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PAPERS  
RESPECTING

CANADA.

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*(Presented by Her Majesty's Command)*

Ordered to be printed 4th June 1846.

(172.)

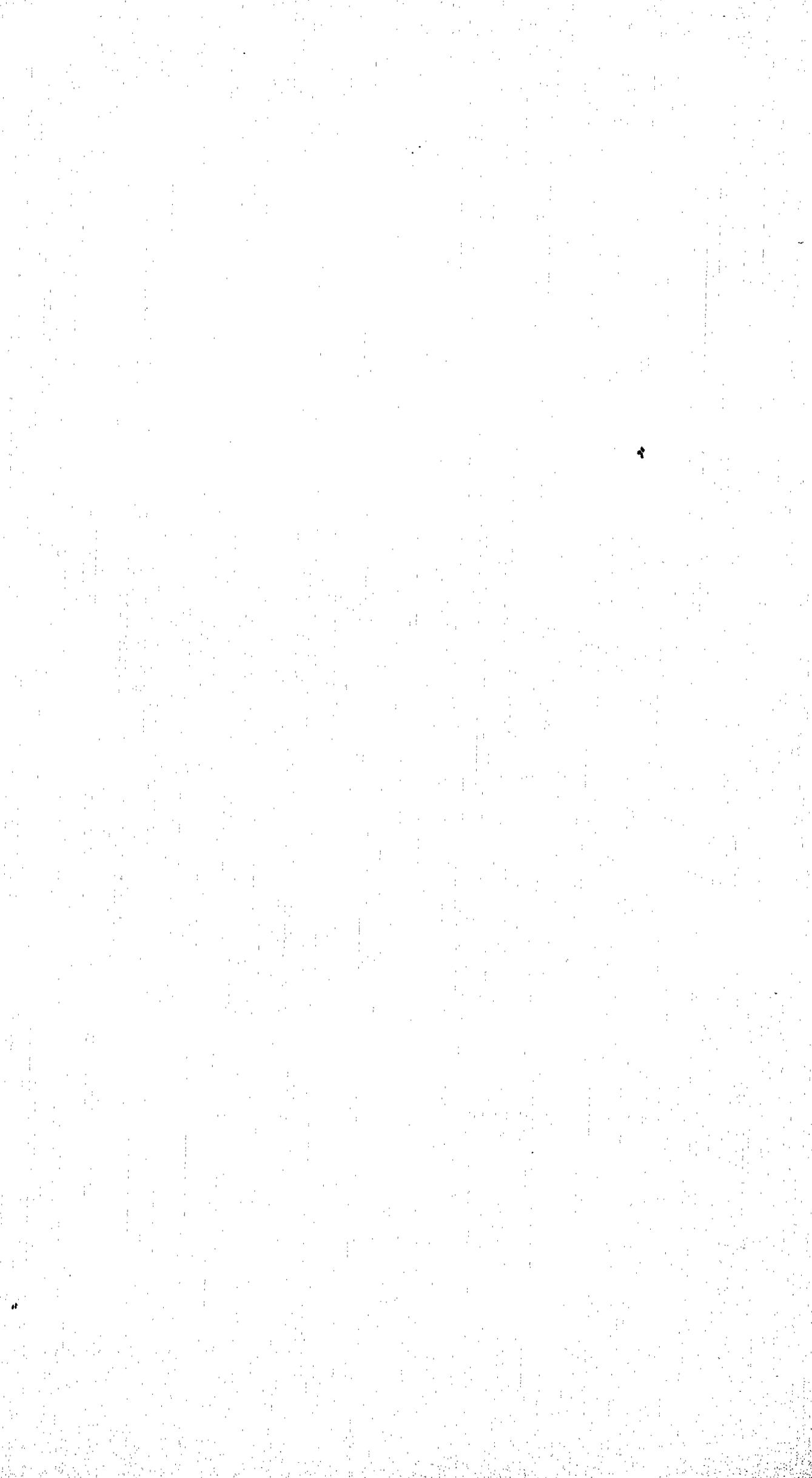
# PAPERS RESPECTING CANADA.

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## SCHEDULE.

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Ordered to be printed 4th June 1846.



PAPERS RESPECTING CANADA.

No. 1.

COPY of Governor the Earl CATHCART'S SPEECH to the LEGISLATURE of the PROVINCE of CANADA, 20 March 1846.

*Honourable Gentlemen of the Legislative Council, and Gentlemen of the Legislative Assembly,*

The duty of opening this Session of Parliament has necessarily devolved upon me, as Administrator of the Government, in consequence of the lamented departure of the late Governor-general. But I am commanded at the same time to make known to you that the Queen has been graciously pleased permanently to designate me as Her Majesty's future Representative in this province.

No. 1.  
Governor the Earl Cathcart's Speech to the Legislature of Canada, 20 March 1846.

In announcing to you the fact of my having thus become the successor of Lord Metcalfe, you will, I feel assured, concur with me in the expression of sincere regret at the painful cause which has removed this distinguished nobleman from a station, the duties of which he discharged with a zeal and ability, that on every occasion won for him the highest approbation of his Sovereign, and the respect and gratitude of the people over whom he presided as Her Representative.

The several addresses to the Queen which were adopted during the last Session of the Legislature have been laid at the foot of the Throne. It will be my pleasing duty to announce to you Her Majesty's gracious replies.

I should, under any circumstances, have directed your early attention to the condition of the Militia Law. But the unsettled state of the negotiations which have been for some time past carried on between the Imperial Government and that of the United States of America, renders it imperative upon me to press more immediately on your consideration the necessity of a reorganization of this arm of the public defence. I feel the most unbounded confidence that the loyalty and patriotism of every class of Her Majesty's subjects in Canada will be conspicuous, as they have been heretofore, should occasion call for their services to aid in the protection of their country; but a well digested and uniform system is indispensable to give a fitting direction to the most zealous efforts. At the same time I feel warranted in assuring you that, while our gracious Sovereign will ever rely on the free and loyal attachment of Her Canadian people for the defence of this province, and the maintenance of British connexion, Her Majesty will be prepared, as Her predecessors have always been, to provide with promptitude and energy, corresponding with the power and resources of the empire, for the security of Her North American dominions.

The subject of the Civil List, which was brought under your consideration by my predecessor, will doubtless engage your attention, when I trust to your wisdom to make such a provision as will enable Her Majesty to give effect to your wishes, by recommending to the Imperial Parliament the requisite changes in the Act of Re-union.

*Gentlemen of the Legislative Assembly,*

The Financial Accounts of the Province for the past year will be immediately laid before you. The Estimates for the service of the current year will be likewise submitted for your early consideration.

The necessity of providing for the prosecution and completion of the public improvements undertaken with the sanction of Parliament will form a subject for your deliberation.

It affords me pleasure to be able to inform you, that the revenue of the past year has not fallen short of the Expectations which were entertained of its amount, and I rely on your willingness to make such provision for the public service as a due regard to the interests of the people may require.

*Honourable Gentlemen, and Gentlemen of the Legislative Assembly,*

Since your last meeting, the ancient city of Quebec has been subjected to unexampled calamity in the successive fires which laid waste its buildings. Measures, rendered indispensable by the exigency, were adopted by my predecessor, which will be sent down for your approval.

The sympathy and benevolence of different portions of the British empire were roused into active exercise by the knowledge of the severe infliction with which it had pleased Divine Providence to permit the citizens of Quebec to be visited, and we have the strongest reasons for appreciating the noble generosity which has been exhibited, and which has proved how truly the inhabitants of Canada are felt by the people of Great Britain to be brethren and fellow-subjects of the same mighty nation. It will be for your wisdom to consider what further measures it may be proper to adopt for the restoration of what has been thus destroyed.

The last intelligence from the mother country indicates a most important change in the commercial policy of the empire. I had previously taken occasion to press upon Her Majesty's Government a due consideration of the effect that any contemplated alteration might have on the interests of Canada. But until we have a fuller exposition of the projected scheme which a few days will probably bring to us, it would be premature to anticipate that the claims of this province to a just measure of protection had been overlooked.

In these, and the various other subjects affecting the prosperity of Canada which may occupy you, I offer my hearty co-operation; and I earnestly trust that, under the direction of an all-wise Providence, we shall be enabled to pursue a course calculated to promote the best interests and to foster the rising growth of this rapidly advancing colony.

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No. 2.

(No. 7.)

COPY of a DESPATCH from Governor the Earl CATHCART, K.C.B., to the Right Honourable W. E. GLADSTONE.

Sir,

Government House, Montreal, 28 January 1846.

My attention having been very earnestly called by the members of the Executive Council of this province to the apprehensions they have been led to entertain, by discussions which have recently appeared in the English newspapers, pointing strongly to a change in the Corn Laws, I am induced at their earnest desire, even with no better foundation, to bring this subject under your consideration by the mail which leaves this night, as the opportunities for communication at this season are so infrequent, as to produce inconvenient delays.

The province of Canada is so vitally interested in the question, that it is a duty of the Executive of the province to urge on the consideration of Her Majesty's Ministers a full statement of the necessity of continuing a protection to the colonial trade in wheat and flour, and of the effect of any changes by which the protection hitherto given would be taken away.

The improvement of the internal communications by water, in Canada, was undertaken on the strength of the advantage of exporting to England our surplus wheat and flour by Quebec. Should no such advantage exist, the revenue of the province to be derived from the tolls would fail. The means of the province to pay principal and interest on the debt guaranteed by  
England,

No. 2.  
Governor Earl  
Cathcart to  
Mr. Secretary  
Gladstone,  
28 January 1846.

England, would be diminished, and the general prosperity of the province would be so materially affected, as to reduce its revenue derived from commerce, thus rendering it a possible case, that the guarantee given to the public creditors would have to be resorted to by them, for the satisfaction of their claims.

The larger portion, nearly all of the surplus produce of Canada, is grown in the western part of it, and if an enactment similar in principle to the Duties Drawback Law should pass Congress, permitting Canadian produce to pass through the United States for shipment, and the English market was open to produce shipped from American ports on as favourable terms as if shipped from Canadian ports, the larger portion of the exports of Upper Canada would find its way through the canals of the state of New York, instead of those of Canada, rendering the St. Lawrence canals comparatively valueless. The effect of the Duties Drawback Law has been to transfer the purchase of sugar, tea, and many other goods to New York, from whence nearly all of these articles for the supply of Upper Canada are now imported.

Should such a change in the export of Canadian produce take place, it will not only injure the Canadian canals, and forwarding trade, but also the shipping interest engaged in carrying these articles from Montreal.

A change in the Corn Laws, which would diminish the price Canadian farmers can now obtain, would greatly affect the consumption of British manufactures in the province, which must depend on the means of the farmers to pay for them. An increased demand and consumption has been very perceptible for the last two years, and is mainly attributable to the flourishing condition of the agricultural population of Upper Canada.

Even if a relaxation of the system of protection to the colonies is to be adopted, it is of infinite consequence that it should not be sudden. The ruin that such a proceeding would cause is incalculable.

The political consequences as to the Government of the colony involved in the foregoing suggestions are sufficiently obvious, as also must be those arising from the trade of Upper Canada, being as it were transferred from Montreal to New York. This latter consideration belongs, however, less to the operation of the Corn Laws, though partially connected with that branch of the subject.

I trust the importance of these observations will form a sufficient apology for my intruding them upon you at this time, but as the subject to which they refer will in all probability engage the early attention of the British Parliament, I have thought it right that you should have some previous knowledge of the bearing any such measure would have on the interests of this colony.

I have, &c.  
(signed) CATHCART.

No. 3.

(No. 32.)

Copy of a DESPATCH from the Right Honourable W. E. GLADSTONE to Governor the Earl CATHCART, K. C. B.

My Lord,

Downing-street, 3 March 1846.

I HAVE to acknowledge the receipt of your Despatch of the 28th of January (No. 7), relating to the expected changes in the British Corn Law, deprecating such changes generally in the interest of Canada and at the same time urging, that if there be a determination on the part of Parliament to adopt them, it is much to be desired that they should not take immediate effect.

The interests of Canada have occupied the place to which they are justly entitled in the deliberations of Her Majesty's Government upon this important subject, and upon others which are akin to it. At the same time, I need hardly point out to your Lordship that there are matters in which considerations, immediately connected with the supply of food for the people of this country, and with the employment of its population, must be paramount.

Both in respect to corn and in respect to timber, Her Majesty's Government have determined to propose and to use whatever influence they may possess for the purpose of carrying through Parliament the proposal that the alterations

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about

No. 3.

Mr. Secretary  
Gladstone to  
Governor Earl  
Cathcart,  
3 March 1846.

about to be made should be gradual; and among the motives which have led them to this determination, has been the belief that this delay would be acceptable, and would also be advantageous to the people of Canada.

In order to supply you with some further evidence of their desire to consult colonial wishes and interests in discharging their public duties, I have to direct your attention to a Schedule hereto annexed, which exhibits the duties now chargeable upon articles of agricultural produce when imported from the British dominions abroad, and the changes which it is intended to make in favour of the colonial trade, by the immediate abolition or reduction of those duties.

I trust that Canada may largely avail herself of the advantages which are thus (for I venture to anticipate the favourable judgment of Parliament upon these propositions about to be submitted to it on the part of the Crown) about to be placed within her reach. The desire of Her Majesty's Government is, that the trade of Canada may, in all respects, approach as nearly to perfect freedom as the dispositions of its inhabitants and the exigencies of the public revenue there may permit. And in evidence of that desire, I may advert to my Despatch (No. 19) of the 3d February, relating to the provincial duty on the importation of wheat, and may again apprise you, that it is not the intention of Her Majesty's Government to check any disposition which Canada may manifest, should such be the case, for the repeal of that duty by the interposition of the prerogative.

Further, with regard to corn, I have much satisfaction in reflecting, that if Canada will have to enter into competition with the western states of America, and to engage in this rivalry when no longer covered by any protective duty, at least she will not be called to make the effort without some advantages on her side. Among them I reckon her light taxation; the assistance she has received from British credit and funds, in the construction and improvement of her internal communications; her more regular and steady course of trade with this country; her low Tariff, so favourable to importation, and, on that account, powerfully tending to encourage her reciprocal commerce outwards; some advantage in the point of proximity, as compared with the most westerly states of the Union, which are also her most formidable rivals in cheapness of production; and, lastly, the means of carriage without transshipments by the St. Lawrence, which cannot be had by the way of the Erie canal. She will likewise have this in her favour, that her corn trade will have become a settled one of some standing, with all its arrangements made and in full operation, while any regular commerce in that article from the United States must be a new creation, and must go through the processes attending its self-adjustment to circumstances as yet untried.

And if it be true that New York offers some advantages, as compared with Montreal, particularly in regard to the rate of insurance; on the other hand, I consider that the shipping of British North America has many advantages over that of the United States in the competition for freights, as it is constructed at far less expense, and is, I must assume, navigated with equal vigour and equal economy.

It is beyond doubt that Canada has felt a very invigorating influence from the augmented facility of access to the British market, which she has enjoyed since the Act of 1843, and that it has perceptibly stimulated the extension of her agriculture. But the average prices of wheat during the years 1843, 1844, 1845, have been only 50/10, 51/3, and 50/1 respectively. Not presuming to anticipate, within any very close limits, what are likely to be the ruling prices of this grain after a perfect freedom of trade shall have been established, I yet venture to think, that the most competent persons are not generally of opinion that they will exhibit any reduction which shall place them greatly below the rates I have just cited; and as I trust we may look forward to some diminution in the cost of conveyance between the place of growth or grinding and Montreal, I cannot participate in the apprehensions of those who conceive that the measure now under consideration will involve ruin, or anything approaching to it, to the trade in Canadian corn and flour.

I trust, therefore, that the agricultural population of Canada will look forward without fear to a change, of which it is probable that the effects will be far less violent, either for good or for the partial evils which may accompany such good, than many, prompted either by their hopes or their fears, have been forward to anticipate.

I now

I now pass to the question of timber, which is of great moment with reference to the trade of Canada, although it has not the same interest as the subject of corn for the mass of the population.

I have much satisfaction in drawing your Lordship's attention to the fact, that the colonial timber trade prospers under the operation of those changes in the law, which were enacted in 1842, and which had taken full effect before the end of 1843. I subjoin a statement of the number of loads of timber brought to England from the colonies in each of the last ten years, and of the number of loads of deals brought hither in each of the last three years, during which period alone that mode of computation has been pursued, so far as relates to this branch of the wood trade.

The increased facilities of internal transit in this country, independently of the very great temporary demand connected with the construction of the railways that are to effect this great improvement, promise a considerable and permanent extension of the market for foreign wood, an extension likely to be accelerated, unless it be as to Scotland, by the progressive diminution of the home growth of timber through the United Kingdom.

The description of wood which is supplied by the British North American colonies, the yellow pine, is not chiefly to be regarded as competing with the wood of the Baltic, but rather as available for different though concurrent uses. For example, the increase of Baltic timber tending to encourage the construction of new buildings, by supplying the best materials for particular portions of them, has an effect not in limiting, but in extending the demand for Canadian timber, as furnishing the cheapest and most convenient material for other portions, namely, the inward fittings of the very same fabrics.

Her Majesty's Government are not indeed prepared to assert that the question of the relation between the duty on foreign timber and the colonial wood trade, ought to be adjusted with reference to this consideration alone; and you will perceive, that they propose to retain a duty of 15s. per load upon foreign timber, which I apprehend may be considered as upon the average nearly covering the difference between freights from the Baltic and those from British North America to the United Kingdom.

Not only are they free from the apprehension that the proposed remission of 10s. per load on foreign timber, and 12s. on foreign deals, will cause a contraction of the trade from British North America; but they are sanguine in the anticipation that that trade will continue, notwithstanding the proposed change, to extend itself.

The reduction of the duty on colonial timber and deals, to a nominal amount, which took place in 1842, involved the sacrifice of a considerable revenue, and that sacrifice may, I trust, have tended, and may still serve to convince the inhabitants of Canada that it has been the earnest desire of Her Majesty, in affording relief to Her people at home, by the changes effected in the commercial laws of the empire, to obviate, as far as possible, the inconveniences, and to extend the benefits which those changes might tend to produce for other portions of her subjects.

This country has taken upon itself the serious task of reforming its own commercial system, in opposition to what appears to be the prevailing disposition among other nations, and to bear testimony to the world, and to put in action the powerful influence of example in favour of sound principles of trade. Her Majesty's Government trust that the efforts of the British Legislature in this respect may be seconded, their range extended, and the example rendered yet more impressive, not only by the acquiescence, but by the approval and the active co-operation of the Legislatures and the inhabitants of the colonies.

I have, &c.  
(signed) W. E. GLADSTONE.

## Enclosure 1, in No. 3.

Encl. 1, in No. 3. SCHEDULE of certain ARTICLES of AGRICULTURAL PRODUCE of the BRITISH DOMINIONS ABROAD, with the PRESENT and PROPOSED Duties thereon, on IMPORTATION into the UNITED KINGDOM.

		PRESENT DUTY.	PROPOSED DUTY.
Pearled Barley	per cwt.	2s. 6d.	6d.
Butter	per cwt.	5s.	2s. 6d.
Buck Wheat	per qr.	from 6d. to 2s. 6d.	1s.
Cheese	per cwt.	2s. 6d.	1s. 6d.
Hams	per cwt.	3s. 6d.	2s.
Hops	per cwt.	£ 4. 10s.	£ 2. 5s.
Maize or Indian Corn		from 6d. to 2s. 6d.	1s.
Ditto Meal		prohibited	per cwt. 4½d.
Potato Flour		20 per cent. ad val.	per cwt. 1s.
Skins, manufactured		10 per cent. ad val.	5 per cent. ad val.
Starch	per cwt.	5s.	{ 2s. 6d., and after 1 Feb. 1849, 1s.
Tallow	per cwt.	3d.	1d.
Tongues	per cwt.	2s. 6d.	2s.
Seeds: Canary	per bush.	2s.	per cwt. 2s. 6d.
Carraway,	} per cwt.	5s.	per cwt. 2s. 6d.
Carrot,			
Clover,			
Leek,			
Onion,	} per cwt.	10s.	per cwt. 2s. 6d.
Mustard			
Other Seeds	per bush.	6d.	per cwt. 7½d.
Animals, living		5 per cent. ad val.	2½ per cent. ad val.
Bacon	per cwt.	various rates	free.
Beef	per cwt.	3s. 6d.	} free.
Cranberries	per gal.	2s.	
Hay	per load.	1d.	
Salted Meat not otherwise described		8s.	
Pork, salted (not Hams)		per cwt. 2s.	
Potatoes	per cwt.	per cwt. 2s.	} free.
Other Vegetables		1d.	
Barley	per qr.	2½ per cent. ad val.	} 1s.
Rye,	} per qr.	from 2s. 6d. to 6d.	
Pease,			
Beans,			
Barley Meal,	} not admitted under present law		per cwt. 4½d.
Rye Meal,			
Pea Meal,			
Bean Meal,			
Oats	per qr.	from 2s. to 6d.	1s.
Oatmeal	per 181½ lb.	from 2s. to 6d.	per cwt. 4½d.

## Enclosure 2, in No. 3.

Encl. 2, in No. 3. NUMBER of LOADS of TIMBER Imported from the BRITISH Colonies in NORTH AMERICA in each of the last Ten Years.

YEARS.	OAK PLANK, 2 Inches thick, or upwards.	TEAK.	TIMBER: Fir, Oak, &c., 8 Inches square, or upwards.	WAINSCOT LOGS.
1836	Loads.	Loads.	Loads.	Loads.
1837	2	-	525,645	-
1838	2	-	545,361	-
1839	1	-	560,621	-
1840	3	-	562,398	-
1841	3	-	646,953	85
1842	2	-	633,040	-
1843	1	-	375,292	-
1844	-	-	578,172	-
1845	-	-	545,820	-
			796,515	-

NUMBER

NUMBER of LOADS of DEALS IMPORTED in each of the last Three Years.

			Of which were from British Colonies.
		<i>Loads.</i>	<i>Loads.</i>
1843	- - -	609,693	340,688
1844	- - -	727,456	395,066
1845	- - -	884,453	493,826

No. 4.

(No. 19.)

EXTRACT of a DESPATCH from the Right Honourable W. E. GLADSTONE to Governor the Earl CATHCART, K. C. B., dated Downing Street, 3 February 1846.

No. 4.  
Mr. Secretary Gladstone to Governor Earl Cathcart, 3 February 1846.

You will not invite any discussion upon the subject of the law recently passed in Canada for the imposition of a duty of 3s. per quarter upon wheat imported from the United States. If it should be agitated by others, I do not consider it probable that you can be urged to take any decisive measure in respect to it during the approaching Session; but I advert to it lest your Lordship should feel any embarrassment in determining whether this should be considered as a measure appertaining properly to provincial interests, which it is the policy of this country to commit to the guidance of the provincial legislature, or whether it is to be viewed as a matter of imperial concern.

Although your Lordship will not invite or promote the reconsideration of that law, there is no British interest so involved in it as to require you to insist upon the sort of compact on which it may be thought, from the circumstances of its origin, to rest, as an objection to the revival of the question.

If the public sentiment of Canada should appear to be decidedly unfavourable to its continuance, although I do not think such a contingency highly probable, that sentiment will probably find some mode of formal approach to your Lordship, and in such case, though in such case only, you are at full liberty to express your willingness to enter into communication with Her Majesty's Government on the subject, avoiding, so far as is possible, any more specific intimation, inasmuch as it cannot be adequately considered, either by your Lordship or by me, without some reference to the course which domestic policy may take during the current year.

No. 5.

(No. 30.)

COPY of a DESPATCH from Governor the Earl CATHCART, K. C. B., to the Right Honourable W. E. GLADSTONE.

No. 5.  
Governor Earl Cathcart to Mr. Secretary Gladstone, 27 March 1846.

SIR,

Government House, Montreal,  
27 March 1846.

I SUBMIT herewith an Address from the Legislative Assembly of Canada to the Queen, praying that the just claims of this province may not be overlooked in the contemplated changes about to take place in the commercial policy of the empire, and that all grain, wheat and flour imported into the United Kingdom from Canada may be admitted on payment of the smallest possible specific duty, and I beg leave to recommend that the same may be brought under the favourable consideration of Her Majesty.

Lest the omission in this address of any acknowledgment for the measure of protection proposed by Her Majesty's Ministers to be extended to Canada, as announced in your despatch of the 3d instant, may attract observation or appear ungracious, it seems proper to state, that this despatch was not communicated to the Assembly in time to have been considered by them previously to the adoption of this address, which was supported by an unanimous vote. The usual forms of the House were dispensed with, in order that it might be presented to me in time for transmission by this mail for England, which closes this evening.

I have, &c.  
(signed) CATHCART.

Enclosure in No. 5.

Enclosure in No. 5.

TO THE QUEEN'S MOST EXCELLENT MAJESTY,

Most Gracious Sovereign,

WE, your Majesty's most dutiful and loyal subjects, the Commons of Canada, in Provincial Parliament assembled, humbly approach Your Majesty for the purpose of expressing our earnest hope, that in the great changes in commercial policy now contemplated by Your Majesty's Government, the just claims of this Province, as an integral portion of the British Empire, will not be overlooked, and that Your Majesty will be graciously pleased to recommend to Parliament, that wheat flour, and wheat and peas, and all grain and meal from all descriptions of grain and pulse, imported into the United Kingdom from Canada, may be admitted on the payment of the smallest possible specific duty, not exceeding a penny the quarter.

(signed) ALLAN N. MACNAB, Speaker.

Legislative Assembly Hall,  
Thursday, 26 March 1846.

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No. 6.

(No. 56.)

COPY of a DESPATCH from the Right Honourable W. E. GLADSTONE to  
Governor the Earl CATHCART, K. C. B.

No. 6.  
Mr. Secretary  
Gladstone to  
Governor Earl  
Cathcart,  
18 April 1846.

My Lord,

Downing Street, 18 April 1846.

I HAVE received and have laid before the Queen the address to Her Majesty from the "Commons of Canada, in Provincial Parliament assembled," dated the 26th of March 1846, and enclosed in your Lordship's despatch of the 27th of the same month (No. 30.)

I have received the Queen's commands to instruct your Lordship to convey to the House of General Assembly the assurance of Her Majesty's gracious desire and intention to pay every regard to the commercial interests of Canada, even in the consideration of measures which must be regarded as mainly and properly appertaining to the internal condition of this country, which may be compatible with justice to other classes of Her subjects.

I am further commanded by the Queen to state, that having consulted Her confidential advisers on the questions brought under Her notice in this Address, and having been pleased to approve and adopt the opinions submitted to Her by them on that subject, Her Majesty has directed me to explain to your Lordship those opinions, as comprising the substance of the answer, which Her Majesty has to return to the Address of the House of Assembly.

As respects the question immediately affected by the Address, Her Majesty's Government are of opinion, that the reduction of the duty on Canadian wheat, from 1s. to 1d., would fail to have the effect which the Assembly have, it is probable, anticipated and desired.

Use and convention, rather than any abstract principle, have established the rule, that in the Customs Law of this country, 1s. per quarter shall be regarded as the standard of a nominal or register duty upon corn. To reduce the charge upon foreign corn to a rate corresponding with this description, Her Majesty's Government stands pledged to Parliament; and if Her Majesty's Government were to concede the request which is preferred, the effect would not be the establishment of a minute preference, amounting to 11d. per quarter in favour of Canada grain as against the foreign article; but it would without doubt be this, that the same reduction would be applied by Parliament to foreign grain also, and an entire equality between the two would thus be still maintained.

For this reason, Her Majesty's Government are of opinion, that it would not be expedient to propose to Parliament the alteration which it is the object of the Address to recommend.

I am, &c.  
(signed) W. E. GLADSTONE.

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No. 7.

(No. 19.)

COPY of a DESPATCH from Governor the Earl CATHCART, K. C. B., to the Right Honourable W. E. GLADSTONE.

No. 7.

Governor Earl Cathcart to Mr. Secretary Gladstone, 25 February 1846.

Sir,

Government House, Montreal, 25 February 1846.

At the request of the Montreal Board of Trade, I have the honour to transmit the accompanying petition addressed to you by that body.

I have, &c.

(signed) CATHCART.

Enclosure in No. 7.

To the Right Honourable William Gladstone, M.P., Her Majesty's Principal Secretary of State for the Colonies.

Enclosure in No. 7

The Petition of the Montreal Board of Trade.

Humbly sheweth,

That your Petitioners have observed Her Majesty's Government have proposed to Parliament a material alteration in the duties on foreign bread-stuffs imported into the United Kingdom, preparatory to an ultimate reduction of the same to a duty of 1s. per quarter.

That hitherto Her Majesty's Government have acted on the principle of affording favour to the produce of Canada, and in accordance therewith passed a law in the year 1843, admitting into Great Britain Canadian wheat at a duty of 1s. per quarter, and flour at a relative rate, conditionally upon the maintenance of the Provincial law imposing a local duty of 3s. per quarter on foreign wheat imported into the province.

That as the proposed Imperial law departs from the principle upon which the Provincial law above referred to was founded, and neutralizes the favour accorded to Canadian bread-stuffs, your petitioners humbly hope Her Majesty's Government will be pleased to recommend the repeal of the said Provincial Act.

That by the alterations lately proposed in the Imperial Parliament, the protection on Canada wheat and flour will be so much diminished, that they cannot compete with like articles from the United States.

That a protection of even 1s. a quarter, small as it may appear, will aid in securing to Canada a share of the North-western American trade, to the encouragement of British shipping.

That unless some protection be given to produce imported by way of the St. Lawrence, the public works, constructed at a vast expense, and for the completion of which a loan was raised in England guaranteed by Her Majesty's Government, instead of being a source of revenue will become a charge to the province.

Wherefore your petitioners humbly pray, that so much of the Imperial Act 5 & 6 Vict., c. 49, as imposes a duty of 2s. per barrel on foreign flour imported into Canada be repealed; and that grain, flour and meal from Canada, of whatever origin, be allowed to be imported into the United Kingdom duty free.

And your petitioners, as in duty bound, will ever pray.

(signed) G. MOFFATT,  
President of the Montreal Board of Trade.

Montreal, 25 February 1846.

FREDERICK N. WILLSON, Secretary.

No. 8.

(No. 48.)

COPY of a DESPATCH from the Right Honourable W. E. GLADSTONE to Governor the Earl CATHCART, K. C. B.

No. 8.

Mr. Secretary Gladstone to Governor Earl Cathcart, 1 April 1846.

My Lord,

Downing-street, 1 April 1846.

I HAVE received your Lordship's despatch, No. 19, of the 25th February last, in which you enclose a memorial from the Board of Trade at Montreal, praying, that in consideration of the injury which the memorialists apprehended from the anticipated change in the Corn Law of this country, Her Majesty's Government would recommend the repeal of the Provincial Act, imposing a local duty of 3s. per quarter on foreign wheat imported into Canada; that the Imperial duty of 2s. per barrel on foreign flour brought into the province may be repealed, and that grain, flour and meal, of whatever origin, may be introduced from Canada into the United Kingdom free of duty.

The despatches noted in the margin, which I have had occasion to address to your Lordship on the subject of the trade of Canada, will have already explained the views which, in common with my colleagues, I entertain with respect to the

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apprehensions

No. 19. page 9.  
No. 32. page 5.

apprehensions of the Board of Trade of Montreal, or of other parties similarly situated, as to the effect in Canada of the alteration of the English Corn Law, if it be passed in conformity with the views of Her Majesty's Government. But as it is necessary that I should return a distinct answer to the memorial which is now before me, I have to instruct your Lordship to acquaint the memorialists, that if Parliament shall adopt the changes in the Corn Law of this country which have been submitted to their deliberation, Her Majesty's Government will regard the local duty of 3s. on corn as an exclusively provincial question, and if the Legislature of Canada shall think it expedient to pass an Act for the repeal of that duty, Her Majesty will not be advised to disallow the measure.

2. You will state to the memorialists that, according to the view of Her Majesty's Government, any proposal to alter the imperial duty on flour imported into Canada should follow, and be dependent on, but should not precede the abrogation of the 3s. duty on wheat.

3. That with respect to their application for the free introduction into this country of grain, flour and meal of whatever origin, Her Majesty's Government regret that they do not think it entirely compatible with the spirit of the commercial treaties between this country and other powers, to revive the system which once prevailed, of allowing the introduction of goods from colonies at colonial duties, with reference, not to their origin, but solely to their place of export.

I have, &c.  
(signed) W. E. GLADSTONE.

No. 9.

(No. 27.)

COPY of a DESPATCH from Governor the Earl CATHCART, K. C. B., to the Right Honourable W. E. GLADSTONE.

No. 9.  
Governor Earl  
Cathcart to Mr.  
Secretary Glad-  
stone.  
25 March 1846.

Sir,

Government House, Montreal, 25 March 1846.

At the request of the Quebec Board of Trade, I have the honour to forward the accompanying petition, addressed to you by that body.

I have, &c.  
(signed) CATHCART.

Enclosure in No. 9.

Encl. in No. 9.

To the Right Honourable W. E. GLADSTONE, Her Majesty's Minister of State for the Colonies, &c. &c. &c.

The Quebec Board of Trade, by this their Petition,

Respectfully represent,

THAT your petitioners observe with deep anxiety the contemplated adoption by Her Majesty's Government of a new system of commercial policy, at variance with those maxims of protection and old established principles which have hitherto been acted upon in regulating the trade of Great Britain and her possessions abroad.

That the introduction into the Imperial Parliament of measures, the operation of which will immediately deprive the province of Canada of a great portion, and at no distant period of all the protection her produce now enjoys in the markets of the United Kingdom, should be received by your petitioners with anxiety and alarm, cannot be a matter of surprise.

Convinced as your petitioners are of the desire of Her Majesty's Government to encourage the commerce of the colonial possessions in North America, and promote the welfare of Her Majesty's subjects therein; and convinced, also, that any legislative measures, prejudicial to the North American colonies, must be prejudicial to the shipping and other great interests of Great Britain, they beg respectfully to bring under your consideration certain suggestions, which it appears to them would, if carried out, be beneficial to the colonies and the parent state, whose interests are inseparable.

That in Session of last year, the Congress of the United States of America enacted a law (called the Drawback Law), allowing a remission of the duties on British and other foreign manufactures and produce imported into the United States, on the same being exported inland into Canada; and a Bill is now in contemplation to allow the transportation of Canadian produce through the territory of the United States to an Atlantic shipping port, for exportation to Great Britain and other foreign countries, free.

That the question will no doubt suggest itself to you, whether the natural effect of this seductive law will not gradually, silently, and imperceptibly, even to themselves, wean the inclinations of the subjects of Great Britain from their true allegiance to the parent state, and bias their minds in favour of a closer connexion with a foreign country, through which the transport of their merchandize and produce is encouraged, and a consequent more frequent intercourse with its inhabitants produced.

That

That the operation of this law has been greatly to increase the inland importation into Canada of various articles the produce of foreign countries, such as teas, wine, fruit, sugar, coffee, molasses and others, so much as to cause a sensible diminution of the import of these articles by the St. Lawrence; and your petitioners, in corroboration of the statement, solicit your attention to the fact, that in the article of sugar alone, the importation into Canada from the port of Oswego, in the United States, amounted in 1845 to 1,600 hogsheads, and previous to the enactment of the Drawback Bill, the exportation from that port did not amount to 50 hogsheads, and further, that the importation of Muscovado sugar, by the river St. Lawrence, in 1844 was 8,177,581 pounds, and in 1845, 2,853,240, being a diminution of 5,324,341 pounds.

That the cause of the increased inland importations into Canada of these articles through the United States, and the diminution of the imports by the channel of the river St. Lawrence, is, in the opinion of your petitioners, to be attributed to the American Drawback Bill, the existence of the imperial duties on imports by the St. Lawrence, and the higher tolls on our canals as compared with the tolls in the United States.

That the effect of the existence of the imperial duties on imports by sea, in conjunction with the Drawback Bill, is to erect a barrier to the passage through our canals of the produce of foreign countries and British manufactures, and to neutralize the benefit to be derived by Her Majesty's subjects in Canada in constructing those magnificent works at an enormous expense, and, in fact, to enact a penalty on their being used, a state of things that never could have been contemplated when these works were commenced.

Your petitioners, therefore, respectfully suggest, that the imperial duties under the Act of 8 & 9 Vict., c. 93, on all flour and provisions imported into this province by inland navigation, be repealed, and that such articles so imported and conveyed through the channel of the river St. Lawrence, to a shipping port, should acquire a colonial character, and be admitted into the United Kingdom on the same terms as the produce of the province, and that the imperial duties on all importations by sea only be also repealed.

Your petitioners presume to suppose that these measures would not directly or indirectly be prejudicial to British interests, while they would secure to this province a large inland carrying-trade, employ British capital, create an extra demand for labour, increase the consumption of British manufactures, augment the revenue of our splendid canals, and above all, give further employment to British shipping, especially in the conveyance of flour and provisions imported inland for exportation to British ports, which is made manifest by consideration of the fact, that upwards of one-third of their cost consists in the incidental charges of inland transportation and Atlantic freights; and your petitioners further presume to suppose, that an extensive inland trade once established through the channel of the St. Lawrence, would continue to flow in that direction after the cause that diverted it from other outlets to the ocean had ceased to exist.

Your petitioners perceive that the article of timber is one of those which it is intended by Her Majesty's Ministers to protect to a certain extent, by reducing the present differential duty from 25s. to 15s. per load; but they beg to observe, that the present is an apparent, not a real protection, inasmuch as the average rate of freight between timber imported from the Baltic and North America is fully 20s. per load in favour of the Baltic, from the greater distance from America to Great Britain, reducing thereby the real protection to about 5s. per load; and if the apparent protection is reduced to 15s. per load as contemplated, it will in effect be equivalent to a premium in favour of Baltic timber of 5s. per load; and it is important also to observe, that that very distance, which thus places colonial timber in so disadvantageous a position, makes the North American colonial trade the great nursery for British seamen, and promotes the shipping interests of the United Kingdom.

Your petitioners, therefore, respectfully suggest, that the proposed reduction of duty on Baltic timber of 5s. per load, 5th April 1847; 5s., 5th April 1848, be reduced to 2s. 6d. per load at those respective dates; and that the contemplated reduction in the duty on sawn timber be reduced proportionately.

By order of the Council of the Board of Trade,

(signed)

W. WALKER (L.S.), President.

W. STEVENSON, Hon. Sec.

Quebec, 16 March 1846.

No. 10.

(No. 31.)

COPY of a DESPATCH from the Governor the Earl CATHCART, K.C.B., to the Right Honourable W. E. GLADSTONE.

Sir,

Government House, Montreal, 27 March 1846.

At the request of the Montreal Board of Trade, I submit for your consideration a Memorial addressed to you by that body, praying the repeal of certain duties imposed by the Imperial Statute 4 & 5 Vict. c. 49. upon various articles imported into Canada from foreign states.

I have, &c.

(signed) CATHCART.

No. 10.

Governor Earl Cathcart to Mr. Secretary Gladstone,  
27 March 1846.

Encl. in No. 10.

Enclosure in No. 10.

To the Right Honourable WILLIAM GLADSTONE, M.P., Her Majesty's Principal Secretary of State for the Colonies.

The Memorial of the Montreal Board of Trade,

Humbly sheweth,

THAT your memorialists observe Her Majesty's Government have proposed to Parliament certain changes in the customs duties of Great Britain, under which salted provisions and various other articles are to be at once admitted into the United Kingdom duty free.

That by the Imperial Act 5 & 6 Vict. c. 49, salted provisions, and many of the articles above referred to, are liable to heavy duties when imported into Canada from foreign states; and it appears to your memorialists, that to maintain such duties in Canada, while they are abandoned in the United Kingdom, will have a most injurious effect on the trade of this colony, and will prevent it realizing any advantages which may be derived from becoming the channel through which a portion of the provisions of the United States may reach the British market.

Wherefore, your memorialists humbly pray Her Majesty's Government will recommend to Parliament the repeal of the imperial duties on all such articles imported into Canada, as by the proposed Customs' Duties Bill may be admitted duty free into the United Kingdom.

And your memorialists, as in duty bound, will ever pray.

(signed) G. MOFFATT,

President of the Montreal Board of Trade.

Montreal, 26 March 1846.

FREDERICK N. WILLSON, Secretary.

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No. 11.

(No. 62.)

COPY of a DESPATCH from the Right Honourable W. E. GLADSTONE to Governor the Earl CATHCART, K. C. B.

No. 11.

Mr. Secretary  
Gladstone to Earl  
Cathcart,  
4 May 1846.

My Lord,

Downing Street, 4 May 1846.

I HAVE to acknowledge the receipt of your despatches, Nos. 27 and 31, in which you enclose addresses to myself from the Boards of Trade at Quebec and Montreal, praying for the repeal of certain provisions in the Imperial Enactments, 5 & 6 Vict. c. 49, and 8 & 9 Vict. c. 93, the continuance of which, it is represented, will seriously affect the trade of Canada, if the proposed alterations in the commercial policy of this Country should be sanctioned by Parliament.

I have to instruct your Lordship to acquaint the memorialists, in answer, that the interests of Canada continue to engage the lively solicitude of Her Majesty's Government; but that they have felt it their duty to decline acceding to the request that the system denominated "naturalization" of goods may be introduced into the pending law, upon grounds which they conceive to be of such force as to leave them no option. Her Majesty's Government are, however, by no means similarly pledged or disposed to refuse consideration to the question, how far the Imperial duties chargeable in Canada may be susceptible of alteration with advantage, though they entertain the opinion that it would be premature to enter upon that subject without further knowledge than we now possess of the sentiments of the various parties interested in it. With respect to the article of timber, adverted to in the memorial of the Board of Trade of Montreal, your Lordship will observe to the Memorialists, that Parliament has already declared itself on that question in unison with the views of Her Majesty's Government; but your Lordship will be pleased likewise to add, that Her Majesty's Government are firmly persuaded, that the British North American timber, from its own useful properties, and with the aid of the reduced protection which it is proposed to retain, as well as from the energy and intelligence of those who trade in it, and their command of capital, will continue to hold its place in the British market.

I have, &c.

(signed) W. E. GLADSTONE.

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No. 12.

(No. 42.)

COPY of a DESPATCH from Governor the Earl CATHCART K.C.B. to the Right Honourable W. E. GLADSTONE.

Sir, Government House, Montreal, 28 April 1846.

IN order that you may be made acquainted at an early period with the views entertained by the Legislative Assembly of Canada in regard to the measures which it appears expedient for them to adopt, consequent on the contemplated abolition of the duty on corn, and other important changes in the commercial policy of the empire, which have been submitted to the deliberation of the Imperial Parliament, I have the honour to enclose for your information a copy of seven Resolutions that have passed in a committee of the whole House.

No. 12.  
Governor Earl Cathcart to Mr. Secretary Gladstone,  
28 April 1846.

These Resolutions were introduced by the Inspector-general, and carried, under the supposition that Her Majesty's Ministers would succeed in carrying through the measures submitted by them to Parliament, and it is understood that the enacting of the provisions which they contain is to be contingent on that event.

I have, &c.  
CATHCART.

Enclosure in No. 12.

Enclosure in No. 12.

SEVEN RESOLUTIONS reported from a Committee of the whole House.

1. Resolved,—That, in the opinion of this Committee, it is expedient that so much of the Act 6 Vict., c. 31, as relates to the imposition of a duty of 3s. sterling per quarter on foreign wheat imported into this province, be repealed.—Yeas 42; Nays 28.

2. Resolved,—That a duty of 3s. sterling per quarter be imposed upon all foreign wheat imported into this province, except for the purpose of exportation, or to be ground in bond, for exportation.

3. Resolved,—That, in the opinion of this Committee, it is expedient that so much of the Schedule of duties imposed by the Act 3 Vict., c. 3, as relates to the imposition of a duty of 3s. sterling per quarter on maize, or Indian corn, imported into this province from a foreign country, be repealed.—Yeas 43; Nays 23.

4. Resolved,—That a duty of 3s. sterling per quarter be imposed upon all foreign maize or Indian corn introduced into this province, except for the purpose of exportation.

5. Resolved,—That, in the opinion of this Committee, it is expedient that so much of the Schedule of duties imposed by the Act 8 Vict., c. 3, as relates to the imposition of a duty upon Muscovado, clayed, bastard and other sugars not refined, imported into this province, be repealed.

6. Resolved,—That a duty of 7s. 6d. sterling per cwt. be imposed upon Muscovado, clayed, bastard and all other sugars not refined, imported into this province. (Present duty 9s. 4d. sterling).—Yeas 41; Nays 29.

7. Resolved,—That, in addition to the articles enumerated in the Schedule to the said Act 8 Vict., c. 3, on which duties are imposed, all descriptions of dye-woods be subject to and charged with an *ad valorem* duty of one per cent.

Resolved,—That, in the opinion of this Committee, it is expedient that so much of the Schedule of duties imposed by the Act 8 Vict., c. 3, as relates to the imposition of duties upon leather or leather manufactures imported into this province, be repealed.

Resolved,—That an *ad valorem* duty of five per cent. be imposed upon all kinds of manufactured or unmanufactured leather, the production of Great Britain, or of the British Colonies, imported by sea, or direct from any British Colony; and that on leather or leather manufactures otherwise imported, the following duties be imposed; that is to say,

Present Duties.

s.	d.		s.	d.
5	0	On Goat Skins, tanned, tawed, or in any other way dressed, per dozen	5	0
2	6	On Lamb or Sheep Skins, tanned, tawed, or in any way dressed, per dozen	2	6
0	6	Calf Skins, tanned, tawed, or in any way dressed, per lb.	0	4
0	3	Kid Skins, tanned, tawed, or any way dressed, per lb.	0	2
0	2	} Harness Leather, Upper Leather, and Sole Leather, per lb.	0	1½
0	1½			
0	6	Leather, cut into shapes, per lb.	0	4

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(continued)

Present Duties.		LEATHER MANUFACTURES.	s. d.
s.	d.		
7	6	Women's Boots, Shoes, and Calashes of Leather, per dozen pairs	5 0
7	6	Women's Boots and Shoes, of silk, satin, jean or other stuffs, kid or morocco, per dozen pairs	5 0
2	6	Girl's Boots, Shoes and Calashes of Leather, under seven inches in length, per dozen pairs	2 0
3	0	Girl's Boots and Shoes, of silk, satin, jean or other stuffs, kid or morocco, per dozen pairs	2 0
2	6	Men's Boots, per pair	1 3
1	0	Men's Shoes, ditto	0 6
1	3	Boy's Boots, under eight inches in length, per pair	0 9
0	9	Boy's Shoes, under eight inches in length, per pair	0 4

No. 13.  
Governor Earl  
Catheart to  
Mr. Secretary  
Gladstone,  
28 April 1846.

No. 13.  
(No. 40.)  
COPY of a DESPATCH from Governor the Earl CATHCART K. C. B. to the Right Honourable W. E. GLADSTONE.

Government House, Montreal,  
28 April 1846.

Sir,

I HAVE the Honour to transmit to you the enclosed Petition from certain merchants and other citizens of Quebec to the Queen, praying that Her Majesty will not sanction the contemplated modification in the Tariff on wood goods.

I have, &c.  
(signed) CATHCART.

Enclosure in No. 13.

Enclosure in No. 13.

TO THE QUEEN'S MOST EXCELLENT MAJESTY.

The Petition of the undersigned Merchants and others, Citizens of Quebec.

Humbly sheweth,

THAT your petitioners view with serious alarm the measures introduced by Your Majesty's Ministers in the Imperial Parliament, affecting as they do the principal exports of Your Majesty's possessions in British North America, by encouraging other nations more favourably situated to enter into successful competition with them.

That the long and tedious navigation of the St. Lawrence, the shortness of the shipping season, and the danger of the coast, especially in the months of October and November, add materially to freights and insurances, and render successful competition with the foreigner either in corn or timber a matter of great difficulty, if not of utter impossibility.

That although a protection of 24s. is now granted on the timber of these provinces, the freights from the Baltic average 17s. 6d. per load, while those from Canada average 38s. 9d., making a difference in favour of the producer in the north of Europe of 21s. 3d. per load, and when insurance is considered, making the protection now given a mere equivalent to the difference of freight; moreover, should the contemplated reduction of 5s. in 1847 and 5s. in 1848 take place, giving a direct boon to this extent to the foreign producer, who in comparison to the colonist gives little encouragement to the British manufacturer.

That the effect of the changes in the Tariff in the port of Liverpool has been to increase the foreign tonnage employed in carrying deals and timber upwards of 300 per cent. since 1842, while the British shipping employed in the same trade with these colonies has only increased to the same port about 30 per cent.; and that if such are the effects of the modifications in 1842, the inevitable result of further relaxation will be ruin to both the British shipowner and colonist.

That independently of the encouragement given to the north of Europe to compete with Your Majesty's colonial possessions in North America, the effect of the changes now referred to will be to add another competitor, namely, the United States of America, especially in the articles of pitch pine (resembling the red pine of the colonies, but superior to it), staves and oak timber, the produce mostly, if not entirely, of slave labour.

Your petitioners most humbly pray, that Your Majesty will consider favourably their petition, and allow the duties to remain as they now are, viz., 25s. on foreign timber and 1s. on colonial; that your Majesty will cause to be levied a duty on staves, as this article affords constant employment to colonial shipping on the inland lakes, and further, that no alteration be made in the duties on sawed timber, which, if altered as contemplated, will ruinously affect many who have embarked large capital in the erection of saw-mills, under the impression that in any change of duties the situation of these provinces, their distance from the mother country, the immense employment they give to British shipping and their being such large consumers of British manufactures, would be duly considered, and that protection

protection equivalent to the difference of freight would at least be guaranteed to them, as even then they only meet the foreign producer in the home markets on equal terms.

That to a system of wise and judicious protection Your Majesty's empire is indebted for its proud attitude among the nations of the earth, and the present happy position of Your Majesty's colonial possessions is attributable mainly to the same source.

Wherefore your petitioners must humbly pray, that Your Majesty will not sanction the contemplated modifications in the Tariff on wood goods, and Your Majesty's petitioners, as in duty bound, will ever pray.

(144 Signatures.)

No. 14.

(No. 66.)

COPY of a DESPATCH from the Right Honourable W. E. GLADSTONE to  
Governor the Earl CATHCART K.C.B.

My Lord,

Downing Street, 18 May 1846.

I HAVE to acknowledge the receipt of your Lordship's despatch, No. 40, of the 28th of April, transmitting to me a petition to Her Majesty from certain merchants and others, citizens of Quebec, praying that Her Majesty will not sanction the contemplated modification in the Tariff on wood goods.

I have laid this petition before Her Majesty, who has been pleased to receive it graciously, but it has not been in my power to advise Her Majesty to assent to its prayer, for the reasons which I shall proceed to state.

Her Majesty has invited the Parliament to adopt the proposal to which the petition refers.

The House of Commons will enter to-night on the consideration of the Customs Duties Bill, in which this proposal is included, at the advanced stage when the Bill is reported to the House from the Committee of the whole House, immediately before the engrossment and third reading. At such a stage it would, I believe, be most unusual for the House of Commons to reverse the decision which it has given on the occasions afforded by the various earlier stages of the Bill, and by the preliminary Committee, which is required, with respect to all questions of trade, and in which they ordinarily undergo the most searching examination. Thus, Her Majesty having recommended to Parliament a particular course, has had no reason, in the reception which Parliament has given to the recommendation, to adopt any alteration of it.

But I must not be understood as implying that this is the principal difficulty which obstructs a compliance with the prayer of the petitioners; there are others, including some of a higher order:—First, Her Majesty's Government do not doubt the very high respectability of the petitioners, and would be disposed, on general grounds, to attach great weight to their opinions; but Her Majesty's Government have found themselves obliged, on a great variety of occasions, to adopt and to adhere to proposals unacceptable to many of the parties immediately affected by them, notwithstanding their belief in the high integrity of those parties, and their perfect freedom from any consciousness of an interest that could warp the judgment; and Her Majesty's Government cannot but observe on the present occasion, that they do not find any reason to suppose, from the evidence before them, that the opinion of the petitioners with respect to the impending change in the timber duties, is shared by the people of Canada at large, or by their representatives, who, on the contrary, appear to have evinced their intention to abandon reliance upon the artificial advantages which protective laws may confer, and to place it upon the natural and permanent guarantees afforded by the resources of the province and the energy of its inhabitants.

Her Majesty's Government must seriously doubt whether, if the allegations of the petition were made good in their whole extent, with respect to the disadvantages entailed upon Canada by her distance from this country, by the dangers of the St. Lawrence, the suspension of its navigation during a portion of the year, and by the inferior quality of Canadian timber, that circumstance would have the effect of producing the conviction in this country that the measure now under discussion should be either qualified or abandoned, inasmuch as it would certainly show that the present system could only be continued at a very heavy cost to the nation.

But Her Majesty's Government do not share the belief of the petitioners in the existence and in the force of these disadvantages. They cannot forget the

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predictions,

No. 14.  
Mr. Secretary  
Gladstone to  
Governor Earl  
Cathcart,  
18 May 1846.

predictions, the confident, and, without doubt, sincere predictions of ruin which attended the progress of the measure of 1842, nor can they fail to contrast with those predictions the great subsequent extension, and the apparently flourishing condition of the trade at the present moment.

With respect, indeed, to the disadvantage of distance, which undoubtedly affects the competition of Canadian timber with that of the Baltic, Her Majesty's Government have not failed to make what they deem to be a sufficient provision, all things considered, for the charge which it entails, by proposing to retain a protective Duty of 15s. per load on foreign wood; and inasmuch as they can by no means admit that it is the proper office of commercial laws to attempt in general to secure to places which are remote all the advantages of proximity, they trust the petitioners will recognize in the plan as it actually stands, a proof of their great anxiety to give every just consideration to the claims of the parties engaged in the trade, and to those of the colony, so far as its interests may be conceived to be affected by the question.

Her Majesty's Government look forward to an active competition, under the law as it is proposed that it should stand, and a competition by no means unfavourable to the timber and deals of Canada. Nor is it competition alone which Her Majesty's Government anticipate; on the contrary, they conceive, as I have already had occasion to state to your Lordship, that to no inconsiderable extent, the consumption of Baltic timber is actually auxiliary to the demand for that of Canada, and therefore, that to this extent a measure which cheapens the first, is likely to cause positive improvement in the market for the last.

For these reasons, which I need not pursue into further detail, and for others to which I have thought it unnecessary on this occasion to refer, Her Majesty's Government have been unable to advise Her Majesty to assent to the prayer of the petition transmitted to me by your Lordship.

I have, &c.  
(signed) - W. E. GLADSTONE.

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