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CORRESPONDENCE

BETWEEN THE

GOVERNOR-GENERAL OF CANADA AND THE SECRETARY
OF STATE FOR THE COLONIAL DEPARTMENT,

UPON THE OPERATION OF THE NAVIGATION LAWS.

*In continuation of the Papers presented to both Houses of Parliament
by Command, July 1848.*

Presented to both Houses of Parliament by Command of Her Majesty,
FEBRUARY 1849.

LONDON:

PRINTED BY WILLIAM CLOWES AND SONS, STAMFORD STREET,
FOR HER MAJESTY'S STATIONERY OFFICE.

1849.

SCHEDULE.

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CORRESPONDENCE

BETWEEN THE

GOVERNOR-GENERAL OF CANADA AND THE SECRETARY OF
STATE FOR THE COLONIAL DEPARTMENT,

UPON

THE OPERATION OF THE NAVIGATION LAWS.

(No. 2.)

No. 1.

CANADA.

No. 1.

COPY of a DESPATCH from Governor-General the Earl of ELGIN AND
KINCARDINE to Earl GREY.Government House, Montreal,
January 3, 1849.*(Received January 23, 1849.)*

MY LORD,

I HAVE the honour to transmit herewith, with the request that your
Lordship will be pleased to lay it at the foot of the Throne, a petition to Her
Most Gracious Majesty the Queen, from the Montreal Board of Trade.

I have, &c.,

(Signed) ELGIN AND KINCARDINE.

The Right. Hon Earl Grey,
&c. &c. &c.

Enclosure in No. 1.

Encl. in No. 1.

TO HER MOST GRACIOUS MAJESTY THE QUEEN.

The Petition of the Montreal Board of Trade.

HUMBLY SHOWETH,

THAT the abandonment by the mother country of her protective policy, is producing
important changes in the commercial relations of this colony, which, unless regulated or coun-
teracted by wise legislation, may lead in the end to consequences which every loyal subject
would deplore.That the most prominent of the changes referred to is a growing commercial intercourse
with the United States, giving rise to an opinion, which is daily gaining ground on both sides
of the boundary line, that the interests of the two countries under the changed policy of the
Imperial Government are germane to each other, and under that system must, sooner or later,
be politically interwoven.That being deeply interested in the trade and prosperity of this province, and moreover, in
common with the great mass of the population, being devotedly attached to the institutions of
Great Britain, and desiring to see the existing colonial connexion which unites us perpetuated,
your petitioners most respectfully take leave to lay before Your Majesty the following repre-
sentations:—Firstly. The result of a total cessation of the differential duty on grain in England, will be
to make New York the port of shipment for the great bulk of the produce of Canada, in con-
sequence of the greater cheapness of forwarding it to the markets of England by way of the
United States, than by the former route of the St. Lawrence. This is a statement which, in
the opinion of your petitioners, cannot be refuted, whether with reference to our past expe-
rience or to any future probable changes in the cost of forwarding by either route.Secondly. The port which is found to be the most eligible for the exports, will also be found
to be the best suited for the imports of a country, for one reason among many others in this
case, that inward freight cheapens outward freight, and *vice versa*; accordingly New York
must inevitably become the port of import for Canada, to the serious injury of the trade of the
St. Lawrence.Thirdly. The bonding system introduced by the American Government, by means of which
British and foreign manufactures may be purchased in New York, on much the same terms
as in Montreal, must have the effect of attracting the merchants of Canada to New York for
the purchase of their supplies, if that city shall become the port of import and export for
Canada; and thus the ruin of the trade of the St. Lawrence, of so much importance to Great
Britain and this colony, in a national point of view, cannot fail to be consummated.

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It would be superfluous for your petitioners to point out the injurious effects which could not but result from such a diversion of trade; suffice it to say, it would create and cement ties of beneficial interest between Canada and the United States, and proportionally weaken the attachment which this colony entertains for the mother country.

Your petitioners are indeed aware that it has been asserted by a class of political economists, that the colonies are a source of pecuniary loss to England, and that she might profitably abandon them altogether; but your petitioners have too much confidence in the wisdom of Your Majesty's Government to suppose that such sentiments are shared in by them, or that even were the proposition to be true, they would draw the same precipitate conclusion from it.

In nations there are interests infinitely transcending those of a mere pecuniary nature; and your petitioners would regard the integrity of the British dominions, the preservation of Britain's political power and influence, as cheaply purchased by any pecuniary loss the colonies might occasion her.

It is with this belief, and with the desire to avert the dismemberment of the empire, so far at least as Canada is concerned, that your petitioners at this time approach Your Majesty. They do not seek the restoration of the old system of protection; on the contrary, they have no objection to the utmost freedom of trade, compatible with the safety of the ties subsisting between this colony and the mother country; but having respectfully shown how that connexion must be endangered when the measures of Sir Robert Peel take full effect, they will briefly point out those remedial measures which, in their opinion, would avert the evil, and continue to attach this province to England by the chains of interest, as well as of affection and duty. These measures, so far as imperial legislation is concerned, are,—

Firstly. The repeal of the Navigation Laws as they relate to Canada, and the throwing open the navigation of the St. Lawrence; and,

Secondly. The enactment of a moderate fixed duty, say not less than 5s. per quarter on foreign wheat, colonial to be admitted free. In the event of this suggestion being approved of by Your Majesty's Government, your petitioners would strongly urge that, if not inconsistent with existing treaties, the exemption from duty of Canadian produce should be extended to all bread stuffs shipped from a Canadian port, whether of Canadian or foreign origin; the effect of which would be to pour the whole trade of Upper Canada, and a vast proportion of that of the Western States, through the River St. Lawrence, adding immensely to the revenue arising from the public works of the province, and giving a powerful impetus to the prosperity of British North America. Indeed it is the opinion of your petitioners that the increase of revenue arising from the canals under the system proposed, would be such as would admit of our Legislature materially reducing, if not entirely repealing, the import duties on British manufactures imported into the provinces. Your petitioners having already presented an humble petition to Your Majesty in the month of May last, for the repeal of the Navigation Laws as they regard Canada, and having in that petition sufficiently explained their reasons for urging their repeal, they will only at present refer to the second measure suggested, namely, the enactment of a moderate fixed duty on foreign wheat.

Your petitioners would most earnestly urge this on the attention of Your Majesty's Government for the following reasons:—

Firstly. It would be no violation of the new fiscal principles of the English Government, inasmuch as such a duty as that prayed for would simply be a tax for revenue, and your petitioners see no reason why grain should not be moderately taxed as well as any other commodity.

Secondly. Your petitioners are of opinion, from practical observation, that such a duty would not come out of the pocket of the consumer, but out of that of the producer, that it would not in the general course of things add to the price of bread stuffs in England, but reduce the price of bread stuffs in the markets of foreign countries.

Thirdly. Such a moderate fixed duty on foreign grain would increase the revenue of the country, on the average, by about a million sterling; which, as it would not come out of the pocket of the consumer, would be a great national gain, combining a most seasonable relief to the country in its present financial position, with other advantages of perhaps even paramount consideration.

Fourthly. A duty of this kind in favour of Canada would preserve the trade of the St. Lawrence, add to the revenue derivable from the provincial canals, diffuse universal satisfaction throughout the colony, and what, in the opinion of your petitioners, is all important, would continue to attach Canada to the mother country, thus perpetuating the present connexion, and preserving inviolate the British dominions.

May it therefore please Your Most Gracious Majesty to take the prayer of this petition into your serious consideration, and grant such relief in the premises as in your wisdom may seem meet.

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

(Signed)

PETER M'GILL,

President of the Montreal Board of Trade.

FREDERICK A. WILLSON, Secretary.

Montreal, December 14, 1848.

(No. 3.)

No. 2.

COPY of a DESPATCH from Governor-General the Earl of ELGIN AND KINCARDINE to Earl GREY.

Government House, Montreal,
January 3, 1849.

(Received January 23, 1849.)

MY LORD,

WITH reference to the petition to Her Majesty from the Board of Trade of Montreal, transmitted in my Despatch, No. 2, of this day's date, I have the honour to enclose herewith, for your Lordship's information, a printed letter, of which a copy has been sent to me, addressed to the President of the Board, and signed by several merchants of high respectability, Mr. Holmes, one of the members for the city, being of the number.

I have, &c.,

(Signed) ELGIN AND KINCARDINE.

The Right Hon. Earl Grey,
&c. &c. &c.

Enclosure in No. 2.

Encl. in No. 2.

To the Honourable PETER MCGILL, President of the Montreal Board of Trade.

SIR,

IT is with extreme regret that we find ourselves, as Members of the Board of Trade, under the necessity of taking exception to a petition to Our Gracious Sovereign the Queen, adopted on the 11th instant, by the Council in the name of the Board. Against that act of the Council (a body consisting of 11 members, 6 of whom only were present on the occasion) we beg respectfully to protest, being of opinion that the petition should have been called what it really is, that of the Council and not the Board, inasmuch as it was not submitted to the latter, and consequently cannot, in strict propriety, be called its petition. Had it been deliberately adopted by the Board after full discussion, we should have cheerfully submitted to it as the opinion of the majority, but under existing circumstances we beg respectfully to state, that we dissent from it as containing principles which we cannot acquiesce in—details which are at variance with our knowledge of facts; and sentiments which are not consistent with our convictions. For instance, the petition states:—

“That the most prominent of the changes referred to, is a growing commercial intercourse with the United States, giving rise to an opinion, which is daily gaining ground on both sides of the boundary line, that the interests of the two countries under the changed policy of the Imperial Government are germane to each other, and, under that system, must, sooner or later, be politically interwoven.”

Now, whilst we admit that we consider the interests of the two countries to be “germane” to each other, we dissent entirely from the conclusion which the Council seems to draw therefrom, and to imply that the country participates in, viz.:—That it must precipitate a political connexion between this colony and the United States. Such, in our opinion, is a wrong interpretation of the general feeling of the people of this province. On the contrary, we would interpret it to be that a feeling of disaffection is likely to arise against the mother country, unless she promptly removes the obstacles and restrictions which we have a right to complain of, and which prevent our acquiring that perfect freedom of commerce which the essential interests of the colony require, subject to such restrictions only as the wants of our local Government in the matter of revenue render indispensable.

The next points in the Council's petition to which we object are to be found in the following paragraphs:—

“Firstly.—The result of a total cessation of the differential duty on grain in England, will be to make New York the port of shipment for the great bulk of the produce of Canada, in consequence of the greater cheapness in forwarding it to the markets of England by way of the United States, than by the former route of the St. Lawrence. This is a statement which in the opinion of your petitioners cannot be refuted, whether with reference to our past experience, or to any future probable changes in the cost of forwarding by either route.

“Secondly.—The port which is found to be the most eligible for the exports, will also be found to be the best suited for the imports of a country, for one reason, among many others in this case, that inward freight cheapens outward freight, and vice versa; accordingly New York must inevitably become the port of import for Canada to the serious injury of the trade of the St. Lawrence.

“Thirdly.—The bonding system introduced by the American Government, by means of which British and foreign manufactures may be purchased in New York on much the same terms as in Montreal, must have the effect of attracting the merchants of Canada to New York for the purchase of their supplies, if that city shall become the port of import and export for Canada, and thus the ruin of the trade of the St. Lawrence, of so much importance to Great Britain and this colony in a national point of view, cannot fail to be consummated.”

We must respectfully deny what the Council assert respecting the greater cheapness of forwarding produce to the markets of England by way of the United States than by the route of

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the St. Lawrence, "with reference to any future probable changes in the cost of forwarding by either route." We contend on the contrary that under a system of free navigation, sea-going freights from Quebec will be reduced on the average to within a shilling per barrel of the rates which may thereafter prevail at New York, if they be not in fact brought nearer by competition to an equality. We have compared the necessary expenses of a vessel of 500 tons trading between New York and Liverpool, and Quebec and Liverpool respectively, and we see nothing in them to prevent such a vessel carrying produce from either port to Liverpool, at nearly the same rates of freight—the reason being that, as the charges necessarily incurred by the ship are about the same in both cases, it follows that, what yields a remunerative profit in the one case, must yield it also in the other. And taking the sea-going freight in connexion with the inland freight in both cases, we contend that the conclusion is irresistible in favour of the St. Lawrence being the cheaper route, inasmuch as the cost of transport from the upper lakes to Quebec is on the average, and in the nature of things must continue to be cheaper than it is or will hereafter be, from the said lakes to New York *via* the Erie Canal. This view of the case is now so generally admitted that we were not prepared to find the very opposite asserted by the Council of the Board of Trade, in the petition in question; and were the said petition intended to have effect upon public opinion in Canada only, we would not deem it even worth the trouble of refutation, believing that the convictions of the community will universally condemn it. But as it is intended to have effect in England, where, unfortunately, the details of Canadian affairs seem to be but little understood, we consider it our duty to enter fully into the merits of the question, in order to refute the Council's statement.

For this purpose, we will take Cleveland on Lake Erie as our point of departure, and will show the nature of the route from that city to the city of New York by way of the Erie Canal, and compare it in all important points of view with the route by way of the St. Lawrence. We will suppose in the first place a vessel loaded at Cleveland with 2,500 barrels of flour to be conveyed to New York by way of the Erie Canal. She proceeds to Buffalo, at the foot of Lake Erie. Here she discharges her cargo into canal boats capable of carrying at the utmost but 700 barrels each, thus requiring three boats and a large portion of a fourth to carry her single cargo. These four boats proceed to Albany through the Erie Canal, which is 362 miles long; and at Albany their cargoes are again transhipped into barges for New York. The time occupied in going from Cleveland to New York by this route is usually 16 days.

On the other hand, a vessel loaded at Cleveland with 2,500 barrels of flour intended to be conveyed to Quebec by way of the St. Lawrence, takes her departure, and passing through the Welland Canal, of 28 miles in length, and such of the St. Lawrence canals as she deems it advisable to use (in all only 36 miles long), she reaches Quebec without once breaking bulk, and generally accomplishes the whole distance in about six days.

Thus, then, recapitulating the relative merits of the two routes, we have 362 miles of canal navigation by the Erie Canal against 64 miles by the St. Lawrence; we have a trip occupying in the former case 16 days, against 6 days in the latter; and we have two transshipments in the one case and none in the other. Can any one then deny or doubt, under these circumstances, that the St. Lawrence is, in the nature of things, the cheaper route to the sea?

But let us now examine and compare the actual charges of forwarding by the respective routes. Tables furnished by the Canal Commissioners of the State of New York show, that in 18 years ending with 1847, the average rate of freight of a barrel of flour from Buffalo to Albany was 77 cents. It was also 77 cents for 1847 alone; and for the present year, we feel confident that the average will be rather over than under 77 cents. The average freight from Cleveland to Buffalo is 16 cents, and from Albany to New York, 8 cents. Then with regard to the freight of merchandise upwards from Albany to Buffalo per 100 lbs., the same authorities show that for the period of 18 years ending in 1847, the average rate of freight was 76 cents. It was only 40 cents, however, for 1847 alone; and after a careful examination of the rates current during the present year, we feel confident that the average for it will prove to be about 45 cents per 100 lbs. From New York to Albany it is 4 cents, and from Buffalo to Cleveland it is 15 cents.

On the other hand, the rates by the St. Lawrence this year have ruled as follows:—(and we may remark that we cannot extend our comparison into former years, inasmuch as the St. Lawrence canals, upon which the superiority of the St. Lawrence route chiefly depends, were only this year thrown open for public use) that is to say, from Cleveland to Quebec the average rate for a barrel of flour was 60 cents, and from Quebec to Cleveland the average rate for merchandise was 30 cents per 100 lbs.; goods having been carried both ways, however, at rates strikingly under these, which we have waived in establishing the above averages. For instance, flour was carried from Cleveland to Quebec at equal to 40 cents per barrel, and salt and fish from Quebec to Cleveland, and even to Chicago, on Lake Michigan, at equal to 20 cents per 100 lbs. And if this has been done while the Canadian forwarder has had but little upward freight, what may we not expect when, like his rival of the United States, he is provided with both freight and emigrant passengers upwards, as he doubtless will be when our commerce and navigation are rendered free from restrictions. Is it not, we ask, reasonable to suppose that he will then be able to reduce his charges both ways and yet secure to himself remunerative profits?

Let us now recapitulate, in tabular form, the foregoing facts in order to show the contrast they afford in a striking point of view:—

<i>Downward Freights by way of the Erie Canal.</i>		<i>Downward Freights by way of the St. Lawrence.</i>	
	Cents.		Cents.
From Cleveland to Buffalo	16	Average of 1848 from Cleveland to Quebec.	60
From Buffalo to Albany	77		
From Albany to New York	8		
	101		

Leaving a balance in favour of the St. Lawrence route of 41 cents per barrel.

No. 2.—*Upward Freight by way of the Erie Canal for 100 lbs. of merchandise:—*

	Cents.
From New York to Albany	4
From Albany to Buffalo	45
From Buffalo to Cleveland	15
	64

Ditto by way of the St. Lawrence:—

	Cents.
From Quebec to Cleveland	30

Leaving a balance in favour of the St. Lawrence route of 34 cents per 100 lbs. of merchandise.

Let us next employ the above data to extend our comparison of rates from New York and Quebec, respectively, to Liverpool. We have already stated that on comparing the necessary expenses of a ship of 500 tons, trading between those respective ports we have found that they do not differ materially; and hence we conceive we may reasonably assume that under a system of free navigation, the rates from both ports would be nearly equal. But in order to leave no room for captious exceptions being taken to our reasoning, we will assume the average rate of freight from New York to Liverpool to be 2s. or 48 cents per barrel (a document published by the Council of the Board of Trade in 1846, showed the average for three years to be 2s. 1d. per barrel); and we will allow 3s. (72 cents or 50 per cent. advance to be the corresponding rate from Quebec, and yet it will appear after making that enormous allowance for sea-going freight that the St. Lawrence from Cleveland to Liverpool is unquestionably cheaper than the route *viâ* the Erie Canal. For example,—

Freight of a barrel of flour from Cleveland to New York <i>viâ</i> the Erie Canal	101
" " New York to Liverpool	48
	149
Ditto from Cleveland to Quebec <i>viâ</i> the St. Lawrence	60
Ditto from Quebec to Liverpool	72
Extra insurance from Quebec to Liverpool over the rate from New York 1½ per cent. on 25s.	7½
	139½

Difference in favour of the St. Lawrence, 9½ cents, after allowing 50 per cent. to cover the contingency of a possible difference of freight from Quebec as compared with New York under a system of free navigation.

The foregoing data, it may be remarked, apply to the whole season of navigation, with the exception of a few weeks in the fall of the year, when a larger allowance will require to be made for the difference of insurance, although even this it is expected will be materially reduced hereafter, by Government establishing additional lighthouses in the Gulf of the St. Lawrence, and by the competition of American Insurance Companies with those of England, the beneficial effects of which competition have already been experienced to a small degree this year.

Having thus proved, as we conceive, that the St. Lawrence is a cheaper route than the Erie Canal to the sea for the surplus produce of the West, and having shown that we can afford to pay 50 per cent. more than the average rate for sea-going freight at the port of New York, and yet have a margin of 9½ cents. left in favour of the St. Lawrence route, may we not reasonably consider ourselves entitled to adopt the Council's conclusion in favour of the St. Lawrence, rather than against it; viz., "That the port which is found to be the most eligible for the exports will also be found to be the best suited for the imports of a country, for one reason among many others in this case, that inward freight cheapens outward freight, and *vice versa*?"

The Council's prediction of "the ruin of the trade of the St. Lawrence" being predicated on the fallacies which we have thus refuted, must of course fall to the ground along with them.

II. In the following passages the predominant idea is one in which we cannot agree, viz., that in proportion as our trade with a foreign country increases, our attachment to the mother country must diminish.

"It would be superfluous for your petitioners to point out the injurious effects which could not but result from such a diversion of trade, suffice it to say, it would create and cement ties of beneficial interest between Canada and the United States, and proportionally weaken the attachment which this colony entertains for the mother country.

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"Your petitioners are, indeed, aware that it has been asserted by a class of political economists that the colonies are a source of pecuniary loss to England, and that she might profitably abandon them altogether; but your petitioners have too much confidence in the wisdom of Your Majesty's Government to suppose that such sentiments are shared in by them, or that even were the proposition to be true, they would draw the same precipitate conclusion from it.

"In nations there are interests infinitely transcending those of a mere pecuniary nature, and your petitioners would regard the integrity of the British dominions, the preservation of Britain's political power and influence as cheaply purchased by any pecuniary loss the colonies may occasion her.

"It is in this belief, and with the desire to avert the dismemberment of the empire, so far, at least, as Canada is concerned, that your petitioners at this time approach Your Majesty. They do not seek the restoration of the old system of protection; on the contrary, they have no objection to the utmost freedom of trade, compatible with the safety of the ties subsisting between this colony and the mother country; but, having respectfully shown how that connexion must be endangered when the measures of Sir Robert Peel take full effect, they will briefly point out those remedial measures which, in their opinion, would avert the evil, and continue to attach this province to England by the chains of interest, as well as of affection, and duty."

We have already stated that we do not think the country generally participates with the Council of the Board of Trade in such sentiments, and we are at a loss to know on what evidence they found their assertions. Moreover, we consider it but little calculated to raise the Board of Trade or the people of Canada in the opinion of our Most Gracious Sovereign the Queen and the people of the mother country to allow the sentiment to go forth uncontradicted, that our loyalty to the Queen, and our attachment to British institutions and connexion depend on the mother country taking what we would consider a retrograde step in the development of her new commercial policy. We trust the loyalty of the province depends on something loftier than a mercenary motive.

III. We now come to the consideration of the remedial measures suggested by the Council; and we take up, first, their recommendation of "the enactment of a moderate fixed duty, say not less than 5s. per quarter, on foreign wheat; colonial to be admitted free."

The Council support that suggestion with the following reasons:—

"1stly.—It would be no violation of the new fiscal principles of the English Government, inasmuch as such a duty as that prayed for would simply be a tax for revenue, and your petitioners see no reason why grain should not be moderately taxed as well as any other commodity.

"2ndly.—Your petitioners are of opinion, from practical observation, that such a duty would not come out of the pocket of the consumer, but out of that of the producer; that it would not, in the general course of things, add to the price of breadstuffs in England, but would reduce the price of breadstuffs in the markets of foreign countries.

"3rdly.—Such a moderate fixed duty on foreign grain would increase the revenue of the country, on the average, by about a million sterling, which, as it would not come out of the pocket of the consumer, would be a great national gain, combining a most seasonable relief to the country in its present financial position, with other advantages of, perhaps, even paramount consideration.

"4thly.—A duty of this kind in favour of Canada would preserve the trade of the St. Lawrence, add to the revenue derivable from the provincial canals, diffuse universal satisfaction throughout the colony, and, what, in the opinion of your petitioners, is all important, would continue to attach Canada to the mother country, thus perpetuating the present connexion and preserving inviolate the British dominions."

From most of these reasons we totally dissent. So far from not being a violation of the new fiscal principles of the English Government, we conceive that a fixed duty of 5s. per quarter on foreign, and a nominal duty of 1s. per quarter on colonial grain, would be a direct and palpable violation of such principles, and one which, as colonists, we have no right to petition for. We are equally at variance with the Council respecting the doctrine, "that such a duty would not come out of the pocket of the consumer, but out of that of the producer; that it would not, in the general course of things, add to the price of breadstuffs in England, but would reduce the price of breadstuffs in the markets of foreign countries." Such reasoning we hold to be utterly fallacious and unfounded. We hold that no principle is better founded than that, "in the general course of things," taxes fall upon the consumer, and not upon the producer; and hence that, "in the general course of things" (admitting of, we may allow, occasional temporary exceptions), such duty would add to the price of breadstuffs in England, instead of reducing it in the markets of foreign countries.

Moreover, besides being unsound in doctrine, and injudicious and ill-timed, as tending to divert the public mind from the only true practical remedy for the present depressed state of our trade and commerce, the petition is, in our humble judgment, conceived in error, as we hold it to be totally beyond the jurisdiction of the Council of the Board of Trade, or of the people of this province, to petition the mother country to impose taxes on the population of the United Kingdom for the purpose of promoting the interests of a dependent section of the empire. And entertaining these convictions, we beg to say that we cannot agree with the Council of the Board of Trade in recommending the enactment of "a duty of this kind in favour of Canada."

On the contrary, we conceive that all that we have a right to ask of the mother country is to repeal the navigation laws, so far as they relate to Canada, and to throw open the St. Lawrence to the navigation of the vessels of all nations, from which measures alone, coupled with

our own energy and enterprise, we feel confident of being able to secure all that the Council of the Board of Trade expect to acquire from the re-enactment of a tax upon the bread of the people of the United Kingdom. The prompt concession of that great remedial measure, to which we consider we have a just claim, would enable us, in our humble opinion (in the words of the Council), "to preserve the trade of the St. Lawrence; to add to the revenue derivable from the provincial canals; to diffuse universal satisfaction throughout the colony; and to continue to attach Canada to the mother country—thus perpetuating the present connexion, and preserving inviolate the British dominions;" and beyond that, we beg to add, we do not think that we have any reasonable claim upon the justice of the mother country, and least of all to petition her to place a tax upon the food of her population for our especial benefit!

For these reasons, as well as others that might be urged, we beg to inform you that, saving only as respects "the repeal of the navigation laws as they relate to Canada, and the throwing open the navigation of the St. Lawrence," we dissent entirely from the spirit, and dispute most of the details of the petition adopted by the Council on the 11th instant, and we beg that our protest may be duly entered on the minutes.

We have the honour to be, Sir,
Your most obedient humble servants,

JOHN YOUNG,	L. H. HOLTON,
BENJ. HOLMES,	JNO. GLASS,
LOUIS BOYER,	AUSTIN CUVILLIER,
CHAS. WILSON,	HY. STARNES,
W. B. CUMMING,	J. ESDAILE,
D. LORN MACDOUGALL,	WILLIAM WORKMAN,
FRANCIS NOAD.	

Members of the Board of Trade of Montreal.

(No. 4.)

No. 3.

No. 3.

COPY of a DESPATCH from Governor-General the Earl of ELGIN AND KINCARDINE to Earl GREY.

Answered Jan. 26,
1849, No. 317.

Government House, Montreal,
January 4, 1849.

(Received January 23, 1849.)

MY LORD,

I HAVE the honour to transmit herewith a petition to Her Majesty the Queen from the inhabitants of Montreal, adopted at a public meeting, and numerous and respectably signed, for the repeal or modification of the Navigation Laws of the United Kingdom, and I have to request that your Lordship will be pleased to lay it at the foot of the Throne.

I enclose likewise petitions, similarly adopted and signed, for presentation to the two Houses of Parliament.

I have, &c,

(Signed) ELGIN AND KINCARDINE.

The Right Hon. Earl Grey,
&c. &c. &c.

Enclosure in No. 3.

Encl. in No. 3.

TO HER MOST GRACIOUS MAJESTY THE QUEEN.

The Petition of the Citizens of Montreal.

HUMBLY SHOWETH,

THAT your petitioners, aware of the gracious consideration which Your Majesty is disposed at all times to bestow on matters deeply affecting the interests and welfare of Your Majesty's Canadian subjects, humbly beg again to bring before Your Majesty the subject of the British Navigation Laws, as far as they affect this province.

That a public meeting was held in the city of Montreal on the 13th of June last, at which certain resolutions were adopted on the above subject, and which were subsequently embodied in an humble petition addressed to Your Majesty.

That the postponing, during the last Session of the Imperial Parliament, of the measures calculated to remedy the evils of which your petitioners respectfully complain, has caused the inhabitants of the said city of Montreal to resume the consideration of a subject of such vital importance; and that, at another meeting held on the 27th day of November last, the substance of the former resolutions and petitions was again adopted and confirmed.

That your petitioners, fully concurring in the views expressed at the said meeting, humbly beg to represent to Your Majesty that, inasmuch as the mother country has seen fit to abandon her protective policy, and has in consequence deprived this colony of many of the advantages formerly enjoyed in the markets of the United Kingdom (advantages, the loss of which they deeply regret, and which cannot be fully compensated even by a change in the Navigation

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Laws as they regard Canada); and as the restrictions imposed upon them by these laws, and the partial closing of the St. Lawrence against foreign vessels, prove in their effects most detrimental to the commerce and to the essential interests of the province; it is, therefore, the opinion of your petitioners that the people of this colony have a just claim upon the mother country to be relieved from those onerous restrictions.

That your petitioners, from further experience, acquired in the season just closed, see the most powerful reasons to reiterate, what was urged by their fellow citizens at the public meetings already referred to, that there is the strongest ground for apprehension, should the British Navigation Laws (as far as they affect this province) continue in force after the protection to Canadian grain and flour in Great Britain is withdrawn, that the bulk of the produce, both of the Western States and of Canada West, will be sent to ports of the United States for shipment, notwithstanding the superior advantages in economy of transport which the internal communications of Canada possess, but which are fully counterbalanced by the greater cheapness of ocean freight in the United States, and that the Navigation Laws will thus be rendered inoperative as regards their main object, that of protection to British shipping, whilst they will exercise a most baneful influence alike over the portion of our revenue derived from public works, and over the interests of every individual connected with the trade and commerce of the country.

That your petitioners have duly considered the Bill "to amend the Laws in force for the encouragement of British Shipping and Navigation," prepared and brought into the House of Commons by Mr. Bernal, Mr. Labouchere, and Lord John Russell, and ordered to be printed on the 16th August last; and, although they desire to refrain from expressing any opinion upon the merits of the Bill, so far as they affect the general interests of the empire, yet conceiving that it fully meets the wants and just claims of this province, inasmuch as it proposes to leave them free to employ foreign or British vessels at their option in their commerce with the United Kingdom and other nations, and to concede to the Provincial Legislature the power to regulate the coasting trade and inland navigation, as it may deem most for the general good, hail the measure with the liveliest satisfaction, and declare their earnest hope that nothing will occur to prevent its being enacted, and becoming operative at the earliest possible day after the next meeting of the Imperial Parliament, and trust that the urgency of their case will be duly appreciated by Your Majesty's Government; your petitioners being convinced that the provisions of the Bill, so far as they relate to Canada, are indispensable for the restoration of prosperity to this colony.

Wherefore your petitioners humbly pray that Your Most Gracious Majesty will be pleased to take the foregoing into Your Majesty's earnest consideration, in order that the concession claimed, which your petitioners anxiously look for, and consider themselves justly entitled to, may be granted and made available to them on the opening of the navigation of the St. Lawrence in the spring of the ensuing year.

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

(Signed)

(Signed) Jos. BRUDSET, Mayor.

A. N. MORIN,

Speaker, Legislative Assembly;

PETER M'GILL,

President, Montreal Board of Trade;
and 2447 other signatures.

Montreal, December 18, 1848.

Similar petitions addressed to the two Houses of the Imperial Parliament.

(No. 8.)

No. 4.

COPY of a DESPATCH from Governor-General the Earl of ELGIN AND KINCARDINE to Earl GREY.

Government House, Montreal,
January 14, 1849.

(Received February 5, 1849.)

MY LORD,

I HAVE the honour to transmit herewith a petition to Her Majesty the Queen, from the Hamilton Board of Trade for the repeal or modification of the Navigation Laws, as far as they relate to Canada; and I have to request that your Lordship will be pleased to lay it at the foot of the Throne.

I enclose likewise similar petitions for presentation to the two Houses of the Imperial Parliament.

I have, &c.,

(Signed)

ELGIN AND KINCARDINE.

The Right Hon. Earl Grey,

&c. &c. &c.

Enclosure in No. 4.

TO THE QUEEN'S MOST EXCELLENT MAJESTY IN COUNCIL.

The Petition of the Board of Trade of Hamilton, Canada West,

HUMBLY SHOWETH,

THAT your petitioners submit, with the most profound respect, that inasmuch as the Imperial Authorities have deemed it advisable to abandon their protective policy, and have, in

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consequence, deprived Canada of the many advantages formerly enjoyed in the markets of the United Kingdom, they have a just claim for relief.

That your petitioners are of opinion that there exists much ground for apprehension that should the Navigation Laws (so far as they affect Canada) continue in force, after all protection to Canadian grain and flour is withdrawn, that the bulk of the produce, both of the Western States of America and of Canada West, will be sent to the ports of the United States for shipment, notwithstanding the superior advantages in economy of transport which the internal communications of Canada possess, but which are counterbalanced by the greater cheapness of ocean freight in the United States of America, thus preventing the raising of a sufficient revenue from the extensive public works, constructed with funds obtained partly under the guarantee of the Imperial Government, and injuring seriously the commerce of Canada, without affording the slightest protection to British shipping.

That the portion relating to Canada, in a Bill "to amend the Laws in force for the encouragement of British Shipping and Navigation," brought into the House of Commons of the United Kingdom, on the 16th of August last, by the Right Hon. Lord John Russell, Mr. Bernal, and Mr. Labouchere, meets the views of your petitioners, inasmuch as it proposes to leave the merchants of Canada at liberty to employ such vessels as may offer, in their commerce with Great Britain and other nations, and concedes to the Provincial Legislature of Canada the power to regulate the coasting trade and inland navigation of the province, subject to your Majesty's Orders in Council.

Wherefore Your petitioners humbly pray Your Majesty to act in the premises as you, in your Royal wisdom, may deem proper.

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

(Signed)

ARCH. KERR, V. P.

W. P. M'LAREN.

J. T. BROUDGUOT, Secretary.

Hamilton, January 4, 1849.

Similar petitions addressed to the two Houses of the Imperial Parliament.

(No. 13.)

No. 5.

§ No. 5.

COPY of a DESPATCH from Governor-General the Earl of ELGIN AND KINCARDINE to Earl GREY.

Government House, Montreal,
January 18, 1849.

(Received February 5, 1849.)

MY LORD,

I HAVE the honour to transmit, for your information, the copy of a letter addressed to Mr. Hincks, the Inspector-General of this Province, showing the results of the efforts made during the past season by a most respectable and enterprising mercantile house in this city to open a trade with the far West for the introduction, by the route of the St. Lawrence, of various articles which have hitherto been supplied exclusively through the Mississippi or the Erie Canal. Your Lordship will not fail to observe how formidable an obstacle the existing Navigation Laws oppose to the establishment of a trade which is calculated to prove so beneficial both to Canada and the mother country.

I have, &c.,

(Signed)

ELGIN AND KINCARDINE.

The Right Hon. Earl Grey,
&c. &c. &c.

Enclosure in No. 5.

DEAR SIR,

Montreal, December 28, 1848.

Encl. in No. 5.

WE would now redeem the promise made you by our Mr. Young, and proceed to possess you of the facts attending our efforts during the past season to open a trade with the far West for the introduction by the route of the St. Lawrence of various articles which have hitherto been supplied exclusively through the Mississippi or the Erie Canal from New York.

Wishing practically to prove the capability of our canal improvements, we chartered two of our largest propellers, the "Ireland" and "Free Trader," and purchased several thousand minots of Irica salt, which we obtained at 25 cents per minot of 80 pounds; and not only tested the ability of opening the trade between Quebec and Chicago, but demonstrated the difference of the cost of transport between the St. Lawrence and the New York route to be in favour of Canada; the freight of salt upwards being only 12½ cents per minot, and the vessels loading downwards at the rate of 18 cents per bushel of wheat and corn.

This first adventure being undertaken more with a view to giving notoriety to the new route and calling the attention of the people of Illinois and Ohio to its being the cheapest as an outlet for their products, we offered the salt to a correspondent at Chicago for a commission of 5 per cent. on the invoice, which was accepted; and we have understood they were well pleased with their bargain, as we shortly after received orders from other parties for large quantities, which, unfortunately, we could not procure in our limited market.

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By way of trial also, we sent up a parcel of No. 2 mackerel, and a lot of cod-fish and cod-oil, the products of Nova Scotia and Newfoundland, with which provinces we were always of opinion a western direct trade could be opened; these articles were sold immediately on arrival at rates which after paying freights, commission, duties, and insurance, yielded a profit of 15 per cent.

At our instance, Mr. Anderson of this city sent a lot of crates of crockery, with the result of which he was so satisfied as to have determined to prepare in England, with a view to the western market, a large invoice of such wares for next year.

The Customs Department at Chicago charged on these goods 10 per cent. duties, over and above what is charged at New York, but on representation through our Government here, the matter was promptly and satisfactorily arranged with the authorities in the United States; and now the same duties are levied at the inland ports as would be levied in New York.

Since the time referred to above, we shipped to Cleveland, Toledo, and Chicago, 1240 barrels of mackerel, part of which have been sent to St. Louis on the Missouri river by the canal which connects the Illinois river with Chicago, and the whole, we believe, will result as satisfactorily as the first sent.

The propellers which took up the salt loaded back with Indian-corn, and although we laid it down here at a cost considerably less than it could have been carried to New York, yet the freight from this to Britain or Ireland being much higher than to the same parts from New York, we were compelled to sell here, and on Lake Champlain where we sent a portion, thus testing our ability to supply Vermont on cheaper terms *via* Montreal than they could obtain same articles *via* Albany; we made a profit it is true on the corn, but not sufficient to induce us to continue to import extensively, until the duties now levied under the Agricultural Protection Bill are repealed.

After successfully testing our opinion in respect to supplying the Western States with a description of salt necessary for packing purposes, we wrote our friends, Fairbanks and Allison, of Halifax, who on our suggestion loaded one of their vessels, the "Commerce," at Turks Island with salt, which cost there 10 cents per bushel of 72 lbs., which on arrival we might have sold here at 1s. 6d. per 80 lbs., which would have paid the vessel well, but we determined, though late in October, to send the salt to Chicago, where such quality is wanted for putting up beef and pork for the English market; we did so, and forwarded also a considerable quantity of cod fish, dried, from Newfoundland; and we are glad to say the salt was eagerly purchased at 50 cents per 56 lbs., which leaves a profit of 20 cents on 80 lbs.; and the fish, which cost 11s. per 112 lbs., was sold for four dollars and a half per 100 lbs.; so that from these facts we have no doubt that a profitable trade with the West by this route will grow up; and just in proportion as we can supply up-freights, down-freights will be made cheaper.

We have now an order for 250 tons of Scotch pig iron for Chicago, and doubt not that large quantities will be required at the different American ports on the western lakes, the coming season; but we find our hands completely tied, and our efforts paralyzed by the operation of these obnoxious Navigation Laws; but for them we should unquestionably be able to supply Upper Canada with all the products of the West Indies on cheaper terms than now that section of the province is supplied from New York, and we should be able to send our own products not only to our own, but to foreign West India Islands, where large quantities of staves, heading-hoops, &c., for the sugar and molasses trade, are annually sent by our neighbours, and we have latterly brought in from the State of Maine samples of what are called shooks; that is, such articles put up in compact and portable form, and solicited tenders from owners of saw-mills, and coopers to supply such here, and we find we can supply and ship all the articles required for that trade, cheaper than the same articles can be shipped from Maine or Massachusetts to the West Indies.

Last fall we sent orders to Cuba for three cargoes of sugar and molasses, provided prices came within our limit; such was the case; but no British vessel could be found to load for Montreal. Americans could be found in abundance ready to load on terms nearly as low as for New York, but then, thanks to our Navigation Laws, could not come up our river with foreign produce; well, our sugars and molasses go to New York there to pay a transit duty (small though it be), and to be subjected to all the costs and delays of an inland communication through the United States to Canada; the result is, that Canadians pay dearer than if the Navigation Laws did not exist, as now they stand, for their sugar, but we cannot see what benefit is conferred upon the British shipowner by the restriction.

The Hon. Francis Hincks.
&c. &c.

We are, &c.,
(Signed) HOLMES, YOUNG, and KNAPP.

Despatch from the Secretary of State.

(No. 317.)

No. 1.

No. 1.

COPY of a DESPATCH from Earl GREY to Governor-General the Earl of
ELGIN AND KINCARDINE.

MY LORD,

Downing-street, January 26, 1849.

I HAVE the honour to acknowledge the receipt of your Lordship's Despatch, No. 4, of the 4th of January, transmitting a petition to the Queen from the inhabitants of Montreal, praying for the repeal or modification of the Navigation Laws of the United Kingdom, together with two similar petitions for presentation to the two Houses of Parliament.

Page 9.

I have to request your Lordship to acquaint the petitioners that I have laid their petition before the Queen, and have received Her Majesty's commands to announce to them the intention of Her Majesty's servants to recommend to Parliament a measure to effect the object of which they are desirous.

Your Lordship will also inform the petitioners that the necessary steps will be taken for laying the petitions before both Houses of Parliament early in the approaching Session.

I have, &c.,
(Signed) GREY.

The Right Hon. the Earl of Elgin and Kincardine,
&c. &c. &c.

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