
Average English coals.....	36.40	59.60	4.00
Average Nova Scotia coals.....	33.51	61.56	4.93

Average gas per ton Nova Scotia coals, 9,500 cubic feet.

From the foregoing analyses it will be seen that our Nova Scotia coal possesses properties to suit all purposes where bituminous coals are applied, and compares favorably with other well known coals.

The capital invested in such an important industry as our Nova Scotian coal trade at present amounts to about 12,000,000 dollars, and from which very little, if any, profit is derived, consequent on the want of markets, from the imposition of an almost prohibitory duty on coals for the United States markets, and the competition Nova Scotia coal owners have in United States and English coals coming into the Dominion duty free. In order to remedy the present depression, nothing would conduce more than a renewal of reciprocal relations with the United States, whereby coal would be admitted to that most important market free of duty. At present, we have not only the duty to contend with, but also a drawback or rebate on American coals coming into competition with Nova

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Scotia coals. Once let our friends across the border take off the duty and the rebate will disappear of itself, as with the duty off, or a bounty of 50 cents per ton, we could increase our sales in the New England States in spite of the rebate allowed. Much good could be done by taking a line from the United States tariff, and place an equal duty of 75 cents per ton on all United States coal coming into the Dominion. One short year of tax on the United States coal coming into the Dominion would, in my opinion, cause the removal of the duty on our coal going to the States.

In conclusion, I would beg to hope that the subject matter of these notes may be considered of sufficient importance to merit recognition at your hands; and any assistance your discussions (as representing the commerce of the Dominion) can give in influencing the Government of the day to adopt such measures as will give relief to this most important industry, the Nova Scotia coal trade, will be gratefully acknowledged by our coal trade generally, and by none more than

Your obedient servant,

WM. ROUTLEDGE, M. E.

Gardiner Mines, Sydney, C.B., January 5, 1878.

Mr. E. K. GREENE (Montreal): There is no one industry discussed at this Board which has the national importance that the coal and iron industries have to this country. It is a well known fact that the coal interest of the Maritime Provinces has been declining for the last four years at least. From 1873 to the present time, each successive year the export to foreign countries has decreased. One of the chief difficulties in the way, so far as the United States is concerned, is their duty of 75 cents per ton against our coal. I was very much struck with the statement made by the Commissioner of Mines for Nova Scotia in his report for 1875, that the number of days on which coal was taken from the pit's mouth was only 136 out of 300, or less than half; that the decreased wages, in consequence of that decreased employment, amounted to nearly \$200,000. He makes the remark in the same report that the coal trade "has not met the expectation of those who were engaged in the industry," and hopes that the following year, 1876, would see an improvement. In looking over the report for 1876, I find the total exports of coal to the United States were reduced from 89,000 tons in the preceding year to 71,000 tons in 1876, showing a gradual decline of this industry. It is hardly necessary to state to this Board, that where Providence has placed coal and iron within a country, side by side, it is the basis of national wealth. We all know what England has attained to by possessing coal and iron. It means cheap goods. We must place our industries on a prosperous footing, or they will die a natural death. There is no reason why our locomotives, instead of being brought from the United States, should not be manufactured in this country, or why our steel rails should be imported. The United States have sent steel rails to this country, and they are sending us some millions of dollars worth of manufactured

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iron every year, while our iron and coal mines are comparatively untouched. To show the importance of manufacturing iron in this country, I may refer to one industry—the Londonderry Steel Works of Nova Scotia. While the export of coal to the United States in 1876 amounted to 70,000 tons, the consumption of coal by this one establishment, when in full blast, will reach nearly 100,000 tons, and the consumption of this amount of coal will produce to the country double its value in iron and steel. The question is, whether that iron and steel industry is to be a success in this country. Certainly, if it is to share the fate of its predecessors, it will be forced to succumb. Whether we, as a Dominion, are going to develop for ourselves what Providence has placed within our reach, I think the vote of this Board will assist very materially to decide. The export of coal from England in 1876 was 15,000,000 tons; from Canada, the same year, only 71,000 tons, and yet the capital which is invested in this industry in Canada amounts to about \$15,000,000. Any industry which ceases to pay a return for the capital employed in it, especially in its plant, is annihilated. We have evidence of that fact in the sugar refinery which has been closed. It cost two or three hundred thousand dollars, which is now practically of no value. The objection that coal can be laid down in Ontario from Ohio cheaper than from Nova Scotia has considerable force. I find, on referring to statistics, that the total import of coal from Britain, as ballast, was 160,000 tons, and a duty of 50 cents per ton on that would probably increase the cost to that extent to the consumer west of Toronto. One cause of inability to produce cheap coal is the lack of improved machinery. We all know that in manufacturing, the larger the field the less the cost of production, in proportion to the amount produced, and the smaller the field the greater the cost of producing. Therefore, if the area of our coal distribution is increased, and improved machinery brought into the country, the cost will be decreased; and, so far as Toronto is concerned, I am satisfied she would receive coal from Nova Scotia as cheap as from any other country. It might affect the country west of London, but that is a small area. Suppose by the duty the price of coal were increased west of London, and \$1,000,000 increased production of coal and iron were added to the wealth of the country, Canada would be a gainer to the extent of the difference, besides the increased shipping trade between the Lower Provinces and Ontario. The increased production of iron in the United States has resulted in a consequent decrease in price. Looking over their quotations in 1873 I find the price of steel rails was something like \$121 per ton; to-day they are selling at \$50. I feel convinced if we were to put a duty of 50 cents per ton on coal and \$1 per ton on iron, the increased wealth to this country

would compensate us far beyond any possible increase in the cost of production. I therefore move

"That, whereas, about fifteen millions of capital are invested in the coal-mining industries of the Dominion, be it *Resolved*, That in view of their national importance, and for the purpose of cheapening the cost of producing by increasing their production within the country, that the Board favor the levying of a duty of 50 cents per ton upon the imports of bituminous coal, [and the sum of one dollar per ton upon the import of pig-iron into the Dominion.]"

Mr. J. GILLESPIE (Toronto): In seconding this resolution, I am only going to say a few words, as this question has been so much discussed here and in all the centres of trade throughout the Dominion. It seems to me the fact is generally overlooked, that the cause of our extraordinary prosperity for a few years was due entirely to a circumstance that we all hope will never occur again—the internal and suicidal strife amongst our neighbors—and, it appears to me, we are waiting for some event to happen whereby our prosperity will return for a few years more. I think a calm review of the history of the country and of our resources will satisfy anybody that we must look to ourselves, to our country, and to whatever resources we have within ourselves, to bring about any such prosperity. If we cannot take it out of the earth, it will not come to us. We get a share, of course, from the agricultural pursuits of the country, and we hope to get some from the lumber trade; but, I think, what is left to us is to use every endeavor to take from the ground what is to form our wealth. We have endless supplies of coal, and it is a great pity that the prejudices of any particular section of the country should operate against its being mined and used amongst ourselves. I do believe that the cost of coal could be reduced in the manner referred to by the mover of the resolution, and, I think, the employment of the fleet that would be used in the transportation of coal to the west, would be a source of such revenue and wealth to us, that it would amply compensate us for any little advance of price we would have to pay. I feel certain, if we do not apply our efforts to make wealth from our coal and other minerals more than we have done, we shall never see the prosperity we are looking for.

Mr. R. S. DEVEBER (St. John, N.B.): Mr. Greene must have made a mistake in including iron in his resolution. We have only a right to deal with the subjects on the paper.

Mr. FRAZER (Toronto): As I have a resolution on the paper relating to iron, I am willing to withdraw it in favor of Mr. Greene's.

Mr. A. WOODS (Quebec): I think the question of iron should come up on its own merits. What we are supposed to be dis-

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cussing now is simply the question of putting a duty on coal. Should an amendment of this character be allowed, there is no reason to prevent the whole question of the tariff being brought in under the same heading.

Mr. DEVEBER: A duty on iron would be ruinous in our business in St. John, because we import a large quantity of pig-iron of a quality not manufactured in Nova Scotia.

After some discussion on the point of order, the Board refused to allow the two subjects to be discussed together, and the reference to iron was struck out from the resolution.

Mr. DEVEBER: Our Board have received no instructions from the mining districts to ask for duty on coal, and we have a very large coal area in the vicinity of Cumberland. Our coal is shipped to all parts, and, in conversation with a director of one of the principal mines, he seemed to be quite well satisfied with the present state of affairs. There is no complaint there about not being able to compete with outside bituminous coal. Most of the coal that comes from abroad is from the old country. I would not be disposed to vote for a protective duty on coal, until it is brought up and approved of in our own Board. So far as the manufacturing interests are concerned, it would interfere with us in competing with manufacturers abroad. Without cheap coal we cannot compete with the Americans as we do now. In castings, especially stoves, very few can compete with the St. John manufacturers; and if we can succeed there, I don't see why success cannot be obtained in other parts of the country.

Mr. FRAZER: Representing the manufacturing interests of Ontario, I can make this statement—that a large number of our manufacturers are willing that a duty should be imposed on soft coal. They understand that, if we are to have a union of the Provinces more than in name, it must be by giving and taking, and by considering our mutual interests. In regard to the statement made here that our industries are in a prosperous condition, the reverse is the case. We consider, if we could keep the money within our own borders which we send to the United States for coal, we would have a large amount of capital in our own country. It is for that reason the manufacturers of this Province are looking forward to the day when we shall have a national policy, and be enabled to enlarge our home market, it being the most profitable. Under the circumstances, I think I am not wrong in stating, on behalf of the manufacturers of Ontario, some of whom use large quantities of coal, that they are willing to have this duty put on coal since their goods are

received in the Lower Provinces. When we look at the large importation of goods from the United States into this country, it must strike every one that we should cultivate our own home market. Look at the statistics compiled with such care and skill by our Secretary. There you find that large quantities of flour are imported into this country from the United States, which otherwise would come from Western Canada. I think this Board would only be considering the interests of the country at large, by using every influence in securing a national policy for the development of our resources.

Mr. D. MACFIE (London): I am somewhat astonished at the remarks of the gentleman who has just sat down. This morning he said that the protectionists favored the admission of raw material free of duty, and now we find him advocating a duty on coal which he knows is used largely in the manufacturing industries of this country. I tell you, the manufacturers of West Ontario could not manufacture successfully if the cost of coal were increased. We can go to Cleveland and get coal delivered at Port Stanley for \$3 per ton. It would be absurd to put a duty of 50 cents a ton on coal, or anything else so largely used in our manufacturing industries. It would seriously injure the interests of the part of the country I represent, and, for myself, I am entirely opposed to it.

Mr. G. H. DOBSON (North Sydney): I am rather surprised that the gentleman from London, representing the oil interest of that section no doubt, should rise here and speak against an industry of the Maritime Provinces, when oil is protected, according to the *Monetary Times*, some 200 per cent., and we are simply asking for a duty of less than 17½ per cent. on coal. In looking over the tariff, I find that the manufacturers of Ontario have a protection of 17½ per cent.; that their agricultural products are protected quite largely, and yet we in the Maritime Provinces, who ask to have only one of our industries protected, are opposed by men whose interests are so well cared for. I am sorry that Mr. DeVeber is so much afraid that a duty on coal would increase the cost of manufacturing. If he would read the evidence given before the Committee of Parliament on the Coal Industry last session, he would find that the price of coal was actually diminished during the year we had protection, in consequence of the stimulated production. I anticipate, very shortly, that the enlargement of the St. Lawrence canals will be completed, and that vessels of 1,000 tons capacity may pass up to the lakes,—then we can supply Ontario with as cheap coal as can be got from the United States. It must be remembered in this connec-

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tion, that we consume every year from twelve to fifteen millions of dollars worth of the products of Ontario; but unless we are permitted to work our mines we will not want your products. By developing our coal industries you increase your own market. I do not want to complain of the policy of the Government; but last session they increased the duty on tea, an article that cannot be produced in the Dominion, whereas had they put a duty on coal and iron, or any other natural products of the country, it would have increased our industries and created markets for the producers in Ontario.

Mr. MACFIE: Of course, I am not responsible for the duty on coal oil, and if my friend from the Maritime Provinces will move that the duty be done away with, I shall be only too glad to second it.

Mr. R. SULLEY (London): If this duty is to be of any use to the men interested in the coal industry, it must increase the price of coal to the consumer, and the greater the consumption of coal, the heavier will the tax be on the public. Suppose we consume 4,000,000 tons every year, we would pay a tax of \$2,000,000 to help to develop the coal industry in Nova Scotia. I think it is a monstrous proposition to tax a whole community for the benefit of a few coal-owners. It would do more harm than good in many ways. For instance, it would often prevent us from bringing profitable return cargoes from England. I am very much against this tax.

Mr. W. E. SANFORD (Hamilton): I did not propose to speak on this question, but the remarks of the gentleman from London call me to my feet. I am a representative of what is considered the principal manufacturing city of the west; and I feel confident that Hamilton, as a city, is prepared to accept the tax that is proposed. We have large consumers of coal in Hamilton, and I am quite sure I express the sentiments of the manufacturers there when I say they are prepared to accept this tax. I can see in the development of our natural resources the only way to regain prosperity; and that, next to our agricultural interests, are our manufacturing and mining industries. I believe that the prosperity of the neighboring Republic is due to the fact, that she has been taking care of her industries and developing the resources she has within herself. We are prepared to accept the tax of 50 cents on coal, or more, if need be. And why? Because we expect that the development of these mines will bring a larger population, and increase the consumption of our manufactures and the products of the soil; and the tax, when presented in that form, is a minor matter. If we are going to place this question

simply on the basis of its costing me so many dollars of a personal tax, we are forgetting the first great and important interest of our country. I don't think we should stop to look at these as personal questions; it is the question of the interest of the whole community, and that is, for the development of the industries of this country, to submit to such taxes as may be necessary. So soon as legislation is brought to bear to develop our industries, so soon, you may depend upon it, will Canada prosper.

✓ Mr. W. F. COWAN (Oshawa): Although the proposed duty would probably press as heavily on us as on any other place in the Province of Ontario, still I should feel bound to support it. I think there is no patriotic Canadian but must have felt the reflection resting on us, as an enterprising nation, that we have not developed our coal and iron. We have, in those minerals, immense wealth which lies idle; and if we do not take some steps to protect our industries, we never can be successful as a nation. While we depend upon foreign countries for our manufactures, we can never feel any confidence in establishing new industries. It seems to me that a very great misapprehension exists as to the increased cost of articles which are protected by high duties. I would mention, by way of illustration, one very important article, produced very largely in the Ingersoll district, which is highly protected—that is, cheese. ✓ The duty on cheese is some 35 per cent. Has that had the effect of increasing the cost of the article to the consumer? When the duty was placed on foreign cheese, it might, for a short period, have made the article dearer; but very soon it brought about not only a large production for home consumption, but made us one of the largest cheese-exporting nations in the world. (Applause.) Now, if by any little sacrifice for a year or two, we can bring about a similar state of things in the great coal and iron interests, one being dependent upon the other, I think we should not take too selfish a view of the demand of the Maritime Provinces. This question should have come up with the general subject of the tariff, and a tax on flour should have been coupled with the tax on coal, because a trade, to be successful, should be cultivated both ways. However, I think if we are willing to concede this boon to the Maritime Provinces, they will be ready to give us a tax on flour in return. I therefore heartily support the resolution.

Mr. J. NOXON (Ingersoll): The only peculiar feature in connection with the question under discussion is that in 1876 the amount of capital invested in the coal fields and industries of Nova Scotia was a little less than \$12,000,000, while in 1878 it is \$15,000,000. Certainly it must have been a very successful trade to justify

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capitalists increasing their investments so rapidly. This would seem to bear on the face of it, at all events, that the undertaking was one which was satisfactory to those engaged in it. Of course, we have parties here advocating the imposition of a duty on coal, from various interests. They hope by imposing a duty on coal, it will be followed by a duty on pig iron and increased taxation on manufactured goods. We have a delegate from the Manufacturers' Association assuming to speak for the manufacturers of Ontario, who expresses a willingness to put 50 cents per ton on bituminous coal that is scarcely at all used by them. They are willing that the householder in the cities, and in parts of the country where wood is becoming scarce, should be taxed for their fuel. They want to insert the protection wedge for their own interest. The Manufacturers' Association is composed principally of those engaged in the manufacture of stoves, in which all that is required is something that will smelt the iron.

Mr. COWAN: What about steam coal?

Mr. NOXON: It is small compared with that used for smelting iron. Now, what is used for smelting iron is anthracite coal or coke. They can do without bituminous coal, and they are willing to tax householders to get this advantage for themselves. They say there is a duty on the products of the soil. It is most extraordinary to me that a country which is producing a surplus is to be benefitted by a duty on imports, especially when the price of goods exported are fixed by the rates in the markets where they are sold. It is news to me that the cereals of Canada are protected in this way. In the article of cheese, it is said we are protected by a 35 per cent. duty. I beg to state to you here that Canada is an exporter to the extent of nearly 40,000,000 pounds of cheese annually. We do not require to import cheese into Canada; therefore, it cannot be assumed that the manufacturers of cheese are benefitted by this duty. It is said, if we impose a duty on coal we shall admit of a large population being engaged in the coal industries of the Maritime Provinces, and we would get a return by sending goods to that population. As I understand it, coal miners are not large consumers of manufactured goods. It is true they use boots and shoes and articles of clothing, but not goods in which iron forms a principal part. It is said, if this duty is to be imposed, there must be a duty on flour also. I ask the people of the Lower Provinces if they are willing, as a compensation for this duty on coal, to pay a higher price for flour. The one will be the result of the other, for no Government will undertake to impose the one duty without the other. Our friends in the east

have the markets east of Kingston, but they cannot hope to get the markets west of that without a duty of a dollar or a dollar and a half per ton. Therefore, if their object is to get their coal into Toronto, it will entirely fail unless a higher duty than fifty cents is imposed. The way I look upon it is this—that the people engaged in the mining industries of the country are probably making as much as any others engaged in any branch of commerce in the country. I venture to say money invested in coal mines is as safe as money invested in commerce, or the manufacture of any kind of goods in the country. The money invested in mines is more likely to yield a return, than money invested in importing or manufacturing establishments anywhere in Canada. They are at the present time suffering from competition due to the demoralization of the mining industries in the States. There never was a time when that industry was at so low an ebb, and when prosperous times return there, coal will increase in price to such an extent, as to enable our eastern friends to send their coal to our markets and compete with the coal from the other side. Any legislation which will undertake to rescue any branch of business from depression will fail, unless all branches are relieved in the same way.

Mr. WOODS: Mr. Noxon seems to be under the impression that localities east of Montreal would not be affected by this tax. I may say, as a representative of the city of Quebec, we would be seriously affected by it. We have very large interests there which use English and Scotch steam-coal, and we are quite satisfied any tax on the fuel we use in our steamers would be a very serious matter. We are not prepared to give half a dollar per ton more for coal, simply to oblige the Nova Scotia coal-owners. I hope the tax on fuel will be looked upon by this Board in the same light as a tax on bread. I am somewhat surprised at the position taken by the delegates of the manufacturers. They tell us they don't want to tax raw materials; but now it appears they are quite willing to do so, as long as it is produced in the country. The raw material in this case is very largely used by manufacturers, and we depend upon Great Britain, to a large extent, for our supplies. Mr. Sanford would be willing to allow a tax of more than half a dollar. He is willing, as representing a manufacturing town, to deal a blow at the manufacturers there, or to do some log-rolling—to give this duty in order to get heavier duties on goods manufactured in the west. Whatever else is done, I hope we shall not recommend the imposition of a duty on fuel.

Mr. THOS. WHITE (Montreal): One or two statements were

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made by Mr. Noxon which are so contrary to my own experience that either he or I must be mistaken. He endeavored to put the Manufacturers' Association on the horns of a dilemma by saying they want to tax their raw material; then he says bituminous coal is not their raw material, but is used in private houses. I do not know what his experience may be in Ingersoll; but in Montreal it is anthracite coal that is used altogether in houses, except where you have open grates, in which a small quantity of soft coal may be burned. Everyone knows, who has ever gone into a stove establishment, that coal stoves are constructed to be used for anthracite coal. If your servant happened to put bituminous coal into them, you would soon have to take down your pipes and clean them out to prevent accidents. But, if Mr. Noxon's statement be true, that the manufacturers do not use bituminous coal, and if, as I know from the character of the stoves, householders do not use bituminous coal, then the people of the West have no interest in this question whatever. Mr. Noxon tells us that the duty on cheese is no protection, for the reason some 40,000,000 pounds of cheese are exported every year from this country. Now, there is no doubt about that being a fact; and it must be a source of the greatest gratification to every Canadian to think, that our ocean steamers leaving Montreal find that cheese actually competes with grain in the freight it furnishes. But what was the fact a few years ago? I can remember only a short time ago when cheese was hardly made here at all. It was made by farmers sometimes for their own use, but what was used in cities and towns was imported from England and the United States. Cheese factories were established in Oxford first, I believe, and they are among the most successful to this day. They started and had this protection of 35 per cent. They secured, as a first step, their home market; and having got that, and excluded the American manufacture from our markets, they were soon able to export cheese and compete with the Americans in every country where the terms were equal for competition. That is the invariable result of protection to manufacturing industries. It is in the inception that the difficulty occurs; but if you can get control of the home market, you can secure the export trade afterwards. So long as you cannot control your own market, it is utter nonsense to talk of exporting; and if the Ingersoll cheese makers, enterprising, intelligent, industrious and patriotic as they are, had not had this duty to enable them to control their own market first, they would not have this large export trade and find Canadian cheese stand so high in England. As to this tax on fuel that Mr. Woods referred to, have we not a tax on other necessaries of life? We have a tax on light. The

coal oil used by every farmer in the country is taxed—not quite so heavily as Mr. Dobson says, but it is taxed 50 per cent., I believe, and there is an excise duty on it. Now, if it were a new tax, just imagine how readily you could get up an excitement about taxing the light that people use in their houses. Then take the article of tea, which everybody uses, or sugar, or the clothes you wear—everything is taxed in some form or other if there is a duty on it at all, and this talk about taxing a thing when we are going to develop an important industry, is absurd. Then, as to raw material, the question is this—what effect will the tax have in the employment of labor in the country? The coal in the mine lying there is, in fact, raw material, but every single item of labor put upon it causes it to cease to be raw material in the true sense of the term, and it becomes a manufactured article. Then, again, we want to build up an increasing trade in this country. Unless we can succeed in doing that, we must give up all hope of success in this Confederation. We must have return cargoes to the Maritime Provinces for what they send us, and unless we have that we will find great difficulty in developing all parts of this country in the way we wish to do. If we can, by imposing this duty on coal, develop an inter-Provincial trade, I think we should recommend the Government to adopt this policy.

Mr. Z. R. EVERITT (Fredericton): As a free-trader I must vote against this resolution, because I see in it the thin end of the protection wedge. If you tax pig iron, you deal a blow at the shipping industry, which is much larger than either the coal or the iron interest. If you want to build up manufacturing, you must have free raw material—coal, iron, wool, &c. As the gentleman from Ingersoll remarked, if the capital invested in the coal industry has increased from \$12,000,000 in 1876 to \$15,000,000 in 1878, the interest must be self-sustaining and does not need fostering care.

Mr. JOHN WALKER (London): I did not intend to speak on this question, but Mr. White's observations would lead to the conclusion that a tax on bituminous coal would not affect Ontario to a very large extent, because it is not used in one particular manufacture—the fusing of iron. The import of bituminous coal into Ontario is very large. It is used not only for domestic purposes, but also for steam purposes, from one end of the Province to the other. Our railways use it immensely. You see hills of coal at the distilleries. There is not a manufacturing establishment in any city or town in Ontario that does not use bituminous coal for steam purposes. Therefore, it affects the interests of Ontario to a very large extent. Mr. White made little of the fact

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of its being raw material, and said it did not matter whether it was taxed or not; but I contend the principle of our fiscal policy in this country has been carefully to avoid taxing raw material. Tea and sugar, referred to by Mr. White, are not raw material, from the manufacturers' point of view, but this bituminous coal is. It is used in our manufacturing industries; it supplies our cities with gas, and, in that respect, a duty on it would be a tax on light. If pig iron, bar and hoop iron, were taxed, it would put our manufactures on a more expensive basis, and how could we then export to other countries, as I am glad to say we are doing to-day, competing with the United States and other manufacturing nations. In the Connecticut Valley last year I met a Canadian—a relative of mine—who had left Canada because the protection here was not high enough for him. In discussing the question with him, he told me: "We have protection here, but we have too much. I do not object to protection on my own goods, but there is protection all round, and the enhanced cost of the raw material does away with the benefit of protection on my own manufactures. This protection on my raw material is the worst feature of it, because I have to pay out hard cash for it, and have to increase my capital all the more on that account, and then run the risk of bad debts." This is a very serious matter to Ontario, and I am opposed to the tax.

Mr. WM. ELDER (St. John, N.B.): I am unwilling to give a silent vote on this question, for it seems invidious for a delegate from the Maritime Provinces to go against the interests of their people, as understood by many of themselves. My difficulty in regard to the proposed duty on coal is simply this, that it would not serve the intended purpose, while it would be injurious to other interests. It would not shut out the coal of Ohio and Pennsylvania from Ontario, but it would prevent our ships bringing out English coal, in ballast, to Quebec, St. John, and other ports, as they are now in the habit of doing. This may seem a small matter, but as shipping is now in a depressed state, every obstacle placed in the way of its success would be felt to be a fresh burden. Then, coal is of the nature of raw material to the manufacturer. Our object is to stimulate manufactures, but how are we to do so by making production more expensive. It is said that oil is taxed, but it is not raw material in the sense that coal is. My friend who sits near me states that anthracite coal is not used for steam, but only for house purposes, and that, at any rate, the proposed duty would not affect that article. He is wrong in both respects. I have used anthracite for years, as a steam coal; and, besides if you increase the price of bituminous coal by means of a duty, you will certainly increase the

price of any competing coal. You cannot increase the price of one kind of fuel or breadstuffs, without doing the same in regard to the respective competing articles. But this is not all. It would be useless to talk of putting a duty on coal in Parliament without agreeing to a duty on many other articles, such as breadstuffs, salt, pig iron, clothing, &c. In this way, by increasing the price of food, wages, &c., the coal-owners would lose as much in one way as they would gain in another, even supposing that they would gain by the imposition of the tax. The coal-owners must have noticed that their friends say that they hope they will not object to other taxes. This offer of favors from interested parties is suspicious. It reminds us of the line—*Timeo Danaos et donec ferentes*. If you increase the price of food, of wages, of salt, of iron, how are you to make amends to those great Maritime industries, shipping, lumbering, fishing, agriculture? I remember lately that some dairymen in Illinois asked the duty on some English imports to be remitted by Congress, on the ground that they got a free market for their cheese in England. But if the proper course for England is to shut out our cheese by a duty, I would like to know how much cheese we would send to that country. I would say further, that though there is a duty of 75 cents on coal in the United States, we ought, by good management, to be able to sell our coal in that country. They must produce it at greater expense than we do. If you apply their tariff to our imports of last year, from all quarters, you will make us pay \$30 a family more for those imports than was paid in Canada. The people of the United States not only paid that sum, but notwithstanding the depression in some lines of goods, they paid an enormous increase on it. The enhanced price of the goods consumed a sum so vast that it would not be easy to calculate it. It is useless to disguise the fact that the object of protection is to increase the price of goods made in the country by shutting out the foreign article, and that if protection has not that effect it is not a success. My position then is this,—I do not see how the coal interest is to be aided except at the expense of other interests. If I could see my way to go in for protection at all, I would require to have the entire scheme before me, and to be satisfied that the interests of all could be conserved. I have never seen any such scheme; and therefore, with the deepest sympathies for the coal interests and all other interests of Canada, and more especially of the Maritime Provinces, I cannot vote for a tax which, while benefiting one industry, might work serious injury to others.

Mr. R. G. HALIBURTON: I ask myself the question, whether we in this Dominion intend to build up a permanent power, or

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whether we are to be isolated, selfish fragments, liable, when pressure brought to bear upon us by the Americans is removed, to separate? I can understand very well, if we do not consider this Dominion one country, that the correct policy is to let every man look after himself—"after us the deluge." There is a story told of a man who was so economical that he cut off one foot to save himself the cost of shoe-leather. That was a prudent man, and that is the policy of those free-traders. You are cutting off the extremities of this Dominion to save a few cents on the coal you use. We in the eastern Provinces find our trade with you of the west, ruinous; we are getting goods cheaper, but we are paying dearly for them. It would have been better for us to have continued to deal with the Americans, and exchanged products with them. When we see your commercial agents among us, we dread them, for we know that you are bleeding our country to death; and it is only a question of time when we have, got to say to you: "We would be very glad to continue this union, but it is death to us, and we must separate." I believe there is no necessity for that; I believe a fair commercial policy would build up this country. I say more—I believe there never was a country better fitted to become a great manufacturing power than this Dominion. We are in the position of a family to which has been left a printing machine. Some have the types, some the rollers, others some other portions of it; but one is jealous of the other. They are unwilling to put it together, and set it going, and the portions separated are utterly worthless. Unless you accept a duty on coal, and we in the east are willing to have a duty put on flour—and there is no reason why we should not be—it is useless for us to hope for any permanence for this country; hopeless to expect out of such materials as we have, to build up a permanent, prosperous power. I say that the statements made by the gentleman from St. John are all very well, if they happen to be founded upon facts. He talks of the expense this duty would entail on manufacturers. One year we had duties on flour and coal. Did we, in the Maritime Provinces, pay any more for flour?

Mr. DEVEBER: State a case!

Mr. HALIBURTON: I accept the evidence taken by the Parliamentary Committee as proof that we in Nova Scotia did not find it dearer. Had we only flour and coal encouraged, both would be cheaper, and you would not have the people of the Maritime Provinces cursing the day they had to buy from you and pay hard cash in return. When we are told that the coal interest is a prosperous one—as prosperous as other branches of industry—I find one fact which settles the question. A mine which

cost \$1,500,000 was sold in Cape Breton for \$200,000. There you have a trade as thoroughly crushed out as it possibly could be.

Mr. GROAT: I can thoroughly agree with our eloquent friend who has just spoken. If we wish to build up a great country we must consider all its parts. I believe, so far as my experience and observation go, I have never heard in the Western Provinces any disparagement of the smaller Provinces at all. I believe we would all, of every shade of politics, deal not only justly but generously with Nova Scotia and New Brunswick; but when a question like this comes up, and we are asked to pay hundreds of thousands of dollars, without placing one-tenth of it in the hands of the Lower Province people, it is a different matter, especially when we know if they had the enterprise to go to work and manufacture, they could drive the iron manufacturers of Ontario out of the field. Their natural advantages for such manufacturing are far above ours, and instead of our sending agents down to them they should be sending agents to us. I know that we would be committing such a sin against the Upper Provinces in putting a duty on coal, that any Government that would do such a thing would be compelled by the pressure of public opinion to repeal it. In order to compel the people of West Ontario to use Nova Scotia coal, it would require a tax of two dollars per ton. I cannot vote for the resolution.

A vote was taken on the resolution, which was rejected on the following division:—

Ayes—Messrs. Bremner, Cowan, Clemow, Dobson, Dickinson, Dwyer, Elliott, Frazer, Gillespie, Greene, Haliburton, Paterson, Sanford, White—14.

Nays—Messrs. Brown, (P. J.), Darling, DeVeber, Demers, Elder, Everitt, Groat, Joseph, McMaster, Macfie, McKenzie, Morrison, Noxon, Spratt, Sulley, Walker, Woods—17.

WRECKING ON THE LAKES.

Capt. E. P. DORR (Buffalo, N. Y.): You were good enough to appoint a committee to confer with me on the subject of wrecking, and I thank you for your kindness. I only wish to say that, from some information I have gained within an hour, I am satisfied the matter is in a fair way of being adjusted, as we all would wish, by your Government, in the interest of humanity. I would like to have the report go in the minutes just to show that you, as a body, recommend it. This only shows that when people understand a thing they are willing to do what is right about it.

The Board adjourned at six o'clock, until Friday at 10 a.m.

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FOURTH DAY'S PROCEEDINGS.

NEW CITY HALL, OTTAWA,

FRIDAY, *January 18th*, 1878.

The Board met at 10 o'clock a.m.,—the President in the chair.

The roll was called, and the minutes were read and confirmed.

A QUESTION OF PRIVILEGE.

Mr. R. S. DEVEBER (St. John, N.B.) rose to call attention to the manner in which Mr. Haliburton had been admitted as a delegate to the Board, to replace Mr. Macdonald, the regularly elected representative of the Cape Breton Board of Trade. Mr. Macdonald, having failed to appear, the Committee on Credentials had no right to admit a substitute on a mere telegraphic report. No doubt it was done in innocence, but he would oppose anything of the kind in the future.

Mr. A. JOSEPH (Quebec), said this was a question entirely within the jurisdiction of the Committee on Credentials.

The PRESIDENT: Our friend has expressed his views, and all that is required has been gained.

Mr. WOODS said it was nevertheless very well that the attention of the Committee on Credentials had been drawn to it. The whole proceeding was irregular, and he joined with his friend from St. John in regretting that anything of the kind should have occurred.

Mr. THOS. WHITE (Montreal), said the election of delegates was entirely within the jurisdiction of local Boards. It was of no consequence to this Board what gentleman sat here, so long as the local Board did not send a larger number of representatives than it was entitled to. If the Secretary of the local Board sends a

despatch authorizing another person to represent them, that was, in fact, his credentials to this Board.

Mr. DEVEBER: Is Mr. Haliburton a member of that Board?

Mr. G. H. DOBSON (Sydney), said the Cape Breton Board had appointed Mr. Macdonald to represent them here, but he was detained at home, and the Board telegraphed to let Mr. Haliburton take his place.

After some further discussion the matter was dropped.

THE INSOLVENT ACT (No. XVII.)

Mr. WM. DARLING (Montreal), presented the following report of the Committee to whom was referred the question of insolvency:—

"That, as the Committee on Insolvency Legislation is composed of six members and a Chairman, and that, as three of the members have been instructed by their respective Boards, (Halifax, Ottawa, and Levis), to vote for the repeal of the Insolvent Act, it was considered unnecessary to discuss the matter in committee, and that it should therefore be brought before the Board."

Respectfully submitted,

W. DARLING,
Chairman.

OTTAWA, 18th January, 1878.

Mr. FRANCIS CLEMOW (Ottawa): The committee appointed for the purpose of enquiring into this subject found it impossible to agree. Last year this important question was fully discussed, and I gave at that time my views very fully in favor of its repeal. I have seen no reason to change my opinion since, and there is a growing feeling in the country that it is advisable, in the interests of the commercial community, that the Act should be repealed. If it is considered advisable that the Act should be amended to make it more practical, the Ottawa Board of Trade would have no objection, and there are several amendments that would be desirable in the interests of the public. It is said that some substitute should be provided for the Act in the event of its being repealed, but that would be a very simple matter. I would call attention to the pernicious effect of chattel mortgages in Ontario. They can be given not only for stocks in hand, but also any future stocks the parties may be possessed of. I have had several cases of that kind before me, and it has been decided that such a clause can be put into a chattel mortgage. Of course, you will tell me that there is a remedy for this, inasmuch as these chattel mortgages are required to be registered in the county office. That is true, but you all know how difficult

it is for any person to make that enquiry, and very often it is not taken advantage of. I admit that parties ought to take the precaution to ascertain if there is any prior mortgage existing before giving credit, but we find that is impracticable so far as Ontario is concerned. Therefore, I think some remedy might be proposed in this direction; and if it is considered necessary that there should be such chattel mortgages, there should be some other publicity given, say in the newspapers, and a mortgage should not be operative before a certain time, in order that people might know how matters stand. Such an amendment would have a very beneficial effect. There seems to be a feeling among traders generally that it is no disgrace to become insolvent, and a man who once becomes bankrupt gets hardened to it. It is very often treated as a joke. I shall be very glad to hear amendments suggested by other parties for the better administration of this Act. If it is the desire of this Board that the Act shall not be repealed, but that it shall be amended, I will first vote for its repeal, and then for such amendments as may be proposed to make it the more effective, protecting the honest insolvent with a due regard for the interests of the solvent trader. We all know that creditors, in a great many instances, do not take an interest in their own affairs, and a great deal of the trouble in administering the law is due to that cause. It is true there is a clause in the Act which requires that an insolvent shall pay fifty cents in the dollar, unless he can get the consent of a majority of his creditors, before he get his discharge, but that is not carried out uniformly. I believe, in some instances, insolvents have been discharged without having got the required number, in value, of the creditors, to get the Judge's consent to it. Therefore, if the Act is not repealed, it should be amended to make it obligatory on the Judge to refuse to grant a discharge, unless the provision of this clause of the Act is complied with. I therefore move, seconded by Hon. J. SKEAD (Ottawa):—

“That in the opinion of this Board it is considered desirable, in the general commercial interests, that the Insolvent Act should be repealed.”

Mr. Z. R. EVERITT (Fredericton): I know the sentiment of our Board is in favor of the total repeal of the Insolvent Act. Our experience is that the Act has been the cause of a great many losses that would not have taken place if there had been no such law. That has been my personal experience. I have lost thousands and thousands of dollars through it. I know cases where persons went into insolvency, and, actually, the cost of going through insolvency was as much as their whole bills amounted to. I know, on the other hand, it is said it protects the creditor as well as the debtor. There may be something in

that, but the creditor can protect himself by being careful whom he credits. I know the way people get goods has encouraged others to go into business with the idea that if they succeed, all right; if not, they will be well enough off by getting a compromise, and starting again. Persons who had means have complained to me that, from the fact of our giving such traders credit, they were compelling men who had capital to go into insolvency. I believe the Act should be struck off the statute book.

Mr. A. JOSEPH (Quebec): I am somewhat surprised at the arguments used by Mr. Clemow, who is, himself, an official assignee. He talks of the bad management of estates, but that is due to the assignees. The last speaker talks about a debtor going into insolvency, but there is no such thing; the creditors put him into insolvency.

Mr. EVERITT: There are always creditors willing to put him into insolvency.

Mr. JOSEPH: Well, every man has a right to do business as he chooses. We would be in a worse position after the repeal of the Act than we are now. The evils of the Act, so far as I can see, rest entirely with the assignee. Therefore, I will vote against the motion.

Mr. L. P. DEMERS (Levis): The reason why the Levis Board of Trade ask for the repeal of the law is this: When we had no bankrupt law at all we were better off. Our losses were very light. In fact, in the town and county where I live we had no losses, but since this law has been passed it is ruinous. When you are obliged to put a man into the Bankrupt Court, there is nothing left of the estate after the costs are paid and the assignee gets his expenses out of it. If we had no bankrupt law a man, finding himself in trouble, if given time, would, probably, pay in full in two or three years. When the Levis Board of Trade brought up this question, they thought the Quebec Board would favor the repeal of the Act; but I find the gentlemen from Montreal and Quebec, where there are larger interests than ours at stake, are opposed to repealing it. I will adopt their view of the question; but I would like to see some amendments, which our Board would receive with pleasure. For instance, there should be one providing that if a trader finds himself in trouble, one of his creditors, having a claim of \$100, may notify him to call a meeting of his creditors, and if, at that meeting, his business was not satisfactory, the creditors would have a right to appoint one of themselves assignee of the estate, without having an official assignee.

Mr. ISAAC WATERMAN (London): For several years now we have been discussing this question, and from year to year something has been added to or taken from the Act. I believe we have now a law which covers everything the creditor or debtor requires. The statement has been made, we have had more losses to contend with since the passage of the Act than before it. I do not believe this Act makes people go into insolvency any more than if we had no law. I blame the merchant, who presses credit on people, more for the bankruptcies than the law. Now, it is my opinion, and I believe it is the opinion of a majority of this Board, that the Insolvent Act should not be touched. I believe if we go to work to alter the present Act we will not have anything as good.

Mr. E. K. GREENE: We have had the Insolvent Act now in force since 1864. It was originally brought in for the purpose of seeing whether commercial progress and success could not be better established with than without it. Little by little, from observation, my faith in the operation of the Act has decreased. I believe the Insolvent Act makes insolvents, that it has increased the number of insolvents. I do not say any man will willingly go into insolvency who can pay his debts, but in the condition of affairs where men are about equal with the world, and require a hard struggle to keep their heads above water, they succumb, because they know there is a law by which they can realize more money by failing than if they attempt to go on. The result is all through the country that men fail, and in the majority of cases, a composition is accepted. The result is they get back their stocks on very favorable terms, and they are re-sold at a reduction on the original cost. If a man buys his stock at 50 cents in the dollar, he can afford to sell it at 75c.; and the result is the honest trader beside him is forced to the verge of bankruptcy. If there were only one or two in the town the injury might not be serious; but where the evil is multiplied, it is almost impossible for the honest traders to keep themselves out of insolvency. I am satisfied the Act is demoralizing the commercial morality of the country. Our Board of Trade have asked for and have obtained some good amendments, but, notwithstanding that, insolvency has largely increased in this country. The Act should be repealed, but there should be some mitigating circumstances. In former times there was preferential assignment. If that were abolished, I would vote for the repeal of the Insolvent Act. I therefore move, in amendment, seconded by Mr. J. GILLESPIE (Toronto):—

That all the words after "That" be omitted, and the following substituted therefor:—
"inasmuch as the practical working of the present Insolvent Act has increased the number of insolvents, and lowered the standard of commercial morality throughout the Dominion, this Board recommend that the present Insolvent Act be

repealed, provided that before it takes effect, an Act be passed preventing the renewal of preferential assignments and chattel mortgages, whereby an insolvent debtor may create a preferential claim in favor of any creditor, to the detriment of his other creditors."

Mr. A. ROBERTSON (Montreal) : If I understand Mr. Greene's amendment, it repeals the Act, and does away with preferential assignment in Ontario. I do not know how we could get on in Quebec without the Insolvent Act. At a meeting of large merchants in Montreal, lately, this question was brought up in an informal manner, and, out of about twenty persons present, only five voted for the repeal of the Act, and fifteen for its retention. These represented the most important establishments in Montreal. In a joke this story was told :—The creditors of an estate, to avoid expense, had a private assignment, and appointed some of their own number to manage the estate; and they found, after exhausting all the assets, they not only had no dividend, but had to pay for the rent of the store. I do not believe any has done as badly as that, and yet I believe these gentlemen did the very best they could for the creditors of that estate. Mr. Greene's proposal might suit Ontario very well, but not Quebec. I have no wish to go back to the time when we had the game of grab in Upper Canada, and when, according to my experience, we could not receive a dividend once in ten or fifteen cases, and then only a shilling in the pound. What has been the result of the Insolvent Act? By a return made to the House of Commons in one year, \$27,000,000 of failures had yielded 22½ cents in the dollar, which is a much larger sum than we ever got under the old law. Then, in the Province of Quebec, if you repeal the Insolvent Act, it is useless to sue at all. I never, under the old system, attempted to sue, because I found I had simply to pay the costs. What with *separations des biens* and other modes of evading payment, it was impossible to get anything. I have known men, at the very time we were getting judgments, having a separation from their wives to get rid of paying a dollar of their indebtedness. I hope the law will not be repealed.

Mr. R. S. DEVEBER, (St. John, N.B.) moved in amendment to the amendment, seconded by Mr. W. F. MCMASTER, (Toronto) :—

That all the words after "That" be omitted, and the following substituted therefor :—
"the Insolvent Act of 1875 and amendments are framed for the management of the estates of traders after they become insolvent, and to prevent any creditor from obtaining a preference over the general creditors of the insolvent : That such an Act is necessary, and should not be repealed : Therefore, Resolved, that the subject of insolvency be referred to a committee to report thereon at the next meeting of the Board; and that Messrs. A. Robertson, W. Darling, A. T. Paterson, J. Kerry, and E. K. Greene, form such committee."

Mr. MCMASTER : This is one of the most important questions before the Board this session, and it merits the most careful and

dispassionate consideration that it is possible for business men to give it. This being the case, I think it would be very detrimental and injurious to the commercial interests of the whole Dominion to put a stop to this Act at once. I think a better way would be to adopt the course suggested in Mr. DeVeber's amendment. I have every confidence in the gentlemen named therein; they have had long business experience, and will give it careful consideration. After coming to a decision they should communicate it to each local Board of Trade, so that it could be carefully considered before the next meeting of this Board.

Mr. J. I. MCKENZIE (Hamilton): I cordially support Mr. DeVeber's amendment on this ground. While I admit under the Insolvent Act a good deal of injustice, and sometimes dishonesty, has resulted from the working of it, the benefits it confers far exceed the disadvantages. I cannot see that it would be desirable at all to go back to the time when the creditors living nearest to the debtor would have the advantage over those at a distance. Montreal is peculiarly situated in that respect, the bulk of the business being in Ontario. Before the passage of this Act, the creditors in Ontario had the advantage over the Montreal creditors. For that reason I approve of the appointment of this committee to consider the question. If it is desirable to have an Insolvent Act, there is not a great deal to amend. I think it would be out of place altogether for the commercial men of this country to go back to the time of the sheriff, when the first man in with his execution got everything. I have no doubt the Montreal committee will deal with the question in a very business-like manner.

Hon. JAMES SKEAD (Ottawa): We have had this Act in force since 1864, and I believe it has served its purpose. I think a Bankrupt Act is necessary, probably once in every fifteen years. We have had it fourteen years, and we think we have had it long enough. When we go through our streets and see bankrupts' flags announcing "goods at 40 cents in the dollar," we ask how is the honest trader next door to pay 100 cents in the dollar? It is so in every town in Ontario. My opinion is, the Act, has served its purpose, and if it cannot be abolished it should be amended in a way to satisfy merchants here a little better. I believe Montreal, Quebec and Toronto are very important places, and I would be guided greatly by the opinions expressed by delegates from their Boards of Trade, but they are divided in their opinions. We have heard one advocating the repeal of the Act, and the abolition of preferential assignments and chattel mortgages. If a man gets into difficulties he can always make

an arrangement with his creditors if he wishes to do so. This way of covering up a man's property in his wife's name, and otherwise, can be done away with. I have an utter abhorrence of the Bankrupt Act, and so have a majority of the people of Ottawa. I hope, if the Act cannot be abolished, it can be so amended as to put us in a better position than we have stood in for the last fifteen years.

Mr M. DWYER (Halifax): I notice on the official programme, that Halifax desires the repeal of the Act: that is incorrect. The resolution we came to was to ask for a suspension of it for five years, and in doing that, we thought it would be better to have it repealed altogether. It is only fair, since the advocates of the law have had a fifteen years' trial of it, they should give us five years' trial without it. Under the circumstances, I can vote for Mr. Greene's amendment, for I feel as strongly on the question as he does. I believe, from the long experience I have had of the working of the Act in Halifax, it has increased tenfold the evils it was intended to cure. At the time of Confederation, while visiting your Upper Provinces here, I was told by one of your business men: "Resist the Insolvent Act; it will bring evils upon you that you do not know of now;" and so it has brought evils upon us, and its greatest friends now acknowledge we ought to be without it. We have repeatedly heard it said, these evils are the fault of the creditors, who do not look after their own interests. But are they becoming more vigilant,—or the contrary? But supposing that society were to punish crimes against itself—that every member of society was supposed to be a detective or policeman—would crime decrease? It is true the creditor can examine the insolvent's books, and question him as to what he has done with his means; but out of a score of creditors, which of them is going to leave his business to do all this? The respectable merchant, who would like to see the dishonest insolvent punished, would have just as much repugnance to becoming a detective or policeman to punish the offender, as a respectable member of society would to do the same thing.

Mr. J. GILLESPIE (Toronto): I think this question is of so great importance that it should be carefully considered. I don't think it can be said the Insolvent Act has been the cause of the very numerous failures we have had for the last four years, to any great degree; but, at the same time, I can sympathize with the gentlemen who have spent so much time over the framing of this Act, to meet every difficulty that may arise in the winding up of estates. They have gone to the Government from time to time asking for amendments, and have been met in a liberal spirit;—

they have got almost everything they asked. I sympathize with them, but I can assure them there is a very strong and general desire in the West for a change of some kind. Of course, the question is—what is the best way to realize the most money out of an estate? Now, the Insolvent Act has got a fair trial, and every amendment that has been put to it does not seem to have given entire satisfaction. I fear, from the length of time the act has been in force a great many persons have grown up and entered into business; and from the numerous failures that have occurred and the ease with which insolvents get through, the morality of an assignment is scarcely questioned. It is looked upon as a legitimate thing, and therefore is not regarded with that horror with which an honest man ought to look upon any failure to perform his obligations. Therefore, in that sense I think the Insolvent Act has a tendency to make it easier to one's conscience to take the benefit of its provisions, and in that respect it would be an advantage, if not to repeal it altogether, to suspend its operations for a time. I think the provision made in Mr. Greene's amendment would be sufficient to meet the case in the interval. The difficulty seems to be to provide against dishonesty. The question to the creditor, I think, is which way he would lose most money—by running the risk of dealing with a certain percentage of dishonest men, or by handing over the estate to an official assignee who would of necessity require to get a large percentage of the assets to pay expenses? In my opinion, the loss and expense necessary in moving the machinery of the Insolvent Act is much greater to the creditors, than the loss sustained in dealing with some dishonest men, and the percentage of loss that may accrue to creditors who are too late to get their writs in the sheriff's hands. Last year the number of insolvencies was some 1,900, and I think, in view of the increase of insolvency, it would be a great advantage to try the change proposed by Mr. Greene. I intend to support his amendment.

Mr. A. WOODS (Quebec): I believe there is a cry for the repeal of this law, but I am satisfied it does not proceed from those most interested in the question. The more you look round this Board, and the more you examine where it emanates from, the clearer does it appear that the repeal is demanded by a class of people who have little experience and little knowledge of the necessities of the case. When the question comes up in the House of Commons, the lawyers are the loudest in demanding the repeal of the Act. I was very much pleased with the stand taken by the delegate from Levis. He very properly saw that the desire of the large bulk of the mercantile community is for some Insolvent Act, and withdrew his opposition. I hope the amendment of Mr. DeVeber will be carried.

Mr. W. E. SANFORD (Hamilton): My business relations are of such a nature that unfortunately I come in contact with a great many cases of insolvency, my transactions being generally of small magnitude. I have no disposition to find fault with this insolvency law. It has its faults, but the main difficulty I have found is, that creditors do not enforce it as they should. If you will dispose of another difficulty, the law will be perfect—that is, to look debtors in the face and say we will take so much or nothing. In the West, we see estates with assets amounting to thousands of dollars in excess of liabilities, disposed of, we do not know how. We discover that the generous, noble merchant princes of Montreal—and in some cases of Toronto, but never of Hamilton—are not only ready, but anxious, to relieve their debtors. You simply, by that kind of policy, allow a debtor in such a case to make a fortune. He finds himself better off by five or ten thousand dollars when his affairs are settled up, than ever he was before. Let us have the Act enforced, and place such men in their proper position before their creditors, and do justice to them and ourselves.

Mr. WM. DARLING (Montreal): It has been said that the object for which the Insolvent Act was passed had been accomplished; but that cannot be, so long as commerce exists. The object of the law is to distribute the estate of a man who is in insolvency. Mr. Greene desires that preferential assignments and chattel mortgages should be abolished, and thinks that would serve the purpose of a bankrupt law; but we can all remember the time when it was not the preferential assignment alone, but the preferential judgment, that did the wrong. The debtor permitted one creditor to get a judgment against him, and by that judgment his goods and chattels were seized by the sheriff, and sold for the benefit of that person, and the rest of the creditors might go without anything. Now, the object of the Bankrupt Act is to prevent this, and to distribute estates fairly among the creditors. As to the objections to the law, in the case of a manufacturer the difficulty is in carrying on a large business. No body of creditors can manage it successfully. They must either dispose of it, or make arrangements with the debtor himself, who becomes possessed of his property again, not because he desires to get it, but because it is to the best interest of the creditors that this should be the case. So it is in many other instances; the debtor gets possession of the estate because he gives more to his creditors than anyone else can or will. We have no such thing in Quebec as a chattel mortgage; and if you can get rid of it altogether in Ontario, it will very greatly benefit the public. The fact of the chattel mortgage being legal in Ontario has

nothing to do with the bankrupt law, because if the Act were abolished the chattel mortgage could still be given.

A vote was taken on Mr. DeVeber's amendment to the amendment, which was carried on the following division :

Ayes.—Messrs. Brown (P.J.), Cowan, Dobson, Darling, DeVeber, Demers, Elder, Elliott, Frazer, Groat, Joseph, Kerry, McMaster, Macfie, McKenzie, Morrison, Noxon, Paterson, Robertson, Spratt, Sulley, Sanford, White, Waterman, Woods.—25.

Nays.—Messrs. Clemow, Dickinson, Dwyer, Everitt, Gillespie, Greene, Skead.—7.

The original motion, as amended by the amended amendment, was carried on the same division.

Mr. ROBERTSON: I would suggest that the local Boards send the Committee such amendments as they wish to propose. The Committee will consider them carefully, and report their conclusions to the local Boards in time to have them discussed before the next annual meeting of this Board.

THE FINANCES OF THE BOARD.

Mr. R. SPRATT (Toronto), presented the following report of the Finance Committee:—

The Committee appointed to examine the accounts of the past year, beg leave to report:—

That the receipts for the past year amounted to \$1,507.50, and the expenditure to \$1,616.88, showing an excess of expenditure \$109.38, deducting from which \$34.38, remaining on hand from last year, leaves a balance at debit of \$75, and which would be further reduced to \$63.75 if the Belleville Board of Trade had paid their arrears due of \$11.25, and which we recommend should be collected at once.

We have examined the accounts and vouchers, and find them correct and satisfactory, and duly signed by Mr. C. H. Gould, the Treasurer.

We regret having to notice the extraordinary action of the Corn Exchange of Montreal, viz. declining to send any representatives to this meeting, and also to contribute to the expenses of this Board, but, at the same time, "declining to retire from this Association, because it may be useful to them at some future time." We feel that such action is very unbecoming an Association of such importance, and we would recommend that the amount due to this Board be collected.

All of which is respectfully submitted.

ROBERT SPRATT,
Chairman.

Mr. SPRATT moved the adoption of the Report, which, being duly seconded, was carried.

EXTENSION OF THE INTERCOLONIAL RAILWAY. (No. XXII.)

Mr. G. H. DOBSON (Sydney), moved, seconded by Mr. A. JOSEPH (Quebec):—

“That Messrs. T. White (Montreal), R. S. DeVeber (St. John), and the mover, be a Committee to consider resolution XXII in the revised programme, and to report at the next annual meeting.”

Motion carried.

DEPARTURE OF THE AMERICAN DELEGATES.

The PRESIDENT announced that the time had come when the delegates from the National Board of Trade must take their departure. He wished them “God speed” in their journey home.

Mr. J. NOXON (Ingersoll) moved, seconded by Mr. P. J. Brown (Ingersoll):—

“That this Board expresses the gratification it has derived from the presence at its deliberations of the Hon. Fred. Fraley, President of the National Board of Trade; Col. J. P. Wetherill, of Philadelphia; Hon. J. D. Hayes, of Detroit; J. C. Bates, Esq., of Boston; Capt. E. P. Dorr, of Buffalo; and Captain A. Snow, of New York, as representatives of the National Board of Trade of the United States to this Board.”

Carried by acclamation.

Hon. F. FRALEY responded on behalf of the delegates, thanking the Board heartily for their kindness and courtesy.

At the conclusion of his remarks the Board gave three hearty cheers for their friends from the United States.

Hon. Mr. FRALEY proposed three cheers for the Dominion of Canada, and three for the Queen, which were responded to with enthusiasm.

The delegates having departed, the Board resumed business.

FIRE INSURANCE. (No. XIV.)

Mr. DEMERS (Levis) rose to ask permission to withdraw this subject. He said: The intention of the Board of Trade of Levis in recommending this measure was to limit the risks taken by Fire Insurance Companies in proportion to their paid up capital. The way Companies are working, and have been working, during the last five or six years is ruinous to the shareholders, and very little security is given to the insured. For instance, Insurance Companies have been started with large subscribed capital, which was got up in this way:—Agents would be employed and sent

into the country to get stock, telling the farmers and merchants, "You will never be called upon to pay more than 10 or 20 per cent." The fact is, that a man having only \$20 would give his name for \$100 of stock; and if any loss were to occur (as we had many instances unfortunately last year) the stockholder, if called upon to pay 30 or 40 per cent., could not do so. Numbers of families have been ruined by the way stock was subscribed. Had the Insurance Companies been prevented from taking risks in larger proportion than the paid-up capital, no such losses would have ever been suffered by stockholders. Some gentleman will perhaps say, when a man takes stock in any Company he should be prepared to pay up his shares in full, if required. It is not the case with fire insurance. Agents being paid a good commission to get stock subscribed, take very little care about the names they enter on their lists. To come to the conclusion of my remarks, I would say that in the country surrounding Quebec, some eight or ten parishes have suffered very largely, some having from twenty-five to fifty thousand dollars subscribed. The fact was that men who had any savings in bank had to withdraw them; farmers could not pay their bills, and consequently great financial troubles were the result. Had the insurance been limited, losses would have been a trifle, and the losses of sufferers would have been duly paid. Therefore, I leave the matter to your serious consideration, and hope you will agree with me in my views of limiting insurance risk. I have made enquiries for certain figures so as to bring forward this subject in a proper shape before this Board; but as they cannot be got for a few days, I beg leave from the Board to withdraw it for this year.

The subject was withdrawn by consent.

RECIPROCAL COMMERCE WITH THE WEST INDIES AND SOUTH AMERICA. (No. XXIII.)

Mr. G. H. DOBSON (North Sydney) moved:—

Whereas, the surplus Mineral, Fishery, Manufacturing and Agricultural productions of the Dominion are, and are likely to be, far in excess of the home capacity to consume; and

Whereas, it is a common policy of nations and countries to provide abroad a market demand for all surplus commodities; and

Whereas, the geographical position of our Maritime sea-board possesses peculiar advantages for an extensive West India and South American trade; and

Whereas, the West Indies and Brazils are large consumers of products that are indigenous to Canada, and we import largely through foreign channels the products of the Tropics; therefore,

Resolved, that the Council of the Dominion Board of Trade be respectfully requested to employ their best influence and efforts to impress upon the Government the

importance of such modifications of the Treaty relations and re-adjustment of Tariffs, as will secure a reciprocal commerce between the Dominion and the Tropical and South American Countries.

He said: I might say that the West Indies are consumers of products that are indigenous to Canada, and import something like \$200,000,000 worth, while the Canadians are large consumers of tropical products. The West Indies consume 1,000,000 tons of coal, of which 750,000 tons come from England and the remainder from the United States. This one article opens up a large trade for the products of our mines, and it has also been shown that the West Indies consume large quantities of cheese, butter and other products of Canada, besides manufactured goods.

Mr. A. WOODS (Quebec): I have great pleasure in seconding the resolution.

The motion was carried.

A DEPARTMENT OF COMMERCE. (No. XXIV.)

Mr. THOMAS WHITE (Montreal), moved, seconded by Mr. G. H. DOBSON (North Sydney):—

“That it be an instruction to the Executive Council to press upon the Government the importance of a Department of Commerce, either under a separate Minister, or as a branch of one of the existing departments, which shall have charge of all questions affecting the commerce of the Dominion, and especially the collection and collation of commercial statistics, relating to the inter-Provincial and foreign trade of Canada.”

Motion carried.

TAX EXEMPTIONS.

The PRESIDENT stated that he had received a communication respecting exemptions from municipal taxation, which he was obliged to rule out of order, as it was merely local in its character.

DIRECT TRADE WITH AUSTRALIA. (No. XXVI.)

Mr. W. E. SANFORD, (Hamilton), moved, seconded by Hon. JAMES SKEAD, (Ottawa):—

“That this Board respectfully urge upon the Government the adoption of such measures as may be necessary to ensure the establishment of a line of sailing vessels to sail semi-annually from the port of Montreal to the leading ports of the British Australian Colonies, with a view to the development of trade between the colonies.”

He said: After the liberal policy adopted by the Government, with a view to extending our commercial relations, at the

Philadelphia Exhibition and at Sydney, Australia, along with others, I was led to believe that there was a market for the surplus manufactured goods, of Canada in the Australian Colonies. I sent out a young man at an expense of fifteen hundred or two thousand dollars, with a view to ascertaining what could be done with our manufactured goods in Australia. He returned with a very satisfactory order for boots and shoes, sewing machines, Canadian tweeds, and other manufactures of this country; but only a portion of these orders could be executed, from the fact that there was no method of forwarding the merchandise acceptably to the buyers in Australia. A limited portion of the goods was sent *via* San Francisco. The other, contrary to instructions, was sent by New York; but subsequent correspondence showed that the customs charges, consuls' certificates, and other charges, were so high at New York, that we could ship no more, and the orders would have to be cancelled. If the Government will give us facilities, we will, in a short time, without difficulty, be enabled to despatch a vessel from Montreal perhaps every six months in the interests of this trade. The orders were not large. The merchants, very justly, said—"Your goods please us, and the prices are satisfactory, but we want to test your goods first, and if they turn out equal to sample, and the charges are not excessive, we will trade more with you."

Hon. JAMES SKEAD: This is a subject of deep importance to this country, and especially to those engaged in the lumber trade. Now, I believe if the Government would give a small subsidy to a vessel leaving Montreal harbor (or vessels, if they in their wisdom see fit to send more) this trade could be developed. I sent 80,000 feet of lumber by the *Ocean Gem* last summer, and this year we have made five shipments from Boston of 250,000 feet each. That was carried in bond to Boston, and shipped there. Why couldn't that be done from Montreal? I believe it could with success. We are going for protection in this country; and if we get it we must have an outlet, and, my opinion is, we will find our market in Australia. Let there be a vessel or vessels despatched from Montreal at regular dates, and the people will soon have cargoes for it. I know it would greatly benefit our trade here.

Mr. WM. DARLING (Montreal): I hope no such proposition will be entertained by this Board. It is just another form of protection. Now, supposing this vessel were laden here, the rate of freight we would have to pay would be as large as if we shipped the goods to London, and had them carried thence to Australia. In fact, it would cost less to ship them from London.

A vote was taken on the resolution, which was carried on the following division:—

Ayes—Messrs. Brown (P. J.), Cowan, Clemow, Dickinson, Demers, Elliott, Frazer, Groat, McMaster, Macfie, McKenzie, Noxon, Skead, Sanford, Walker, Waterman.—16.

Nays—Messrs. Dobson, Darling, Dwyer, DeVeber, Elder, Greene, Joseph, Kerry, Paterson, Robertson, Sulley, White.—12.

DEVELOPMENT OF THE IRON TRADE. (No. XXVII.)

Mr. W. H. FRAZER (Toronto), moved, seconded by W. F. COWAN (Oshawa):—

“That it is desirable to develop in Canada the production and manufacture of iron, which is a main element of national and commercial strength, the raw material for which has been bountifully bestowed by nature upon this country, and that the Council be requested to draw the attention of the Dominion Government to the importance of this interest.”

He said: The importations of iron during the last five years have averaged \$15,000,000 annually, and it is certainly an industry which ought to be encouraged in Canada. Along with it other industries would be introduced, so that we would be enabled to give employment to our people. I do not agree with the statement made by some members of this Board, that our manufactures are in a flourishing condition. I know they are not. Even in Hamilton, instanced here, a large number of factories are standing idle. I know one large Sewing Machine Company with \$100,000 capital invested, with not a single workman engaged. Other industries are in a similar position in Ontario; and when we consider the large number of Canadians who leave this country for the purpose of seeking employment in the United States, I think it is well we should look at these questions and give them the consideration they deserve. I have here a statement of the number of emigrants from Canada to the United States during the year ending June 30th, 1876. I find in that year 22,471 of our people left this country to reside in the neighboring Republic. Of these, 4,485 were skilled operatives; 9,003 of miscellaneous occupations; 235 professional men; and the occupations of the balance, which mainly consisted of women and children, are not stated. When we take into consideration the fact that the total immigration of the United States that year from all countries was 169,986, we can see what a large proportion of them were from Canada. For the fiscal year ending 30th June, 1877, out of a total immigration of 141,857 from all countries into the United States, no less than 22,116 were from Canada. There were 38,150 from Great Britain; 29,298 from

Germany; 22,116 from Canada; 10,594 from China, and smaller numbers from various other countries. The 22,116 represent only those persons who entered through the Customs of the United States; but many others must have crossed the line, who had no reason to enter themselves at the Customs. I have taken those figures from the statistics published at Washington showing the emigration from Canada.

Mr. COWAN: We must all admit that anything which would tend to give employment to the surplus labor of this country, ought to receive the earnest attention of this Board. If you look at the neighboring Republic, which must be our guide in matters of this kind,—because circumstances in that country are very similar to ours—you will find that 5,000,000 of people are engaged in agricultural pursuits, and 1,750,000 are artisans directly employed in the manufacturing industries of the country. Each artisan produces about \$1,000 per annum by his labor; each farmer about \$500, so you will see the 1,750,000 artisans produce about three-fourths of the amount that the 5,000,000 engaged in agriculture add to the wealth of the country. You can see, therefore, the importance of developing our home industries. There is no question, the iron with which we are so bountifully supplied should give our population abundant employment.

Mr. E. K. GREENE (Montreal): I merely wish to make one remark as to the practical effect of this question, to which, I am satisfied, as I present it, every free-trader will agree. Suppose the manufacture of iron were pursued, say on one side of the Niagara River, and on the other iron ores of equal importance were developed. Suppose they started on equal terms, each side producing 30,000 tons per annum, they would produce iron for something like the same price per ton. Suppose, in the course of time, a duty were placed on iron in the United States, against iron coming into their market from the Canadian works, but none were imposed on our side, what would the result be? The United States manufacturer, who heretofore had been making iron at \$18 per ton—the same price as in Canada—having his own market to himself, and free access to the Canadian market, would increase his production, and, consequently, reduce the cost of manufacturing by, say, 60 cents per ton. He could then go into the Canadian market and sell his iron at \$17.40 per ton; and the result of protecting him would be to cheapen the price of iron at home, and enable him to compete with the Canadian manufacturer in his own market. I merely mention this as an illustration of the effect of protection.

Mr. P. J. BROWN (Ingersoll), moved in amendment, seconded by Mr. S. P. GROAT (London) :—

That all the words after "That" be omitted, and the following substituted therefore :—
"the question of iron be referred to the Executive Committee with instructions to report thereon at the next meeting of the Board."

The amendment was adopted, and the main motion as thus amended was declared to be carried.

RESOLUTIONS OF THANKS.

The following votes of thanks were unanimously adopted :—

Mr. THOMAS WHITE (Montreal), moved, seconded by Mr. J. KERRY (Montreal) :—

"That the Board acknowledges with thanks the kindness of the Mayor and Aldermen of Ottawa in granting the use of the City Hall for its present session, and congratulates the city upon the possession of so commodious and handsome a building for their municipal purposes."

Mr. WM. ELDER (St. John, N.B.,) moved, seconded by Mr. DEVEBER (Halifax) :—

"That the thanks of the Board are due to the Dominion Telegraph Company for their kindness in transmitting social and family telegrams of members free of charge; and to Mr. H. P. Dwight of the Montreal Telegraph Company for the transmission to the President of important news despatches for the information of members of the Board."

Mr. A. T. PATERSON (Montreal), moved, seconded by Mr. A. ROBERTSON (Montreal) :—

"That the thanks of the Board are due to the managers of the Intercolonial, Grand Trunk, Great Western, St. Lawrence and Ottawa, Canada Central, Quebec, Montreal, Ottawa & Occidental Railways, for reductions in fares, and in the case of the last named railway for the courtesy of a special train to members attending this meeting of the Board."

On motion, Mr. JOHN KERRY, V. P., took the chair; there-after—

Moved by Mr. WM. F. McMASTER (Toronto), seconded by JOHN I. MCKENZIE (Hamilton) :—

"That the most cordial thanks are due and are hereby tendered to the retiring President, Mr. Adam Brown, for the dignified and impartial manner in which he has performed the duties of his office."

The CHAIRMAN communicated the vote of the Board to Mr. Brown, who responded in appropriate terms. Mr. Brown there-after resumed the chair, and declared the Eighth Annual Meeting of the Dominion Board of Trade to be adjourned.

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