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NAVIGATION LAWS (COLONIES).

COPIES OR EXTRACTS

OF ANY

CORRESPONDENCE between the SECRETARY OF
STATE and the GOVERNORS of the SEVERAL
COLONIES respecting the OPERATION of the
BRITISH NAVIGATION LAWS, since 1845.

Ordered to be printed 20th March 1848.

715

NAVIGATION LAWS (COLONIES).

COPIES OR EXTRACTS

OF ANY
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**CORRESPONDENCE BETWEEN THE SECRETARY
OF STATE**

AND THE

GOVERNORS OF THE SEVERAL COLONIES

RESPECTING THE

OPERATION OF THE BRITISH NAVIGATION LAWS,

SINCE 1845.

Colonial Office, Downing Street, }
20th March 1848.

B. HAWES.

Ordered to be printed 20th March 1848.

SCHEDULE OF PAPERS.

CANADA.

- No. 1.—Copy of a Despatch from Governor the Earl Cathcart, K.C.B., to Mr. Secretary Gladstone, dated Government House, Montreal, 12th May 1846 - p. 5
- No. 2.—Copy of a Despatch from Governor the Earl Cathcart, K.C.B., to Mr. Secretary Gladstone, dated Government House, Montreal, 27th July 1846 (One Enclosure) - p. 6
- No. 3.—Copy of a Despatch from Governor the Earl Cathcart, K.C.B., to Mr. Secretary Gladstone, dated Government House, Montreal, 27th July 1846 (One Enclosure) - p. 9
- No. 4.—Copy of a Despatch from Governor the Earl Cathcart, K.C.B., to Earl Grey, dated Government House, Montreal, 26th August 1846 (One Enclosure) p. 11
- No. 5.—Copy of a Despatch from Governor the Earl Cathcart, K.C.B., to Earl Grey, dated Government House, Montreal, 27th August 1846 - p. 16
- No. 6.—Copy of a Despatch from Governor the Earl Cathcart, K.C.B., to Earl Grey, dated Government House, Montreal, 16th September 1846 (One Enclosure) - p. 18
- No. 7.—Copy of a Despatch from Earl Grey to Governor-general the Earl of Elgin, dated Downing Street, 19th March 1847 (with Enclosures) - p. 20
- No. 8.—Copy of a Despatch from Governor-general the Earl of Elgin to Earl Grey, dated Government House, Montreal, 10th May 1847 (with Enclosures - p. 31
- No. 9.—Copy of a Despatch from Governor-general the Earl of Elgin to Earl Grey, dated Government House, Montreal, 24th March 1847 - p. 32
- No. 10.—Copy of a Despatch from Governor-general the Earl of Elgin to Earl Grey, dated Government House, Montreal, 24th March 1847 (with One Enclosure) - p. 33
- No. 11.—Copy of a Despatch from Earl Grey to Governor-general the Earl of Elgin, dated Downing Street, 31st July 1847 - p. 35
- No. 12.—Copy of a Despatch from Governor-general the Earl of Elgin to Earl Grey, dated Government House, Montreal, 26th March 1847 - p. 36
- No. 13.—Copy of a Despatch from Earl Grey to Governor-general the Earl of Elgin, dated Downing Street, 19th April 1847 - p. 37
- No. 14.—Copy of a Despatch from Governor-general the Earl of Elgin to Earl Grey, dated Government House, Montreal, 28th June 1847 (with Enclosures) - p. 37
- No. 15.—Copy of a Despatch from Governor-general the Earl of Elgin to Earl Grey, dated Government House, Montreal, 27th July 1847 - p. 39

JAMAICA.

- No. 1.—Extract of a Despatch from Governor Sir Charles Edward Grey to Earl Grey, dated King's House, Jamaica, 6th April 1847 (One Enclosure) - p. 41
- No. 2.—Extract of a Despatch from Governor Sir Charles Edward Grey to Earl Grey, dated King's House, Jamaica, 6th November 1847 (One Enclosure) - p. 42
- No. 3.—Extract of a Despatch from Earl Grey to Governor Sir Charles Edward Grey, dated Downing Street, 22d December 1847 - p. 42
- No. 4.—Copy of a Despatch from Governor Sir Charles Edward Grey to Earl Grey, dated King's House, Jamaica, 20th November 1847 (One Enclosure) - p. 43

ANTIGUA.

- No. 1.—Extract of a Despatch from Governor Higginson to Earl Grey, dated Antigua, 26th December 1847 (One Enclosure) - p. 44

TRINIDAD.

- No. 1.—Extract of a Despatch from Governor Lord Harris to Earl Grey, dated Trinidad, 4th September 1846 (One Enclosure) - - - - p. 45
- No. 2.—Copy of a Despatch from Governor Lord Harris to Earl Grey, dated Trinidad, 3d October 1846 (One Enclosure) - - - - p. 46
- No. 3.—Extract of a Despatch from Governor Lord Harris to Earl Grey, dated Trinidad, 20th January 1847 - - - - p. 47
- No. 4.—Extract of a Despatch from Earl Grey to Governor Lord Harris, dated Downing Street, 1st March 1847 - - - - p. 47
- No. 5.—Copy of a Despatch from Governor Lord Harris to Earl Grey, dated Trinidad, 1st April 1847 - - - - p. 48

SOUTH AUSTRALIA.

- No. 1.—Copy of a Memorial to the Right Honourable Earl Grey from Parties interested in the Mines of South Australia (One Enclosure) - - - - p. 50

CEYLON.

- No. 1.—Extract of a Despatch from Governor Sir C. Campbell, K.C.B., to Earl Grey, dated Queen's House, Colombo, 10th October 1846 (One Enclosure) - - - p. 53
- No. 2.—Extract of a Despatch from Governor Sir C. Campbell, K.C.B., to Earl Grey, dated Queen's House, Colombo, 10th November 1846 (One Enclosure) - p. 53
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CORRESPONDENCE.

CANADA.CANADA.

No. 1.

(No. 51.)

COPY of a DESPATCH from Governor the Earl CATHCART, K.C.B.
to Mr. Secretary GLADSTONE.

No. 1.
Governor
Earl Cathcart
to
Mr. Secretary
Gladstone,
12th May 1846.

Sir, Government House, Montreal, 12th May 1846.

My attention has been drawn to the subject of the transit of American vessels from one American port to another, through the inland waters of the Province of Canada, in like manner as they pass through the Welland Canal.

The opinion of the law officers of the Crown in England, it is understood, has been given to the effect, that American vessels may, according to existing laws, freely navigate the St. Lawrence and the Lakes, as far down as the Port of Montreal, the most inland port of entry from sea, but not lower.

This opinion has prevented American vessels from carrying on communications by water between Fort Covington on the Salmon River, down the St. Lawrence to Sorel, and thence up the River Richelieu to Lake Champlain, because they cannot do this without passing through the Port of Montreal.

American vessels are now permitted to pass from Fort Covington down that part of the Salmon River which is exclusively within British territory, into the St. Lawrence, in a part also exclusively within British territory, and thence up the latter river to the Lakes.

I am informed there would probably be an extensive transport trade, if the American vessels were permitted to pass to and fro between those points on the St. Lawrence above Montreal and Lake Champlain, in which case the tolls on the Chambly Canal, which are now very trifling, would be materially increased, and would benefit the revenue of this Province, as well on the Canals on the St. Lawrence, as on the River Richelieu.

I have the honour, therefore, to request your early attention to the subject, with a view to obtain any necessary modification in the Imperial statutes regulating the inland trade between the British Possessions and the United States, and to establish such regulations as may be deemed expedient for preventing frauds on the revenue, or an abuse of the privilege granted.

It is possible the Legislature may, among other subjects, address Her Majesty to have the navigation of the St. Lawrence thrown entirely open to the sea. Whatever objections may be entertained to that proposition, it appears to me would not apply to this.

I enclose a sketch, showing the portion of the navigation below Montreal and to Lake Champlain, which forms the subject of this despatch.

I have, &c.

(Signed) CATHCART.

CANADA.

No. 2.
 Governor
 Earl Cathcart
 to
 Mr. Secretary
 Gladstone,
 27th July 1846.

No. 2.

(No. 100.)

COPY of a DESPATCH from Governor the Earl CATHCART, K.C.B.
 to Mr. Secretary GLADSTONE.

Sir, Government House, Montreal, 27th July 1846.

At the request of the Council and Members of the Free Trade Association of Montreal, I have the honour to submit a petition, which they have addressed to you, praying the removal of all differential duties and restrictions at present imposed for the regulation of the trade of this colony.

I have, &c.

(Signed) CATHCART.

Encl. in No. 2.

Enclosure in No. 2.

To the Right Honourable W. E. GLADSTONE, one of Her Majesty's Principal Secretaries of State for the Colonies.

The Petition of the Council and Members of the Montreal Free Trade Association,

Respectfully sheweth,

That whereas the intelligence received by the last English steamer, of the adoption in all its integrity, by the House of Lords, of the Corn Bill introduced by Sir Robert Peel, renders its final passage, which for some months past has been, to a certain degree, a subject of speculation, a matter of certainty, it now becomes the duty of the members of the Free Trade Association to point out the consequences of that measure to the trade of this province, the means by which the evils, if any, likely to flow from it may be mitigated or averted, and the benefits which may be educed from it may be secured.

It can scarcely be denied, that under the protective system of Great Britain, and more especially under the Imperial Act of 1843, the application of the capital of the country to the growth and manufacture of breadstuffs for export to the mother country has been artificially encouraged, and that the sudden and almost total withdrawal of the protection conferred on Canadian wheat and flour has occasioned considerable losses to many, who, calculating on its continuance, were induced during the past winter to pay higher prices to the Canadian farmer than a prudent estimation of the prospects of the British markets would otherwise have warranted.

The members of this Association, in making this statement, are not actuated by any desire to impugn the conduct of the British ministry, or to question this exercise of the right of legislation which the Imperial Parliament undoubtedly possesses. They acknowledge that the paramount duty of the Government is to provide for the happiness and prosperity of the whole people, and they are sensible that such results can often only be obtained at the expense of much individual sacrifice. To the consequences of the fluctuations in the commercial system of Great Britain, they must, as colonists, submit; and on this occasion they feel bound to state their conviction of the soundness of the principles on which her new commercial policy is based, and of their applicability not only to the trade of Britain, but to that of the whole world.

But whilst the members of this Association acquiesce on general grounds in the right and the expediency of the British Government withdrawing from this her colony the exclusive privileges she has hitherto enjoyed, they must, as a consequence, claim the removal of all restrictions on our trade with foreign nations, in the shape of discriminating duties, with a view to protect British manufactures; in other words, that we may be free "to buy in the cheapest, and sell in the dearest markets."

That the British Government is prepared to concede, nay invites this freedom of trade, may be fairly inferred from the whole tenor of the observations of the ministry in the recent debates in the Imperial Parliament, and more especially from the following passage in the despatch from the Colonial Secretary, Mr. Gladstone, to the Governor-general, dated 3d March last, and reiterated in his despatch to the same of 3d June:—

"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."

Even without such a declaration, this Association would have relied with confidence for the concession of this our claim, on the sense, not only of justice, but of liberality, which characterizes

For Mr. Secretary Gladstone's Despatches, 3d March and 3d June 1846, vide Papers ordered by H. C. to be printed, 18th May 1846, No. 321., and 10th June 1846, No. 374.

characterizes the conduct of Great Britain towards this colony. That sense of justice must indubitably prevent her from exacting a privilege or protection for her products and manufactures which she no longer yields to ours; and that feeling of liberality must deter her from continuing the shackles on our commerce which she has removed from her own.

Hitherto the amount of protection conceded to the products of Canada in the British markets has been so great, as to throw into the shade the advantages which British products have enjoyed in this market, at least such has been the prevailing opinion; but the following table, showing at one view the discrimination which our tariff makes between British and foreign, in some of our principal articles of import, amply proves that the inhabitants of Canada have not been lightly taxed in return for that protection.

Articles.	Foreign.	British.	Discrimination.
Books - - -	12 per cent.	5 per cent.	7 per cent.
Candles, Sperm - -	15 per cent. and 2d. per lb.	2d. per lb.	15 per cent.
Ditto, Wax - - -	7 per cent. and 2d. per lb.	2d. per lb.	7 per cent.
Ditto, other kinds -	7 per cent. and 1d. per lb.	1d. per lb.	7 per cent.
Coffee - - -	5s. per cwt. and 1d. per lb.	1d. per lb.	5s. per cwt.
Ditto, roasted -	5s. per cwt. and 2d. per lb.	2d. per lb.	5s. per cwt.
Glass and Glass Ware -	20 per cent.	5 per cent.	15 per cent.
Harness - - -	12 per cent.	5 per cent.	7 per cent.
Hardware - - -	12 per cent.	5 per cent.	7 per cent.
Hats, Leather, Woollen,			
Cotton - - -	12 per cent.	5 per cent.	7 per cent.
Ditto, Silk - - -	20 per cent.	5 per cent.	15 per cent.
Iron, except Pig - - -	12 per cent.	5 per cent.	7 per cent.
Jewellery - - -	12 per cent.	5 per cent.	7 per cent.
Leather Manufactures -	12 per cent.	5 per cent.	7 per cent.
Machinery - - -	17 per cent.	10 per cent.	7 per cent.
Musical Instruments -	12 per cent.	5 per cent.	7 per cent.
Manufactures, Cotton,			
Linen, Woollen - -	12 per cent.	5 per cent.	7 per cent.
Oakum - - -	7 per cent.	free	7 per cent.
Oil, Fish - - -	16 per cent.	1 per cent.	15 per cent.
Oilcloth - - -	12 per cent.	5 per cent.	7 per cent.
Paper Manufactures -	12 per cent.	5 per cent.	7 per cent.
Spirits, Rum - - -	1s. per gallon	6d. per Gallon	6d. per gal.
Brandy, and other spirits	2s. 3d. per gallon	1s. 3d. per gallon	1s. per gal.
Sugar, refined - - -	20 per cent. and 2d. per lb.	10 per cent. and 2d. per lb.	10 per cent.
Ditto, Muscovado and			
Bastard - - -	14s. 4d. per cwt.	9s. 4d. per cwt.	5s. per cwt.
Sugar Candy - - -	20 per cent. and 2d. per lb.	2d. per lb.	20 per cent.

On most articles of import not included in the above Table, there is a protection in favour of British goods, varying from four per centum upwards; and on all foreign articles from the warehouse in the United Kingdom, 25 per centum of the Imperial duty is remitted.

But important to the future prosperity of this province as this Association deems the abolition of discriminating duties to be, that question sinks into insignificance when compared with that of the opening of the navigation of the St. Lawrence to foreign nations. That river is obviously the most essential element of our power, and on the use we make of the natural advantage it affords will mainly depend our future position as a commercial country. The natural outlet for the products of the Western States, a country but newly sprung into existence, and yet numbering already upwards of four millions of inhabitants. — Shall its full capabilities be made available? Shall we, possessing this great highway to the ocean, succumb, without at least a struggle, to our competitors in the race for commercial pre-eminence? It is true that we shall have to contend against difficulties which the energy and enterprise of our neighbours have interposed. It is true that railroads and canals are being constructed to branch out in every direction from the stream of the St. Lawrence, in order to divert that produce to the ports of the United States, which would otherwise be brought to our own ports for shipment. Nor is the rivalry of our competitors confined to the construction of these public works. In order to make them profitable she

CANADA.

modifies her fiscal system, so as to allow our articles of merchandize to pass through her territory free of duty, both from and to the Atlantic Ocean. How are we to meet and counteract this interested but enlightened policy?—Simply by adopting a similar course of action. We must, in like manner, remove every obstacle in the way, and hold out every possible inducement to the inhabitants of the United States to pass their merchandize through our country. Instead of hermetically sealing to their ships the outlet of the St. Lawrence, we must offer to them the free navigation of its waters, subject only to such a moderate imposition in the shape of tolls as will suffice for the annual expense of keeping the canals in repair, the payment of the interest of the money expended in their construction, and the appropriation for the sinking fund for the redemption of the debt incurred. The amount required to be raised annually for these purposes would amount to 100,000*l.*; a moderate impost, and easily collected with an enlarged commerce along this route, as must be admitted, since the revenue derived from tolls on the Erie Canal is about 600,000*l.* per annum.

That by this means the St. Lawrence can advantageously, as regards economy, compete with any other route, can scarcely be doubted. In the first place (no trifling saving, especially in grain, flour, and other bulky articles), goods may be consigned without transshipment from their original port of embarkation to that of their destination; whereas, by the other routes, there must be two transshipments before the goods can be landed in a shipping port. Secondly, the large size of the vessels which can be employed on the St. Lawrence route, in comparison with those on the other, will enable the former to convey goods at a very much cheaper rate of freight than by the latter. Thirdly, the small amount of canal navigation by the St. Lawrence, in comparison with that by the Erie route, is a decided advantage to the former, as the following statement, extracted from the Journals of the New York Legislature, will evince:—

“Even at the present reduced rate of toll on the Erie Canal, river transportation has the advantage by more than 300 per cent. The charge upon the transportation of wheat per bushel from Troy to New York is three cents, while the same transportation for a like distance upon the canal cannot be effected for less than 10 cents.”

The comparative claims to public support of the two routes are clearly exemplified in the following table:—

Distance.	—	Size of Canals and Locks.	Canal.	Lake and River.	Lockage.	Transshipment.		
		Feet.						
	Miles.	Canal.	Lock.	Miles.	Miles.	Feet.		
Buffalo to New York	508	70 by 7	120 by 24	363	145	698	2	
Port Colbourne to Montreal	} 363	Size of Lock	150 by 26.6 200 „ 55 200 „ 45	Welland Cornwall Beauharnois	}	68½	295	533
	Size of Canal	}	110 by 10					

Under this aspect, need we despair of succeeding in directing through the St. Lawrence a large proportion of the exports and imports of the Western States, and of the upper portion of the province? But it can only be done by making this the cheapest route; to that object every other must yield. Competition in every form must be encouraged; the employment of capital, British or foreign, must be invited, and if the foreigner can transport our produce, or that of our neighbours, to or from the shipping ports the cheapest, he must not be thwarted or impeded under the plea of protection to native industry, or under any of the other pretexts which are used to perpetuate monopoly and its concomitant evils.

The Association trusts that a representation of the injury to this province, arising from the restrictive character of the British Navigation Laws, is all that is requisite to induce the British ministry to cause their modification so far as respects this colony. Their baneful influence has, more especially during the present year, been felt both in our export and import trade. Such has been and is the scarcity of British vessels adapted to the conveyance of wheat and flour in the ports of Quebec and Montreal, that freight has advanced fully 50 per centum beyond the remunerating or average rate. Now, had those laws permitted, foreign vessels could have been procured in the ports of the United States at moderate rates (as is manifest from the low freights between New York and Britain), to convey the produce to its destined market. Is it not obvious that we are thus placed in a much less advantageous position than foreigners, in being taxed to support British shipping, and that that tax offers great encouragement to the western producer to send his goods via the United States rather than by the route of the St. Lawrence? Thus this colony is labouring at the same time under the twofold inconvenience of removal of protection and prohibition of free trade.

723

CANADA.

The like evil is severely felt in the import trade of the province, and is exemplified in the article of muscovado sugar, of which our supplies are now principally derived from the Spanish islands. The Navigation Laws, on which we now animadvert, prevent our importing foreign commodities in any but British ships or ships of the country where the goods are produced. Now Spain has little shipping, and none suitable for the trade with America, and there are no British vessels to be met with in the Spanish islands. The importer of a cargo of sugar to this province is thus compelled to charter a British vessel from some distant port to proceed in ballast to convey the cargo, for which he pays a freight of, say, 4s. per cwt., or fully 25 per cent. on the prime cost of the article, whilst there are fleets of American vessels on the spot, which would convey it at one half that rate. Can he, then, drawing his supplies of sugar in this circuitous and expensive method, compete in the western market with the merchant of the United States? Obviously he cannot; nor need it be matter of surprise that the trade, which under a free system would flow through the St. Lawrence, is thus diverted to other channels.

The article of sugar is a pregnant illustration of the injurious effects of the Navigation Laws on our import trade; but the remarks applicable to it apply also, to a certain extent, to every other article of foreign production. Why is there a discrimination of 25 per cent. on the sterling duty on foreign goods, between such goods when imported from the bonded warehouses in Britain and when direct from a foreign country? Is not such a discrimination in favour of the former, *pro tanto*, a bounty to New York in opposition to Quebec or Montreal? and can we be surprised that under this insane and suicidal policy, the commercial connexion of Canada West with New York is extending year by year; and with our cities is proportionably diminishing.

This Association, it will be observed, in making the present Report on the commerce of the country, has refrained from touching on any of those topics which lie immediately within the scope of the provincial authorities. These open a wide and important field of investigation, and must form the subject of a future Report. The present relating to subjects imperial in their character, and on which the action of the British Government may with propriety be sought, it is deemed advisable to lay before Her Majesty's Ministry, with the least possible delay, under the conviction that they will take such proceedings upon it as the urgent circumstances of the case render expedient.

Wherefore, your petitioners respectfully urge, that Her Majesty's Government will be pleased to take the facts contained in this their memorial into their serious consideration, and apply such remedy as to them in their wisdom may seem fit, and your petitioners, as in duty bound, will ever pray.

On behalf of the Free Trade Association,
(Signed) JOHN YOUNG, Chairman.

Montreal, 17th July 1846.

No. 3.

(No. 101.)

COPY of a DESPATCH from Governor the Earl CATHCART, K.C.B. to
Mr. Secretary GLADSTONE.

Sir, Government House, Montreal, 27th July 1846.

I HAVE the honour herewith to transmit a petition to Her Majesty from the Board of Trade of the town of Hamilton, praying that Canadian produce forwarded through the United States may be admitted into the ports of the United Kingdom on the same terms as if shipped from Canadian ports.

I have, &c.

(Signed) CATHCART.

No. 3.
Governor
Earl Cathcart
to
Mr. Secretary
Gladstone.
27th July 1846.

Enclosure in No. 3.

Encl. in No. 3.

TO THE QUEEN'S MOST EXCELLENT MAJESTY.

The Petition of the Board of Trade of the Town of Hamilton.

Humbly sheweth,

That the proposed changes in the commercial policy of Great Britain are such as to cause serious apprehensions in the minds of your petitioners, that the value of grain, one of the great staple productions of this colony, will be depreciated to such an extent as to prevent our farmers from being able to compete successfully with the corn-growing countries

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of

CANADA.

of the North of Europe, who have the advantage of proximity to Great Britain; cheapness of labour, and greater facilities of transportation.

That whilst your petitioners are convinced of the necessity for strenuous exertions on the part of the people of this colony, in order, as far as may be in their power, to neutralize the effects of these changes, they at the same time look for the co-operation and assistance of your Majesty's Government in carrying out such measures of relief as may conduce to this end.

That a large portion of the cost of our agricultural produce, before reaching Great Britain (at present the only market open to us for our surplus), consists of the expense of transportation, as will appear from the following calculation of the present cost of conveying a barrel of flour from this port to the port of Liverpool; viz.

	s.	d.	
Shipping charges and storage here	0	3	currency.
Burlington Canal tolls	0	2	"
Transportation to Kingston	0	6	"
Ditto, from thence to Montreal	2	0	"
Insurance on lake and river	0	2	"
	<u>3</u>	<u>1</u>	currency.
Equal at 8 ⁰ / ₁₀₀ premium	2	7	sterling.
Atlantic freight from Montreal to Liverpool	6	0	"
Insurance 1 ⁰ / ₁₀₀ on 25s. sterling	0	3	"
	<u>8</u>	<u>10</u>	sterling.

or more than one-third of its value in Great Britain.

We would further represent to your Majesty, that a large portion of the best wheat-growing districts of Canada West, namely, that part bordering on Lakes Ontario and Erie, is so situated as to be able to use to advantage the route via the Oswego and Erie Canals and Hudson River, thereby effecting a saving of time, interest, insurance, and cost of transportation, when compared with the route via the St. Lawrence, as will be shown by the following calculation of the present cost by this route; viz.

	s.	d.	
Storage and shipping charges here	0	3	currency.
Canal tolls	0	2	"
Freight to Oswego	0	6	"
Ditto to New York 22 c., Canal tolls 18 c.	2	0	"
Lake Insurance 20 c. $\frac{3}{4}$	0	1	"
	<u>3</u>	<u>0</u>	currency.
Equal in Sterling at 8 ⁰ / ₁₀₀ premium to	2	6	sterling.
Freight to Liverpool	3	0	"
Insurance $\frac{3}{4}$ ⁰ / ₁₀₀ on 25s.	0	2 $\frac{1}{4}$	"
	<u>5</u>	<u>8$\frac{1}{4}$</u>	sterling.
Say	5	8 $\frac{1}{4}$	
Showing a difference in favour of this route, over that by the St. Lawrence at the present time, of	3	1 $\frac{3}{4}$	"
	<u>8</u>	<u>10</u>	sterling.

That in addition to the foregoing advantage in point of cost of transport, the route via New York is available earlier in the spring and later in the autumn than that by way of the St. Lawrence, the dangers and disadvantages of which we conceive to be so great as to lead us to express our decided and deliberate conviction that shipments from Montreal or Quebec cannot be made on such favourable terms either as regards freight or insurance as from New York.

We would further humbly represent to your Majesty, that up to the present time we have not been able to avail ourselves of this route, owing to the restrictive laws of the United States, but as these are in course of being modified, we will be in a position to export our produce through their territory in bond on favourable terms.

Under these circumstances, we humbly pray that your Majesty and the Imperial Government would sanction the importation of Canadian produce into the ports of Great Britain, shipped in bond through the United States, on the same terms as if shipped direct from Canadian ports, under such regulations as may be deemed expedient, such as the production of proper certificates of growth or manufacture from the collector of customs at the port of shipment in Canada, or in any other manner that may be deemed advisable.

725

CANADA.

It may be urged that, should the prayer of this petition be granted, the result would be to throw both the inland and Atlantic carrying trade into the hands of foreigners; we would, however, humbly submit, that the interests involved in the former are of minor importance when compared with the great and general benefit that would result to the agricultural interest by conferring the boon now asked for. While your petitioners conceive that British shipping may be employed in the carrying of our produce from New York as well as from the ports of Montreal or Quebec.

In further confirmation of the importance of the prayer of this petition, we humbly submit the following calculation, as showing the small proportion received by the agriculturist of this country, of the value of his products in Great Britain; and as showing the importance to him of such a saving as that which would be effected by adopting the route via the United States; thus —

			Sterling.			
			£	s.	d.	
Suppose the value of flour in Liverpool to be	-	-	1	5	0	
Deduct the following charges:			£	s.	d.	
Duty, 7½d.; dock and town dues, 2½d.	-	-	0	0	10	
Porterage receiving and delivering	-	-	0	0	2	
Cartage to buyers, 1½d.	-	-	0	0	1½	
Fire insurance, sheds, interest, and bank commission on duty	-	-	0	0	0½	
If warehoused, additional cartages, porterage.						
Warehouse rent, fire insurance, &c. &c.	-	-	0	0	6	
Commission and del credere 4% on 25s.	-	-	0	1	0	
Atlantic freight	-	-	0	6	0	
Insurance 20 per cent. and policy	-	-	0	0	3½	
			0	8	11	
Equal in currency, at 8% premium, to 19s. 3½d. on shipboard at Montreal.			£	0	16	1

			Currency.		
			£	s.	d.
Brought down			0	19	3½
Shipping charges at Montreal as under:			£	s.	d.
Cartage to store, 1d.; cooperage, 1½d.	-	-	0	0	2½
Inspection, 2d.; storage, 2d.; cartage ship, 1d.	-	-	0	0	5
Wharfage, 1d.; shipping, 2d.; insurance, 1d.	-	-	0	0	4
Freight from Kingston to Montreal	-	-	0	2	0
Insurance on river and lake, ¾%	-	-	0	0	2
Lake freight, 6d.; Burlington Canal toll, 2d.	-	-	0	0	8
Wharfage, storage, and shipping, 3d.; fire insurance, 1d.	-	-	0	0	4
			0	4	1½
			0	15	2
Interest, say an average of six months on 20s. and 6%			0	0	7
Carriage from interior, say Brantford, Paris, and other places similarly situated			0	1	7
Currency			0	13	0

Leaving only the small sum of 13s. currency to remunerate the farmer; equal at 8% premium to 10s. 10d. sterling per barrel.

We humbly solicit your Majesty to be graciously pleased to grant the prayer of this petition, and your petitioners, as in duty bound, will ever pray.

(Signed) JOHN YOUNG, President.

No. 4.

(No. 116.)

COPY of a DESPATCH from Governor the Earl CATHCART, K.C.B. to Earl GREY.

My Lord, Government House, Montreal, 26th August 1846.

I HAVE the honour to transmit herewith a memorial from the Montreal Board of Trade to Her Majesty the Queen, relative to the Imperial enactments (70.)

No. 4.
Governor
Earl Cathcart
to
Earl Grey,
26th August 1846.

CANADA.

ments regarding the colonial trade and navigation, and the navigation of the River St. Lawrence.

I have, &c.

(Signed) CATHCART.

Encl. in No. 4.

Enclosure in No. 4.

TO HER MOST EXCELLENT MAJESTY THE QUEEN.

The Memorial of the Montreal Board of Trade.

Humbly sheweth,

That the new commercial policy recently adopted by the Imperial Parliament having become the law of the realm, your memorialists would humbly beg leave to represent to Your most Gracious Majesty the effects which that law will have on the commerce and welfare of this colony, with a view to obtaining Your Majesty's sanction to such measures of adjustment and relief as may be necessary to protect colonial interests. Nor do they doubt, but that, under the circumstances, the justice of their claims will be readily admitted by Your Gracious Majesty, and that the reforms suggested for Your approval will be promptly and effectually conceded.

Your memorialists beg respectfully, in the first place, to submit to Your most Gracious Majesty, that the high differential duties on foreign corn imported into Great Britain for consumption are by the law in question reduced from a scale sliding from 20s. to 1s. to a more moderate scale of 10s. to 4s. per quarter, the fixed duty of 1s. per quarter being still retained on corn of colonial growth; a change by which the differential duty in favour of Canadian wheat is virtually reduced to 3s. per quarter, as, in all probability, the minimum rate of 4s. per quarter on foreign grain is that which will most generally prevail. They find further, that this new differential scale is limited in its duration to February 1849, when the duty on all grain imported into the United Kingdom for consumption becomes equalized, that is, colonial and foreign will then be equally subject to a fixed duty of 1s. per quarter.

On the other hand, your memorialists, turning their attention to the laws by which the external commerce of this colony is regulated, find a system of Imperial differential duties in existence, which they conceive to be at variance, under present circumstances, not only with sound commercial principles, but with justice and abstract right. These differential duties were imposed upon the commerce of Canada with the view of giving the manufacturers of the mother country and the planters of the West India islands a monopoly, as far as laws could effect that object, of the Canadian markets for the consumption of the articles respectively produced by them—an arrangement which could not reasonably be objected to under the balanced system which had heretofore prevailed between the mother country and this colony, the adjustment being such as to be regarded by both parties as a fair equivalent for the benefits mutually conceded.

Your memorialists, however, beg to submit, that the case is now most materially altered, the slight differential duty to be maintained for the next three years in favour of our produce imported into the markets of Great Britain for consumption, with the exception of timber and a few unimportant articles, being no adequate equivalent, they humbly conceive, for the injury done to Canadian commerce and industry by the differential duties on foreign articles imported into this colony for consumption, the oppressiveness of which may be estimated by the following table, showing at one view the amount of extra duty which they impose upon articles of foreign production imported into Canada.

Articles.	Foreign.	British.	Discrimination.
Beef, salted or cured	5s. per cwt.	2s. per cwt.	3s. per cwt.
Butter	10s. per cwt.	2s. per cwt.	8s. per cwt.
Cheese	5s. per cwt.	2s. 6d. per cwt.	2s. 6d. per cwt.
Candles, Sperm	15 per cent. and 2d. per lb.	2d. per lb.	15 per cent.
Ditto, Wax	7 per cent. and 2d. per lb.	2d. per lb.	7 per cent.
Ditto, other kinds	7 per cent. and 1d. per lb.	1d. per lb.	7 per cent.
Coffee	5s. per cwt. and 1d. per lb.	1d. per lb.	5s. per cwt.
Ditto, roasted	5s. per cwt. and 2d. per lb.	2d. per lb.	5s. per cwt.
Fish, dried or salted	2s. per cwt. and 1 per cent.	1 per cent.	2s. per cwt.
Ditto, pickled	4s. per bbl. and 1 per cent.	1 per cent.	4s. per bbl.
Glass and Glass Ware	20 per cent.	5 per cent.	15 per cent.
Hardware	12 per cent.	5 per cent.	7 per cent.
Leather Manufactures	12 per cent.	5 per cent.	7 per cent.
Molasses	4s. per cwt.	1s. per cwt.	3s. per cwt.
Manufactures, Cotton, Linen, and Woollen.	12 per cent.	5 per cent.	7 per cent.

727

CANADA.

Articles.	Foreign.	British.	Discrimination.
Oakum - - -	7 per cent. - - -	Free - - -	7 per cent.
Oil, Fish - -	16 per cent. - -	1 per cent. - -	15 per cent.
Pork, salted or cured -	5s. per cwt. - -	2s. per cwt. - -	3s. per cwt.
Paper Manufactures -	12 per cent. - -	5 per cent. - -	7 per cent.
Spirits, Rum - -	1s. per gallon - -	6d. per gal. - -	6d. per gallon.
Brandy and other Spirits	2s. 3d. per gallon - -	1s. 3d. per gal. - -	1s. per gallon.
Sugar, refined - -	20 per cent. and 2d. per lb.	10 per cent. and 2d. per lb.	10 per cent.
Ditto, Muscovado and Bastard.	12s. 6d. per cwt. - -	7s. 6d. per cwt. - -	5s. per cwt.
Sugar Candy - -	20 per cent. and 2d. per lb.	2d. per lb. - -	20 per cent.
Wine - - -	17 per cent. and 8d. per gallon.	10 per cent. and 8d. per gallon.	7 per cent.
Wheat Flour - -	2s. 6d. per 196 lbs. - -	6d. per 196 lbs. - -	2s. per 196 lbs.

On most articles of import not included in the above Table, there is a protection in favour of British goods, varying from 4 per centum upwards.

As a proof that these discriminating duties impose heavy burdens on this colony in their operation, it may be added that the amount of duty collected under them last year was no less than 104,555*l.* or about one fourth of the whole net revenue of the province derived through the Custom-house, a fact from which your memorialists draw the conclusion that the articles required for consumption are, in many instances, cheaper in Foreign than in British markets, and that, therefore, Canadian interests are seriously compromised by their operation in preventing a free resort to the cheapest markets for the supplying of the wants of the colony. But the amount of duty thus levied affords a very inadequate criterion, taken alone, of the extent to which Canadian interests are affected by the laws in question.

Your memorialists are of opinion that it is reasonable to assume that the amount lost by the colony by the operation of these differential duties in enhancing the cost price of imported goods, is fully equivalent to the amount levied under them; viz. 104,555*l.* a sum utterly wasted, as far as this colony is concerned, by the people of Canada being debarred from going to the cheapest market to supply their wants. Your memorialists would explain that this arises from its being cheaper in many instances to buy goods in England at a considerable increase over the price of similar articles in foreign markets, provided that such increased price fall short, in any degree, of the amount of discriminating duty levied on such foreign articles.

Your memorialists desire, however, carefully to guard against a misconstruction of their motives in making these observations. They are far from intending to cast blame upon the conduct of the mother country towards this colony. On the contrary, they acknowledge, with pride and gratification, that they have a due sense of her love of justice conveyed through the dispatch of your Majesty's Principal Secretary of State for the Colonies, of the 3d of March last, in the offer to release us from the effects of the laws in question, so soon as the colony should make an application to that effect, in a way which the Imperial Legislature could recognize as the well understood wishes of the people; and, therefore, your memorialists respectfully approach Your Majesty, to state the views which they entertain as representing the mercantile interests of this city.

For Mr. Secretary Gladstone's Despatch, 3d March 1846, vide Papers ordered by H.C. to be printed, 18th May 1846, No. 321, page 5.

In the opinion of your memorialists, a more formidable restriction, however, than the differential duties alluded to, and one which entails incalculably greater injury on the trade of this colony, it is now their duty to bring respectfully under the notice of Your most Gracious Majesty. It is a question they approach with some hesitation, knowing the high national interests which it is held to involve, but the vital interests of this colony require that it should be brought fully under Your Majesty's notice; and your memorialists rely with full confidence on its being carefully and dispassionately reviewed. They refer to the question of the Navigation Laws. These laws are so framed as virtually to give an absolute monopoly of the carrying trade of Canada, both internal and external, to the British shipowner, as the following extracts will show.

- 1st. Goods, the produce of Asia, Africa or America, shall not be imported into the United Kingdom, to be used therein, in foreign ships, unless they be ships belonging to the country of which the goods are the produce, and from which they are imported:
- 2d. No goods shall be exported from the United Kingdom to any British possession in America, except in British ships.
- 3d. No goods shall be carried from any British possession, to any other British possession, nor from one part of any such possession, to any other part of the same, except in British ships.
- 4th. No goods shall be imported into any British possession in foreign ships, unless such belong to the country of which the goods are the produce, and from which they are imported.

CANADA.

Why should Canada be thus limited to the use of British vessels? What equivalent in trade does England now afford to compensate her for such injurious restrictions? None, absolutely none.

But your memorialists, averse to employing unsupported assertions, or creating odium against these laws by mere general objections, will select a few instances to prove the fact which they assert, that they are highly injurious to the commerce and welfare of this colony. First, as regards external commerce: on instituting a comparison between the average rates of freight current between New York and Liverpool, where British and American ships meet in open competition, and Montreal and the latter port, in which case British vessels alone are permitted to engage in the carrying trade, the difference operating against Canadian interests is of sufficient magnitude to excite well founded alarm for the permanence of our prosperity, if those oppressive laws are persevered in. The following Tables show the current and average rates of freight at New York and Montreal respectively for the past three years, showing an average excess of charge against Canada of 3s. 3d. currency per brl. of flour, and 7d. currency per bushel of wheat.

RATES of FREIGHT current from Montreal to Liverpool, in the Years

	1844.		1845.		1846.	
	Flour.	Wheat.	Flour.	Wheat.	Flour.	Wheat.
	Per brl. s. d.	Per qr. s. d.	Per brl. s. d.	Per qr. s. d.	Per brl. s. d.	Per qr. s. d.
13 May	4 6	8 0	4 6	8 3	4 3	8 3
27 —	4 6	8 0	4 0	8 0	4 3	8 3
11 June	4 9	9 0	3 9	6 6	5 3	9 3
26 —	5 0	10 0	4 0	6 6	6 0	10 0
11 July	5 0	8 9	3 6	6 6	6 0	10 0
26 —	4 6	8 3	4 0	6 6	5 9	10 0
10 August	4 6	8 0	4 3	6 6	—	—
27 —	4 0	8 0	4 6	7 0	—	—
11 September	4 0	8 0	4 6	7 0	—	—
26 —	3 9	—	4 6	7 0	—	—
11 October	3 9	—	5 3	9 0	—	—
26 —	5 0	8 0	6 9	12 0	—	—
9 November	5 0	9 0	7 0	14 0	—	—
Average	4 6½	8 5½	7 0½	8 0½	5 1½	9 3½
	per bushel 1 0½		per bushel 1 0		per bushel 1 2½	

RATES of FREIGHT current from New York to Liverpool, in the Years

	1844.		1845.		1846.	
	Flour.	Wheat.	Flour.	Wheat.	Flour.	Wheat.
	Per brl. s. d.	Per bush. s. d.	Per brl. s. d.	Per bush. s. d.	Per brl. s. d.	Per bush. s. d.
13 May	2 6	0 8	1 6	0 6	2 3	0 8
27 —	2 0	0 7½	1 6	0 6	3 0	0 9
15 June	2 0	0 7½	1 6	0 6	3 0	0 9
29 —	1 6	0 6	1 6	0 6	2 0	0 8
13 July	1 6	0 6½	1 6	0 6	2 3	0 8
27 —	1 6	0 6	1 6	0 6½	2 3	0 8
14 August	1 6	0 6	2 6	0 8	—	—
28 —	1 6	0 6	2 3	0 7½	—	—
14 September	1 6	0 6	2 3	0 7½	—	—
28 —	1 6	0 6	2 0	0 7½	—	—
16 October	1 6	0 6	2 6	0 7½	—	—
30 —	1 6	0 6	2 6	0 8	—	—
13 November	1 6	0 6	3 9	0 10	—	—
Average	1 7½	0 6½	2 0½	0 7	2 6½	0 8½

Note.—These averages are subject to an addition of 5 per cent. primage.

729

RECAPITULATION of the above average Rates of Freight.

CANADA.

	From MONTREAL.				From NEW YORK.			
	Flour.		Wheat.		Flour.		Wheat.	
	Per brl.		Per bush.		Per brl.		Per bush.	
	s.	d.	s.	d.	s.	d.	s.	d.
1844	4	6½	1	0¾	1	7½	0	6½
1845	4	7½	1	0	2	0¾	0	7
1846	5	1½	1	2½	2	6½	0	8½
Average of three years -	4	9¼	1	1	2	1	0	7¼

Excess against Canada, 2s. 8½d. sterling per brl. of Flour; 5¾d. sterling per bushel of Wheat, equal in round numbers to 3s. 3d. currency per brl. of Flour, and 7d. per bushel of Wheat.

The quantity of Flour and Wheat exported from Canada to Great Britain and Ireland during the same period was as follows :

	FLOUR.	WHEAT.
1844	415,467	282,183
1845	442,228	396,252
1846	310,665	306,939
TOTAL	1,168,360	985,374

Your memorialists, in submitting these Tables, do not intend to imply that the rates of freight would be equalized from Montreal and New York respectively by the abrogation of the British Navigation Laws, but they see the strongest reasons to infer that a great reduction of freight at Montreal might safely be calculated upon as an effect which would necessarily result from their repeal.

The manner in which these laws, in connexion with the differential duties, cramp the trade of Canada with foreign states, such as the sugar producing states of Cuba, Porto Rico, and the Brazils, and the spirit and wine-producing countries, such as France, Spain, and Portugal, and their dependencies, might be here expatiated upon at great length, and your memorialists believe with much effect, but they forbear entering upon so wide a theme of injury and loss to this colony, and will merely adduce one instance by way of illustration.

The supplies of Muscovado sugar for Canada are now chiefly derived from the Spanish islands, but by the Navigation Laws on which your memorialists are animadverting, foreign commodities can only be imported in British ships, or ships of the country where the goods are produced. Spain has but little shipping, and none suitable for this trade, while on the other hand, there are frequently no British vessels for charter to be found in these islands, although United States' vessels may be had in abundance to convey sugar to Canada, at about 2s. per cwt. What then is the necessary consequence? The Canadian merchant is compelled to proceed to a distant port to look for a British vessel. Having found one, he engages her to proceed in ballast to a Spanish island to take in his cargo of sugar for Canada, for which he has to pay her 3s. per cwt. and upwards, or 20 per cent. on the prime cost of the article; a great advance on what the American vessel on the spot would have willingly accepted for the same service. And yet, with these impediments in her way, Canada is now called upon to compete with the world.

Nor can your memorialists conclude without referring especially to the operation of the laws in question upon our internal carrying trade.

The St. Lawrence is legally accessible to American vessels from Montreal upwards to the furthest point of navigation; but it is practically closed against them, because they are not permitted to touch, or break bulk, at two Canadian ports without touching intermediately at a port in the United States; nor can they legally navigate between Quebec and Montreal, that portion of the St. Lawrence being absolutely closed against American as well as other foreign vessels. These restrictions, against which your memorialists under existing circumstances feel bound to protest, virtually seal the whole of the St. Lawrence against the vessels of the United States, to the great detriment, as they conceive, of the general commerce of Canada, foreign as well as domestic.

CANADA.

Your memorialists refrain entering into the causes of the comparative cheapness of United States over Canadian vessels. Their duty is accomplished in calling attention to the fact, and respectfully urging on the attention of Your most Gracious Majesty, the necessity of repealing the laws which occasion the evil, and prevent this colony availing itself of all the advantages which nature has liberally placed within her reach in the possession of so noble a stream as the St. Lawrence. Your memorialists are perfectly convinced, after thorough investigation, that after our inland means of communication are completed, when vessels capable of carrying 3,500 barrels of flour, and upwards, may sail without breaking bulk from the upper Lakes to Montreal or the ocean, nothing but the restrictions imposed upon us by the Navigation Laws in question, can operate to prevent that river being the channel through which the great bulk of the western trade, both upwards and outwards, shall be conducted. They therefore feel it incumbent on them to make the most strenuous efforts to obtain a modification of these laws; and they accordingly humbly appeal to Your most Gracious Majesty to concede this great reform, compared with which every other sinks for the moment into utter insignificance.

Summing up, then, what has been already stated in detail, your memorialists conclude by entreating Your Majesty to be graciously pleased to further their efforts in obtaining for this colony the reforms alluded to, which they humbly conceive to be essential to its prosperity, and justly due to it as an equivalent for the advantages which Canada formerly enjoyed; they are briefly,

1stly. The repeal of the Imperial differential duties.

2dly. Such a modification of the British Navigation Laws as will leave us free to employ, at our option, the cheapest vessels we can procure, whether they be British or foreign, and

Lastly. The removal of all restrictions that now operate against the free navigation of the St. Lawrence.

All which is respectfully submitted.

(Signed) G. MORFATT,
President of the Montreal Board of Trade.

26th August 1846.

No. 5.
Governor
Earl Cathcart
to
Earl Grey,
27th August 1846.

(No. 117.)

No. 5.

COPY of a DESPATCH from Governor the Earl CATHCART, K.C.B. to
Earl GREY.

No. 51., p. 5.

My Lord, Government House, Montreal, 27th August 1846.
My despatches to your Lordship's predecessor have already invited the attention of Her Majesty's Government to some changes which the financial and commercial interests of Canada will require, in consequence of the alterations in the Corn Laws, and the gradual depression in the trade of the province.

I have adverted, in a former despatch, to one particular case, in which an alteration in the Navigation Laws would draw a part of the American trade through Canadian waters, and thereby increase the tolls on the canals of the province.

A fuller consideration of this subject, in connexion with various representations which have been made to me, induce me earnestly to intreat your Lordship's consideration to a more extensive change in the Navigation Laws, as being really necessary under existing circumstances.

The revenue of the great canals to be derived from transporting the produce of the western country, as well American as Canadian, must be hereafter looked to as the principal, if not only source, for paying the debt incurred by Canada in their construction.

Sound policy will, of course, dictate the keeping down the tolls to the lowest possible rate consistent with the proposed object. It becomes, therefore, important to endeavour to reduce the cost of transporting such produce to the market of consumption as much as possible, in order to maintain the tolls, and yet make this route preferable, in point of cheapness, to any by the United States.

But

But while the carrying trade from the ports of Quebec and Montreal is confined exclusively to British shipping, there will not be, judging from past experience, a sufficient supply of vessels to create competition, and to keep down freights to reasonable prices. I am informed that the difference between freights at these Canadian ports and at American sea-ports is very great; and that at the former there exists frequently the greatest difficulty in getting vessels at all to carry the products of this country to market.

If foreign vessels were allowed the free navigation of the St. Lawrence, this evil, it is apprehended, would be greatly diminished; and though, from the danger of the river navigation, freights may not become as low as at American ports, they would certainly be very greatly reduced.

The business of the canals would also be greatly increased if the Americans could employ their own vessels to bring cargoes down from the inland waters, and in their option proceed with them to sea. I have little doubt that a trade down the St. Lawrence would be thus created, of immense value to the Canadian revenue.

It is unnecessary for me to point out to your Lordship more distinctly those restrictions on the navigation of the St. Lawrence, the removal of which appears to me important, I might also say indispensable, to the financial prosperity of Canada.

I would also avail myself of this opportunity to invite your Lordship's attention to the state of the law imposing duties on imports into this province.

These duties are regulated by colonial as well as by Imperial statutes. The latter have doubtless been passed, less with a view to the creation of a revenue for the province, than for the purpose of maintaining the commercial policy of the mother country.

So far as revenue merely is concerned, I submit to your Lordship, that it would be far more convenient that the duties should be imposed by one set of enactments only, and that as they would affect colonial interests only, or at least as far as that would be the case, they should be imposed by colonial enactments.

Any legislation in the colony, with this view, must of course be preceded by a change in the Imperial enactments. But if such change were made, the recommendation of Her Majesty's Government, as to the principles on which a colonial tariff should be based in the present state of affairs, would, I am sure, be gratefully received by the Canadian Parliament. While a tariff is on the one hand indispensable to Canada as a source of revenue, until canal tolls and other present or future sources yield an amount equal to the public exigencies, it is most desirable that its character should be such as will be least burdensome to the agriculturists, the principal consumers, and least discouraging to the commercial portion of the province. The experience of Her Majesty's Ministers on such important points would be a safe and desirable guide for any measure that the Provincial Government might bring before the Legislature.

In considering the subject of duties as heretofore existing, I have had occasion to observe that there are some articles of import being foreign produce, the cost of which is materially enhanced by the necessity of importing them, either in the vessels of the country of which they are the products, or in British vessels; and I would, in connexion with the foregoing remarks, invite your Lordship's attention to the propriety of a modification of existing laws in this respect also, as tending to increase the consumption of such articles in Canada, by reducing their cost, and thereby adding to the provincial revenue.

Some of the suggestions which I have thus offered to your Lordship would, if carried out, have a direct tendency to counteract the American policy of drawing the trade of Canada through their territory, while they would also render imposition of duties merely for the purpose of excluding foreign products, less wished for by particular classes of Her Majesty's Canadian subjects.

I have, &c.

(Signed) CATHCART.

CANADA.

No. 6.

No. 6.
 Governor
 Earl Cathcart
 to
 Earl Grey,
 16th Sept. 1846.

(No. 131.)

COPY of a DESPATCH from Governor the Earl CATHCART, K.C.B. to Earl GREY.

My Lord, Government House, Montreal, 16th September 1846.

I HAVE the honour to transmit herewith, at the request of the Toronto Board of Trade, a memorial to Her Majesty, which the memorialists are desirous of having laid at the foot of the throne, praying for the repeal of the Imperial differential duties on the imports of Canada, and of the Navigation Laws, so far as regards the River St. Lawrence, and the inland waters of Canada.

I have, &c.

(Signed) CATHCART.

Encl. in No. 6.

Enclosure in No. 6.

TO THE QUEEN'S MOST EXCELLENT MAJESTY.

May it please Your Majesty,

The Petition of the Toronto Board of Trade,

Most humbly showeth,

That by the Provisions of the Navigation Laws of Your Majesty's kingdom, the carrying trade of the exports and imports of Canada to and from Great Britain and Ireland, or any British possession in Asia, Africa, or America, is confined to British ships; in consequence of which restriction serious loss and inconvenience are at present imposed upon the inhabitants of this province.

Your petitioners having carefully considered the operation of the said laws upon the commercial and agricultural interests of Canada, feel called on to state, that prior to the alterations in the Corn Laws of Your Majesty's kingdom effected in the last Session of Parliament, Your Majesty's subjects residing in Western Canada did not feel the disadvantages resulting to the colony from the monopoly of the carrying trade conferred on the owners of British ships by the Navigation Laws, as it was found that the prices of their agricultural exports generally equalled those which were observed to obtain in the contiguous sections of the neighbouring States of the republic of America, for the same products destined for shipment to the British market through the Atlantic seaports of the said States. Your petitioners cannot, however, conceal from Your Majesty the fact, that the protection generally supposed to have been enjoyed by the agriculturists of Canada, in consequence of the preference given to their products in the markets of Your Majesty's kingdom by the provisions of the late British Corn Laws, has not been fully realized by them; the exorbitant freights and heavy rates of insurance paid on shipments from the port of Montreal, added to other disadvantages connected with the navigation of the River St. Lawrence, having been found nearly adequate to neutralize the remission of duty intended by Your Majesty to operate in their favour.

Your petitioners have with much pain frequently had occasion to observe, that when the state of the British markets has been most propitious to the exports of Canadian wheat and flour, the combination of a few shipowners or their agents has completely blasted all their hopes, and intercepted the boon designed by Your Majesty's paternal Government for the benefit of Your Majesty's faithful subjects in the interior of the province, the rates of freight insisted upon having sometimes been as high as 7s. 6d. sterling per barrel of flour, and very frequently averaging 5s. to 6s. sterling; whilst at the same times freights have been obtained from the port of New York in vessels of a superior class as low as 1s. 6d., and seldom higher than 2s., and insurances at 50 to 80 per cent. less than by the St. Lawrence.

Your petitioners most humbly submit, that during the past months of the present shipping season, the position of the holders of flour and wheat in the port of Montreal has been most distressing. Large quantities of produce were forwarded to that city from the interior, where it had been purchased during the preceding winter at prices seriously enhanced by the exaggerated reports which reached Canada of the scarcity of bread-stuffs throughout Europe. On arrival it was found impossible to obtain shipment for it at less than 6s. sterling per barrel. The holders were threatened with insolvency alike from its shipment or its retention, and perceiving most distinctly that the chief cause of their difficulties was to be found in the present Navigation Laws of Your Majesty's kingdom, a feeling of deep dissatisfaction therewith has arisen in the minds of Your Majesty's Canadian subjects. The people of Canada now feel convinced that, deprived of that protection formerly extended to their products in Your Majesty's kingdom, by means of which the heavy burthens imposed on their trade by the Navigation Laws were neutralized, they must, in the event of these laws being continued in force, be reduced to a position much inferior to that of the people in the adjacent States of America, and they contemplate, with profound mortification,

mortification, their only alternative in the conversion of their export trade into a valuable branch of the resources of their republican neighbours, who will not fail to avail themselves of so opportune a juncture for demonstrating to the people of Canada, by the removal of every obstacle standing in the way of a free egress through their territory, that they possess the means, and have the desire, to advance their interests.

Your petitioners further most humbly submit, that Your Majesty's Canadian subjects have incurred a heavy debt in the constructing of canals capable of giving passage to vessels of large dimensions, under the expectations that by these improvements of their internal navigation they would not fail to secure to themselves a large share of the carrying-trade of the rich agricultural countries bordering on the great lakes of Canada. The repayment of the debt thus incurred is an object from which your petitioners feel convinced no consideration can ever divert the intentions of the people of Canada; but it is quite manifest, that in the event of the export trade of Western Canada, and the states adjacent to the lakes, being forced out of the waters of the St. Lawrence, the outlay upon the improvements, from Lake Ontario to the ocean, will have become a dead weight on the resources and energies of the province, the trade of the recently flourishing cities of Quebec and Montreal will have disappeared, and the mercantile capital of their enterprising citizens will have been transferred to the commercial emporia of the neighbouring country.

These are evils which your petitioners cannot contemplate with other than the most gloomy apprehensions, but they feel convinced that in the wise foresight of Your Majesty, they may rely with entire confidence for the prompt adoption of every practicable means by which they may be averted.

Your petitioners have further most humbly to submit to Your Majesty, that the trade of Canada labours under weighty disadvantages resulting from the imposition of protective custom duties under authority of Imperial statutes. This class of duties your petitioners are pleased to observe, by the declarations of Your Majesty's advisers, as well of the recently existing administration, as of the present, is no longer held to be in harmony with the recognized principles of British commercial legislation; and your petitioners are disposed to believe that a pressure of other more absorbing measures has been the only cause which has prevented Your Majesty's Government from proposing to Parliament the repeal of the Imperial Customs Laws authorizing the levying of protective duties, for the purpose of securing to the manufacturers of Your Majesty's Kingdom a preference in the supply of the Canada market, which they no longer consent to extend to the people of Canada in the supply of the British market. Several of the protective duties referred to are found by your petitioners, not only to be burthensome upon the resources of the province, but also to be totally inoperative in effecting the purpose contemplated in their devisal, as they are levied, in their maximum extent, on some articles of general consumption, as window glass, sugar and coffee, which at present do not come into competition with the same description of goods of British origin.

Your petitioners observed with much gratification that Your Majesty's late Secretary for the Colonies, in a despatch No. 32, dated Downing Street, 3d March 1846, in referring to the then proposed measures of Government for the removal of commercial restrictions, expressed his desire "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 active co-operation of the Legislatures and the inhabitants of the colonies." And your petitioners would cheerfully have sustained the Provincial Legislature in that co-operation, in preference to the course adopted by it, of remonstrating against the passage of a measure which circumstances had rendered no longer resistable.

Your petitioners, therefore, believe, that in submitting to Your Majesty their convictions of the expediency of repealing the present Imperial Customs Laws, authorizing the imposition of protective or differential duties within this province, they are not preferring to Your Majesty a complaint, the redress of which will not be in accordance with Your Majesty's wishes and intentions.

Your petitioners, therefore, in view of the premises herein set forth, most humbly pray that Your Majesty will be pleased to recommend to Parliament an immediate repeal of the Navigation Laws of the United Kingdom, so far as the same relate to the River St. Lawrence and inland waters of Canada, and also such alterations in the present Imperial Colonial Customs Tariff as may render the trade of this province with the mother country one of fair reciprocity.

And Your Majesty's petitioners, as in duty bound, will ever pray.

For and on behalf of the Board.

(Signed) GEO. PERCL. RIDOUT, President.
HENRY ROUSE, Secretary, T. B. T.

Toronto, Canada,
9th September 1846.

CANADA.

No. 7.

Earl Grey

to

Earl of Elgin,
19th March 1847.*Vide Parliamentary
Papers (H.C.), No. 119,
Session 1847, p. 3.*

No. 7.

(No. 38.)

COPY of a DESPATCH from Earl GREY to Governor-general the Right
honourable the Earl of ELGIN.

My Lord,

Downing Street, 19th March 1847.

WITH reference to Earl Cathcart's despatch (No. 51), dated 12th May last, bringing under the consideration of my predecessor the subject of the transit of American vessels from one American port to another, through the inland waters of the province of Canada, and the advantages which would probably result from the increased tolls on the Chambly and St. Lawrence Canals, if permission were granted to the vessels of the United States to pass down the St. Lawrence from Fort Covington, on the Salmon River, to Sorel, and thence up the River Richelieu to Champlain; I now transmit for your Lordship's information and guidance the accompanying copy of a letter, and of its enclosures, which were received at this department, on the 12th instant, from the Lords of the Committee of Privy Council for Trade, to whom the question had been referred on the 9th June last (1846).

I entirely concur in the opinion which the Lords of the Committee of Privy Council for Trade have expressed on this subject; but in granting permission to the United States to navigate the St. Lawrence within British territory and jurisdiction it must be distinctly provided that such permission is not hereafter to be claimed by that country as a right, so that the British Government may, at any time hereafter, be at liberty to withdraw the privilege, if inconvenience of any kind should be found to result therefrom.

I have, &c.
(Signed) GREY.

Encl. in No. 7.

Enclosures in No. 7.

Office of Committee of Privy Council for Trade,
Whitchall, 11th March 1847.

Sir,

With reference to your letter of 9th June 1846, transmitting a copy of Earl Cathcart's despatch of the 12th of May, respecting the advantages which might be expected to arise from permission being granted to vessels of the United States to pass from Fort Covington on the Salmon River down the St. Lawrence to Sorel, and thence up the River Richelieu to Lake Champlain; I am directed by the Lords of the Committee of Privy Council for Trade to transmit to you, for the information of Earl Grey, the accompanying correspondence which has taken place between this department and the Commissioners of the Customs on the subject.

You will observe, that the Commissioners, in their report of the 4th of September, state two objections to the grant of this permission; first, that the opening of this portion of the navigation of the St. Lawrence to American vessels will endanger the revenue to an amount which will not be compensated by the increase of legitimate traffic which may be expected to result from the measure; and, secondly, that the admission of such vessels to these waters will be irreconcilable with the general policy of the British Government as regards the navigation of the St. Lawrence by foreign vessels.

These objections, as well as the original recommendation of Lord Cathcart, are founded upon the assumption that the law, as at present existing, prevents American vessels from performing the voyage in question; an assumption which my Lords are of opinion is founded rather on the prevailing practice than on any of the provisions of the laws relating to navigation or to the trade of the British possessions abroad. They have intimated this opinion in the letter written by their direction to the Commissioners of Customs on the 10th of October, and they must add, that the observations contained in the Commissioners Report of 14th of November have not induced them, upon mature reflection, to alter it. As however it is manifest that a construction of the law different from that which my Lords put on it is in practice admitted and acted on, the material point for consideration is, whether the demand for an alteration in the practice should or should not be complied with.

With reference to the first of the two objections taken by the Commissioners of Customs, my Lords direct me to remark, that whatever objections apply to the admission of American vessels to this portion of the St. Lawrence, on the ground of the facilities thereby afforded for smuggling, apply with far more force to their admission into the much longer line of navigation from the Head of Lake Superior to St. Regis, along the whole of which the St. Lawrence constitutes the boundary between Canada and the United States,
and

*Customs Report of
September 4th, 1846.
Copy of Letter from
Board of Trade of
October 10.
Customs Report of
Nov. 14.*

735
CANADA.

and upon which American vessels have an undoubted right to enter, as well as to their admission into that part of the river which lies between St. Regis and Montreal. My Lords believe, that there is no line of frontier which presents such facilities for smuggling as that to which they have adverted between Canada and the United States, and they apprehend that no conceivable Customs establishment would avail to repress it in a country so calculated to render detection impossible. They are therefore unwilling to recommend the disallowance of any measure from which general advantage is to be expected on the single ground of increased facilities for smuggling; it being their firm belief that smuggling into Canada can only be prevented by the adoption of a moderate scale of Customs duties, and not by increased official supervision. They believe that at this time the moderate tariff in force in Canada compared with the high duties in the United States renders smuggling from the former into the latter more common than smuggling into Canada, and that there are comparatively few articles which cannot be introduced into Canada from the United Kingdom more cheaply than from the United States. These few will be introduced at points on the Buffalo and Niagara frontier, and not below Montreal. My Lords have deemed it right to advert to this point; but they at the same time consider, that questions as to the security of the provincial revenue are best left to the consideration of the provincial legislature, under the control of which the disposal of that revenue is placed, and under whose guardianship it may be expected to be perfectly safe. They are accordingly of opinion, that unless the Imperial Government is unwilling, for reasons unconnected with revenue considerations, to admit the vessels of the United States to the waters in question, their admission or continued exclusion should be made to depend upon the wishes of the Canadian legislature.

Upon the question, however, of the general policy of admitting American vessels to this part of the inland waters of Canada, which is manifestly one that may involve considerations of imperial interest, my Lords do not feel themselves called upon to give an opinion, and will therefore content themselves with remarking that the navigation of the St. Lawrence to the St. Regis to Montreal, between which points it is wholly a British river, is already open to the Americans, and that the extension of the privilege now under consideration is confined to the inland trade, and would not, if granted, enable the Americans or any other foreigners to proceed up the St. Lawrence from the sea.

James Stephen, Esq.
&c. &c. &c.

I am, &c.
(Signed) J. LEFEVRE.

Office of Committee of Privy Council for Trade,
Whitehall, 10th October 1846.

Sir,

With reference to the two reports of the Customs on the subject of the navigation of the St. Lawrence by vessels of the United States, I am directed by the Lords of the Committee of Privy Council for Trade to state to you, for the information of the Commissioners of the Customs, that the objections taken by the Commissioners to a compliance with the desire of the Canadians for the opening of the traffic between Fort Covington and Lake Champlain through the St. Lawrence to American vessels, have reference to that part of the navigation which lies between Lake Champlain and Montreal; and they observe that it is stated in the despatch of the Governor-general that the opinion of the law officers in this country has been given to the effect that American vessels are wholly excluded from navigating the St. Lawrence below Montreal, an opinion in which, from the reports before them, they conclude that the Commissioners agree.

As, however, my Lords do not perceive any thing in the Act for regulating the trade of the British possessions which should prevent American vessels from proceeding from the Lake Champlain, either to Montreal or to Quebec, under the provisions of the 43d section of the Act, they direct me to request that you will move the Commissioners to acquaint them whether there is any impediment to such a voyage arising either from the phraseology of the Act or from other circumstances, and whether the Commissioners are aware of any such opinion as that referred to having been given by the law officers, and what were the grounds of such opinion.

I am directed further to inquire whether, supposing American vessels to be permitted to trade between Lake Champlain and Montreal, it would not be legal for them to warehouse their cargoes at Montreal (under the 49d section of the Possessions Act), and thence to export them to any American port by inland navigation, since the restrictions upon exportation imposed by our Customs laws appear only to apply, first, to the case of the exportation of goods from one British possession to another, which can only take place in British ships, and secondly, to exportation of goods to foreign countries by sea, which can only take place from a free port.

My Lords direct me to add, that if the views taken by them on the above points are correct, they would request to know whether they in any manner affect the opinion given by the Commissioners in their report of the 4th September, as to the inexpediency of complying with the suggestion of the Governor-general of Canada.

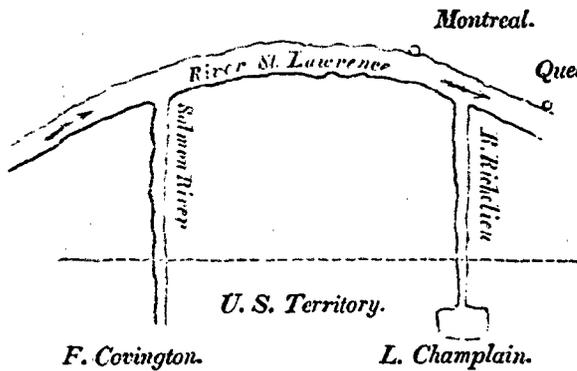
Charles Scovell, Esq.
&c. &c. &c.

I am, &c.
(Signed) STAFFORD H. NORTHCOTE.

CANADA.

(No. 1627.—Canada.)

The object of the memorial from Canada, on which the Customs have now reported, will be most clearly understood by reference to the annexed diagram.



The dotted line represents the boundary between Canada and the United States. The Canadians are anxious to encourage a water traffic from Fort Covington to Lake Champlain, through the St. Lawrence, by the route of the Rivers Salmon and Richelieu, a traffic which in the existing state of our law cannot be carried on in American vessels, according to the construction put upon the law by the Commissioners of Customs. The request is urged on the ground that an extensive transport trade would thus be created, which

would have the effect of raising the revenue derived from the tolls on the Chambly Canal, which connects two points on the River Richelieu.

The Customs report against the grant of the prayer of the memorial on the grounds, first, that such a course of traffic would afford great facilities for smuggling; the result of which would be a much greater loss to the revenue than could probably be compensated by the increase of the produce of the tolls; and, secondly, that a concession of the privilege "would be totally irreconcilable with the policy which has been hitherto acted upon, with reference to the navigation of the River St. Lawrence by foreign vessels, or vessels belonging to the United States."

These objections rest upon the assumption that the navigation of the St. Lawrence below Montreal, and above Quebec (including the navigation of the British portion of the Richelieu), is at present wholly closed against American vessels; and I observe it is stated in Lord Cathcart's despatch, that the law officers in this country are understood to have given an opinion to that effect. I cannot find any foundation for this assumption in any part of our Possessions Act, and I have never heard of any such opinion as that above referred to having been given. Having great doubts as to its correctness, I wrote privately to Mr. Walford, the Solicitor to the Customs, asking him whether there was any thing to prevent an American vessel from proceeding from Lake Champlain down to the Richelieu, to its junction with the St. Lawrence, and thence either up the latter to Montreal, or down it to Quebec; Mr. Walford replies, that he knows of nothing that should prevent such a voyage.

By the Possessions Act it is enacted, that no goods shall be imported into or exported from the British Possessions in America by sea, from or to any other place than the United Kingdom or a British possession, except into or from a free port. Now Quebec is the only free port in Canada, and consequently the over sea trade of the province can only be carried on (in foreign ships) from that port.

But the 43d section of the Act declares that it shall be lawful to import goods by land or "inland navigation" into the British possessions in America from any adjoining foreign country, either in British vessels or the vessels of that foreign country, provided (sec. 45) that such goods be brought to a place where there is a custom-house. Such importations are subjected (sec. 46) to the regulations of the Act with respect to importations by sea, so far as they may be applicable.

Under these provisions goods may be imported into Montreal (there being a custom-house there) from the United States in American vessels; and I do not see why such importation should not take place from a point below Montreal, such as Lake Champlain, as well as from a point above Montreal, such as Fort Covington.

The only thing which would, so far as I am aware, prevent such an importation, would be the existence of another port of entry below Montreal; for instance, if Sorel were a port at which there was a custom-house, American vessels coming from Lake Champlain would have to take their goods there, as they would be prevented by the regulations of the Possessions Act from passing through the port, just as they are now prevented from passing through the port of Montreal. But though it is possible that Sorel may have been constituted a port of entry by the Governor-general, under the powers confided to him by the 45th section of the Possessions Act, there is nothing to show that such is the case, and the probability is that it is not. Indeed if this were the impediment to the voyages which the Governor-general wishes to encourage, he could at once remove it by striking out Sorel from the ports of entry.

If, then, there is nothing to prevent American vessels from proceeding from Fort Covington to Montreal, and from Lake Champlain to Montreal, the force of the objections which the Customs make against allowing them to proceed from Fort Covington to Lake Champlain is greatly diminished; for every point of the line where smuggling is so much apprehended must be accessible at present, and every mile of the St. Lawrence which would then be traversed by American vessels is now open to them.

But

But indeed I cannot see what is to prevent an American vessel from making the whole voyage from Fort Covington to Lake Champlain now. She may, it is admitted, carry goods to Montreal; she may land them there; may if she please warehouse them (for by section 48 of the Possessions Act, Montreal is constituted a warehousing port for goods brought by land or inland navigation); it only remains for her then to re-export them. Now, there is not a single restriction upon the exportation of goods from any part of the British possessions, except that they cannot be exported to the United Kingdom, or to any British possession in a foreign ship, and that they cannot be exported to any foreign country by sea, except from a free port. But an exportation from Montreal to Lake Champlain falls under neither of these heads, and is therefore not illegal; so that there is nothing to prevent American ships from coming with cargoes from Fort Covington, warehousing them at Montreal (if even this is necessary), and then clearing them out for Lake Champlain.

These are the conclusions at which I have arrived from an examination of the Possessions Act, but as they are so much at variance with the view taken of the law by the parties who have the charge of enforcing it, as well as with the opinion said to have been given by the law officers, I feel much hesitation in advancing them. If no error is apparent in them, however, I would submit that a further reference should be made to the Customs in order to ascertain more precisely the nature of the impediments which they consider to lie in the way of the traffic referred to; as there may be some arising out of other branches of the law of which I know nothing.

2d Oct. 1846.

S. H. N.

(No. 464.)

To the Lords of the Committee of Privy Council for Trade.

Mr. Lefevre having, by his letter dated 12th June last, signified that he had been commanded by your Lordships to transmit to us, for our observations thereon, a copy of a despatch from the Governor-general of Canada, suggesting that it might be of advantage to the revenue of Canada, as well as to the tolls of the Chambly and St. Lawrence Canals, if permission were granted to the vessels of the United States to pass down the River St. Lawrence from Fort Covington, on the Salmon river, to Sorel, and thence up the River Richelieu to Lake Champlain; we report,

That as we were not in possession of sufficient local information to enable us to offer any observations upon the despatch of the Governor-general of Canada, we caused copies of Mr. Lefevre's letter and its enclosure to be transmitted for the special inquiry of the collector at Montreal.

That having recently received a report from that officer in return to our order of inquiry upon the subject, we beg to state that Fort Covington is situated on the line which divides the United States from Canada, about six miles up the Salmon river from its junction with the St. Lawrence, a situation which renders it peculiarly favourable for carrying on an illicit trade with the province of Canada, and it is, in fact, used as a depôt for goods intended to be smuggled into the British possessions.

That it was found necessary in the year 1844 to place a Customs establishment on the Salmon river by the provincial government, which has in some measure stopped the illicit trade which had theretofore been carried on; but there is great reason to believe that large quantities of goods are still smuggled into Canada from Fort Covington.

With regard to the export trade from Fort Covington, which the Governor-general refers to in his despatch as being a likely source of revenue to the province of Canada, if permitted to be carried on in the manner pointed out by his Excellency, it appears that the goods which would be exported therefrom would consist of "sawn lumber, pot and pearl ashes, and butter;" that the whole of the exports could be taken in 30 or 40 barge loads of about 50 tons each, the tolls upon which would not, it is supposed, yield more than from 100% to 150% per annum, a sum very small in amount, when compared with that which the province would be likely to sustain, from a way being opened by which quantities of goods might, and no doubt would, be introduced into the province without payment of duty. Your Lordships will perceive, on reference to the accompanying map, that it is upwards of 90 miles from Montreal round by the Richelieu river to Lake Champlain, and that this route passes through one of the most thickly-inhabited parts of the British territories in Canada, containing 15 large villages, which would afford great facilities for the introduction and sale of goods upon which duty had not been paid, there not being an individual in any way connected with the revenue stationed at any of those villages.

The Governor-general has, in bringing this subject under the consideration of Her Majesty's Government, adverted to the fact that American vessels are permitted to pass from one American port on the lakes to another, through the Welland Canal, but it is to be observed that the granting of this privilege has caused smuggling to be carried on all along the banks of the canal to such an extent as to induce the Commissioner who was appointed some time since to examine and report as to the state of the several provincial Customs establishments, to recommend that riding officers should be appointed to patrol the banks of the canal, with a view, if possible, of putting a stop to the illicit trade carried on there. With respect to the general question involved in the suggestion of the Governor-general as

CANADA.

to the expediency of permitting American vessels to navigate the River St. Lawrence above Montreal, we would request your Lordship's attention to our memorial of the 22d of October 1842, No. 1447, and to our report of the 17th of June 1843, No. 930, addressed to the Lords Commissioners of Her Majesty's Treasury, copies of which are herewith transmitted, in which we took occasion to advert at length to the existing laws and regulations bearing upon this subject, and to the policy which had been theretofore observed by Her Majesty's Government in regulating the navigation of the River St. Lawrence, by which American vessels were restricted from carrying goods to any port in the British possessions in Canada beyond Montreal; and after a mature consideration of this subject, and of all the circumstances connected with it, both as regards the expediency of the proposed measure, so far as the interests of the revenue of the province are concerned, and to its policy as regards the carrying out the provisions of the Navigation Act, we have to express our decided opinion that the proposition should not be acceded to; 1st. Because the allowing American vessels to pass from Fort Covington down the St. Lawrence, and up the River Richelieu to Lake Champlain, as suggested by the Governor-general of Canada, would afford great facilities for illicit trade, to the manifest loss of the revenue, and which no regulations, however stringent, could with the very limited Customs establishment in the province prevent; and 2dly. Because a concession of the privilege now sought for would be totally irreconcilable with the policy which has been hitherto acted upon with reference to the navigation of the River St. Lawrence by foreign vessels, or vessels belonging to the United States.

Custom-house,
4th September 1846.

(Signed) THOS. F. FREEMANTLE.
W. LUSHINGTON.
GEO. R. DAWSON.
J. GOULBURNE.

(No. 1447.)

To the Lords Commissioners of Her Majesty's Treasury.

We beg to represent to your Lordships that by the Act of 3 & 4 Will. 4, c. 54, s. 10, it is enacted, that no goods shall be carried from any British possession in Asia, Africa, or America, to any other of such possessions, nor from one part of any of such possessions to another part of the same, except in British ships.

That by the 11th section of the same Act it is further enacted, that no goods shall be imported into any British possessions in Asia, Africa, or America in any foreign ships, unless they be ships of the country of which the goods are the produce, and from which the goods are imported.

That by the 2d section of the Act of 3 & 4 Will. 4, c. 59, it is enacted, that no goods shall be imported into, nor shall any goods, except the produce of the fisheries in British ships, be exported from any of the British possessions in America by sea from or to any place other than the United Kingdom, or some other of such possessions, except into or from the several ports in such possessions called free ports, as enumerated in the Table annexed to the said Act.

That by the 3d section of the same Act power is given to His Majesty, by Order in Council, to extend the provisions of that Act to other ports.

That the 4th section of the above-recited Act, after declaring that there are in the said possessions many places situated in rivers and in bays, at which it may be necessary to establish ports for particular and limited purposes only, enacts that it shall be lawful for His Majesty, by any Order in Council made for the appointment of any free port, to limit and confine such appointments respectively to any and such purposes only as shall be expressed in such order.

That by the 3 & 4 Will. 4, c. 59, s. 16, it is among other things enacted, that the master of every ship arriving in any of the British possessions in America, whether laden or in ballast, shall come directly, and before bulk be broken, to the Custom-house for the port or district where he arrives, and there make a report in writing, in the manner prescribed by that Act, to the collector or other proper officer, of the arrival and voyage of such ship, and the master shall further answer all such questions concerning the ship and cargo and the voyage as shall be demanded of him by such officer; and if any goods shall be unladen from such ship before such report be made, or if the master fail to make such report, or make an untrue report, he shall forfeit the sum of 100*l.*, and if any goods be not reported, such goods shall be forfeited.

That by the 17th section of the same Act, it is further enacted, that the master of any ship bound from any British possession in America, shall, before any goods be laden therein, deliver to the collector or other proper officer, in the hours required by the said Act, an entry outwards, under his hand, of the destination of such ship; and the master of every ship bound from any British possession in America, whether in ballast or laden, shall, before departure, come before the collector or other proper officer, and answer, upon oath, all such questions concerning the ship and the cargo, if any, and the crew, and the voyage, as shall be demanded of him by such officer, and thereupon the collector or other proper officer, if such ship shall be laden, shall make out and give to the master a certificate of the clearance of such ship for her intended voyage, containing an account of the total quantities of

of the several sorts of goods laden therein, or a certificate of her clearance in ballast, as the case may be; and if the ship shall depart without such clearance, or the master shall not truly answer the questions demanded of him, he shall forfeit the sum of 100*l.*; and by the 82d section of the General Regulation Act of 3 & 4 Will. 4, c. 52, ships taking no other goods than the personal baggage of passengers are to be deemed in ballast, and cleared as such.

That in the month of August last, we received a communication from the collector of this revenue, at St. John's, New Brunswick, stating that application had been made to him by certain parties, requesting to be informed whether there was any legal objection to the United States steam-vessel, "Huntress," being allowed to proceed up the River St. John's in ballast to the inland town of Fredericton (which place is distant 90 miles from the free port of St. John's) for the purpose of embarking passengers and their baggage at the former place.

That the collector being of opinion that he could not legally refuse to clear the "Huntress" for Fredericton, provided no goods should be laden on board the said vessel, he (the collector) deemed it proper to bring the subject under the consideration of the Lieutenant-governor of the province, who directed the question to be submitted for the consideration of the attorney and solicitor-general of New Brunswick, who gave it as their opinion that the "Huntress" could not legally be allowed to navigate the internal waters of that province. That upon the case being brought under our consideration, we were, in the first instance, disposed, as the question was not altogether free from legal difficulty, to submit the same for the opinion of Her Majesty's Advocate, but, under all the circumstances, we have deemed it the better course to bring the same under the consideration of your Lordships, having to observe that you were pleased, by Mr. James Stewart's letter of the 15th October 1831, in reply to our memorial of the 27th May preceding, recommending that Montreal in Canada should be constituted a port of entry for general purposes, to transmit to us a copy of a letter from Mr. Lack, signifying that the Lords of the Committee of Privy Council for Trade having had under consideration the expediency of constituting Montreal a port of entry for general purposes, he (Mr. Lack) had been commanded to draw your Lordships special attention to the discrimination intended to be made by the 35th section of the Act of 7 & 8 Geo. 4, c. 56, (the provisions of which have been re-enacted in the Act of 3 & 4 Will. 4, c. 59), between the qualified rights given by that section to Montreal, on account of its inland situation, and the full rights of free ports, such as are not given, except to ports situated near the sea, and at the first station up a river at which a port can be established, and beyond which foreign ships are not permitted to proceed; and consequently under the operation of the law adverted to in Mr. Lack's letter, no foreign ship is permitted to proceed up the River St. Lawrence beyond Quebec, and the trade of Montreal is confined to that carried on by British ships. Under these circumstances, and as Fredericton has never been constituted a port for any purpose, however limited, and as there is no officer of Customs stationed at that place for the purpose of either receiving the reports of masters of vessels arriving in ballast, or subsequently granting the necessary clearances in ballast, we are disposed to concur in the opinion of the law officers of New Brunswick that the collector would not be legally justified in granting a clearance for a foreign vessel to proceed in ballast for the purpose of enabling her to proceed up the River St. John's to Fredericton, which is situated in the interior of the province 90 miles distant from the free port of St. John's, which is situated on the sea at the entrance of the harbour bearing that name, and we have to request that we may be favoured with your Lordships early directions for the government of ourselves and our officers in New Brunswick upon the subject.

(Signed)

E. STEWART.
W. CUST.
H. RICHMOND.
H. LEGGE.

Custom-house, 22d October 1842.

(No. 930.)

May it please your Lordships,

Your Lordships having referred to us the annexed letter from Mr. Stephen, transmitting by desire of Lord Stanley a copy of a despatch from the Governor of Canada, enclosing a petition from the Board of Trade at Montreal, praying that that city may be declared a free port, and signifying the opinion of Lord Stanley, that, adverting to the political interests of the province, it would be desirable to grant to Montreal the same commercial privileges as are enjoyed by the ports of Quebec, Toronto, and Hamilton, unless there should exist some conclusive objections of a fiscal or commercial nature to the contrary; we report,

That we have very carefully considered the annexed papers, which would appear to involve the consideration of two important but distinct questions; viz.—

1st. As to constituting Montreal an unrestricted free port for the importation of goods by sea.

2d. As to constituting Montreal a free warehousing port for the warehousing of goods brought by land or inland navigation from ports or towns of the United States situated on the frontier or on the lakes Erie or Ontario.

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With respect to the first question, we would request your Lordships attention to our report of the 23d June 1840, No. 931, upon a memorial to the same effect from the Board of Trade at Montreal, addressed to Her Majesty's Principal Secretary of State for the Colonies, and which your Lordships referred to us, and in which report, after adverting to the state of the laws as applicable to the free port system in Canada, we submitted how far your Lordships might see fit to depart from the principle which had been laid down by Her Majesty's Government, that it would not be expedient to constitute a place situated like Montreal, up a great navigable river in the interior of the country at a considerable distance from the sea, a free port, for the purposes mentioned in the Act 3 & 4 Will. 4, c. 59, s. 2, a measure which, we observed, would, in the particular instance of Montreal, have the effect of throwing open the navigation of the River St. Lawrence to vessels belonging to the United States and other foreign countries as far as Montreal, which place is distant from and situated 180 miles above Quebec.

As bearing upon the general question as to the expediency of permitting foreign vessels to proceed from sea into the interior waters of the British North American provinces, we would also bespeak your Lordships attention to our memorial of 22d October 1842, No. 1447, in consequence of a claim which had been preferred by certain citizens of the United States to navigate the American steam-vessel "Huntress" up the River St. John's, New Brunswick, to Fredericton, the capital of the province situate in the interior of the country, at a distance of about 90 miles from the free port of St. John's, for the purpose of embarking passengers and luggage for the United States and the intermediate ports; and in bringing that claim under your Lordships consideration we endeavoured to point out what had been your Lordships policy, under circumstances of an analogous nature, in regulating the navigation of the River St. Lawrence, and restricting foreign ships from proceeding beyond the port of Quebec.

That in reply to that communication, your Lordships were pleased, by Mr. Trevelyan's letter of the 25th November 1842, to transmit to us a copy of one from Mr. Lefevre, signifying the concurrence of the Lords of the Committee of Privy Council for Trade (for whose consideration you had been pleased to cause our memorial to be transmitted), in the view which we have taken of the question, and that in the opinion of their Lordships, inasmuch as Fredericton is situated in the interior of New Brunswick, 90 miles from the sea, up the River St. John's, which river, in that part of its course, falls entirely within the British territories, the collector of this revenue at St. John's would not have been justified in granting a clearance for the American steam-vessel "Huntress" to proceed even in ballast to Fredericton, for the purpose of embarking passengers. It also appeared, from Mr. Lefevre's letter, to be their Lordships opinion, that if the application for the clearance had been made after the date of the late treaty of Washington, between this country and the United States, yet inasmuch as the voyage of the steamer had no reference to the object in respect of which the limited right of navigation of the River St. John's (which it is to be observed is restricted to conveying the produce of the United States down that river, and not up it) had been granted by the third section of that treaty, it would still have been improper for the Customs officers to have granted the clearance applied for. The above reasoning applies, as we apprehend, with equal force to the navigation of the River St. Lawrence from Quebec to Montreal, to which latter place that river passes entirely through the British territories, and it is not until it passes a distance of about 80 miles beyond Montreal that it becomes the frontier line between the United States of America and Canada.

With reference, therefore, to the foregoing circumstances, and to the peculiar position of Montreal situated in the interior of Canada, it becomes a question of political as well as of fiscal consideration, how far Her Majesty's Government would deem it expedient to depart from the principle which has invariably governed upon all applications which have hitherto been addressed to them, having for their object the constituting Montreal a free port for general purposes, a measure which, however beneficial and advantageous it might be to the shipping of the United States, could not but prove injurious and detrimental to the interests of the British and colonial ship-owner as well as to the native craft of Canada.

With respect to the second question, viz., as to the expediency of constituting Montreal a free warehousing port for the warehousing of goods brought by land or inland navigation from the ports and towns of the United States situated on the frontier or on the Lakes Erie or Ontario, we have to state, that by the 31st section of the Act 3 & 4 Will. 4, c. 59, after declaring that it is expedient to make regulation respecting the inland trade of the British possessions in America, it is enacted, "that it shall be lawful to bring or import by land, or by inland navigation, into any of the British possessions in America from any adjoining foreign country, any goods which might lawfully be imported by sea into such possession from such country, and so to bring or import such goods in the vessels, boats, or carriages of such country as well as in British vessels, boats, or carriages."

That by the 32d section of the same Act, it is declared what vessels shall be deemed to be British vessels on the lakes of America; and by the 33d section, it is enacted, that it shall not be lawful so to bring or import any goods, except into some port or place of entry at which a custom-house may have been established; and by the same section, power is given to the Governor of Canada to diminish or increase, by proclamation, the number of places

places of entry which may be appointed in the provinces of America for the entry of goods brought or imported by land or inland navigation.

That the 34th section of the same Act enacts, that the duties of Customs imposed by that Act shall be levied upon goods brought by land or inland navigation into Canada, in the same manner as upon goods imported by sea; and by the 36th section, Kingston and Montreal in the Canadas were declared to be warehousing ports for goods brought by land or by inland navigation, or imported in British ships.

Under the operation, therefore, of these several enactments, we apprehend that there would be no legal impediment (assuming that the local difficulties which now prevent a direct and uninterrupted communication by water between Kingston and Montreal were totally removed by the works at present in progress for improving the navigation of the St. Lawrence) to British vessels, or those belonging to the United States, proceeding direct to Montreal, either for the purpose of delivering their cargoes for consumption on payment of the proper duties, or being warehoused under the provisions of the Act 3 & 4 Will. 4, c. 59, hereinbefore referred to; but we would submit that such cargoes could only be exported by sea in British ships, and that it would not be lawful to export them in American bottoms, inasmuch as Montreal has only been declared a port of entry for British vessels by sea, and has never been constituted a free port for the purposes mentioned in the Act 3 & 4 Will. 4. c. 59; the 2d section of which Act expressly enacts, that no goods shall be imported or exported from any of the British possessions in America by sea from or to any place other than the United Kingdom, or some other of such possessions, except into or from the several ports in such possessions called "free ports," as enumerated in the Table annexed to that Act. With reference to that part of the annexed despatch of the Governor of Canada, as well as the memorial of the Board of Trade at Montreal, wherein it is urged as a ground for constituting Montreal a free port, that Kingston, Toronto and Hamilton have been recently erected into free ports, we have to state that some misapprehension would appear to exist, upon the part of his Excellency and the Board of Trade, on the subject. Kingston is situated at the eastern extremity of Lake Ontario, and distant 190 miles from Montreal, and consequently 370 miles from the sea at Quebec, and has never been constituted a free port, but has merely been constituted a warehousing port, as already observed, under the provisions of the 36th section of the Act of 3 & 4 Will. 4, c. 59, for the warehousing of goods brought by land or inland navigation; and with respect to Toronto situated at the western extremity of Lake Ontario, and Hamilton situated at the head of that lake, and distant 40 miles from Toronto, we would refer your Lordships to our reports of the 1st of December 1841, No. 1576, and 8th of March 1842, No. 336, upon various communications which your Lordships had been pleased to refer to us from Her Majesty's Principal Secretary of State for the Colonies, wherein we recommended, with the view of enabling parties to send their goods in bond from Montreal to Toronto and Hamilton, that those places should be placed upon the same footing as Kingston, and declared warehousing ports for the warehousing of goods brought by land or inland navigation; and your Lordships having been pleased to approve of our proposition, Toronto and Hamilton were declared by Her Majesty's Order in Council of the 3d of June 1842, to be warehousing ports accordingly.

Having now offered such observations upon the annexed papers as appeared to us to be necessary for the consideration of your Lordships, it may be proper, in conclusion, shortly to observe, that under the several laws and regulations hereinbefore adverted to, it is competent for the merchants of Montreal to import from sea in British ships into that port any description of goods from any part of the world, and in like manner to export goods in British ships; and that whilst the foreign ship is restricted from proceeding up the River St. Lawrence beyond Quebec, there would be no objection to vessels and craft belonging to the United States of America proceeding from the ports situated on the United States side of the Lakes Erie and Ontario to Montreal for the purpose of delivering their cargoes at that port for consumption, or for exportation in British ships.

But how far it may be considered expedient, under all the circumstances before adverted to, to constitute Montreal a free port, in the most unrestricted sense, for all the purposes mentioned in the Act of the 3 & 4 Will. 4, c. 59, and thus throw open not only to the vessels belonging to the United States which are at present employed in navigating the lakes and internal waters of Canada, but also to the shipping belonging to the sea-ports of that country, the unlimited right of navigating the St. Lawrence from the port of Quebec to the junction of that river with Lake Ontario, a distance of 370 miles, and passing, it is to be observed, in its course between these two points for 250 miles entirely through the British territories, are questions of serious political importance, and the same would therefore appear to be more immediately for the consideration of Her Majesty's Government, and for such directions as they may see fit to give thereon.

(Signed)

R. B. DEANE.
W. CUST.
E. STEWART.
C. C. SMITH.

Custom-house, 17th June 1843.

CANADA.

(No. 603.)

To the Lords of the Committee of Privy Council for Trade.

Mr. Northcote having by his letter dated the 10th ultimo, with reference to our reports of the 19th of June and 4th of September last, on the subject of the navigation of the St. Lawrence by vessels of the United States, signified that he had been directed by your Lordships to state to us that your Lordships perceive that the objections taken by us to a compliance with the desire of the Canadians for the opening of the traffic between Fort Covington and Lake Champlain through the St. Lawrence to American vessels have reference to that part of the navigation which lies between Lake Champlain and Montreal, and that your Lordships observe that it is stated in the despatch of the Governor-general, that the opinion of the law officers in this country had been given, to the effect that American vessels are wholly excluded from navigating the St. Lawrence below Montreal, an opinion in which, from the reports before your Lordships, you conclude that we agree, but that your Lordships do not perceive any thing in the Act for regulating the trade of the British possessions which should prevent American vessels from proceeding from the Lake Champlain either to Montreal or Quebec, under the provisions of the 43d section of the Act, and that it was your Lordships desire that we should state whether there is any impediment to such a voyage, arising either from the phraseology of the Act, or from other circumstances, and whether we are aware of any such opinion as that referred to having been given by the law officers, and what were the grounds of such opinion. Mr. Northcote having further signified that he had been directed to inquire whether, supposing American vessels to be permitted to trade between Lake Champlain and Montreal, it would not be legal for them to warehouse their cargoes at Montreal (under the 48th section of the Possessions Act), and thence to re-export them to any American port by inland navigation, since the restrictions upon exportation imposed by the Customs laws appear only to apply, first, to the case of the exportation of goods from one British possession to another, which can only take place in British ships; and secondly, to exportation of goods to foreign countries by sea, which can only take place from a free port. Mr. Northcote having also signified your Lordships desire that we would, if the views taken by your Lordships in the above point are correct, state whether they in any manner affect the opinion given in our report of the 4th of September as to the inexpediency of complying with the suggestion of the Governor-general of Canada.

In obedience to your Lordships commands, we report,—

That we have again most carefully considered the question that formed the subject of Earl Cathcart's despatch to Her Majesty's Principal Secretary of State for the Colonies, which despatch your Lordships had been pleased to refer to us in the month of June last, and before we proceed to report upon the several points more particularly adverted to in Mr. Northcote's letter of the 10th of October 1846, we are desirous of offering some further observations for the consideration of your Lordships in support of the views entertained in our report of the 4th September last, No. 464, as to the inexpediency of acceding to the suggestions of the Governor-general of Canada. We would in the first place observe,—

That by the prerogative of the British Crown, foreign vessels are restricted from the free navigation of the rivers of the British possessions in America, and that the right of navigating those waters has been exclusively reserved to British ships, except in cases where that right may have been expressly granted by Act of Parliament or by treaty to foreign shipping; and so jealous has the legislature been of allowing as a general measure foreign shipping to participate in our inland and coasting trade, that the 10th section of the Navigation Act of the 8 & 9 Victoria, c. 88, has expressly enacted, that no goods shall be carried from any British possession in Asia, Africa or America to any other of such possessions, nor from one part of any of such possessions to another part of the same, except in British ships.

With respect to the particular instance of the River St. Lawrence, we have to observe that, as an abstract measure, it has been the invariable policy of this country to exclude the Americans from navigating up the St. Lawrence; the Act of the 28th Geo. 3, c. 6, s. 14, passed in the year 1788, having expressly enacted that no goods whatever should be imported from any of the territories belonging to the United States of America by sea or coastwise into the province of Quebec, or the countries or islands within the government thereof, or up the St. Lawrence from the sea, under the penalty of the forfeiture thereof. This Act was modified by the 30th Geo. 3, c. 8, which empowered the Governor of Quebec in cases of emergency to authorize the importation for a limited period by sea or coastwise into the province of Quebec, or up the St. Lawrence, of certain enumerated articles from the territories of the United States for the use of the inhabitants of that province, with a distinct provision, however, that such articles should not be imported except by British subjects and in British ships owned by Her Majesty's subjects, under the penalty of the forfeiture thereof. At subsequent periods exceptions were made by the legislature from the general established and recognized principle, which excluded the Americans from trading with the province of Quebec, and at the same time the regulations and restrictions under which they might carry on an inland trade with Canada were more clearly defined; for the present purpose it will be only necessary to advert to the Act of 3 Geo. 4, c. 44.,
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for regulating the trade of Her Majesty's possessions in America, and the 3d Geo. 4, c. 119, intituled, "An Act for regulating the Trade of the Province of Upper and Lower Canada, and for other purposes relating to the said Provinces," both of which Acts were passed in 1822; by the first-mentioned Act, viz., 3 Geo. 4, c. 44, the 28 Geo. 3, c. 6, was repealed, and certain foreign goods were permitted to be imported into certain ports (Quebec among the number), in British ships, or in ships owned by the inhabitants of the countries belonging to the state of which the articles were the growth, production or manufacture. By the first section of the last-mentioned Act, viz., 3 Geo. 4, c. 119, permission was granted to import by land or inland navigation, in any British or American vessels, boats or carriages, certain articles the growth, production or manufacture of the United States of America, from any port or place in the United States of America, into any port or place of entry where a customhouse might have been lawfully established in the Canadas; and by the 10th section of the same Act it was declared to be lawful to export in any British or American vessels, boats or carriages, from any of the ports or places of entry which might have been established in the said provinces to any ports or places in the United States of America, any article the growth or manufacture of Her Majesty's dominions, or any other article legally imported into those provinces. Both those Acts remained in force until the general consolidation of the Customs laws in 1825, when they were repealed by the 6 Geo. 4, c. 105, at which period the British Possessions Act 6 Geo. 4, c. 114, came into operation, which forms the basis of the present British Possessions Act of 7 & 8 Vict., c. 93; by these Acts Quebec has been declared a free port, and by virtue of the treaties subsisting between this country and the United States, it is lawful for the ships of those states to import goods, the produce of the United States of America, into Quebec; but beyond that port (as fully explained in our report to the Lords Commissioners of Her Majesty's Treasury, dated 17 June 1843, No. 930, copy of which was annexed to our report to your Lordships of the 4th of September last), American as well as all other foreign shipping are restricted from proceeding up the River St. Lawrence.

With respect to the regulations as regards the inland trade of Canada, the 43d section of the Act 8 & 9 Vict., c. 93, declares it to be lawful to bring or import by land or inland navigation into the British possessions in America from any adjoining foreign country any goods which might be lawfully imported by sea into such possession from such country (that is, goods the growth, production or manufacture of such foreign country), and to bring or import such goods in the vessels, boats or carriages of such country, as well as in British vessels or carriages. But by the 45th section of the same Act this permission to bring goods into the province in an American vessel is coupled with the restriction that they can only be brought or imported into some port or place of entry at which a customhouse may have been established; and the 46th section of the Act enacts, that the duties imposed on goods brought by inland navigation shall be ascertained and recovered by the same means, and under the same rules, regulations and restrictions, penalties and forfeitures, as the duties on the like goods imported by sea may and can be recovered as far as the same are applicable; and if any goods be brought or imported contrary to the provisions of the Act, or if any goods so brought or imported shall be removed from the place appointed for the examination of such goods by the officers of Customs, before such examination shall have been made, and before all duties payable thereon shall have been paid or satisfied, the same shall be forfeited.

The importer has, however, the option under the 49th section of the Act, of warehousing the goods at any of the ports in Canada which have been appointed warehousing ports for the warehousing of goods brought by land or inland navigation.

We have thus endeavoured to show, that although the Americans, upon general principles of policy, have abstractedly no right to navigate the inland British waters of Canada beyond the port of Quebec, nevertheless, as an exception to those general principles, they are allowed to enter the British inland waters for certain specific purposes, and no others; namely, to bring or import goods into certain appointed places, the produce of the United States, in the boats or carriages of that country, for the purpose of being landed and entered for consumption under the 46th section of the Act, or warehoused for the duties under the 49th section of the same Act; but as there is no legal enactment whatever in the present law similar to that contained in the 10th section of the Act of 3 Geo. 4, c. 119, hereinbefore referred to, which in clear and distinct terms gave a legal permission to an American boat to export goods from any of the places of entry established in the Canadas to any place in the United States, we are advised that the privileges of an American boat are limited, and are restricted to the bringing or importing by land or inland navigation into Canada; and that it is not lawful for such American craft to take on board goods for the purpose of being exported to the United States. With respect to the suggestion of Earl Cathcart, which forms the more immediate subject of his Lordship's despatch to Her Majesty's Principal Secretary of State for the Colonies, and which is a question distinct in principle from that which formed the subject-matter of the foregoing observations; viz., that vessels of the United States may be permitted to pass down the St. Lawrence from Fort Covington in the Salmon River (in the United States) to Sorel (situated on the British territories at the head of the River Richelieu), and thence up the River Richelieu to Lake Champlain in the United States; we have to observe that this request, as we apprehend, involves the important question as to the right of the Americans to navigate the River

CANADA.

St. Lawrence, both above and below Montreal, for a considerable distance, where that river flows uninterruptedly through the British territories, not for the purposes of availing themselves of the limited privileges which have been granted to them by law to enable them to carry on an inland trade with Canada, but of passing through British waters with the view of trading from one inland port situated in the United States, with another inland port of the American union.

That after a careful consideration of all the circumstances, and having conferred with our solicitor, we have to submit our opinion that the qualified permission which has been granted to the vessels of the United States to import or bring goods by inland navigation into Canada can give the vessels of that country no claim or right to enter the British waters of the province for any purposes other than those pointed out in the provisions of the Act of 8 & 9 Vict., c. 93, granting certain limited privileges in regard to the inland trade to be carried on by American vessels and the British possessions in Canada, and under which it is imperative for the American vessels to proceed to some place where a custom-house may have been established in Canada for the purpose of landing their cargo and paying the duty thereon, or warehousing the same under the established regulations; and we have further to submit our opinion, that such qualified permission to trade with Canada cannot be construed in any manner as conferring upon the American either a claim or right to make the River St. Lawrence, where it flows entirely between the British territories, a high road for the purpose of passing from a distant inland port in the United States to another port in his own waters, without landing his cargo, for which purpose alone, as before observed, the exception from the general rule, which would otherwise exclude the Americans from navigating any part of the St. Lawrence above Quebec, has been granted in favour of the inland craft of that country.

We would, upon the present occasion, beg to call your Lordships attention to Lord Stanley's despatch to the Governor-general of Canada, dated 29th September 1843, copy of which we annex, wherein his Lordship declares that to throw open not only to the vessels belonging to the United States, which are at present employed in navigating the lakes and the internal waters of Canada, but also to the shipping belonging to the sea-ports of that country, and of all other countries entitled to trade with the British possessions, the unlimited right of navigating the St. Lawrence, from Quebec to the junction of that river with lake Ontario, passing as it does 250 miles through the British territories, would be a proceeding so irreconcilable with the policy of this country, that Her Majesty's Government must decline to accede to the wishes of the Board of Trade at Montreal on the subject. We would also request your Lordships attention to that part of our report, dated 4th September last, wherein, after adverting to the local situation of Fort Covington, and its very limited export trade, we stated that it appeared from the report of Mr. Hale, the collector of Customs at Montreal, an able and intelligent officer, having great experience and local knowledge of Canada, that the tolls to be derived from the Chambly and St. Lawrence Canals, in the event of the request being acceded to, would be small in amount when compared with the loss which the province would sustain from a way being opened by which quantities of goods might, and no doubt would, be introduced into the province without payment of duty; the peculiar nature of the country through which the proposed route must pass being one of the most thickly-inhabited parts of the British territories in Canada, affording the greatest facilities for the introduction and sale of goods upon which duty had not been paid, there not being a single individual in any way connected with the revenue stationed at any of the numerous villages lying along the line of route; and, under all these concurrent circumstances, we have to submit our opinion that no such right as that sought for exists, and that, on grounds of general policy and revenue consideration, it ought not to be conceded.

With respect to that part of Mr. Northcote's letter, signifying the desire of your Lordships to be informed whether there is any impediment to an American vessel proceeding under the provisions of the 43d section of the Act of 8 & 9 Vict., c. 93, from Lake Champlain, either to Montreal or Quebec (a question which, it is to be observed, differs in every respect from that which had been raised by Lord Cathcart), we have to state, for the reasons herein-before given, that it would be legal for an American vessel to import from Lake Champlain into Quebec goods the produce of the United States, but that it would not be legal for such American craft to carry goods from Quebec to Montreal, or *vice versa*, inasmuch as such a voyage would be a direct violation of the 20th section of the Navigation Act of the 8 & 9 Vict., c. 88, which enacts that no goods shall be carried from one part of a British possession to another part of the same, except in British ships. And with reference to your Lordships further inquiry, viz., whether, supposing American vessels to be permitted to trade between Lake Champlain and Montreal, it would not be legal for them to warehouse their cargoes at Montreal under the 48th section of the 8 & 9 Vict., c. 93, and then to re-export them to any American port by inland navigation, we have to state, that for the reasons which we have already given, it has been shown that American vessels cannot, in the extended sense, legally trade between Lake Champlain and Montreal, inasmuch as the law has only granted to the vessels of that country the restricted privilege of bringing or importing goods to Montreal by land or inland navigation. We have therefore to submit our opinion with reference to Mr. Northcote's question, that it is legal for American vessels to bring from Lake Champlain and ware-
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745

CANADA.

house their goods at Montreal, but that it would not be legal to re-export such cargo in an American vessel, Montreal being only a warehousing port for the warehousing of goods brought by land or inland navigation, or imported in British ships, and from whence they can only be taken in British ships, either for the purpose of being forwarded to the United States, or removed to another warehousing port in Canada, under the 57th section of the Act of 8 & 9 Vict., c. 93, or exported to parts beyond the seas. Independently of the legal impediment, as already shown in the former part of our report, to an American vessel taking on board goods for the purpose of being exported to the United States, we are advised that the provision contained in the 54th section of the Act of 8 & 9 Vict., c. 93, which permits warehoused goods to be delivered under the care of the proper officers for exportation, applies only to the delivery of goods from the warehouses without payment of duty for the purpose of being exported in British ships from Montreal to parts beyond the seas, and could not be deemed or taken as authorizing the delivery of goods without payment of duty for the purpose of being carried by inland navigation by American vessels to the United States, even if no legal impediment of the nature herein-before adverted to did not exist.

With respect to your Lordships request to be informed, whether we are aware of any opinion having been given by the law officers in this country, to the effect that American vessels are wholly excluded from navigating the St. Lawrence below Montreal; we have to state, that we are not aware of any such opinion having been given. In our report of 17th June 1843, herein-before referred to, after pointing out what had been your Lordships policy in preventing foreign vessels from proceeding up the River St. John's beyond the port of St. John's, New Brunswick, and the River St. Lawrence beyond Quebec, we submitted that the expediency of constituting Montreal a free port in the most unrestricted sense for all the purposes mentioned in the British Possessions Act, was a question of serious political importance, and that the same appeared to be more immediately for the consideration of Her Majesty's Government. A similar view of this question appears from Lord Stanley's despatch, dated 29th September 1843, to the Governor-general of Canada, herein-before adverted to, to have been taken by his Lordship, and it is not improbable that it is in consequence of the opinions expressed by Lord Stanley on this important question, that an impression has prevailed that an opinion to the same effect has been given by the law officers of the Crown in this country.

Before we conclude this report, it may be proper to remark that the distance between Fort Covington to Rouse's Point on Lake Champlain, would appear to be about 52 miles in a direct line; whereas the distance proposed to be traversed from Fort Covington to Montreal, and thence down the St. Lawrence to Sorel, and up the River Richelieu to Lake Champlain, is above 158 miles. It would seem, therefore, that the privilege now sought can hardly be required for the sole purpose of facilitating the conveyance of goods from one American port to another, and that other and ulterior objects may be contemplated by the parties, to which, however, it is unnecessary for us more particularly to advert, as such considerations more properly belong to and will not fail to engage the attention of Her Majesty's Government.

Custom-house,
14th November 1846.

(Signed) THOS. F. FREEMANTLE.
EDW. SAURIN.
GEO. DAWSON.
CULLING CHAS. SMITH.

No. 8.

(No. 42.)

COPY of a DESPATCH from Governor-general the Right honourable the Earl of ELGIN to Earl GREY.

My Lord,

Government House, Montreal, 10th May 1847.

REFERRING to your Lordship's despatch (No. 38.) of the 19th of March last, I have the honour to enclose for your Lordship's information a copy of a communication which I have this day addressed to Her Majesty's minister at Washington, and of the regulations established by an Order in Council issued on the 8th instant, permitting vessels of the United States to pass through the River St. Lawrence between Lake Champlain and Fort Covington.

I have, &c.
(Signed) ELGIN & KINCARDINE.

No. 8.
Earl of Elgin
to
Earl Grey,
10th May 1847.

CANADA.

Encls. in No. 8.

Enclosures in No. 8.

Sir,

Government House, Montreal, 10th May 1847.

I have the honour to enclose for your Excellency's information a copy of the regulations established in this province by an Order in Council issued on the 8th instant, permitting vessels of the United States, during the pleasure of the Governor-general of Canada, to pass through the Richelieu and St. Lawrence rivers, between Lake Champlain and Fort Covington.

I have, &c.

(Signed) ELGIN & KINCARDINE.

His Excellency the Right hon. R. Pakenham,
&c. &c. &c.

Executive Council Chamber, 8th May 1847.

Present,—His Excellency the Governor-general in Council.

His Excellency the Governor-general was pleased to direct the attention of the Council to the despatch of Lord Grey of the 19th March last, on the subject of the transit of vessels of the United States from one American port to another, through the inland waters of this province.

Whereupon his Excellency was pleased to approve of the following regulations:

1. That instructions be given to the collectors of the several ports of entry within the parts of the province interested, that during the pleasure of his Excellency, American boats and vessels, laden and unladen, may be permitted to pass down the St. Lawrence from Port Covington on the Salmon River to Sorel, and thence up the River Richelieu to Champlain, and *vice versâ*, upon payment of the usual tolls and dues for the use of the canals and other works chargeable on the boats and vessels owned and navigated by Her Majesty's Canadian Subjects.

2. That no such boat or vessel of the United States passing through the Canadian waters and canals shall have any right to land or take on board freight at any port or place within the province of Canada.

3. That such boats and vessels may be permitted to land passengers at any port or place between Dundee and St. John's, but they shall not take any on board during the voyage between those ports. Boats and vessels on the downward passage, after arriving at St. John's, may take on board passengers as other vessels do at present at that port.

4. That before leaving the port of Dundee on the Salmon River to proceed on the downward voyage to Lake Champlain, the master of such boat or vessel shall apply to the collector of Customs of that port, whose duty it shall be to furnish a preventive officer to such vessel, with instructions to remain on board during the voyage until she reaches the American waters of Lake Champlain, such officer to be allowed, for the time he shall be on board, the sum of 5s. per diem, together with diet and lodging on board the boat or vessel, and 25s. for his expenses homeward.

Boats or vessels leaving Lake Champlain for Fort Covington shall make a like application to the collector of St. John's, and be under the same restrictions and subject to like conditions.

5. That the master of every such vessel or boat shall, on arriving at the port of Montreal, report such arrival to the collector of Customs, who shall, without charge, permit such boat or vessel to proceed on the voyage without delay.

6. That the permission during pleasure hereby granted in favour of boats or vessels of the United States be communicated to Her Majesty's minister at Washington for the information of that government, and that it be explained at the same time that the privilege may at any time be withdrawn after public notice given in the Official Gazette during four successive weeks.

(Certified.)

(Signed) E. PARENT.

The Civil Secretary.

No. 9.

(No. 15.)

COPY of a DESPATCH from Governor-general the Right honourable the
Earl of ELGIN to Earl GREY.

My Lord,

Government House, Montreal, 24th March 1847.

ADVERTING to the despatch (No. 117), addressed to your Lordship by my predecessor on the subject of the imperial enactments regarding colonial trade and

747

CANADA.

and navigation, and acknowledged in your Lordship's despatch (No. 31), of the 17th September, in which it is remarked that the reasons so ably urged in favour of it, "a change in the Navigation Laws," will not fail to receive the deliberate consideration of Her Majesty's Government, I have to call your Lordship's attention to the construction to be placed upon the recent imperial enactment, "to allow, until the 1st day of September 1847, the importation of corn from any country in foreign ships," which, while it indicates the intention of the imperial legislature to permit the introduction of grain into England in the most unrestricted manner from any quarter of the globe, in vessels of any nation, does not appear to relieve Montreal from any of the disabilities under which the city labours, not being a free port, and consequently not to be reached by foreign vessels from the sea-board to carry away her grain.

2. The Montreal Board of Trade are now pressing for the consideration of this point on my government, representing in a very forcible light their peculiar position with reference to the Act in question, which appears to place them in a less favourable situation as regards the mother country than any foreign state.

3. One illustration will be sufficient to show the working of the existing disability. Flour and grain are brought down to Montreal in small craft, canal-barges or propellers; the merchants represent that they hold and are daily buying large quantities of grain at Cleveland, Chicago, and other ports of Western America, to be forwarded to Montreal, if enabled when reaching this city to tranship into sea-going vessels at reasonable freights, *i. e.* to take advantage of competition between Canadian and foreign vessels, or securing freightage from other quarters; on the other hand, to be forwarded through the United States to the sea-board, if it is found that foreign vessels are still disqualified from ascending to Montreal.

4. The fact that Quebec is a free port is not sufficient to retain the carrying trade down the St. Lawrence route; as American propellers, the vessels which would naturally be employed from Cleveland and Chicago, are precluded from descending below Montreal, thus rendering two transhipments necessary; and canal-barges having already received their cargoes from lake craft, thus incurring one transhipment higher up the river, do not find sufficient encouragement to descend below the first port.

5. The erection of Montreal into a free port would entirely remove the present difficulty, and to a very great extent achieve what has been so earnestly prayed for in several memorials presented by the city of Montreal, and fully entered into in the despatch already quoted (No. 117).

I have, &c.

(Signed) ELGIN & KINCARDINE.

No. 10.

(No. 16.)

Copy of a DESPATCH from Governor-general the Right honourable the Earl of ELGIN to Earl GREY.

My Lord, Government House, Montreal, 24th March 1847.

I HAVE the honour to transmit for your Lordship's consideration the copy of a memorial presented to me by the Montreal Board of Trade, which treats of measures of great importance as bearing on the interests of this province.

I have, &c.

(Signed) ELGIN & KINCARDINE.

No. 10.
Earl of Elgin
to
Earl Grey,
24th March 1847.

15th March.

CANADA.

Enclosure in No. 10.

Encl. in No. 10.

To his Excellency the Right honourable the Earl of ELGIN & KINCARDINE, Governor-general of British North America, &c. &c. &c.

The MEMORIAL of the MONTREAL BOARD of TRADE

Humbly sheweth,

That in the opinion of your Memorialists, the recently adopted commercial policy of the mother country imperatively demands the immediate attention of the Provincial Legislature, with the view of effecting corresponding modifications in the fiscal and commercial regulations of this province.

That the laws which press most injuriously upon the energies of the inhabitants of this province, restricting the freedom of their commerce, discouraging that spirit of industry and enterprise which ought to be fostered and promoted, and, in short, depressing the general welfare by retarding the development of the varied resources of the province, are, first, the British Navigation Laws; secondly, the Imperial Differential Duties; thirdly, the Duties levied on Agricultural Produce; and lastly, the Restrictions maintained against Foreign Vessels navigating the St. Lawrence.

The first and last mentioned of the above restrictions, your memorialists are aware, are not under the control of the Provincial Legislature; but they nevertheless think it necessary to draw your Excellency's attention to their injurious effects upon our commerce and general welfare, in the hope that your Excellency will take such steps as may be necessary to bring them under the notice of the imperial authorities, as well as to urge the paramount necessity which exists of their being promptly modified to such an extent as will leave the people free to employ the cheapest vessels they can procure, whether they be British or foreign, and the inhabitants of Montreal in particular, the power to avail themselves of the advantages to be derived from an unfettered intercourse with foreign nations; without which concessions your memorialists despair of being able to maintain a successful competition with their neighbours of the United States for the extensive and growing trade of the western regions of America.

Next in the order of importance is the question of the Differential Duties. These your memorialists conceive to have been virtually placed within the control of the Provincial Legislature by the "British Possessions Act" passed in the last session of the Imperial Parliament, and they would therefore respectively but earnestly crave, that your Excellency will take such steps as your Excellency may deem advisable, to procure their unqualified repeal.

With respect to the duties on Agricultural Produce, your memorialists would respectfully urge, that they consider such duties highly objectionable in principle, because they deem it unjust, as well as unwise, to tax the first necessities of life; and injurious, because they tend to limit the export trade of the province.

Your memorialists would, in the next place, with the view of promoting and encouraging industry, recommend that all raw materials required for manufacturing purposes should be admitted free of duty. In this respect your memorialists would follow in the footsteps of the mother country, which has recognized the principle so fully, that they believe scarcely a duty remains in her tariff upon such materials.

Among the minor suggestions which your memorialists would venture to make respecting the provincial tariff, are the two following:—

First, That the duties should be levied in the legal currency of the province; from which your memorialists would expect to derive much advantage in increased simplicity and convenience; as, wherever specific duties are levied, a troublesome conversion of sterling into currency would be avoided, and time, which is of the utmost importance in the active season, would thereby be much economized.

The next suggestion which your memorialists would make is, that the practice of exacting bonds from importers on placing goods under the Queen's lock as security for the payment of the duties upon them should be entirely abolished. Your memorialists regard this practice as extremely inconvenient, and troublesome to importers generally; while, on the other hand, they consider it to be quite uncalled for as a means of securing the revenue against loss, inasmuch as the Crown in no instance parts with its lien upon the articles in bond until the duties levied upon them have been paid, or "otherwise secured according to law." Under these circumstances, your memorialists humbly trust that the vexatious practice in question will be speedily annulled.

Finally, your memorialists would recommend, that along with the reforms already suggested, the scale of tolls now levied upon the Provincial Canals should undergo a thorough revision, with a view to the substitution of such rates as will be calculated to attract the trade of the West to the channel of the St. Lawrence.

To this recommendation your memorialists attach much weight, and trust it will have due influence with your Excellency's government in framing the fiscal measures which the present crisis imperatively calls for; and your memorialists would respectfully add, that all the

749

the advantages which they expect to flow from the adoption of the foregoing suggestions may be seriously endangered by ill-timed apathy or unwise legislation.

CANADA.

And your memorialists will ever pray.

(Signed) G. MOFFAT, (L.S.)
President of the Montreal Board of Trade.

Montreal, 15th March 1847.

(Signed) F. A. WILSON,
Secretary.

No. 11.

(No. 110.)

COPY of a DESPATCH from Earl GREY to Governor-general the Right honourable the Earl of ELGIN.

No. 11.
Earl Grey
to
Earl of Elgin,
31st July 1847.

My Lord,

Downing-street, 31st July 1847.

I HAVE to acknowledge the receipt of your Lordship's despatch (No. 16), of the 24th March, transmitting for my consideration the copy of a memorial presented to you by the Montreal Board of Trade, in which the memorialists invite your Lordship's attention not only to several measures relating to the fiscal and commercial regulations of Canada, which it is the peculiar province of the Canadian legislature to deal with, but also to the advantages which, as the memorialists contend, would result from a modification of the Navigation Laws of the United Kingdom, and from the removal of the restrictions at present applicable to the navigation of the St. Lawrence by foreign vessels.

The topics which the Montreal Board of Trade have urged upon your notice in such forcible and appropriate terms are entitled to, and will receive, the most attentive consideration of Her Majesty's Government; but we are not enabled at present to enter into any discussion respecting the effect of the Navigation Laws upon the trade of Canada, as we have not yet had an opportunity of reading and considering the evidence which was taken by the Committee of the House of Commons appointed during the late session, to inquire into the expediency of modifying those laws. In the meantime I have caused this memorial to be laid before the Committee, in order that, in considering the important subject referred to them, they may be aware of the views entertained by the Montreal Board of Trade.

With regard to that part of the memorial which relates especially to the navigation of the St. Lawrence by foreign vessels, I have to state, that although this question is also connected with the general laws of navigation, it may perhaps be possible to deal with it separately, and to comply wholly or partially with the application of the memorialists, even though it should be decided to leave the rest of the Navigation Law untouched. The very fact, however, of this being a purely Canadian question, and as such, admitting of a separate solution, renders it more than commonly important that the sense of the Canadian legislature, and of the inhabitants of the province, should be clearly ascertained before any attempt is made to effect a settlement of it; and however great may be the consideration justly due to the body from which the memorial proceeds, Her Majesty's Government would not feel justified in coming to any final decision upon a question so materially affecting, not only the foreign relations and the commerce of the empire at large, but also the special fiscal interests of Canada, without a formal expression on the part of the provincial legislature of its approbation and concurrence. An opportunity for ascertaining the views of that body will probably be afforded by the recent communication which I have made to your Lordship respecting the proposal to allow vessels of the United States to pass through part of the inland waters of Canada in voyages from Fort Covington to Lake Champlain. Should it appear from the discussion that may arise on this proposition, that the provincial legislature is decidedly in favour of opening the navigation of the St. Lawrence to foreign vessels, this subject shall receive the serious consideration of Her Majesty's Government, in order that such measures may be adopted as may appear to be best calculated to promote the common interest of this country, and of Canada, in providing that any changes which it may be expedient to effect in the regulations under which the commercial intercourse between the

CANADA.

United States and the British dominions is now carried on may be settled upon the principle of giving equal advantages to both parties.

If, however, any change of this kind should ultimately be considered expedient, I need hardly point out to your Lordship that it will be of the greatest importance to avoid giving a right to any but British subjects to navigate the St. Lawrence; if citizens of the United States should be permitted to do so, the permission must be granted upon the clearest understanding, that it may at any time be withdrawn at the pleasure of Her Majesty's Government;—perhaps it would be expedient further to limit the duration of any such indulgence to a period of five or ten years, unless expressly renewed.

I have, &c.
(Signed) GREY.

No. 12.

No. 12.
Earl of Elgin
to
Earl Grey,
26th March 1847.

(No. 23.)

Copy of a DESPATCH from Governor-general the Right honourable the Earl of ELGIN to Earl GREY.

My Lord, Government House, Montreal, 26th March 1847.

THE erection of Montreal into a free port (a measure which has been more than once recommended by my predecessors, and which is again referred to in my despatch (No. 15) of the 24th instant), would, I apprehend, at once place the United States in a position to share with Great Britain the carrying trade of the St. Lawrence. For although the ships of other nations might avail themselves of the privilege to proceed to this point from sea, American or British vessels only could reach it from the interior. Before gratuitously conceding, therefore, to the United States what would be virtually a valuable monopoly, it may be proper to inquire whether their government might not be induced to tender some equivalent for the boon, if it were proffered in a different shape.

2. From the correspondence which has already taken place between Mr. Pakenham and Her Majesty's Government, in reference to the establishment of an equality of trade between the dominions of the United States and the British North American Colonies, a copy of which was transmitted in Mr. Gladstone's despatch to Earl Cathcart (No. 94), of the 27th of June 1846, and your Lordship's (No. 14), 11th August 1846, it would appear that the Government of the United States do not view this proposal unfavourably, although for political reasons his Excellency thought it inexpedient to press it at the time when his attention was called to it. By connecting this proposition, however, with an offer to permit vessels belonging to citizens of the United States to navigate the St. Lawrence, there is, I think, reason to hope that the adjustment of two very embarrassing questions might be facilitated.

3. It may be urged in favour of this supposition: Firstly, That a concession under treaty is less likely to provoke opposition on the part of the advocates of protection, on either side of the Atlantic, than a movement avowedly made in the direction of free trade. Secondly, That the principle of the Navigation Laws (if indeed it be considered advisable to maintain it) will be less affected by an arrangement of this nature, than by any other plan by which competition can be encouraged on the St. Lawrence. Thirdly, That the opening of the St. Lawrence to United States vessels will deprive those who oppose the reduction of their tariff on the Canadian frontier of a very plausible objection to that measure; as it will be no longer possible to affirm that European goods entering the United States through Canada are necessarily imported in British ships. And lastly, That whatever increases the inward trade on the St. Lawrence must have a tendency to reduce freights outward, which is the main object sought by those who advocate the opening of the navigation.

4. It will probably be urged, in certain quarters, that the monopoly of the river navigation is essential to the maintenance of British supremacy in this portion of North America, and that the authority of the mother country will
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be imperiled if the United States are permitted to share the privilege. It may well be doubted, however, whether these apprehensions are well founded. One of the most efficacious expedients for securing the allegiance of a high-spirited and enterprising people is to convince them that their material interests will not be advanced by separation; and with respect to any disposition on the part of the United States to resort to a policy of aggression, I think it may safely be affirmed, that nothing will be more likely to keep such a tendency in check than the knowledge that it will entail the destruction of a flourishing trade in which the citizens of that country are largely engaged.

5. Should your Lordship assent to these views, the objects sought for might probably be accomplished if such a construction were put upon the imperial statute for the suspension of the Navigation Laws, as would permit ships of all nations to resort freely to Montreal during its subsistence; and if, in the meantime, negotiations were entered into with the Government of the United States for the purpose of securing to the people of that country the privilege of navigating the St. Lawrence, after the expiration of the Act in question, in return for such concessions on their part as might be agreed on.

I have, &c.

(Signed) ELGIN & KINCARDINE.

CANADA.

No. 13.

(No. 56.)

COPY of a DESPATCH from 'Earl GREY to Governor-general the Right honourable the Earl of ELGIN.

No. 13.
Earl Grey
to
Earl of Elgin,
19th April 1847.

My Lord,

Downing-street, 19th April 1847.

THE despatch of Earl Cathcart, dated the 27th August 1846 (No. 117), and your Lordship's despatches of the 24th and 26th of March 1847 (Nos. 15 and 23), have engaged the attention of Her Majesty's Government as far as has been possible within the very brief interval which has elapsed since my receipt of the two last of those despatches. I hope to address you more fully on the subjects to which they relate by the next mail; in the meantime I cannot allow the mail, which is fixed for to-day, to depart without acquainting you that in their solicitude to afford the utmost possible facility to the trade of Canada, the Lords Commissioners of the Treasury will by the next mail transmit to the officers of Her Majesty's Customs at Quebec, orders that so long as the existing suspension of the Navigation Acts, in respect of vessels engaged in the corn trade, shall remain in force, foreign vessels are to be permitted to go in ballast up the St. Lawrence to Montreal, and thence to bring down corn or flour consigned to any port in the United Kingdom, on first obtaining a license for that purpose from the principal officer of Customs at Quebec.

Your Lordship will cause this decision to be communicated to the commercial bodies in Canada.

I have, &c.

(Signed) GREY.

Vide Parliamentary
Papers (H.C.), No. 119,
Sess. 1847, p. 14.

No. 14.

(No. 60.)

COPY of a DESPATCH from Governor-general the Right honourable the Earl of ELGIN to Earl GREY.

No. 14.
Earl of Elgin
to
Earl Grey,
28th June 1847.

My Lord.

Government House, Montreal, 28th June 1847.

I HAVE the honour to transmit herewith a petition to the Queen, from the Board of Trade of the town of Hamilton, praying for alterations in the Navigation Laws.

I have, &c.

(Signed) ELGIN & KINCARDINE.

CANADA.

Enclosure in No. 14.

Encl. in No. 14.

To his Excellency James Earl of Elgin & Kincardine, Governor-general of British North America, &c. &c. &c.

May it please your Excellency,

The Board of Trade of Hamilton, Canada West, bearing in mind the memorable expression of your lamented relative, the late Earl of Durham, that it was the desire of our Gracious Sovereign, that the inhabitants of Canada should have no reason to envy the people of the United States of America, have petitioned Her most Gracious Majesty the Queen to be pleased to alter the Navigation Laws, so that the produce of Canada might be placed on the same favourable footing as to facility of transport as that of the United States, and that the merchants of Western Canada might have the same facilities afforded them of importing by way of Quebec, as they now have by way of New York.

The Board of Trade enclose this petition to your Excellency, praying that you will have the goodness to cause it to be laid at the foot of the Throne; and should, as the Board humbly trust is the case, your Excellency entertain similar views to those expressed therein, the Board beg of your Excellency to recommend their prayer to Her Majesty's most gracious consideration.

The Board of Trade representing the commercial interests of this city are actuated by the sole motive of drawing the ties between this colony and the parent state still tighter, by encouraging the route of the St. Lawrence, instead of transporting goods or produce through the United States; humbly conceiving that measure only to be accomplished by relaxing the Navigation Law, so as to place the ports of Quebec and Montreal on a par with New York. This accomplished, the Board of Trade would indeed feel that they had nothing to envy in any country in the world.

Hamilton, Canada West,
Saturday, 12th June 1847.

J. T. BRONDGUST,
President of the Hamilton Board of Trade.

To the Queen's most Excellent Majesty in Council.

The PETITION of the HAMILTON BOARD of TRADE,

Humbly sheweth,

That your petitioners, who yield to none in devotion to Your Majesty's Person and Government, reside at a city situated at the head of Lake Ontario, a place of much importance in supplying the western parts of Canada with goods of various kinds, and being at the head of the navigation of the aforesaid lake, a place whence a large portion of the produce of the West has to be shipped.

That your petitioners, owing to the protection upon grain imported into Britain from Canada, formerly enjoyed certain privileges now much reduced.

That your petitioners are permitted to import goods, the produce of any country whatever, by inland transport, however originally imported into such country; but are not permitted to import goods by sea, excepting in a British or colonial vessel, or in a vessel belonging to the country that produced the article imported; thus giving a foreign port a privilege beyond a colonial port, and giving to American canals the dues, and to American forwarders the profits, that might otherwise be paid in tolls on Canadian canals, and for the benefit of Canadian forwarders.

That since the protection in their produce has been removed, your petitioners cannot afford to employ any but the comparatively cheap coasting shipping belonging to the United States of America, for the purpose of importing West India produce, such shipping being found in most West India ports, waiting for freights, having landed their cargoes of provisions from the United States of America, and which vessels carry cheaply in consequence of their cargoes being return cargoes; whereas British and colonial vessels have to be chartered out and home, and as such cheap American vessels are not permitted to go to Quebec or Montreal, their cargoes have to be landed at New York, and thence brought into Canada by inland navigation, through American canals, to the injury of colonial ports, canals, merchants, and forwarders, without the slightest possible advantages to British shipping.

That in the absence of any protection of consequence on Canadian produce, it is of the highest importance to obtain freights at the lowest rates; that although British ships sail as cheaply as any, still, owing to various causes, such as their being required for the East India, Australia, or China trade, or from a scarcity in Great Britain and Ireland, a very abundant harvest in Canada, or a sudden increase in the demand for shipping, freights often rise to very high rates, and even then, perhaps, as happened in the autumn of 1846, not half the produce could be shipped at all, and, owing to the distance from Britain, vessels thence could not be sent out to arrive prior to the winter setting in, whilst at the same time

American

753

CANADA.

American produce was easily shipped at low freights, thus placing the Canadian farmer in a much worse position than the American.

That it has been proposed to send the Canadian wheat to the United States of America in order to be ground, and then shipped by way of New York to Great Britain as American flour.

That your petitioners are averse to employing a foreign port, canals, forwarders, and millers, if it can possibly be avoided; but regret to say, without considerable modification in the British Navigation Laws, they fear so disastrous a course will ultimately be pursued, wherever there may be a sudden demand, or a want of shipping,—a course much to the injury of Canada, without the slightest benefit to the British shipowner.

That in the event of American vessels being allowed to take in cargoes for Britain at a Canadian port, it is highly probable that a vast amount of the produce of the western portion of the United States would find its way through the magnificent canals, constructed at so great an expense, under British guarantee, increasing the tolls of such canals so as to make them profitable, instead of being a heavy burden to the community.

Wherefore your petitioners most humbly pray Your Majesty to repeal the British Navigation Laws, so far as relates to Canadian ports, or to act in the premises as your wisdom may deem meet.

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

(Signed) J. T. BRONDGUST, (L.S.)
President of the Hamilton Board of Trade.

(Signed) ARCH^d KERR, (L.S.)
Vice President of the Hamilton Board of Trade.

(Signed) J. T. GILKINSON. (L.S.)

J^s OSBORNE. (L.S.)

Hamilton, Canada West,
Friday, 11th June 1847.

No. 15.

(No. 73.)

Copy of a DESPATCH from Governor-general the Right honourable the Earl of ELGIN to Earl GREY.

No. 15.
Earl of Elgin
to
Earl Grey.
27th July 1847.

My Lord, Government House, Montreal, 27th July 1847.

I HAVE the honour to transmit a joint address from the Legislative Council and Assembly to the Queen, praying for the free navigation of the St. Lawrence by all nations, and the repeal of the Navigation Laws so far as respects this colony.

I have, &c.
(Signed) ELGIN & KINCARDINE.

Enclosure in No. 15.

To the Queen's most Excellent Majesty.

Most Gracious Sovereign,

Encl. in No. 15.

We, Your Majesty's most dutiful and loyal subjects, the Legislative Council and the Commons of Canada, in Provincial Parliament assembled, humbly approach Your Majesty for the purpose of assuring Your Majesty of the steadfast loyalty of the people of this province, and their profound attachment to Your Majesty's Person and Government, and of representing to Your Majesty, that the changes which have recently been made in the commercial policy of Great Britain have produced embarrassments and difficulties in the trade of this colony, which, unless promptly met, may ultimately prove highly injurious to the empire. That this province has incurred a large debt for the construction of public improvements, chiefly for rendering our access to the ocean more easy and less expensive, and for maintaining our trade with the mother country and with foreign nations through the channel of the St. Lawrence, in the hope of shortly attracting through the same route the vast products of the western portion of this continent. That the continuance of the protection in the British markets, which Your Majesty's dutiful and loyal subjects in this province had hitherto so advantageously enjoyed, would have fully realized their expectations in this respect; but that the commercial changes which the wisdom of the Imperial Par-

CANADA.

liament has deemed it prudent to adopt compel us, under the existing altered circumstances of our trade, to seek for changes in the Navigation Laws affecting this province, which otherwise would have been unnecessary. That measures have been adopted in the neighbouring republic, with a view to divert the trade of this province to and from Great Britain through the railroads and canals of that country, and thereby to secure to them a large accession of carrying trade, and from which a revenue was yielded last year of about 700,000*l.*, and that there is too much reason to fear that their attempts will prove successful, unless other and further inducements than at present exist are offered in favour of the route by the St. Lawrence. That to afford such inducements, and to prevent a calamity so much to be apprehended, we humbly pray that Your Majesty will be most graciously pleased to sanction the free use of the navigation of the River St. Lawrence by all nations, and that to that end Your Majesty will be further graciously pleased to recommend to the Imperial Parliament to repeal the laws of navigation so far as they in any manner relate to or affect this colony.

Legislative Council.
Wednesday, 11th July 1847.

Legislative Assembly Hall,
Monday, 19th July 1847.

(Signed) PETER M'GILL,
Speaker.

(Signed) ALLAN N. MACNAB,
Speaker.

755

JAMAICA.

JAMAICA.

No. 1.

No. 1.

(No. 29.)

EXTRACT of a DESPATCH from Governor the Right Honourable Sir CHARLES EDWARD GREY to Earl GREY; dated King's House, Jamaica, 6th April 1847.

Governor
Sir C. E. Grey
to
Earl Grey,
6th April 1847.

I HAVE the honour to lay before your Lordship a copy of a Message and a Memorial to Her Majesty from the House of Assembly, praying for an alteration in the Navigation Laws.

Enclosure in No. 1.

Encl. in No. 1.

MESSAGE of 1st April 1847.

May it please your Excellency,

We are ordered by the House to wait on your Excellency, and to request that you will be pleased to forward to the Secretary of State for the Colonies, the accompanying Memorial to the Queen, with a request that his Lordship will present the same, in the most acceptable manner to Her Majesty.

Jamaica, ss.

TO THE QUEEN'S MOST EXCELLENT MAJESTY.

The humble Memorial of your Majesty's loyal and devoted subjects, the Assembly of Jamaica.

Most Gracious Sovereign,

Your Memorialists are representatives of the people of Jamaica, who were once wealthy and prosperous, and are now fallen in fortune, after struggling through a series of difficulties, which have been brought on them by the moral and political government of their mother country, Great Britain.

Without raising any question on this subject, or urging any further complaints as to the measures forced on them by the Government of Great Britain, they feel it imperative on them nevertheless to state, that circumstances over which they have had no control, have deprived very many of the ancient proprietors of their possessions, which have passed from them to mortgagees, and have been sold at prices in many cases less than the amount of one year's annual income, such as it was in past days; and that in many other cases estates have been sold, and are now for sale at a little more, and often less, than two years' purchase of their present returns, so totally have all the confidence of capitalists, and all hope of profitable cultivation in these cases passed away, as to this island.

Your memorialists have also respectfully to observe, that the commercial interests have participated in the decline and fall of those of the agriculturists, an effect always unavoidable; and that the trade of the island now gives so little remuneration, that many of the first mercantile houses in the city of Kingston are closing their establishments, in despair of better times; and that no new adventurers are likely to come forward to support, by their energies and enterprize, the languishing and decaying commerce of the country.

Your memorialists next submit most respectfully to Your Majesty, that the last legislative enactment of the British Parliament; viz. that of equalizing the duties in the markets of Great Britain on the production of your Majesty's free colonies, with those raised by slaves in other colonies, has fixed, if they may so say, the seal upon the adversities of Jamaica, paralysed every disposition to further exertion, and left a great proportion of their constituents in a state almost bordering on despair.

Your Majesty's Secretary of State for the Colonies, in a despatch to his Excellency the Governor of Jamaica, dated 12 February 1847, makes the following observation, after stating, "that it is the duty of the Government to remove all unnecessary restrictions, and to afford all possible facilities to the colonial producer; you will impress upon the memorialists (the House of Assembly of Jamaica), that it is to their own exertions, rather than to legislative measures, that they should look for aid." Your memorialists have already shown their present incapacity for any very effectual exertion, pressed down as they are by all the accumulated difficulties, arising from a defective agricultural population, and the annihilation of every sort of protection in the British market, a protection which the island has enjoyed from the time it first became a British colony.

Under these circumstances, your memorialists beg permission to submit to Your Majesty, as their constituents are shortly to be bereft of all protection, and enjoined to depend on

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For Earl Grey's Despatch to the Governor of Jamaica; dated 12th February 1847. Vide Papers ordered by H. C. to be printed, 9th March 1847, No. 160, page 12.

JAMAICA.

their own exertions, that these exertions may be wholly unfettered, and that the people of Jamaica may be permitted to enjoy a free commercial intercourse with all nations whose interests may lead them to her shores.

Your memorialists could point out the advantages possessed by the island of Jamaica for becoming a commercial depôt, especially as to position with respect to both continents of America and the surrounding islands. If the Navigation Laws were withdrawn, foreigners would bring assortments of goods from Europe, Asia, and North America, and other foreigners would come to purchase and re-export these; and, as the Government of England already permits the abolition of all differential duties hitherto enforced for the protection of her manufactures, no injury could arise from an extension of this permission and a relaxation of the Navigation Laws.

Your memorialists would call to Your Majesty's consideration, that the prosperity of Your Majesty's colonies cannot but be beneficial to the people of England, who always have been able to undersell the manufacturers of all other countries, and could not fail to find, in the free ports of Jamaica, a profitable outlet and depôt for their productions, both for consumption and exportation, nor could any loss occur to them in regard to their shipping, which has ever competed successfully with that of the world; a great demand would inevitably arise both for ships and manufactures, and merchandize of all kinds.

The benefit to Jamaica from such relaxation of the Navigation Laws would be infinite; it is the most desirable boon that her inhabitants could solicit or receive from Your Majesty's Government, it would aid Jamaica out of her difficulties; it would be hailed with exultation, and acknowledged with every sentiment of gratitude and respect, and it would be an honourable and generous concession on the part of Great Britain, which would exalt her in the esteem and admiration of all other nations.

Your memorialists therefore humbly pray that Your Majesty would be graciously pleased to declare that the ports of Your Majesty's island of Jamaica be free ports.

Passed the Assembly, this 1st day of April 1847.

(signed) S. J. DALLAS,
Speaker.

No. 2.
Governor
Sir C. E. Grey
to
Earl Grey,
6th Nov. 1848.

No. 2.

(No. 106.)

EXTRACT of a DESPATCH from Governor the Right Honourable Sir C. E. GREY to Earl GREY, dated King's House, Jamaica, 6th November 1847.

I HAVE the honour to lay before your Lordship a copy of my Speech at the opening of the Session, under date of the 19th October.

Encl. in No. 2.

Enclosure in No. 2.

EXTRACT from the GOVERNOR'S SPEECH on opening the Session on 19th October 1847.

When I plainly avow to you that the two modes of relief which I have indicated, and perhaps some relaxation of the Navigation Laws, are the only ones in which I can at present perceive any reasonable hope of your having the assistance of the Imperial Parliament, it nevertheless seems to me that you not only ought not to despair, but that you have the strongest incentives to apply your own legislative powers to the people, the soil, the products, the agriculture, the manufactures, and the trade and commerce of the island.

No. 3.
Earl Grey
to
Governor
Sir C. E. Grey,
22d Dec. 1847.

No. 3.

(No. 122.)

EXTRACT of a DESPATCH from Earl GREY to Sir CHARLES E. GREY, dated Downing Street, 22d December 1847.

I HAVE the honour to receive your Despatch, No. 106, of 6th November, enclosing copies of the Speech made by you to the Legislature of Jamaica on opening the Session. * * * * *

Parliament has already relieved the trade of the West Indian Colonies from nearly all the restrictions which were estimated in a paper officially communicated to the Board of Trade in the year 1830, by the committee of West India planters and merchants, as equivalent to a charge of more than 5s. per cwt. on the production of sugar; and Her Majesty's Government have recommended to the consideration of Parliament the question of altering the Navigation Laws, the only restrictive laws by which the colonists appear to be exposed to any serious disadvantage.

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No. 4.

JAMAICA.

(No. 112.)
 COPY of a DESPATCH from Governor the Right Honourable Sir C. E. GREY
 to Earl GREY.

No. 4.
 Governor
 Sir C. E. Grey
 to
 Earl Grey,
 20th Nov. 1847.

My Lord,

King's House, Jamaica, 20th Nov. 1847.

IN compliance with the request of Mr. Whitelock, the custos of the parish
 of Hanover, I have the honour to lay before your Lordship the enclosed
 Memorial of the inhabitants of that parish, addressed to Her most Gracious
 Majesty in council.

I have, &c.

(signed) CHARLES EDWARD GREY.

Enclosure in No. 4.

Encl. in No. 4.

EXTRACT from MEMORIAL to the QUEEN from the PLANTERS, MERCHANTS, LABOURERS,
 and other Inhabitants of Hanover in Jamaica.

The British shipowner is protected by the Navigation Laws, and compels your
 memorialists to pay a freight nearly double the amount they would pay if they were per-
 mitted to ship on other vessels. A large amount of American shipping leaves the island
 in ballast, which might, but for the protection afforded the British shipowners, carry away
 your memorialists produce. Your memorialists would thus obtain their staves, provision,
 and other American commodities at a cheaper freight, as well as transmit their sugar
 and rum.

ANTIGUA.

No. 1.
 Governor
 Higginson
 to
 Earl Grey,
 26th Dec. 1847.

ANTIGUA.

(No. 85.)
 EXTRACT of a DESPATCH from Governor HIGGINSON to Earl GREY, dated
 Antigua, 26th December 1847.

I HAVE the honour to transmit herewith a copy of a petition addressed by the Legislative Council and the Legislative Assembly of this island to the Right Honourable the Lords and the Honourable the Commons House of Parliament praying relief.

Encl. in No. 1.

Enclosure in No. 1.

EXTRACT from a PETITION to the HOUSE of COMMONS from the BOARD of COUNCIL and HOUSE of ASSEMBLY of ANTIGUA.

Your petitioners submit that the carriage of the staples of the colony to market constitutes an important item in the cost of their production; that the carriage is restricted to British shipping by the Navigation Laws, thereby depriving the colonist of the advantage of a cheaper foreign carriage.

That your petitioners ever entertained a reverential regard for those laws, as the basis of the national glory and prosperity; but public opinion having uprooted convictions equally strong upon questions of equal gravity and importance, your petitioners are admonished of the possibility of their error in regard to the Navigation Laws, and, struggling for existence against beggary and ruin, are constrained, however reluctantly, to enter their protest against this restriction and protection in favour of British shipping, as entirely indefensible upon the all-powerful principles of free trade.

TRINIDAD.

No. 1.

(No. 58.)

EXTRACT of a DESPATCH from Governor Lord HARRIS to Earl GREY, dated
Trinidad, 4th September 1846.

I HAVE been requested to transmit to your Lordship the accompanying Resolutions, which were agreed on at a meeting held at the town of San Fernando, in this island, and at which were present most of the proprietors and planters of the surrounding district.

Enclosure in No. 1.

San Fernando, Trinidad, 29th August 1846.

At a public meeting of proprietors, planters, merchants, and other inhabitants of the Naparima District, held at Michel's Hotel, San Fernando, on Saturday the 29th day of August 1846.

It was moved by the Honourable St. Luce Philip, and seconded by Dr. Meikleham, that Anthony Cumming, Esq. do take the chair, and that H. B. Darling, Esq. be requested to act as Secretary.

The following four resolutions were then proposed by the Honourable St. Luce Philip, seconded by Thomas Agge, Esq. and carried unanimously:—

1st. *Resolved*, That this meeting has learned with surprise and dismay, the propositions of the Right honourable Lord John Russell, for the settlement of the sugar question; and that, in the opinion of this meeting, honour, humanity, consistency, and justice alike forbade the Imperial Parliament to lend its aid in maintaining slavery in foreign possessions, by an equalization of duties on the products of slave and free labour.

2d. That, notwithstanding the change of opinion in Britain appears to preclude the hope that any preference will be much longer shown for the produce of free labour, this meeting trusts that the justice of the British Parliament will at least enable the colonists of this island to avail themselves of its natural resources by means of equitable laws.

3d. That this meeting desires no other laws for the regulation of agriculture, trade, and labour in Trinidad, than those existing in Great Britain, and is contented to adopt the principles contained in certain Resolutions brought forward by Mr. Hume, in the House of Commons, on the 23d June last, of which a copy is subjoined, as follows:—

"1st. That the improvement of the agricultural resources of the British West India Colonies is an object of great national importance, inasmuch as it would be beneficial to all Her Majesty's subjects engaged in their cultivation, and advantageous to the trade of the mother country, as by increasing the supply of produce, prices would be reduced, competition with the produce of slave labour would be increased, and this result would contribute in the best way towards the suppression of the slave trade.

"2d. That the restrictive policy hitherto pursued towards these colonies has not only failed to promote their prosperity, but has, by decreasing their resources, actually impeded its advancement, and that therefore other measures ought in justice to be speedily adopted, to prevent their suffering still further injury.

"3d. That all laws and regulations which interfere with the freedom of labour are alike injurious to the labourer and to the employer, as they prevent the former from obtaining employment with the full benefit of his industry, and the latter from seeking free labour wherever it may abound, and from realizing that fair profit upon capital which but for these restrictions might be advantageously employed; that, therefore, all such restrictive laws and regulations ought to be abolished, and that in future all practicable encouragement should be given to the introduction into these colonies of such immigrants as are best suited to the climate.

"4th. That all discriminating duties levied upon imports into these colonies should be abolished, and all unnecessary expenses therein reduced; that rum should be admitted into the United Kingdom at the same rates of duty as are charged on home-made spirits; and that the use of sugar and molasses should be permitted in all manufactures in which these articles can be employed.

"5th. That after the removal of the existing restrictions on labour; after the repeal of all discriminating duties on imports into the British West India colonies; and after sugar and molasses shall be permitted to be used generally in the United Kingdom, then all discriminating duties in favour of the produce of these colonies should, within a time to be limited, be repealed."

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4th That

TRINIDAD.

No. 1.
Governor
Lord Harris
to
Earl Grey,
4th Sept. 1848.

Encl. in No. 1.

TRINIDAD.

4th. That in the crisis which is now inevitable, this meeting earnestly and respectfully begs his Excellency the Governor and the Legislative Council to take such measures as may best enable the country to meet its altered circumstances, and without which the struggle will be hopeless; amongst these may be noticed the regulation of the rights and duties of employers and employed, and the assimilation of the laws of labour to the existing laws of England; the prevention of squatting; the sale and settlement of Crown lands in approved locations and under judicious limitations, with the view of inducing immigrants who have gained money to remain in the island, and for the purpose of obtaining a fund for future immigration and internal improvements; and the revival of African immigration on a sound basis and more extended scale, and with no harassing restrictions.

5th Resolution, moved by Colin Campbell, Esq., seconded by Dr. Meikleham, and carried unanimously, That the Honourable St. Luce Philip, Messrs. Huggins, Cummings, Agge, and Henry Stewart, be appointed a deputation to wait on his Excellency Lord Harris with a copy of the foregoing Resolutions, and that they be instructed to request his Excellency to forward a copy of them to the Right honourable the Secretary for the Colonial Department.

6th. Moved by Colin Campbell, Esq., seconded by the Honourable St. Luce Philip, and carried, That this meeting feels it incumbent on all parties interested in the staples of this island to renew their efforts to obtain a reduction on the heavy charges now made on the sale of colonial produce shipped to the mother country.

7th. Moved by H. Stewart, Esq., seconded by Peter Campbell, Esq., and carried unanimously, That the thanks of this meeting be given to Anthony Cumming, Esq., for his able conduct in the chair.

(signed) H. B. DARLING,
Secretary.

No. 2.
Governor
Lord Harris
to
Earl Grey,
3d October 1846.

No. 2.

(No. 73.)

COPY of a DESPATCH from Governor Lord HARRIS to Earl GREY.

My Lord,

Trinidad, 3d October 1846.

I HAVE the honour to forward to your Lordship a copy of certain Resolutions decided on at a numerous and respectable meeting in Port of Spain, on the 18th of last month.

I have, &c.
(signed) HARRIS.

Encl. in No. 2.

Enclosure in No. 2.

TRINIDAD.

At a Meeting convened by public Advertisement, held at the Theatre, Marine Square, on the 18th day of September 1846, the following Resolutions were adopted:

Resolved, 1.—That the Colonists of Trinidad have learned with unfeigned alarm and dismay the measure lately proposed in Parliament by the Right honourable Lord John Russell, for the settlement of the Sugar question, by the equalization of the duties upon sugar, the produce of slave-holding countries, and that of the British Possessions.

2.—That this meeting do record its most earnest protest against the injustice, the inhumanity and the inconsistency of the proposed measure, and its opinion, that by adopting such a course the British Government will violate all pledges expressed or implied for our protection, and abandon us to an unequal, disheartening, and it is to be feared ruinous competition against the atrocious system of the Brazilian and Spanish slave-trader.

3.—That in the opinion of this meeting, the present position of this colony is such, as to debar us from the possibility of successful competition in the production of sugar with slave-holding countries, and that this arises from our having, ever since the abolition of slavery in the British colonies, been prevented, by harassing and vexatious restrictions, from supplying ourselves with free labour from sources within our reach.

4.—That this meeting considers that immigration on a most extensive scale, under proper regulations, but not fettered by any unnecessary restrictions, can now alone avert the inevitable destruction of this colony, and that the coast of Africa is the best source from whence to derive an augmentation of labour suited to our present position and wants: therefore this meeting most earnestly calls upon his Excellency the Governor and the Legislative Council to adopt every means in their power to ensure the speedy introduction into this island of labourers from thence; and for the furtherance of this object, to solicit the Home Government to appoint accredited agents on the coast of Africa, for the purpose of effectually carrying out the said measure.

5.—That this meeting is of opinion, that the contemplated abolition of all Imperial or discriminating duties upon imports into the British colonies will afford little or no substantial benefits to their inhabitants, and as a "boon" will prove altogether illusive, inas-
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much as these duties are exclusively applied to colonial purposes, and in this island only amount to about one-sixth of the total duties collected, the deficiency, therefore, would have to be immediately made up by imposts not less onerous. But, that this meeting would now gladly hail such an approximation to the general principles of "free trade," as, by a modification of the existing Navigation Laws, would enable British colonists to avail themselves of the cheapest "bottoms" for carrying their produce to the home market as well as bringing their outward supplies, an advantage at present denied them, but at the command of their opponents, the slave-holders.

6.—That upon the same free-trade principles, this meeting claims, as a right, the admission of rum, the produce of British Possessions, for consumption in the United Kingdom, at the same rate of duty as that charged upon home-made spirits; and also, the use of British plantation sugar and molasses in all manufactories in which they can be employed.

7.—That it is the opinion of this meeting, that the threatened measure is one infallibly calculated to give a fresh impetus to the slave trade, and to aggravate its horrors and miseries; and this meeting most earnestly calls upon the British Government to adopt and perseveringly carry through, the most stringent measures for the effectual extinction of slavery throughout the world.

8.—That Messrs. H. Scott, S. Samuel, R. E. Adams, A. W. Anderson, W. Ulrich, and R. S. Darling, be appointed as a deputation to wait on his Excellency Lord Harris, with a copy of these resolutions, and to request his Lordship to forward them to Her Majesty's Principal Secretary of State, with such recommendations for their favourable consideration as he may deem, from the exigency of the case, they merit. And the meeting takes this opportunity of expressing its hopes that his Excellency and the Legislative Council of Government will adopt such early measures as may be best suited to mitigate the severity of the struggle in which this colony is likely soon to find itself engaged.

(signed) SAM. SAMUEL, Chairman.
R. C. ADAMS, Secretary.

No. 3.

EXTRACT of a DESPATCH from Governor Lord HARRIS to Earl GREY, dated
Trinidad, 20th January 1847.

BUT what I intended to ask, is whether any relaxation in the terms of the Navigation Laws might be hoped for; such, as I am informed, has already been granted to the Mauritius, and which the nature of the population of this island and its position might warrant, so as to allow the goods of all nations to be brought here in any vessels without restriction, it would undoubtedly promote an extensive and direct commerce between Trinidad and France and Spain, which is now much retarded and restricted by being carried on by way of Martinique and the Spanish Main. Another great advantage would accrue respecting immigration, as the freight of immigrants would be much reduced. When Coolie labour was first proposed to be introduced, American vessels could have been procured to bring them at 9 $\frac{1}{2}$ per head, whereas the present charge is nearly 18 $\frac{1}{2}$.

No. 3.
Governor
Lord Harris
to
Earl Grey,
20th Jan. 1847.

No. 4.

(No. 117.)

EXTRACT of a DESPATCH from Earl GREY to Governor Lord HARRIS, dated
Downing Street, 1st March 1847.

WITH respect to the Navigation Laws, I cannot venture to anticipate what may be the judgment to which Parliament may come as to the propriety of maintaining or of modifying them, in consequence of the inquiry now in progress before a Committee of the House of Commons. Any information, however, which it may be in your power to afford as to the practical working of these laws in Trinidad, or any suggestions which you may be able to throw out for their alteration, in order to remove any injurious effects they may have been found to produce, I will, if you should do me the favour to communicate them to me, take measures for having them brought under the notice of the Committee.

No. 4.
Earl Grey
to
Governor
Lord Harris,
1st March 1847.

TRINIDAD.

No. 5.

(No. 29.)

COPY of a DESPATCH from Governor Lord HARRIS to Earl GREY.

No. 5.
Governor
Lord Harris
to
Earl Grey,
1st April 1847.

My Lord,

Trinidad, 1st April 1847.

I HAVE the honour to acknowledge your Lordship's despatch, No. 117, dated 1st March, and beg to thank you for the opportunity you therein afford of offering some remarks, and making a statement of some facts, which will show that the influence of the Navigation Laws, upon the trade and commerce of this island, is any thing but beneficial.

It has not been in my power to obtain such satisfactory evidence in figures, as I should have wished; but I think, nevertheless, that it will not be difficult to show that the position of this island would be most materially altered, could a relaxation in, or the abolition of those laws be permitted.

Your Lordship is aware, that a large portion of the population of this colony is of foreign extraction, retaining in many respects the habits and tastes of the nations whence they are sprung, and, consequently, there is naturally a desire for the products and manufactures of those countries. I refer more particularly to the descendants of French and Spanish families, as also to a considerable portion of the Creole black population. Now, by certain provisions in the Navigation Laws, but very few of the articles required can be brought here direct from France or Spain, in French or Spanish vessels. The means of transit which must be adopted becomes therefore far more expensive. With respect to the French trade, which is far the most important of the two, it is either necessary to charter an English vessel, and send it to some port in France, and by which the charge for freight per ton is 1*l.* 15*s.*, whereas by a French vessel it would be 18*s.*, or it is necessary to have goods forwarded by a French vessel to Martinique, to which island the freight is as heavy as it would be direct to this island. But, besides, the goods must be landed, on which some commission must be paid, and an additional freight of 13*s.* 6*d.* per ton from Martinique to Trinidad. But not only is the price of, and the risk and trouble of procuring French goods considerably enhanced, but the opportunity of a return trade is entirely prevented, and there is reason to suppose that a large quantity of cocoa might be shipped for France, were there sufficient inducement to vessels of that nation to resort to this island, and which is now impossible, as the differential duty in France, against articles arriving in English vessels, precludes any attempt of the sort, and this argument holds good in a similar manner as regards Spain, though not to any extent in respect of imports, but to a larger as respects exports.

This subject is not confined to the direct intercourse of this island with both those countries; but indirectly as regards that, the trade with Venezuela affords a very important, perhaps the most important feature in the case; its favourable position, and its proximity, would at once ensure the largest portion of that trade, if the opportunity of competing on fair terms with other places were afforded; but in consequence of such not being the case, a more distant port has become the resort of the Venezuelan traders.

I find there is a material and important difference between the value of goods imported into Venezuela from St. Thomas and from Trinidad. For the three years 1843, 1844, and 1845, of which I possess returns, the value of goods exported for Venezuela from the two places mentioned, is as follows:—

1843 :—From St. Thomas	-	-	-	£944,409	48
Trinidad	-	-	-	154,131	86
1844 :—From St. Thomas	-	-	-	607,308	38
Trinidad	-	-	-	165,493	58
1845 :—From St. Thomas	-	-	-	781,680	00
Trinidad	-	-	-	177,585	58

Now, the average of exports from Venezuela to Trinidad during the last 10 years, amounts to £408,527, so that the exchange must always be against this colony; but if greater freedom existed in commerce, even if this island were on equal terms with St. Thomas it would have a great advantage over that place, as all ships coming here would be able to procure return freights in the produce of the country, which at once lowers the rate of freight on imports, and consequently the price of goods.

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TRINIDAD.

There is reason to think that a considerable trade would spring up with Hamburgh, but for the hindrances caused by the Navigation Laws.

In this statement, I have confined myself to the most obvious and direct losses which the colony suffers; there are many more of less importance, but which materially affect its interests, which bear upon the case; I will only mention one; viz. the much greater facility which would be afforded for procuring shipping for its produce, and the cheaper rate at which it would be obtained.

These facts together, I trust, will make a case worthy of some consideration; far be it from me to desire the repeal of any laws which might in any way lessen the power and the commerce of Great Britain, but as the interests of the colonies are intimately connected with those of the mother country, it would appear important that full information should be given, when there is reason to think they are suffering injury, at a time when the laws by which that injury is caused are undergoing investigation. I feel that I cannot too strongly urge the very great importance of this subject, when it is considered in relation to the great trial which is now commencing between the respective merits of free and slave labour; a struggle which will prove as interesting in its moral results, as in those of a more material nature, and in which, to secure a triumph for freedom and humanity, every exertion and every assistance which can be afforded will be required.

I have, &c.
(signed) HARRIS.

SOUTH
AUSTRALIA

SOUTH AUSTRALIA.

No. 1.

Memorial from
Parties interested
in the Mines of
South Australia.

No. 1.

To the Right Honourable the Earl GREY, &c. &c.

WE, the undersigned, being parties interested in the Kapunda Copper and other Mines in South Australia, are desirous of bringing to your Lordship's notice certain difficulties that have occurred in carrying out the operations connected with the said mines, these difficulties being equally participated in by all the other parties connected with the numerous other mines which have lately been discovered in the neighbourhood of Adelaide; but as our connexions and correspondents, Captain Bagot and Mr. Francis Dutton, are the parties to whose energy and exertions the merit is due of the first discovery, and working to any extent of the mines of South Australia, we come before you with greater confidence in our own and their behalf.

Your Lordship is aware of the circumstances attending the original settlement of the colony of South Australia, and that it was solely carried out with the view of developing the agricultural resources of this fine country, and the first operations of the settlers were entirely confined accordingly to sheep feeding and farms, and that the class of emigrants who were sent out, were and still are limited by the Emigration Company to agricultural labourers.

On the discovery and purchase of the Kapunda mines by Captain Bagot and Mr. Francis Dutton, it was with great difficulty a few miners and labourers could be collected from amongst the settlers, to enable them to commence operations. Some of these settlers were Germans (there being a considerable party of German emigrants settled in the colony), who communicated with their friends at home; and thus a communication was opened with Mr. Ravenshaw, the agent for the Kapunda mines in England, through Mr. Delius of Bremen, which led to the despatch, in 1845, of two vessels with German emigrant miners, and in the current year, four vessels at the least will sail from Bremen with like freights.

Last year, no advance was made, only a letter of introduction and recommendation to Captain Bagot was given; but this year, the exportation of miners and smelters from Germany to Adelaide, has been considered so desirable to meet the greatly increased demand in the colony for mining labour, that 500*l.* have been already advanced to further this object.

The first vessel this year took out about 60 miners, smelters, and charcoal-burners, making up with their families 100 souls; she was of 600 tons burthen; a similar vessel sailed early in June; a third was to have sailed on the 1st August, and a fourth is fixed for the 1st October next; by this means a regular communication will be opened between Bremen and Adelaide, and a most industrious class of workmen and their families are introduced into one of our most rising colonies, who will quickly assist to develop that mineral wealth which will probably be found to exist throughout the whole range of mountains, which extend nearly north and south from one end of the colony to the other.

We expect there will have been raised and sent to England from the Kapunda mines alone during the current year, 1,200 to 1,500 tons of copper ore, of the first-rate quality, inasmuch as the first 200 tons have been sold at Swansea at an average of 19*l.* 3*s.* 2*d.*, and the last 300 tons sold on the 22d ultimo, at an average of 21*l.* 9*s.* 1½*d.*, and the remainder we cannot have any doubt will turn out equally well.

The difficulty in procuring freights for the copper and other ores at Adelaide has been so great, that our friends have been obliged to make arrangements for sending home the Kapunda ores via Sydney and Port Philip (300 tons having been shipped to the former port in the "Templar"), and by the last advices 400 to 500 tons were still awaiting freights; and we hear that the other mining companies at Adelaide have equal difficulties in this respect with the Kapunda Company.

Under these circumstances, we would most respectfully draw the attention of your Lordship to this case, observing, that it hardly appears consistent with the facilities

facilities required by a rising colony, that where there is such a demand for dead freights, and fine vessels like those from Bremen (of 600 tons burthen each), taking out to the colony that particular class of emigrants for whose labour there is so great a demand, should be obliged to leave the port of Adelaide without freights, at a time when there is abundance of ores lying ready for shipment, because those ores are prohibited if imported in other than British bottoms.

We would also beg to draw your Lordship's attention to the loss sustained in interest alone, by the delay in the shipment for want of vessels, of ores of such a valuable character; we have already stated that the last 300 tons of Kapunda ores, sold at Swansea, on the 22d ultimo, averaged 21l. 9s. 1½d. per ton, and we see that on the 8th ultimo, some of the Burra Burra ores, also from Adelaide, realized as high as 31l. 6s. 6d. per ton.

Attached hereto, we beg to lay before you extracts of letters received from Captain Bagot, stating some of the difficulties and delays that have occurred in respect to freights, which have been so great, that you will perceive by Nos. 6 and 7, that he even contemplated leaving his business and the supervision of the mines, to endeavour, by visiting all the neighbouring colonial ports, to arrange for the shipment of his ores to England.

There is also one other point to which we would draw your Lordship's attention; viz., that the want and high rate of freights at Adelaide, has already had the effect of drawing the attention of the colonists in South Australia, to the smelting of their copper and other ores in the colony; if this should be carried out, there can be no question but that the great interests and vast capitals involved in the copper smelting trade at Swansea would materially suffer, and at the same time, we much doubt if the colonists would be materially benefited, as from the imperfect mode of smelting, a considerable loss of metal would occur, the sure result of parties attempting to carry out an operation in which they have not had that experience which time and practice alone can give, and thus we anticipate from the high rates of freights, that a great loss will in all probability accrue both to the owners of the mines in South Australia, and to the smelting interests in this country, without any concurrent advantage to any one, not even to the British shipowner, who if the smelting is carried out at Adelaide, will probably, as heretofore, be compelled to take in ballast as dead weight for their wool ships.

The object that we seek by this appeal to your Lordship is, that in the first instance, all foreign vessels taking out mining emigrants to South Australia, shall be placed on the footing of British vessels in respect to any mineral produce they may import direct from Adelaide to any port in Great Britain.

Enclosure in No. 1.

Encl. in No. 1.

EXTRACTS from Captain BAGOT's LETTERS.

No. 1.

Adelaide, 31st March 1845.

There is a great want of shipping here at present, to carry away a large quantity of produce of one kind or another, ore, wheat, bark, gum, &c.

No. 2.

Adelaide, 20th May 1845.

We have 150 tons of ore at the port, and as much more ready to go there, and all of it of a high quality, so that I am now certain we shall much exceed our calculations for the year's work; we greatly want vessels to take it away; in fact everything serves to confirm the opinions I hold about smelting here. I have written to Mr. Dutton, to recommend his visiting the German smelters in the Hartz, where smelting is brought to great perfection, and from whence he will not find any difficulty in procuring persons quite equal to carry on the operations here. I believe they work entirely with wood fuel, which will render them still more fitted for us.

No. 3.

Adelaide, 24th June 1845.

The Kapunda goes on favourably; all we want is shipping to take away the ores, of which we have now 500 tons, and may reckon on as much more by the wool season.

No. 4.

Adelaide, 1st July 1845.

Our piles of ore are rapidly increasing, and no prospect of getting it to market. This is really a matter of serious import to us, and troubles me not a little.

SOUTH
AUSTRALIA.

No 5.

Adelaide, 6th January 1846.

We are on the look out for more freights, by which to ship at least 400 tons more ore from the Kapunda. The Mining Association have given 4l. 10s. per ton to an old brig, the "Amelia."

No. 6.

Adelaide, 28th January 1846.

I have not yet succeeded in procuring freight for the remainder of our ore, of which we have more than 300 tons at the port, and the rest in progress to it.

The time is arrived when we must expect to pay full freights upon ore, and I think it may be advisable to make terms in England with vessels coming out either with emigrants or goods. The "Amelia" has 4l. 10s. for 200 tons to Swansea, and the "Malcolm," that came here with sugar from Bahia, and gone on to Sydney, is engaged to return and take ore to Swansea. I have been planning an excursion to the other colonies, with the view, among other things, to try and establish the sending of ores to them for shipment home; but I have hitherto been prevented by other matters, and I doubt now whether I can accomplish it before the Council meets, as I could not leave this before the 1st March.

I have just made an arrangement with Montefiore, to send 50 tons of ore in bags to Sydney, to be reshipped, by his brother, to London.

No. 7.

Adelaide, 9th February 1846.

I have found too much difficulty thrown in my way hitherto, for sending ore to the other colonies for reshipment. I mean to visit them myself, as soon as I can spare time, and try to establish some arrangement of that kind.

767

CEYLON.

No. 1.

(No. 36.)

EXTRACT of a DESPATCH from Governor Sir C. CAMPBELL, K. C. B., to
Earl GREY, dated Queen's House, Colombo, 10th October 1846.

I HAVE the honour to forward to your Lordship a Memorial signed by the principal merchants, and many of the planters and other respectable inhabitants of the colony, at a public meeting which was recently held at Colombo.

Enclosure in No. 1.

(Extract.)

To the Right Honourable the Lords Commissioners of Her Majesty's Treasury.

The Petition of the undersigned Merchants, Planters, Landholders, and other
Inhabitants of the Island of Ceylon,

Respectfully sheweth,—

* * * * *

That all foreign commodities are subject to double the import duty levied upon British goods, a restriction which militates against foreign nations attempting to trade here to the extent they otherwise would do, and keeps away customers for the various products of the island, the staples of which are coffee, cinnamon, and cocoa-nut oil, all largely consumed on the Continent of Europe.

That in many instances foreign vessels are precluded from landing cargo at the ports of this island, though the cargo be the produce of the country to which such vessels belong. Thus, French and Spanish vessels are prohibited from sending wines, spirits, and other unenumerated articles, the produce and manufacture of France and Spain; no such restrictions exist in the neighbouring territories of the Honourable East India Company, and they are consequently felt more severely here.

That the staple food of the labourers of the coffee, sugar, and cinnamon plantations is rice, imported chiefly from the territories of the Honourable East India Company. This trade is restricted to vessels holding a British, or a British India register. In the opinion of your petitioners, the supply would be more abundant, and the price cheaper to the consumers, if the trade were thrown open to the vessels of all nations.

[114 Signatures.]

No. 2.

(No. 70.)

EXTRACT of a DESPATCH from Governor Sir C. CAMPBELL, K. C. B., to
Earl GREY, dated Queen's House, Colombo, 10th November 1846.

THE Memorial of which I have the honour to enclose a copy, has been transmitted to your Lordship in original by the present mail. It was agreed to at a public meeting of the planters and others, held at Kandy on the 9th September last, and is an echo of a similar manifesto emanating from a similar meeting, held at Colombo on the 22d of the month previous, and which, by the request of those who signed it, I had the honour to forward to your Lordship in my Despatch of the 10th October last (No. 36).

CEYLON.

No. 1.
Governor
Sir C. Campbell
to
Earl Grey,
10th Oct. 1846.

Encl. in No. 1.

No. 2.
Governor
Sir C. Campbell
to
Earl Grey,
10th Nov. 1846.

CEYLON.

Encl. in No. 2.

Enclosure in No. 2.

(Extract.)

To the Lords Commissioners of Her Majesty's Treasury.

The Petition of the undersigned Merchants, Planters, Landowners, and other Inhabitants of Kandy, and the Central Province of the Island of Ceylon,

Humbly sheweth,

* * * * *
 That all foreign commodities are subject to double the import duty levied upon British goods; a restriction which militates against foreign nations attempting to trade here to the extent they otherwise would, and keeps away customers for the various products of the island, the staples of which are coffee, cinnamon, and cocoa-nut oil, all largely consumed on the Continent of Europe.

That in many instances foreign vessels are precluded from landing cargo at the ports of this colony, though the cargo be the produce of the country to which such vessels belong. Thus, French and Spanish vessels are prohibited from sending wines and spirits, and other unenumerated articles, the produce and manufactures of France and Spain. No such restrictions exist in the neighbouring territories of the Honourable East India Company, and they are consequently felt more severely here.

That the staple food of the labourers of the coffee, sugar, and cinnamon plantations is rice, imported chiefly from the territories of the Honourable East India Company.

This trade is restricted to vessels holding a British India register. In the opinion of your petitioners, the supply would be more abundant, and the price cheaper to the consumers, if the trade were thrown open to the vessels of all nations.

* * * * *

[Here follow 110 signatures.]
