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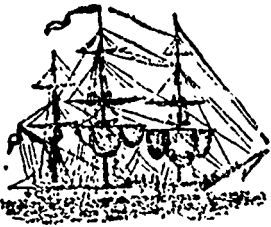
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# CANADIAN ECONOMIST.

## FREE TRADE JOURNAL, AND WEEKLY COMMERCIAL NEWS.

Vol. I.]

MONTREAL, SATURDAY, 16TH JANUARY, 1847.

[No. 38.]

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## THE CANADIAN ECONOMIST.

MONTREAL, SATURDAY, 16TH JANUARY, 1847.

### FREE TRADE AND THE "HAMILTON COMMERCIAL ADVERTISER."

It was our intention last week to notice two articles on Free Trade which appeared in the *Hamilton Commercial Advertiser* of the 29th ultimo and 2nd instant; but a press of matter for our columns prevented us. As we are fully sensible that on this all-important subject there is considerable difference of opinion throughout Canada West, we look with interest to the discussions through their press, and are at all times glad to see the objections to such a modification of our commercial tariff as we hold to be necessary, fairly stated, believing, as we do, that they admit of an easy and a satisfactory refutation.

The editor of the *Hamilton Commercial Advertiser* commences by informing his readers of a fact—of which none who peruse his paper can doubt—that he is directly opposed to Free Trade principles. He goes on to say of the *Canadian Economist*—whom he honours with the appellation of "the great organ of the party,"—

"It is not easy to say what he would be about. Freedom of commerce, perfect freedom, he does not advocate, else with those who adhere to the doctrines of free trade, and follow them out to their legitimate consequences, he would abjure as a first principle, all taxes on imported goods. According to the reasoning of the economists they should be abolished and, instead of an indirect system, by which the taxgatherer puts his hand in your pocket and abstracts a certain amount without your knowledge, and for the dexterity of such abstraction he is largely paid, there ought to be a direct tax levied, in the simplest way, on all who may rightfully be enticed on to pay taxes. This would give perfect freedom, and thus alone can it be attained."

Now, as "a rose by any other name would smell as sweet," we are not by any means anxious by what name we should be designated. The *Commercial Advertiser* may style us Free-traders, Protectionists, or give us any other title in the vocabulary; it is to us a matter of perfect indifference: but we shall endeavour to enlighten him as to our principles, and in the exposition of them, we think he will have no reason to complain of us "fighting shy."

Our views on taxation are embodied in the following passage from the Address of the Free Trade Association, dated March, 1846:—

"We further avow that we entertain the opinion that Duties should be levied solely for the purpose of creating Revenue to provide for the necessities of Government, and the extension of internal improvements, and that, for these objects, such articles only should be selected for Duty as afford it without restricting or fettering the general Commerce—Carrying Trade—or the Agricultural Industry of the country."

Now, surely there is nothing in this passage which implies a desire for the substitution of direct for indirect taxation, nor can any passage indicative of such wish be produced in any of our columns. Our views on this subject have not as yet been brought out in detail or digested form, but we may briefly state, that in any

scheme we may propound, the main object will be to equalize as nearly as circumstances will admit, the pressure of taxation, so that the burthen may be distributed in proportion to the capacity of the tax-payers, in other words, in proportion to the revenue which they enjoy under the protection of the State. This object we believe has been altogether lost sight of in our present Tariff, and the attainment of it we should hail as a great fiscal reform, by whomsoever it were effected. We believe also, that in the actual circumstances of the country, it is through the medium of indirect taxation, that the necessary revenue can be most conveniently and advantageously, collected.

But, says the *Hamilton Commercial Advertiser*, this is contrary to the doctrine of the economists. This is a mistake. It is true that some political economists are now propagating the opinion, that direct taxation is decidedly preferable; and a very able article in the *Westminster Review*, recently quoted in our paper, certainly brings some cogent arguments in its favor. But the great mass of the writers on political economy,—Smith, Say, Storch, Garnier, McCulloch, and others,—assign various reasons justificatory of the preference of indirect over direct taxation.

Having made these remarks, we need say little with reference to the illustration of our *Hamilton* contemporary, drawn from the two descriptions of claret wine. We will not insult his palate by putting it on a par with the "English taste," which, the Secretary of the Free Trade Association of Bordeaux assures us, would be "perfectly suited" with an article costing only £8 per hhd., and which could be laid down in *Hamilton* at 9d. per bottle.—Let him try the experiment of importing a few dozens of his claret at 9d. per bottle, together with an equal quantity of what he styles "very little superior, in reality, at 5s per bottle or upwards;" and we will wager our reputation as political economists against his, that both he and any of his friends that he may seat at his festive board will find the difference in quality fully equal to the difference in price. At any rate, we do not envy any gentleman his feelings the morning after he may have "exceeded in his potations" of the cheaper article.

Another trifling point we would fain set our contemporary right on. The English, we believe,—although their climate is such as to give to their Port a ripeness and a richness of flavour unequalled elsewhere,—are by no means indifferent to the charms of Claret, as our youthful reminiscences, when the one was sold at 5s. and the other at 15s. per bottle, assures us.

We cannot, however, but wonder at the ingenuity of the *Hamilton Commercial Advertiser*, in pressing this article of wine into his service, as an argument against Free Trade; since, if there be a point on which there is no difference of opinion, it surely is that of the absurdity of the encouragement which the British Government gave to the trade with Portugal, at the expense of that with France—an encouragement which lost to the British nation the French market for their woollen manufactures, and which, in the words of McCulloch, "not only excluded one of the principal equivalents the French had to offer for our commodities, and proclaimed to the world that we considered it better to deal with two millions of poor beggarly customers than with thirty millions of rich ones, but we also provoked the retaliation of the French, who forthwith excluded most of our articles from their markets!"—Although Great Britain has to a certain extent retraced her steps, yet the wound still rankles—*hæret in latere lethalis arundo*—and it will be long ere the injury to her commerce, arising from the absurd Methuen treaty, will be repaired.

So far as the argument of the *Hamilton Commercial Advertiser* applies to the propriety of a scale of Duties on wines, graduated in proportion to their value, there is, according to the principles of taxation we have enunciated, no difference between us, we believe; and the same remark applies to other foreign luxuries imported into the Province. We can see nothing in such a system of taxation incompatible with the most enlarged freedom of commerce; and it is manifestly accordant with justice and sound policy. It is only when taxation on luxuries, levied solely for the supply of necessary revenue, is so heavy as to defeat its object, by diminishing consumption, and thus materially injuri-

the commerce of the country, that it can be objected to on Free Trade principles.

The *Hamilton Commercial Advertiser* accuses us of "eulogizing the doctrines recently promulgated by American statesmen, while these all sanction the imposition of duties on manufactured English goods. Surely the editor could not have read our observations. We lauded American statesmen for the relaxation of the tariff, which they have effected, and for the further relaxation which their arguments so ably and convincingly urge; and it is scarcely consistent with candour to accuse us of advocating the continuance of the system which those arguments are intended to subvert.

He further observes:

"If it be fit and advantageous for Americans to tax English manufactures, why should it not be so for Canadians? How, as things now are, is it possible to assign a reason why this should not be? Highly manufactured goods of all kinds are generally luxuries: a tax on these is in itself the lightest that can be imposed,—that is, the most easily borne: why then should it not be imposed on some of the many British goods imported into Canada?"

On this we need merely remark, that, with the reservation of the principle that all taxation should be levied with a view to revenue solely, and not to the protection of any class interest, we fully coincide in the above opinion. But here we suspect is the point of departure between us and the *Hamilton Commercial Advertiser*; and in order that our readers may judge fairly between us, we give his argument entire:

"Thus, suppose one were to enquire the price of the material of which the dresses consist, of two ladies in some of the cities of the States, both similarly attired, but the one wearing an article of British, the other of American manufacture, and that he were told that they each cost ten dollars. Suppose him on farther enquiry to learn that the British article might have been bought for six dollars but for the duty. If he happen to be a free-trader, he will immediately adopt this instance as illustrative of the evils of protective duties, and affirm that both individuals are losers by the duty: the one, the four dollars paid to the revenue; the other, the four paid the American manufacturer. And, at first sight, this really seems the case. But yet in reality it is not so. The additional four dollars is an element essential to adapt the dress to the use of these individuals. Do away with the duty and you will annihilate the American manufacture. Ladies of that particular class will discard such dresses, and substitute more expensive articles. Their husbands' or fathers' pockets will not be saved a dollar. The only difference will be that they will be attired in fabrics of somewhat greater beauty. The amount of enjoyment this may give is something no doubt, but not, we suspect, a thing of much amount. On the other hand, retain the duty, you have a source of revenue which really no one feels as a burden; and in a few years the American manufacturer, becoming skilled in his trade, he sells that particular commodity as cheap as it could be imported were the duty withdrawn. The consumption then passes to lower grades of society, and some other fabric is adopted by the higher."

Now here the case is very fairly stated, and we at once join issue upon it. No one can deny that the duty in the case supposed benefits the manufacturer to that extent, but the question is, does it benefit the community at large? If the Legislature interfere to grant a degree of protection to one particular tradesman over others, he will doubtless reap the advantage to a certain extent: but at whose expense is that advantage given? Why, at that of the purchasers of the article. As between individuals then, it is obvious that the amount of extra price obtained by the seller, is so much taken from the pocket of the buyer.

But it is agreed, that although this may be the case with goods produced at home, it is altogether different when the restricted article is foreign. It is said that the exclusion of the foreign article increases the demand for that produced at home, and that thus the loss sustained by the restriction is more than compensated by the advantages resulting from it. But the fact is, that the same principles apply in the one case as the other. All foreign commerce, like internal, is a system of exchange; and you cannot diminish the import of an article without in a corresponding degree diminishing the export of some other article. The object of foreign commerce, like that of internal, is profit: now, supposing that a merchant can import a quantity of goods for £1,000,000, which could not be manufactured in his country under £1,200,000, suppose further that the Government imposes a prohibition on the importation of such goods, is not the consumer taxed to the extent of £200,000? and is not the export trade proportionally diminished at the same time?

We have admitted that the manufacturer may benefit to the extent of the restriction imposed in his favor. But all experience shews that that benefit is but temporary. The artificial encouragement given to one branch of industry at the expense of others, tends to direct the employment of capital to it: the consequence is, a glut of that particular article. Foreign trade being discouraged by this policy—and indeed the cost of production being higher than in foreign markets, there is no vent except in the home trade—listless and ruin to the manufacturers are the almost unavoidable consequences.

This is no imaginary picture—the history both of our own and of other countries abundantly proves that those branches of industry that have been the most protected have been subject to the most serious vicissitudes—and in particular in Britain, it has been

just in proportion as she has relaxed her commercial system, that she has advanced in commercial greatness.

We may on a future occasion advert to the peculiar advantages which this colony enjoys for the introduction and working out of the principles of Free Trade; but our article has extended itself to a sufficient length for this occasion. We do not pretend to have thrown any new light on the subject. Our object has merely been to apply those arguments, which have been so ably and clearly propounded by the writers who have treated of the science of Political Economy, and who have established as axioms the great truths which they have brought to light. We rejoice that the articles in the *Hamilton Commercial Advertiser* have afforded us the opportunity—they are written in a candid style, and it affords us pleasure to cope with such an antagonist on the friendly arena of Free Trade.

## THE PROVINCIAL TARIFF.

Our last article abounded in examples showing the advantage of reducing duties, and we trust our readers have read, marked, learned, and inwardly digested them.

We now take up the consideration of articles admitted under *ad valorem* duties.

Previously to 1842, British manufactured goods of nearly all kinds, whether of cotton, woollen, silk, or iron ware, were admitted into the Province under a duty of two and a half per cent. *ad valorem*; indeed we believe with the exception of playing cards there was hardly an exception to this general rule, and on foreign manufactures there were differential duties ranging from 7½ to 30 per cent. *ad valorem*, additional. For instance, on foreign iron, currants, raisins, tar, turpentine, and a hundred other things, speaking generally, there was a differential duty of 7½, in addition to the Provincial duty of 2½ per cent.; on foreign books and papers, watches, linen, leather and silk manufactures, and wares of all sorts, there was a differential duty of 30 per cent. *ad valorem*, in addition to the Provincial duty of 2½ per cent.; on cotton, glass, and soap manufactures, there was a differential duty of 20 per cent., in addition to the Provincial duty of 2½ per cent.; and on all other goods, wares and merchandize, "being foreign and not otherwise charged with duty, nor included among the free goods," there was a differential duty of 15 per cent., in addition to the Provincial duty of 2½ per cent.; not a bad protection by any means, our readers will allow, in favor of British manufactures, and fully equivalent, we should say, to any protection our agricultural produce and other exports ever received in the markets of the mother country.

In 1842, the Provincial duty was altered from 2½ to 5 per cent. *ad valorem*, and in 1843 the imperial differential duties also were considerably modified.

For instance, the differential duty on iron, currants, &c., was reduced from 7½ to 4 per cent.; on linen, leather, and paper manufactures, from 30 per cent. to 7 per cent.; on cotton manufactures from 20 per cent. to 7 per cent.; on silk and glass manufactures, from 30 and 20 per cent. respectively to 15 per cent.; and on most other articles, from 15 per cent. to 4 per cent. *ad valorem*; by which our readers will notice that in all cases the differential duties were much reduced—and from which no doubt the Colony has derived material benefit. Since then no change has taken place in the Imperial duties, but in 1845 the Provincial tariff was revised, though not in our opinion improved. For instance, although the duty of 5 per cent. *ad valorem* was persevered in upon most kinds of cotton and woollen manufactures, an infinite variety of specific duties was at the same time imposed on leather, leather manufactures, and a host of other things apparently for no other purpose than to give a great deal of trouble to merchants and their custom house clerks. If the gentleman under whose auspices the tariff in question was ushered into life, succeeds as well in carving out useless work in the Board of Works where he now presides, we can only say that we pity the understrappers, and would perhaps feel inclined, in consequence, to vote them a little additional pay,—to be taken out of the emoluments of the Honorable Gentleman himself.

We confess we can see no good reason for giving a preference to specific over *ad valorem* duties. The object in either case we presume is to get revenue, nor can we see that the state is more likely to be successfully defrauded in one case than in the other. We are aware that those who advocate the former, object to *ad valorem* duties on the ground that they afford merchants a facility for entering goods at fictitious prices. Well, we grant that it is so, but is it not easily guarded against? Certainly—by simply giving Government the right of taking a merchant's importations off his hands at an advance of 6 to 10 per cent. on the invoice price; or secondly, by having them appraised and charging duty accordingly, as they do in the United States, where the *ad valorem* principle has always prevailed to a great extent, and now pervades nearly their whole tariff.

In England too the *ad valorem* principle is, we think, more and more acted upon in every change which is made in her tariff, from which it is fair to conclude that it must be found to work well enough in practice.

But it must not be supposed that the specific duty system is free from the faults here admitted to be chargeable against the *ad valorem* system. On the contrary, we consider it to be almost as liable to abuse. The *weight* of a commodity may be falsified as well as its *price*. The *gross weight* may be falsified and so may the *tare*, and perhaps it will not be going too far to say that deception is practised on the state in this way quite as often as in any other. What then is the remedy for this? It is simply that everything should be weighed and tared by the Custom House, which we believe is the course pursued with a great many articles, such as teas, sugars, tobacco and such like,—putting merchants to a great deal of trouble, and the state to a great deal of expense. Thus it is obvious that both systems have their inconveniences, and that so far as detecting roguesy goes they are both equally inconvenient and expensive, and hence some other reason than giving facilities to commit fraud must be assigned for preferring one principle to the other, for both are obviously liable to abuse, and attended with expense in the detection of it.

But, on the other hand, let us look at the two systems in another point of view. Let us look into the merchant's counting-house and observe how they work there. Take, for instance, an importation of spices. Under the system of duty which prevailed previously to 1845, spices of all kinds were admitted at a simple *ad valorem* duty, but in revising the tariff at that time, the very clever minister then in power (save the mark!) thought proper to substitute for that simple principle, a duty of 2*l.* a pound on cassia, 4*l.* a pound on nutmegs, a halfpenny a pound on pepper, and 3*d.* a pound on mace, being, as nearly as we can make out, just about 20 per cent upon the value of the respective articles. Now if it was the intention to put 20 per cent duty upon these articles, why was it not done fairly and openly? there being, as we have shown, no greater chance of successfully committing fraud under the one system than under the other. But look at the difference which this makes in the merchant's counting-house. In the one case there are four different calculations to be made; in the other, there is but one! And when we consider how valuable time is to a merchant, and that he has to furnish his entries in duplicate, (formerly he had to do so in triplicate,) and that all calculations must undergo examination again in the Custom-house, thereby involving great delay, and that he has sometimes to wait half a day for his turn at the Custom-house counter—we say, when all these things are considered, it must be obvious and indisputable that instead of multiplying and complicating Custom-house business, everything, on the contrary, ought to be done to simplify and shorten it—and we trust that that object will be kept in view by the Legislature when the question of the Tariff is next brought before it.

Let us now review the importations under the *ad valorem* duties. But, beforehand, we may as well remark that we have not the force of Parliamentary authority for the importations previous to 1842, although we believe that our figures may be relied upon as confidently as if they had a Parliamentary sanction, having been taken from the Custom-house books here and at Quebec by the source from which we obtain them. We may as well remark also that the importations which we now refer to, represent those on which duties have been paid at the ports of Quebec and Montreal alone. Why this should be the case in the Parliamentary returns we are unable to conceive any satisfactory reason for; in fact, so incomprehensible does it appear that we can only account for it on the supposition that it was an oversight. So far as they go, however, the importations by sea are useful, as they show a steady progressive increase from year to year, thus demonstrating that the raising of the duty from 2½ to 5 per cent *ad valorem* has not in the slightest degree affected the consumption of imported manufactures, or limited our commerce in them.

The importations were as follows:—

<i>Duty 2½ per cent ad valorem.</i>	
1830, .....	£1,768,311 stg.
1840, .....	1,876,360
1841, .....	1,953,493

Average per year,.....£1,869,368 stg.

<i>Duty 5 per cent ad valorem.</i>	
1842, .....	£2,149,220 stg.
1843, .....	1,091,709
1844, .....	2,355,716
1845, .....	2,598,278

Average per year,.....£2,048,483 stg.

Average importations of the first period .....	£1,869,368
Of the second, .....	2,048,483

Increase per year,..... £179,095

or not far from 10 per cent increase upon the average importations up to 1842.

We shall now review all the comparisons which we have made from time to time, grouping them under two heads:—

First, Articles, the importation of which has increased.

Secondly, Articles, the importation of which has fallen off.

Under the first head we class the following:

	1839 to 1841.	1843 to 1845.	Increase.
Raw Sugar, average im- portation,.....	7,453,216 lbs.	9,301,363 lbs.	1,848,116 lbs.
Tea,.....	991,936	1,845,104	923,168
Molasses,.....	10,083 cwt.	25,041 cwt.	14,958 cwt
Salt, .....	11,216 tons.	22,819 tons.	8,603 tons
Manufactures, &c. pay- ing <i>ad valorem</i> duties, £1,869,368	£2,048,483	£179,095	
Tobacco, lbs.....	—	2,027,236 lbs.	—
Coffee, “ .....	—	681,492	—

Under the second head we class the following:

	1839 to 1841.	1843 to 1845.	Decrease.
Spirits, average importa- tion,.....	595,024 gals.	368,738 gals.	226,286 gals
Wines, .....	306,223	259,018	17,205
Refined Sugar, .....	2,100,079 lbs.	1,368,409 lbs.	731,670 lbs.

As respects the articles under the latter head, it must be manifest to our readers that a change of duty is imperatively demanded. On Wines and Loaf Sugar the duty must obviously be reduced, for nothing but the high duty can have operated to restrict the consumption of these articles to the degree made apparent by our tables. The extent to which, in our opinion, this reduction should be carried, we shall state hereafter.

As to imported Spirits, it is clear that domestic whiskey is superseding them in the general consumption of the country, from which it must be allowed to follow that the duty is too high to give them a fair chance of maintaining their ground against the domestic article. Two remedies then suggest themselves: one, to increase the duty on domestic distillations; the other, to reduce the duty on foreign spirits imported for consumption. Of the two, it must be almost needless to add, we incline strongly in favour of the latter alternative.

We have now reviewed most of the articles which we think the fittest to raise revenue upon, and we shall accordingly, in our future papers, address ourselves more particularly to another branch of our subject, viz.: the question, what articles our general welfare and the encouragement of commerce require to be admitted *free of duty*.

Before closing the present article, however, we may allude incidentally to the question of Canal Tolls. We are aware that many leading men in the Colony are of opinion that our Canals *should be relied upon*, as soon as they are complete, for a very large proportion of our revenue. In this opinion we cannot entirely concur. On the contrary, we think that in the *outset* we should place little or no reliance upon them for revenue. Instead of *depending* upon them, we think, on the other hand, it should be our policy to reduce the tolls to such a degree as to defy competition. Let us,—as soon as the Lachine Canal is complete, which is now the only bar to the employment of large propellers and other craft capable of carrying three to four thousand barrels each upon our inland waters,—reduce the tolls to a mere nominal scale; and let us, by this means, and the cheap forwarding charges which must ensue when the virtual monopoly of the present forwarding houses is abolished, as it must be when the canals are finished, strive to secure, as we venture to predict we shall secure, the huge volume of the Western trade which now finds its way to tide-water by way of the Erie Canal, for transmission to British, British Colonial, and foreign markets generally, (not omitting those of the United States themselves.) But let us not adopt the contrary policy,—that of looking for revenue in the *outset*,—and thereby run the risk, as we conceive we should, of turning that vast and ever-growing trade away from the St. Lawrence,—the natural and most favorable channel, unless its advantages be neutralized by high charges and unwise restrictions.

Let not our readers suppose that we are deceiving ourselves by too favorable an anticipation of the future. Let a Free Trade tariff be adopted; admit all kinds of American produce *free of duty*, and untrammelled by vexatious Custom House regulations, such as bonding with all its attendant train of delays and expense; and in addition to all this, let our tolls be reduced, as suggested, to next to nothing, and on such a basis we venture to fortel, that in less than five years the trade on the St. Lawrence will be more than trebled.

But it may be said, How are we in the meantime to pay our current expenses and the interest upon our public debt? We reply, that the whole sum required for these purposes can be raised, without difficulty or inconvenience, by a simple *revenue tariff* upon articles imported for consumption;—and such a tariff we shall be prepared to lay before the country when we consider that the proper moment has arrived for doing so.

Meantime we throw out these hints to our readers and the public, in order that they may be examined and duly deliberated upon; and we shall only add, before concluding, that *after* the trade has been firmly diverted into our channels, it will *then* be in our power to inquire, whether our canals may be made more productive or not?—whether increased tolls may not be exacted

without incurring the danger of turning back the course of business?

The experiment of raising tolls may then be tried, and in proportion to its success, the duties on imports, as well as other taxes of a general nature may be remitted, till, in time, we may perhaps find ourselves in the happy position of being able to abandon duties on imports altogether, and thus render our commerce as free as the air we breathe. This is what we hope for, and what we trust we shall live to see accomplished.

### THE PORTLAND RAILWAY.—A SUGGESTION.

The following reflections touching the above-named railway have been suggested by perusing the "Final Address of the Commissioners and Directors of the Hudson River Railway Company," which has just been issued to the subscribers to the undertaking and their fellow-citizens generally, for the purpose of arousing them to make a great effort to get the capital subscribed before the 1st March next, by which day it appears to be provided that the charter shall become void, unless at least \$3,000,000 of the stock are taken up, and ten per cent thereon paid in.

The whole capital required is \$5,000,000; and along with the address now referred to, the Commissioners and Directors have issued a "statement," (both being accompanied by elaborate schedules) for the purpose of showing that the probable business upon such a road cannot fail to be highly remunerative.

They also refer to the causes which in their opinion have hitherto prevented their fellow-citizens from taking up the stock with that alacrity which so promising an undertaking, in their opinion, naturally deserves.

These causes are numerous and carefully set forth, but there is but one that requires to be referred to by us, as being the immediate motive which has led to these remarks.

That cause is,—the refusal of the Directors to pay interest upon the stock from the date of its being paid in till the undertaking shall be completed and put in full working order.

The Directors state, in extenuation of this point of their management, that from the outset they had doubted whether the charter gave them authority to pay interest upon the capital in the way referred to; but that, having taken the best legal advice upon the point, they are now satisfied that they have the power and are willing, with the consent of their shareholders, to repair their error by exercising it, and they accordingly propose for the future to pay interest in semi-annual dividends at the rate of seven per cent. per ann.; which is the legal interest of the State of New York.

In defence of the principle of paying interest on the capital paid in, in the way alluded to, they say a great deal which we entirely concur in, and in support of it they refer to the practice of the Eastern States, where it appears to be general in constructing railways to allow interest upon capital from the time it is paid in, and until the undertaking is in full working order. And it seems in all cases, by what is stated in the Report, to have worked well; nor can we discover what valid objection can be brought against it.

By allowing interest upon the capital as paid in, and paying it in semi-annual dividends, the investment is at once made active instead of being dead, and thus thousands of persons might be induced to take stock who would not otherwise take a farthing of it, more especially persons of moderate capital who live entirely upon the interest derived from it. But it would also perhaps allow Insurance Offices and other public bodies, as well as the trustees of minors' estates, to take stock, who do not now do it in consequence of there being no prospects of dividends for several years upon the capital after it is paid up.

The objection urged against this plan, where it is not adopted, is that it is paying interest out of capital and not out of revenue. And certainly such is the fact. But, on the other hand, as the Directors argue, is not the interest upon the capital as fair a charge upon the construction of the road, as the day labourer's wages or the engineer's salary? Clearly it is so, and hence the only question to solve is, What amount of capital is required to construct any given road, including the interest upon the capital until the work is finished and put in working order? and by adopting this principle, a great objection is got rid of in undertakings of this kind, namely, the lying out of money for four or five years before any dividend can be looked for.

But let us now come to the practical application of what we have written.

We are aware that the Directors of our Portland Railway have ever found it difficult to get instalments paid up when called for. Indeed, it was only the other day that we saw a circular, which emanated from them, appealing to the subscribers to pay up the first instalment, which ought to have been paid up some six or more months ago, and pointing out the bad effects such want of punctu-

ality (we would say, such want of honour) had upon the minds of subscribers in England. Now it appears to us that the remedy for this great evil is simple, and capable of being easily and perhaps instantly applied, if there be nothing in the charter to prevent it.

Let the Directors (or the shareholders, if necessary) determine to allow interest upon the capital as paid in, at the rate of six per cent. per annum, payable half yearly, until the road is in full working order, and we venture to predict, if this is done at once, that it will have the happiest effects, not only in securing promptitude in the payment of instalments, but also in getting the remainder of the stock taken up.

It will perhaps be found that the charter will have to be amended before this can be done, both as to increasing the capital and allowing interest to be paid in the way we suggest. But if so,—and we can give no opinion upon these points, not having a copy of the charter beside us,—the sooner the Directors see to it the better, in order that means may be taken to obtain the necessary alterations as soon as the Legislature meets.

We hope these hints may be taken up and examined, feeling quite certain that something must be done to secure greater promptitude than has hitherto been displayed by subscribers in the paying of instalments as they are called for, to carry out this highly important work.

We trust the Directors will give this suggestion their immediate attention.

### CANADA STEAM NAVIGATION COMPANY.

(From the Toronto Globe.)

The first meeting of the Committee nominated at the meeting of Merchants last week, to take steps for the organizing a Joint Stock Navigation Company, was held in the Council Room of the Board of Trade, on Wednesday evening. Mr. Sheriff Jarvis was called to the chair, and Mr. F. H. Rutherford acted as Secretary. The meeting was very numerous attended, there being many present besides the gentlemen of the Committee, and the discussions were carried on with great spirit and ability. On the whole, we do not recollect to have attended a more interesting meeting, or one where more instructive matter was evolved in the discussion. The limits of a newspaper preclude our giving a report in detail of the proceedings, but we will endeavour to convey an idea of the form which the discussion assumed.

A good deal of general conversation arose as to the probable success of the enterprise, before any resolution was brought forward. The first resolution, moved by Mr. Thomas Brunskill, and seconded by Mr. Charles Berczy, was naming a Sub-Committee, to frame the draft of a Prospectus, and on the instructions to be given for their guidance the views of the meeting were brought out. It then appeared that there were three interests represented in the meeting:—1st. Merchants transacting the chief part of their business with the States, and who were consequently very anxious to be delivered from the delay and extortion to which they are now exposed in forwarding their goods from Oswego; 2nd. Merchants and Millers engaged in the home trade, who are anxious to have their freight bills reduced, at once, one half; and 3rd. Those who look at the matter in a national view, who regret the inefficiency of the present system, and who are not only desirous that a great effort should be made to keep the forwarding trade of Upper Canada within our own waters, but would fain have a share of the Western States trade.

All three interests are quite agreed as to the large deductions which can be made from the present freight and passenger rates, and yet leave a wide margin for profits to the forwarder; all feel the necessity for an immediate movement, and admit the safety and profitable character of the investment. The only difference of opinion arises, and very naturally so, from a desire by the different parties that the grievances under which they personally labour shall be the first removed.

The second resolution was moved by his Worship the Mayor, and seconded by Mr. R. H. Brett, that the name of the Company be "The Canada Steam Navigation Company," which was carried unanimously.

The third resolution was moved by Mr. Joseph C. Morrison, seconded by Mr. George Brown, "That the capital stock of the Company should be £200,000, in 8000 shares of £25 each; the Company to go into operation as soon as £5000 shall be paid up."

This resolution brought on a most spirited debate,—the Toronto party contending that it was injudicious to aim so high; that four or five propellers would greatly relieve the inhabitants of Toronto; that the whole capital might not be taken up for some time, and that relief at the best would be deferred much longer, than if they aimed low and commenced operations at once. They thought the capital ought to be £25,000, with power to extend. The Canadian party, on the other hand, contended that this should be a great national movement; that it was quite clear, that even at present a large amount of capital could be profitably invested in the trade, but that, with the new prospect of Free Trade, a bold effort was absolutely necessary to prevent the Upper Canada Forwarding from being diverted to the Erie Canal. They showed the absurdity



of expecting that freights would be much reduced by the building of four or five propellers,—that they would, of course, take the market rate,—and unless a much larger number of efficient vessels were put on the trade, very little reduction could be made. They showed the certainty of two hundred thousand pounds being well invested, even at present, and the probability of a great increase in the traffic; and as to raising the money, they contended that there could be no difficulty in doing so. Every man in the country was interested in the success of such a company: it was to be a company for the public benefit. Every farmer was deeply interested in it: the freight of a barrel of flour between Toronto and Liverpool was at this moment, and had been for a long time back, two dollars per barrel: if this company succeeds, one half of this will be saved, and thereby an increase in the price of wheat effected of no less than one shilling currency per bushel! The public revenue from the canals was dependent on it also, and consequently every taxpayer was directly interested: if this company succeeds, the canals, even at a greatly reduced rate of toll, will be profitable; but unless the forwarding by the St. Lawrence is put at the lowest rate, our public works will be a burden on the country. They expressed themselves confident that the enterprise would be heartily responded to throughout the province, and especially in Montreal and Quebec. They also contended that the fears of the other side, of a long postponement of operations, were groundless, as the moment that £5000 were paid in, this work would be commenced, and increase as fast as farther contributions came in. After full discussion, the resolution was unanimously adopted. Messrs. Rigney, Kneeshaw, A. V. Brunskill, and Worts, were the chief speakers on the local interest side, and Mr. Jarvis, Mr. Boulton, Mr. Morrison, Mr. Edmundson, and Mr. G. Brown, for the national view of the matter.

The fourth resolution was at once adopted: "That the necessary notice be given in the *Gazette*, for the purpose of obtaining a charter from Parliament; and that a provisional agreement be drawn up for signature, for the purpose of carrying out the intentions of the Company, preparatory to applying to Parliament."

The Sub-Committee was then instructed to draw up their Prospectus without delay and when prepared, to call a meeting of the General Committee; the notice to be given in the *Royal Gazette* in the meantime.

The Mayor was then called to the chair, and a vote of thanks given to the Sheriff for his services: and the meeting broke up.

#### ANNUAL REPORT OF THE COUNCIL OF THE TORONTO BOARD OF TRADE.

The Annual Report of the Toronto Board of Trade has just been published. It is a valuable document of the Free Trade school,—at once creditable to the intelligence and industry of our Western brethren. Amongst the principal subjects referred to are the Post Office and the Repeal of the Navigation Laws. In respect to the first, the Council strongly urge the propriety and the justice of placing the Post Office Department under the direction of the Provincial Executive, "subject, however, to instructions from Her Majesty's Government in reference to the extra Colonial postage rates and regulations which it may be found necessary to introduce, in harmonizing the general postage system of the Empire;" and they further express a hope that, at a time not very distant the Rowland Hill principle, in all its integrity, may be applied to the Canadian Post Office Department.—The operation of the British Corn Law Act, in connection with our future trade, is thus alluded to:—

##### REPEAL OF THE NAVIGATION LAWS.

"By the operation of the British Corn Law Act of last summer, the Canadian farmer was at once deprived of the greater part of the protection his produce had received over foreign, in the supply of the British markets; and the small advantage which remained to him was to cease at the end of three years, but may be removed at an earlier date. In this state of affairs the attention of your Council was directed to get the commerce and agriculture of the country relieved from the burthens imposed on them by Imperial Statutes. As the former trade between the mother country and the colony had been based on mutual protection, when one of them abandoned the principle, the other, in common fairness, should not be required to continue it. And accordingly a memorial to the Queen was prepared, and forwarded to the proper quarter, praying that her Majesty would be pleased to recommend to Parliament the repeal of the Navigation Laws of the United Kingdom, so far as they related to the river St. Lawrence, and also, such alterations in the present Imperial Custom's Tariff as would render the trade of the province with the mother country one of fair reciprocity. To this memorial your Council have not had a direct reply, but an answer, it is conceived, may be found in the Act of the British Parliament passed near the close of its session, which confers on the Provincial Legislature, the power of dealing as it may think proper, with the Imperial Acts that impose differential Duties of Customs within the province, which it is hoped will be duly appreciated, and that the Legislature will presently avail itself of the power to relieve the commerce of the country from this class of duties. But your Council observed with deep regret

that when the Bill was before the House of Commons, her Majesty's Ministers were reported to have stated that it was not their intention to propose to Parliament any alterations in the existing Navigation Laws, a part of the effect of which, as the Board is aware, is to confine the carrying trade of the province, to and from the United Kingdom, to British or colonial built ships; and as the rates of freight charges between Montreal and Liverpool, are generally, at least, twice as much as those for similar services between New York and Liverpool, the opinion very generally prevails that under the existing Navigation Laws, much higher rates of freight are charged than would be, if the carrying trade of the province was open to the general competition of the ships of all nations. It is very evident that whatever amount the carrying trade of the province costs more, under the operation of the Navigation Laws, than it would if they were repealed—is that amount of a tax imposed by Imperial Statutes on the people of Canada for the benefit of British and colonial ship-owners? If Canadian farmers be denied protection for the produce of their labour in the markets of the mother country, they ought not, in justice, be required by the laws of that country to pay a tax for the protection and benefit of any class of their fellow-subjects, whether British or colonial ship-owners, or others.

Again, the public canals have been constructed at a very great outlay of borrowed money, in order to afford accommodation to the increasing commerce of the country, and to draw by way of the St. Lawrence a portion of the carrying trade of the Western United States. The latter advantage is, probably, now lost, and with these laws continued, and protective duties in the mother country and in the province abolished, three years hence, possibly, over two-thirds of the whole import and export trade of Western Canada will pass through the State of New York, and, the amount of debt incurred in constructing the public canals will be, in consequence, so much capital lost to Canada."

One excellent feature of the Report is a number of statistical statements connected with the agricultural and manufacturing resources of the country. We should like to have given these statistics, but find that our space will not permit us,—at all events this week. We may, however, observe, that, to be made practically useful, these statements ought to be extended; and, in addition to the average yield, the actual numbers of acres under cultivation should be given.

#### PUBLIC MEETING IN THE NIAGARA DISTRICT.

We had intended in this day's *Economist* to have given extracts from the published proceedings of an important public meeting which has been lately held in the Niagara District, and at which a Petition was adopted praying for the removal of all duties on the importation of British goods, and the free introduction of Canada produce into the United Kingdom. The parties who assisted at this meeting were principally agriculturists, and their arguments seem to point to a system of direct taxation as most fair and just towards themselves, and most economical in practice. We have not room at present to give their views at length, but shall certainly not lose sight of them. In the meantime, we copy some remarks which have been made in the *Quebec Gazette* on the subject:—

"The measures proposed would increase the trade by the St. Lawrence, and give an additional stimulus to the industry and wealth of the country. The difficulty will be in finding a sufficient public revenue, and the expense and vexation of its collection. It is true that the different States of the North American Union derive no revenue from duties on importations, the whole of which, much heavier than ours, goes to the General Government; but they have been accustomed to direct taxation, and are completely organised to raise it at the smallest cost. They besides have advantages of climate, an open navigation, and foreign market for their produce throughout the year, and they have long been in the enjoyment of improved internal communications effected with vast sums of money obtained on loan from foreign countries. They can, therefore, better afford to bear taxation than the people of Canada. The people in most of the States have also been able to keep the expenses of their Government low, notwithstanding the growing greediness of their parties combined for 'the spoils.'

"The State of Ohio, between Lake Erie and the Ohio, not exceeding in extent the settled parts of Upper Canada, contains nearly as large a population as all British America, and the 'total application of money to the support of the State Government, benevolent institutions, &c.' according to the Governor's message to the Legislature, of the 8th December, 1846, was £62,995 s.; a little more than the cost of three months' session of our Provincial Legislature at the least busy time of the year. There is, however, besides, £48,175 10s., 'being bills paid the Treasury.' The Representatives of 'our people' voted nearly unanimously £112,786 4s. 6d. in one session for the year 1846, besides £83,000 annually appropriated by the Union Act.

"A sample of our management and their may be found in the penitentiaries. They had 633 prisoners last year, and cleared beyond all expenses, £1,250, while we, with about the same number, required a vote of £13,850.

"The people of Ohio have, however, a debt of nearly five millions of pounds, the interest of which, about a million and a half of dollars, is paid one half out of canal tolls, and the rest out of taxes specially appropriated for the purpose.

"When we get a people who can make their Representatives and 'Responsible Government' really responsible to them, and can controul them as effectually as they seem to have been controlled in Ohio, we may then be able to provide for the expenses of Government, without taxes on imported goods."

SKETCH OF THE HISTORY AND PRINCIPLES OF THE NAVIGATION LAWS.

(CONTINUED.)

(From McCulloch's Commercial Dictionary.)

Another new regulation is of such obvious and unquestionable utility, that it is surprising it was not long ago adopted. By the old law, all articles, the produce of Asia, Africa and America, could only be imported directly in a British ship from the place of their production. This law had been repealed in so far as respected the United States, whose ships were allowed to import their produce directly into this country; but it was maintained with respect to Asia, Africa and South America. And hence, although a British ship happened to find, in South American, African, or Asiatic ports, articles, the produce of one or more of the other quarters of the globe suitable for our markets, and which it might have been extremely advantageous for her to complete her cargo, she was prohibited from taking them on board, under penalty of forfeiture and confiscation, not only of the goods, but also of the ship. This regulation has been repealed; and it is now lawful for British ships to take on board all articles, the importation of which is not prohibited, on meeting with them in any Asiatic, African, or American port. Lord Wallace originally intended to extend the principle to European ports, or to make it lawful for British ships to import all non-prohibited articles from wherever they might find them. But it was supposed by some, that foreign ships might be more cheaply navigated than ours; and that foreigners, taking advantage of this circumstance, would import the Asiatic, African, and American products required for our consumption into the contiguous continental ports, and would consequently restrict the employment of British ships in the carriage thence. We believe that these apprehensions were, in a great measure, visionary. But the law is so contrived as to avoid even the possibility of danger on this head; such of the products of Asia, Africa, and America, as are required for home consumption, being, with a few trifling exceptions, inadmissible from Europe; and only admissible when they are imported in British ships, or in ships of the country or place of which the goods are the produce, and from which they are brought. The only exceptions to this rule are articles from Asiatic and African Turkey imported from the Levant, and ballion.

Besides the restrictive regulations already alluded to, it had been a part of our policy to encourage the employment of our shipping, by imposing higher duties on commodities imported into our harbours in foreign vessels, than were imposed on them when imported in British vessels; and it had always been customary to charge foreign vessels with higher port and light-house duties, &c. This system was always loudly complained of by foreigners; but we had little difficulty in maintaining it so long as the state of our manufactures enabled us to disregard the retaliatory measures of other powers. But the extraordinary increase that took place since the commencement of the late war, in our manufactures for foreign consumption, and the necessity under which we were, in consequence placed, of conciliating our customers abroad, led to the adoption of the reciprocity system. This system was first introduced with the United States. After the North American colonies had succeeded in establishing their independence, they set about framing a code of navigation laws on the model of those of this country. Among other regulations of a restrictive character, it was enacted, that all foreign vessels trading to the United States should pay half a dollar, which was afterwards raised to a dollar, per ton duty, beyond what was paid by American ships; and further, that goods imported in foreign vessels should pay a duty of 10 per cent. over and above what was payable on the same description of goods imported in American vessels.

The law was avowedly directed against the navigation of Great Britain; though as it was bottomed on the very same principles as our navigation laws, we could not openly complain of its operation. Under these circumstances it would have been sound policy to have at once proposed an accommodation; and instead of attempting to meet retaliation by retaliation, to have offered to modify our navigation law, in so far as American shipping was concerned, on condition of the Americans making reciprocal modifications in our favour. A different course, was, however, followed. Various devices were fallen upon to counteract the navigation system of the Americans, without in any degree relaxing our own: but they all failed of their object; and at length it became obvious to every one that we had engaged in an unequal struggle, and that the real effect of our policy was to give a bounty on the importation of the manufactured goods of other countries into the United States, and thus gradually to exclude both our manufactures and our ships from the ports of the Republic. In consequence, the conviction of the necessity of making changes gained ground progressively; and it was ultimately fixed, by the commercial treaty agreed upon between Great Britain and the United States in 1855, that in future equal charges should be imposed on the ships of either country in the ports of the other, and that equal duties should be laid upon all articles, the produce of the one country imported into the other, whether such importation were effected in the ships of the one or the other.

The new States of South America were naturally anxious to establish a commercial marine; and, to forward their views in this respect, they contemplated enacting navigation laws. But this intention was frustrated by the interference of the British Government, who, without stipulating for any peculiar advantage, wisely offered to admit their ships to our ports on a fair footing of reciprocity, or on their paying the same charges as our own ships, on condition that they admitted British ships into their ports on a similar footing. Commercial treaties framed on this sound and liberal principle have since been entered into with most of these States.

The principle of the reciprocity system having been thus conceded in the case of the intercourse with the United States, whose commercial marine is second only to that of Great Britain, it was not possible to refuse acting on the same principle in the case of such European countries as might choose to admit our ships to their ports on a footing of equality.

CANALS OF NEW YORK.

We have prepared from official sources the following table of the Commerce of the Canals for the present season. It presents a very gratifying result of the year's business, and exhibits in strong colours the wealth of our State and the West.

Accompanying the table showing the movement from and to the Hudson for the present season, is a similar one for the movement for the season of 1845.

It will be seen that there is an increase in the tonnage of 172,579 tons, and of \$14,826,461 in the value of the property transported, and the excess both in tonnage and value over previous years is still greater.

The value of the entire movement property from and to the Hudson, is greater by \$1,490,353, than the exports of the United States for the fiscal year ending July, 1844, and greater by \$7,237,815 than the value of the goods imported into the United States for the same time.

These facts speak volumes in favour of the importance of this Commerce, not only to the State, but in a national point of view, as worthy the attention of the General Government.

Statement of the Property which came to the Hudson River on all the Canals in 1845 and 1846, with the quantity and estimated value of each article in Albany and Troy:

	THE FOREST.		QUANTITY.		VALUE.	
	1845.	1846.	1845.	1846.	1845.	1846.
Furs and Peltry...lb..	706,794	817,150			\$873,137	1,021,355
Boards & Scaatl. ft...	237,921,956	250,336,271			4,011,720	4,422,936
Shingles.....M..	72,120	69,822			234,390	255,378
Timber.....ft..	2,492,668	1,798,193			498,535	251,006
Staves.....lb..	139,754,800	106,152,590			688,898	1,513,432
Wood.....cords..	17,696	11,832			86,258	59,160
Ashes.....bbls..	63,668	46,812			1,393,360	1,076,904

	AGRICULTURE.		QUANTITY.		VALUE.	
	1845.	1846.	1845.	1846.	1845.	1846.
Pork.....bbls..	45,453	80,093			\$571,673	800,925
Beef....." "	67,699	45,600			507,743	364,800
Bacon.....lb..	1,634,700	4,000,500			118,299	290,032
Cheese....." "	27,512,861	35,560,118			1,921,000	2,844,537
Butter....." "	21,825,455	21,477,657			3,055,564	3,229,633
Lard....." "	3,061,200	6,721,000			215,184	498,810
Wool....." "	9,504,039	8,885,376			2,916,252	2,571,415
Hides....." "	293,009	310,300			36,627	42,613
Flour.....bbls..	2,517,250	3,063,411			11,021,091	15,480,271
Wheat.....bush..	1,620,033	2,950,636			1,911,869	3,666,141
Rye....." "	157,438	321,790			111,102	932,344
Corn....." "	35,293	1,610,119			21,179	1,126,854
Barley....." "	1,137,917	1,427,953			671,371	813,933
Other Grain....." "	1,294,609	1,929,800			491,951	719,474
Bran & Ship Stuffs " "	1,067,665	1,463,232			160,550	220,181
Peas and Beans... " "	66,176	99,800			70,115	95,800
Potatoes....." "	115,596	230,939			58,076	114,686
Dried Fruit.....lb..	369,960	1,592,900			32,477	135,261
Cotton....." "	66,800	415,100			5,177	34,495
Tobacco....." "	670,900	2,609,100			89,589	393,022
Clover & Grass Sds " "	3,161,200	1,091,400			221,244	76,608
Flax Seed....." "	8,303,960	5,237,700			166,079	131,943
Hops....." "	874,200	1,690,500			157,356	185,955

	MANUFACTURES.		QUANTITY.		VALUE.	
	1845.	1846.	1845.	1846.	1845.	1846.
Domestic Spirits, gals..	1,588,601	1,426,659			\$114,800	313,690
Leather.....lb..	15,363,925	5,160,564			2,765,507	923,918
Furniture....." "	2,561,624	2,226,114			256,162	223,161
Bar and Pig Lead... " "	223,500	409,800			8,940	19,592
Pig Iron....." "	8,031,218	10,574,740			140,516	182,562
Bloom and Bar Iron " "		10,892,213				265,224
Iron Ware....." "	4,665,383	1,219,091			186,615	46,530
Domestic Woollens... " "	1,879,446	2,324,741			1,910,029	1,923,329
Domestic Cottons... " "	1,579,446	2,347,741			58,628	719,797
Salt....." "	172,963	69,442			147,023	18,035
Merchandise....." "	595,788	3,594,322			88,497	276,372

	OTHER ARTICLES.		QUANTITY.		VALUE.	
	1845.	1846.	1845.	1846.	1845.	1846.
Stone, Lime, Clay, lb..	55,341,593	44,200,033			\$83,607	63,170
Gypsum....." "	12,264,800	12,084,100			27,006	26,933
Mineral Coal....." "	47,798,200	18,846,600			119,195	47,116
Sundries....." "	83,237,109	9,841,604			3,329,490	3,633,505

	AGGREGATES.		QUAN.		VALUE.	
	1845.	1846.	1845.	1846.	1845.	1846.
Forest.....tons..	6,790	\$77,956			6,130,000	\$5,589,291
Agriculture....." "	447,627	27,612,291			6,815,153	5,662,118
Manufactures....." "	49,812	6,432,259			46,076	4,815,799
Merchandise....." "	253	88,497			1,797	276,872
Other articles....." "	99,321	3,559,653			8,493	3,770,476
Total.....tons..	1,201,913	\$14,552,321			1,362,319	\$31,105,256

Statement of Tonnage and Value of all the Property which went from the Hudson River on all the Canals, in 1845 and 1846.			
	1845.	1846.	
Tonnage.....tons..	224,013	2,916	
Value....." "	\$55,453,998	\$64,627,524	

Aggregate Movement from and to the Hudson River during the years 1845 and 1846, and the Aggregate value of the Property transported.			
	1844.	1845.	
Tonnage.....tons..	1,428,976	1,611,535	
Value....." "	\$100,936,319	\$113,732,783	

From the N. Y. Shipping and Commercial List.  
**FLOUR AND WHEAT.**

Below will be found a statement of the Receipts of Flour and Wheat at the Port of New York, and the Exports to Foreign Ports, from Jan. 1 to Dec. 31, inclusive, for the years 1845 and 1846. The increase in the import of Flour this year, it will be seen, is 585,237 bbls.; and of Wheat, 1,060,428 bushels. The increase in the exports is 723,908 bbls. Flour, and 1,172,702 bushels Wheat. The whole has been compiled with much care, by Mr. Charles Powers, commis on merchant, 29 Coenties Slip.

Receipts of Flour, at New York, from January 1 to December 31.

From—	1846.	1845.
Hudson River, barrels,.....	2,280,633	1,700,198
New Orleans, ".....	70,043	87,701
Southern ports, ".....	197,715	175,257

Total for the year, "..... 2,548,396 .... 1,963,159

Increase in 1846, "..... 585,237

Receipts of Wheat at New York, from January 1 to December 31.

From—	1846.	1845.
Hudson River, bushels,.....	1,172,616	289,089
New Orleans, ".....	401,365	83,937
Southern ports, ".....	94,212	234,799

Total for the year, "..... 1,668,253 .... 607,825

Increase in 1846, "..... 1,060,428

Exports of Flour from New York, from January 1 to December 31.

From—	1846.	1845.
January 1 to November 30, barrels,.....	960,534	367,243
December 1 to December 31, ".....	232,894	102,277

Total for the year, "..... 1,193,428 .... 469,520

Increase in 1846, "..... 723,908

Exports of Wheat from New York, from January 1 to December 31.

From—	1846.	1845.
January 1 to November 30, bushels,.....	1,200,598	245,663
December 1 to December 31, ".....	276,758	58,991

Total for the year, "..... 1,477,356 .... 304,654

Increase in 1846,..... 1,172,702

**ROCHESTER FLOUR MANUFACTURE AND TRADE.**

The Rochester Daily Democrat furnishes the following statement of the quantity of flour shipped East from the city of Rochester, on the Erie Canal, for three seasons, as follows:—

	1844.	1845.	1846.
April,.....	25,044	41,925	26,071
May,.....	36,520	43,519	67,404
June,.....	27,741	34,069	42,596
July,.....	31,870	41,159	37,869
August,.....	56,238	52,218	51,437
September,.....	66,592	73,751	90,655
October,.....	80,658	129,199	104,839
November,.....	75,801	102,473	129,450
Total,..... lbs.	409,378	612,318	640,232

The increase of the shipments in 1846 over 1845, is 21,814 barrels; over 1844, 139,854 barrels. The quantity sent forward by railroad before the opening of navigation and the amount that will go forward between the 1st of December and the 1st of January, together with the quantity consumed by 27,000 inhabitants, will show an aggregate of over 600,000 barrels manufactured in Rochester during the year.

The following is an extract from the message of Governor Young to the Legislature of New York, respecting the enlarging of the Erie Canal. The allusion to the trade of the West, and the fear which is expressed that that trade "may seek other channels," ought to act as a stimulus to our Legislature, and induce them to abandon every kind of obstacle to the free importation of United States agricultural produce. This is the only way to make our canals yield a revenue, and lighten the national burthens. If it is not done, the time will arrive when enough will not be derived from the canals below Kingston to pay the expenses of lock-keeping, much less the interest of the debt. What the consequence will be to the Canadian agriculturist, we need scarcely point out. He is evidently approaching a period when he will require all the assistance that legislation can afford him to maintain his ground against foreign competition, and what will be his state if he has to do this with an enormous debt, uselessly incurred, hanging about his neck? If the proper policy be pursued, on the other hand, he has nothing to fear. More—far more than the interest of the debt can be collected from foreign farmers by the admission of their products and vessels free. Which policy, then, will he select?

EXTRACT FROM GOVERNOR YOUNG'S SPEECH.

"The propriety of completing the enlargement of the Erie Canal is a matter about which there can now scarcely be said to be any diversity of opinion. The products of the great West, annually augmenting to an extent almost incredible, must seek a market through other channels unless the capacity of this canal shall be increased at an early day. Any argument, based upon an estimate of the amount to be transported and

the capacity of the canal running through the whole season of navigation, will be found fallacious. The great demand upon this canal occurs in the months of October and November, and such must always be the case. During a portion of that time the canal is taxed to the extent of its capacity, and the delay and expense resulting from the crowds of boats that are struggling toward the tide-water, and the absence of competition consequent upon a knowledge of this condition of the canal, render the cost of transportation enormous. This expense is all or nearly all paid by the farmer; practically it is taken from the price of his products. If it cost twenty cents to get a bushel of wheat to a market where it is worth a dollar, the farmer will receive but eighty cents at home. If the Government, without prejudice to other interests, can reduce the expense of getting to market to ten cents, and neglects to do so, what answer can it give to the farmer?"

**ELECTRIC TELEGRAPH FROM QUEBEC TO HALIFAX.**

We observe with much pleasure the enthusiasm manifested by the citizens of Quebec on the subject of the ELECTRO-MAGNETIC TELEGRAPH to Halifax, and we shall only express the hope that the all-important object of obtaining from Halifax for the whole of this continent the earliest summary brought by the mail-packets, may be effected. We are quite sure that the citizens of Montreal will be desirous in every way to cooperate in the furtherance of so truly national an undertaking, and we are glad to find that a contradiction has been given to some remarks reported as having been uttered at the Quebec meeting, and which were calculated to excite a different feeling. We may further add that a number of the leading merchants have been appointed Directors of the proposed Company, and that the whole portion of the Quebec stock has been taken up. This is, indeed, a promising commencement.

**GENERAL, PROVINCIAL, AND LOCAL INTELLIGENCE.**

The Montreal Courier says, that a new and more favorable route has been discovered between Burlington and Ogdensburgh. This line in leaving Burlington is to run along the south side of Lake Champlain until it reaches St. Albans,—from thence through Hog Island and St. Albert, in a direct line to Rousse's Point, where every facility is found for the construction of a permanent Bridge across the Richelieu; the line then pursues its course through a level tract of land a little to the south and parallel with the divisional line 45, passing through the thriving village of Malone, and from thence taking the direction up on the borders of the St. Lawrence to Ogdensburgh.—The Telegraph communication is now open between Toronto and Queenston—Mr. Alex. Vattemare—whose name is familiar to our readers—is again about to visit America, the French Government having appropriated six thousand francs to pay his expenses. He will bring many valuable books for the several states, cities, &c. &c.—A verdict of 1500 dollars has been awarded in a District Court in the United States, in favor of a sufferer by a steamboat explosion. In Canada "blowings up" are taken more quietly, and are not so expensive to the parties in fault.—The Post Master of the United States has issued orders for the examination of newspapers, &c., to see if they contain any writing. In case they do, they are to be charged with letter postage; or the party sending will be proceeded against for the penalty of five dollars.—The House of Representatives at Washington have refused to pass a Bill levying an additional duty on tea and coffee, as a means of carrying on the war. In the meantime, President Polk has applied to Congress to sanction the appointment of a General Officer, to take the command of all the military forces in the field.—The operations of the army in the south are confined to petty expeditions against the enemy, productive of no important results.—His Excellency Lord Cathcart has contributed £25 to the Association for the Relief of the Poor of the Church of England.—The Artists of Montreal have opened a public exhibition of their paintings this week, being the first attempt at a Native Arts' Union.—At a public meeting held in the New Market on Tuesday, a Congratulatory Address to Lord Elgin, of a non-committal character, was adopted without any discussion.—The communication with the other side of the river is still incomplete; though parties have for some days crossed at *Bout de l'Isle*.

**THE MARKETS.**

**MONTREAL. Friday Evening, 15th Jan.**

We can hear of no transactions in Produce, beyond mere retail sales. Very little Grain has yet come to market. From the firmness in Provisions in the New York market, the expectations of holders here have somewhat advanced. A lot of Hogs, averaging 260 lbs., brought 25s. 6d. per 100 lbs.

**FREIGHTS IN NEW YORK—7th Jan. 1847.**

To Liverpool—Flour, 5s. stg. per brl; Beef and Pork, 6s.; Grain, 18d to 19d. per bushel; Heavy Goods, 50s. per ton.

To London—The same as above.

Exchange on London—5 to 5½ per cent 60 days' sight.



**FORWARDING NOTICE.**

1847.

ON the OPENING of the NAVIGATION, next Spring, the Undersigned will charge the following RATES OF FREIGHT between Montreal and Kingston:—

**UPWARDS.**

Pig Iron, Brick, Coal, Salted Fish, Pitch, Tar, and Rosin, .....	1s. 01. per cwt.
Bar Iron, .....	1s. 3d. "
Heavy Hardware, Groceries, Crockery, Rod, Hoop, and Sheet Iron, and Boiler Plate, .....	1s. 6d.
Dry Goods, Glass, and Powder, .....	2s. 0d.
Salt, in bags or barrels—per bag or barrel, .....	1s. 0d.

**DOWNWARDS.**

Flour, per barrel, .....	1s. 6d.
Pork and Beef, per barrel, .....	2s. 3d.
Tobacco, per hhd, .....	10s. 0d.
Butter and Lard, per keg, .....	0s. 9d.
Wheat and other Grain, per 60 lbs., .....	0s. 6d.

Other Property in proportion.  
Insurance, extra.  
MACPHERSON, CRANE & Co  
HOOKER, HOLTON & Co  
H. JONES & Co.  
December 11th, 1847.

**St. Lawrence & Atlantic Rail-Road.**

**NOTICE TO TIMBER CONTRACTORS.**

TENDERS will be received at the Office of the ST. LAWRENCE AND ATLANTIC RAILROAD COMPANY, till the 9th day of JANUARY next, for the following description of TIMBER, for the superstructure of the Road from the St. Lawrence River to a point in the Township of Acton, a distance of about 45 miles; to be delivered before the 1st AUGUST, 1847, on the line of the Road, at such points as the Engineer shall designate, namely:—

LONGITUDINAL SILLS, Sawed, 8 by 12 inches square, in lengths of 12, 27, and 36 feet, to consist of best quality merchantable Pine or Tamarac Timber. Also, Oak or Tamarac Plank for Cross Ties 2 1/2 inches thick, 6 inches wide, and 8 feet long. The whole to be good sound merchantable Timber, and Plank, free from black knots, shakes, and wanes, and in no case to be Sapling Timber.

The Tenders to be delivered at Points not exceeding one fourth of a mile apart, on the following Division of the Road, viz:—

First Division, extending from the St. Lawrence River to the Richelieu, at Beloeil.

Second Division, extending from the Richelieu River to the Village of St. Hyacinthe.

Third Division, from St. Hyacinthe to the Point above mentioned in the Township of Acton.

Persons Proposing will state—1st, The amount and kind of Timber they will furnish; 2nd, Upon which of the above Divisions they will deliver it; 3rd, The price per running foot of Sills of each kind of Timber; 4th, The price of each Cross Tie of Oak or Tamarac.

Persons offering to contract for Timber or Ties who are unknown to the Engineer or to the Directors, will be required to accompany their proposals with references as to character and ability; and in all cases where any proposal shall be accepted and a Contract entered into, the Contractor will be required to give the names of responsible persons as sureties for the faithful performance of the Contract according to the terms agreed on.

For further information, apply at the Company's Office, No. 13, Little St. James Street.

THOMAS STEERS, SECRETARY.

COMPANY'S OFFICE, }  
4th December, 1846. }

NOTICE IS HEREBY GIVEN that application will be made by the COMPANY of PROPRIETORS of the CHAMPLAIN and ST. LAWRENCE RAILROAD, at the next Session of the Provincial Parliament, for an Act to amend and extend certain provisions of the Act 2 Wm. 4th, chapter 52, entitled, "An Act for making a Railroad from Lake Champlain to the River St. Lawrence" and particularly the provisions of the 47th Section of the said Act, so as to authorize the said Company to extend and construct a Branch of the Champlain and the St. Lawrence Railroad from some point on the present line of the same West of the River commonly called La Petite Riviere de Montreal, in as direct a line as may be found practicable to any point upon the River Saint Lawrence at which a Bridge shall be constructed under the authority of any Act to be passed by the Legislature over the said River to communicate with the City of Montreal, and also to empower the said Company to carry their said Branch Railroad over such Bridge and thence to the City of Montreal upon such terms and conditions as shall be fixed by Legislative enactment.

JOHN E. MILLS, Chairman.  
WM. B. LINDSAY, Commissioner.

RAILROAD OFFICE, }  
Montreal, November 2, 1846. }

**NOTICE.**

AFTER the Closing of the LACHINE CANAL, the Subscribers will Land and Deliver the Cargo of their Craft at Lachine, subject to the same Rates of Freight that place as are now charged to Montreal.

MACPHERSON, CRANE & Co.  
HOOKER, HOLTON & Co.  
H. JONES & Co.  
H. U. INNES,  
Agent Quebec Forwarding Co.  
Montreal, November 19, 1846.

**ST. LAWRENCE AND ATLANTIC RAILROAD.**

**NOTICE.**

THE STOCKHOLDERS of the St. Lawrence and Atlantic Rail-Road Company, having, at their Special General Meeting, held on the 2nd inst., unanimously resolved upon the immediate commencement of the Rail-Road, whereby the Subscriptions for Shares of Stock conditional upon that resolve (received subsequent to the 30th ultimo) have become absolute, the New Stock-holders are requested to PAY the FIRST INSTALLMENT of £1 16s. Currency per Share, to the Treasurer, at the Company's Office, 18, Little St. James Street.

By order of the Board,  
THOMAS STEERS, Secretary.

Office of the St. Lawrence and Atlantic Rail-Road Company, }  
Montreal, 25th August, 1846. }

**NOTICE.**

WE the Undersigned hereby give notice, that application will be made by us at the next meeting of the Legislature to obtain a CHARTER for the purpose of CONSTRUCTING A BRIDGE ACROSS THE ST. LAWRENCE, say from the South side of said River to a point on St. Paul's Island (Ile St. Paul), and from said Island to the North bank with right of way across the said Island, and from the North bank of the River to a convenient terminus on the Canal.

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|--|--|
| H. STEPHENS,<br>HUGH ALLAN,<br>JASON C. PICKER,<br>B. DAVIDSON,<br>WILLIAM DOW,<br>JOHN LEMING,<br>WM. LUNN,<br>J. H. SMITH,<br>J. FROTHKINGHAM,<br>JNO. YOUNG,<br>JOHN L. MILLS,<br>I. H. HOLTON,<br>D. L. MACDONALD,<br>BENJ. LYMAN,<br>R. CORAK,<br>DAVID TORRANCE, | ANDREW SHAW,<br>JAMES GILMORE,<br>WM. EDMONSTONE,<br>MOSES HAYS,<br>JOSEPH MARSON,<br>ROBERT MACKAY<br>O. BERTHELET,<br>H. JERDAN,<br>A. LAROCQUE,<br>B. HART,<br>JOSEPH BOURRET,<br>A. M. DELISLE,<br>W. ERWATINGER,<br>W. C. MERRIDITH,<br>JOHN J. DAY,<br>GEO. ELDER, Junr. |
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Montreal, September 14, 1846.

**NOTICE.**

ON and after the 15th instant, the Subscribers will charge the undermentioned RATES OF FREIGHT, from Kingston and places below, to Montreal:—

Flour, .....	3 0 per barrel
Pork, .....	4 6 per barrel
Ashes, .....	7 3 per barrel
Wheat, .....	0 10 1/2 per 60 lbs.

And other articles in proportion.  
Insurance, as usual, will be charged on all property downwards, in addition to the Freight.

H. JONES & Co.  
R. U. INNES,  
Agent for the Quebec Forwarding Co.  
MACPHERSON, CRANE & Co.  
HOOKER, HOLTON & Co.

Montreal, Nov. 13, 1846.

**NOTICE.**

THE Partnership heretofore existing between J. HARRISON STEPHENS, JOHN YOUNG and ROMEO H. STEPHENS, under the Firm of STEPHENS, YOUNG & CO., was this day DISSOLVED by Mutual consent.

All Debts due on and by the said Firm, will be settled by JOHN YOUNG and BENJAMIN HOLMES.

HARRISON STEPHENS,  
JOHN YOUNG,  
ROMEO H. STEPHENS.

Montreal, 31st August, 1846.

**NOTICE.**

THE BUSINESS heretofore carried on by Messrs HARRISON STEPHENS, JOHN YOUNG, and ROMEO H. STEPHENS, will be CONTINUED by the Subscribers, under the Firm of STEPHENS, YOUNG & CO.

JOHN YOUNG,  
BENJAMIN HOLMES.

Montreal, 31st August, 1846.

**FOR SALE.**

TEAS. Twankay, Young Hyson, Gunpowder and Souchong, in boxes,  
Molasses, Heavy,  
Martell's Cognac Brandy,  
Sicily Malva Wine,  
Blended and Raw Lined Oils,  
Olive Oil, English Glue,  
Plug Tobacco, Pimento, and Pepper.

ALSO,  
Patent Sperm Candles, from the Manufacturer.  
STEPHENS, YOUNG & CO.  
20th August, 1846.

**"CANADA" WINDOW GLASS.**

THE Subscriber is now prepared to supply Orders for all sizes and qualities of Window GLASS, manufactured at the "Canada Glass Works," St. John, C. E., to the extent of 10,000 BOXES.

EDWIN ATWATER,  
193, ST PAUL STREET  
May 2nd, 1846.

THE Business heretofore carried on by D. P. JANES will, from this date, be continued by the Subscribers, under the Firm of D. P. JANES & CO  
D. P. JANES,  
W. W. JANES.  
Montreal, 9th April, 1846.

THE Subscribers have constantly on hand.—  
FLOUR, INDIAN MEAL, BARLEY, RYE, OATS, CORN, SALT, BUTTER, CHEESE, LARD.

A few Boxes Patent Hive HONEY, and a Choice Assortment of DRUG GROCERIES, for the supply of I amuse  
D. P. JANES & CO.  
Corner of St. Paul & St. Gill Streets.

**NOW OPENING, AND FOR SALE**

By the Subscribers:  
ONE Thousand Pieces ALPACA LUSTRES,  
2500 Pieces 3-4 and 6-4 Plain and Twilled CASHMERE,  
1500 Pieces Black and Colored ORLEANS,  
500 Pieces GALA PLAIDS,  
1000 Pieces WINTER BONNET FIBRE.  
August 22. ALISON & CO.

**COMMISSION AGENCY.**

THE undersigned beg to inform Purchasers in the QUEBEC MARKET that they are prepared to execute ORDERS for FISH, OIL, or WEST INDIA PRODUCE, at a Moderate Commission.

ALPOT & GLASS.  
Quebec, 3rd Sept. 1846.

**BIRMINGHAM AGENCY.**

THE SUBSCRIBER,  
AGENT for SAML. A. GODDARD & CO.  
is to be found in the Rooms of the FREE TRADE ASSOCIATION, No. 3, St. Sacrament Street.  
WILLIAM HEDGE.  
Montreal, 30th May, 1846.

**GLOBE INSURANCE CO. OF LONDON**

**LIFE, FIRE, AND ANNUITIES.**

CAPITAL, ONE MILLION STERLING,  
The whole paid up and invested, thereby affording to the Proprietors security against further calls, and to the Assured an immediate available fund for the payment of the most extensive losses, and therefore, on persons insured by THIS COMPANY is liable to be called upon to contribute towards the losses of others, as with Societies established on the principle of MUTUAL INSURANCE.

No Entrance Money or Admission Fees required from persons effecting Life Insurances.

Officers in the Army or Navy are not charged with any additional Premium, unless called into active service.

Policies for the whole term of Life will be purchased on Terms to be agreed on with the parties interested, should they be desirous of surrendering them to the Company.

The undersigned are authorized to Insure Fire and Life Risks on very advantageous terms, and to settle Losses without referring them to England.

Consulting Physician.—DR. CRAWFORD, Montreal.  
RYAN, CHAPMAN & CO.  
Agents for Canada,  
1st May, 1846. MONTREAL

DONOGHUE & MANTZ have REMOVED their Printing Establishment from Great St. James Street, to THAYER'S BUILDING, No. 142, Notre Dame Street, two doors East of the French Cathedral.  
Montreal, 9th May, 1846.

JOHN LEEFING,  
AUCTIONEER,  
BROKER, COMMISSION AND GENERAL AGENT  
St. Francois Xavier Street, Montreal.

C. J. DUNLOP,  
BROKER IN PRODUCE, HILLS OF EXCHANGE, &c  
No. 3, St. Sacrament Street.

"THE CANADIAN ECONOMIST,"  
A Weekly Newspaper,  
DEVOTED TO THE INTERESTS OF COMMERCE  
PRICE of Subscription, 10s. per Annum,—payable in advance.

RATES OF ADVERTISING.  
Six lines and under, 2s. 6d. first insertion, and 7 1/2d. each subsequent insertion. Ten lines and under 3s. 6d. first insertion, and 1s. each subsequent insertion. Above ten lines 4d. per line first insertion, and 1d. per line each subsequent insertion. The usual account is made where parties advertise by the year, or for a considerable time.

Office.—No. 3, St. SACRAMENT STREET, where all Communications are requested to be directed.  
Montreal, 15th May, 1846.

PRINTED FOR THE COMMITTEE OF THE  
Montreal Free Trade Association,  
DONOGHUE & MANTZ, PRINTERS.