

# REPORT

OF THE

## COUNCIL OF THE BOARD OF TRADE,

### FOR THE YEAR ENDED 31st MARCH, 1856.

PRINTED FOR CIRCULATION AMONG MEMBERS ONE WEEK PREVIOUS TO THE ANNUAL MEETING OF THE BOARD, IN ACCORDANCE WITH THE RESOLUTION PASSED ON THE 4TH DAY OF APRIL, 1853.

THE COUNCIL, in submitting the Annual Report, would beg to enumerate as briefly as possible the various matters which have been brought under their attention since their election at the last annual meeting.

In the first place, representations having been made by the Forwarders, as to the insufficiency of water in the Lachine Canal, a Memorial was addressed to the Honorable the Chief Commissioner of Public Works, which resulted in a prompt remedy of the grievance alluded to.

Serious complaints were made as to the mode and system practised in the inspection of ashes. A full and complete investigation was made by the Council, which resulted in an expression of opinion, that amendments to the present Ashes Inspection Act are necessary, and the Council beg to refer their successors to the Resolutions and Reports made on this subject, with the view of having such amendments brought before the Legislature, at this or the next meeting of Parliament.

The Bankrupt Act proposed by the Hon. Mr. Belleau in the Legislative Council having been submitted to the Council for examination, its provisions were found unsatisfactory, and a Memorial against the Bill having been addressed to the three branches of the Legislature, it has not been proceeded with.

Mr. Bellhouse, Agent for the Ocean Steam Ships, having attributed the grounding of one of the steamers in the Lake to the want of water, the Council deemed it necessary to obtain official statements from Captain Bell, of the Harbour Commissioner's Office, and of James Holmes, Esq., Secretary of the Trinity Board, as to the depth of water in the channel of navigation, by which it was clearly shewn that the steamer was not in the channel when she ran aground, and that there was more water in the channel than the vessel was drawing at the time.

The want of a steam crane, for discharging and loading heavy freight in the harbour, was urged on the attention of the Council, and the matter was submitted to the Harbour Commissioners, who admitted the necessity of such a facility to trade, and stated that there was a temporary means provided for remedying the evil complained of.

Representations to the Council were made respecting the heavy charge for wharfage on earthenware and crockery, which were submitted to the Harbour Commissioners, who did not deem it expedient to alter the tariff at present.

Representations having been made as to rice, the produce of the United States, being admitted free of duty, while rice from the British East Indies is charged at 12½ per cent., this matter was brought under the attention of His Excellency the Governor General, by Memorial; but your Council have not yet heard that any action has been taken thereon, though it has been again brought to the notice of the Government.

Duties having been levied on packages containing goods admitted duty free, Memorials were addressed to the Honorable Inspector General, which resulted in the prompt repeal of the impost.

A correspondence took place with the Collector of Customs at this port, regarding complaints which had been made to the Council on the want of certain facilities for transacting Customs business, which were promptly remedied by the Collector. At the same time it was represented to the Collector that a practice had obtained at this port of charging for lockage, while at no other port in the Province did a similar custom prevail.—This was also promptly remedied.

A Memorial was presented to His Excellency the Governor General, on the necessity and advantage of establishing an efficient line of Ocean Steamers between Canada and Liverpool, and praying that he would be pleased to sanction a contract for such a line. The Council are gratified in being able to state that this has been done but whether vessels of sufficient power and dimensions have been contracted for, remains yet to be proved by experience.

The practice of allowing vessels to leave this port in tow of steamers without having Pilots on board, was brought under the notice of the Trinity Board.

The Board of Trade Tariff for Storage, Commissions, &c., was carefully amended, revised and published for the use of Members.

The Government of France having deputed Commander De Belvéze to visit Canada, with the view of reporting on our Trade and Commerce, the Council deemed it their duty to tender to that officer the hospitalities of the Trade of the City, and in the name of the Merchants and Board of Trade, invited him and the Officers of the frigate "Capricieuse" to a public dinner, which was accepted; and the Council have reason to believe that the visit will prove of advantage to the Trade of the Province.

The inconvenience and loss arising from the new postal arrangements of the Mother Country were brought under the notice of the Postmaster General. The matter received prompt attention, and the evil complained of has since been remedied. In connection with this subject the Council beg to express their sense of the activity, zeal, and uniform courtesy, which Mr. E. S. Freer, Post Office Inspector of Montreal, has shewn during the past season, in meeting the wants and wishes of the mercantile community in the despatch and receipt of mails.

A Petition from Dealers in Leather, praying that an Inspector of Leather might be appointed, having been laid before the Council, a copy thereof, with the recommendation of the Council, was sent to the Honorable Inspector General, by whom no action has yet been taken.

A Special General Meeting of the Board was called on the 29th September last, on the subject of the Georgian Bay Canal, and a Memorial was adopted, praying His Excellency the Governor General to cause an immediate survey to be made. The Council are happy to be able to state that the Government have promptly acceded to this request, and that a survey will be made with all possible despatch.

The necessity for cheapening the cost, and rendering more efficient the present means of towing between Quebec and Montreal, has engaged the attention of the Council, but without resulting in any definite plan or suggestion.

The appointment of some competent person, intimately acquainted with the Trade of the British North American Provinces, to reside at Washington for the purpose of representing and protecting Colonial interests under the operation of the Reciprocity Treaty, was brought under the notice of the Imperial Government, through His Excellency the Governor General, but the proposition was not favorably received.

A Memorial was addressed to His Excellency the Governor General, praying that the debt incurred, and the expenditure yet necessary, to deepen the navigable channel through Lake St. Peter to 20 feet at low water, should be assumed by the Government, and the Harbour Commissioners relieved therefrom. The Council are not yet aware what decision the Government have come to on this important subject; but as the improvement is manifestly not a local but a public work, which must cheapen transport, and thereby benefit the Province generally, the Council earnestly hope that this matter may receive due attention from Government, and that the Harbour Commissioners may be relieved from liability, and be left free to use the credit of the Trust, for improving the Harbour of Montreal, on a scale commensurate with the magnitude of the improved channel of navigation to Quebec.

The subject of weights and measures has engaged the attention of the Council, but no definite action thereon has yet been had. Your Council would, however, urge on their successors, and on the Government, the great convenience and benefit which would result to the Trade of this Province by the adoption of the decimal system, as well in the currency as in weights and measures.

A large number of the leading Firms in this City having pointed out the necessity of some amendment in the law in reference to the more speedy collection of debts, and the prevention of fraud in mercantile transactions, measures have been taken to obtain the desired change, which the Council hope will result satisfactorily.

The geographical advantages offered by the proximity of the Labrador Coast to England, and the comparative ease with which a telegraphic wire can be extended from Quebec to Forteau Bay, in the Straits of Belle Isle, having been brought before the attention of the Council by the President of the Board, a Memorial was presented to the three branches of the Legislature, praying that assistance be given by Government to any Telegraph Company who would construct and keep in operation such a line. The Council believe that by the extension of the proposed wire to Forteau Bay, the transmission of intelligence between England and this Continent, by means of the Canadian Ocean Steamers, would be shortened about sixty hours during the period of navigation, while the extension of a wire across the Straits to St. Johns, Newfoundland, would in both summer and winter secure an uninterrupted communication. Nor do your Council see any insurmountable difficulty in connecting the line at Forteau Bay, with Greenland, Iceland, the Faroe, Shetland and Orkney Islands, by a sub-marine wire, and by this means secure the long desired electric communication between Europe and America.

Representations having been made to the Council by the Board of Brokers, relative to the system now pursued in this City in the Inspection of Flour and Meal, measures are being taken to obtain a change in the law, by which the Canadian standard of quality will be no longer regulated and governed by that of New York.

The Council having thus adverted to the principal subjects which have engaged their attention during the past year, would now bring before the notice of the Board the present unsatisfactory state of the Trade of the Lower section of the Province and particularly of this City. While the trade between the United States' Atlantic ports with the Western States and with Canada West is rapidly increasing, the trade of Quebec and Montreal with the interior is not progressing, as the following table shews:—

EXPORTS.			
	Port of Quebec.	Port of Montreal.	Total.
1845.....	£2,056,851	£720,797	£2,777,648
1850.....	1,270,373	420,736	1,673,059
1855.....	1,558,702	333,609	1,892,311
IMPORTS.			
	Port of Quebec.	Port of Montreal.	Total.
1845.....	£712,398	£2,620,252	£3,332,650
1850.....	686,441	1,793,695	2,486,137
1855.....	745,531	3,062,802	3,808,033
<i>Total Exports and Imports at the Ports of Quebec and Montreal.</i>			
1845.....	£6,110,298		
1850.....	4,159,196		
1855.....	5,700,344		

These figures conclusively show the almost stationary character of the Commerce of Quebec and Montreal for the last 10 years, while the value of the Imports and Exports for the whole Province, in the 10 years ending in 1854, has increased from £4,240,117 to £15,448,658.

Your Council believe that this state of things is alarming in the extreme to the people of Lower Canada, and ought to rouse the attention of the Government of the country to its cause and remedy. Whatever may have been the cause or causes which have led to this state of things,—whether, by the sudden engraving of the system of free trade, on one previously protective in its character, it is now but of little practical use to investigate. Your Council believe that the time has passed away when the people of Western Canada can be asked to pay higher duties on goods coming from sea via the St. Lawrence, than on the same goods procured elsewhere. But they cannot help thinking that it is of the greatest importance, and ought to be a matter of the deepest interest, and calling for the earnest effort of every Canadian, whether in the eastern or western section of the Province, to secure, if possible, the Trade and Commerce of the country through its own channels, instead of through a foreign country, and by the agency of foreign merchants. That this is not the case at present will be seen by the following table:—

1854.—Exports to British West Indies.....	£2,248
Imports from “ “ .....	668
Total Exports to all Foreign Countries, (except the United States,).....	46,332
Total Imports from all Foreign Countries, (except the United States,).....	338,777
Total Imports from and Exports to the British West Indies, and all Foreign Countries, (except the United States,).....	£388,025
Imports from the United States.....	£3,883,274
Exports to “ “ .....	2,604,720

Imports from and Exports to United States in 1854..... £6,487,994

Of this amount £2,625,000 consisted of the domestic produce and manufactures of the United States, leaving our foreign commerce coming through that country equal to about £4,000,000, against £388,025, the amount of our direct commerce with the British West Indies and all other foreign countries. The Council view with interest the means that have been taken to bring about a Reciprocal Free Trade between this country and the British West Indies, and they would urge on their successors the necessity of keeping the subject before the notice of Government, believing, as they do, that the results would be mutually advantageous.

Although the Council of the Board of Trade have for years past pointed out the probability of the present state of the Trade of the country, no notice has yet been taken of the great measures which the Council deem essential to remedy the existing evils, and the Council regret to say that the efforts of the mercantile classes in Lower Canada, to draw trade through the St. Lawrence, have not met with that consideration from Government, nor from the people of Western Canada, which the importance of the subject demanded. The Council believe that in consequence of the enormous investments in Public Works, for which the people in both sections of the Province are heavily taxed to pay the annual interest, and which at present give no revenue, every one is interested in making these works, if possible, the channels of trade from sea to the interior. If this result can be secured, and not only an increased revenue obtained, but transport and charges on Imports and Exports to and from the interior reduced, then it is evident that the people of Western Canada, who are the most numerous, and who, no doubt, contribute a larger amount of the duties than the people of Lower Canada, are deeply interested in every work, even if such work is constructed in Lower Canada, while it has for its object the cheapening of freight and charges on transport. Every light-house in the Gulf of the St. Lawrence, every harbour of refuge for the sea vessel, has a direct tendency to lessen the cost of Insurance, and to facilitate and cheapen the cost of transport. The improvement of lake and river navigation, either by adapting the navigation to larger vessels, or by lessening the dangers, are all matters in which the people of both sections have an equal and common interest; and the Council beg to express the opinion that the political union of the eastern and

western sections of the Province will be most effectually and best secured, when the great fact, unfortunately so long overlooked, is fully and completely understood, that each section of the Province has a perfect *unity of interest* in the development of every public improvement tending to promote public advantage, in whichever section of the Province such improvement may be situated.

The Council of the Board have, on various occasions during the past eight years, pointed out the importance of opening up a water communication between Lake Champlain and the River St. Lawrence. They have also pointed out the benefits to be derived by enlarging the Welland Canal, and every day establishes more and more clearly the necessity of those works, in order that it may be possible to compete with the improved Public Works of the State of New York. The want of these works is no longer matter of controversy; every successive Commissioner of Public Works, every Engineer connected with the Government, has pointed out and continued to urge these improvements.

The most superficial examination of the matter will shew that unless these works are undertaken on a scale commensurate with the magnitude of the St. Lawrence navigation, the Canadian canals and the railways running parallel with them cannot be remunerative. On the contrary, there is much reason to fear that annual loss will be the result; and to meet the increasing Provincial liability, increased taxation will be necessary. In the opinion of your Council these Public Works can be made a source of large revenue, and tend to the reduction of Duty on Imports, so necessary in our rivalry with our neighbours for the Western United States Trade.

That the Public Provincial Works are now a source of great annual loss to the Province will be manifest to every intelligent enquirer. To render this position more clear, and to shew the necessity for a remedy, the Council beg to state that they find that at the close of the year 1849 the whole cost of the Welland, St. Lawrence and Chambly Canals was £3,000,000. Up to the close of 1854, in five years there was expended on these works in special repairs the sum of £480,000, while in the same period the sum of £172,695 was spent in general repairs and cost of management. The interest on cost and repairs, at 6 per cent., is £925,000, or a total of £1,568,000, which has been paid in five years on these works for interest and repairs, while the *Gross Revenue* derived from them in the same period has only been £458,889.

This seems to your Council a financial mis-management of the most grave character, which although frequently pointed out, and a remedy suggested, the efficacy of which has scarcely been disputed and most certainly never disproved, yet no action has been taken to provide a remedy of any kind whatever. Your Council are aware that these suggestions are more of national than local application; that they affect the whole Province as much as they do this City, and they are also aware that no local efforts can be successful in applying a remedy. But as the whole Trade of the Province is directly and manifestly, and every producer and consumer is indirectly, suffering from the evils referred to, the Council feel justified in earnestly urging these considerations upon public attention.

The Council believe that as the tonnage bulk of western produce must always be much greater than its representative value in merchandise moving from the east to the west, there must always be an ample supply of tonnage on the return voyage to the west, without cargo; and that it is this fact which enables Oswego and other United States lake ports, by obtaining freight at almost ballast rates, to compete so successfully with the St. Lawrence route. If these low rates of freight by the return vessel can be made available, at or near an ocean port on the St. Lawrence, it seems clear to the Council that besides competing successfully with our rivals in the United States for the carrying of western products for the consuming markets of the Eastern States, we would thereby offer great inducements, and attract to our ports the freight and emigrant ship which at present goes to New York. Advantages would thus be secured in this cheap return freight at a point on the St. Lawrence 200 miles nearer Liverpool than New York, where there would be only one transshipment between Europe and any lake port, instead of two transshipments via the Erie Canal, where also, the ocean vessel could obtain cargo, which cargo if sent from such point to New York for shipment, would involve not only the cost of freight thence, but increase the distance of its transport to any port in Europe, by 650 miles. The Council therefore believe that when these improvements are made, not only will the Revenue from our Public Works be greatly increased, but an overwhelming influence will be given to the route of the St. Lawrence, in its power to compete for the supply of the Eastern States Trade, and the Import and Export Trade of this Continent.

Your Council are aware that, in order to attract this Trade through our own waters, much has yet to be done. The revision of the present Tariff of Customs for revenue purposes has been pointed out to the Government, its assimilation in many respects to that of the United States, in such a manner as to promote all branches of Canadian industry, and the adoption of ad valorem instead of specific duties, are matters of the first importance, and deserve their immediate attention. Many new lights are yet required in the Gulf of the St. Lawrence, especially one on "Bird Island" and "Point Aiguille," and in this opinion the Council are supported by the Reports of Mr. Page, the Chief Engineer of Public Works, who in strong language urges their immediate construction, and it is to be hoped they will shortly be provided. On this subject a Memorial has been addressed to the Government, pointing out the Manicouagan Shoals as a proper place for a light, in addition to those already named.

The Council would urge on their successors in office the necessity for again pointing out to Government, that while we have Reciprocity with the United States, in the free exchange of the natural products of the soil, and while we admit every foreign product coming through the United States in bond at the same rate of duty and at the original invoice value as from the place of growth direct, the United States Government charge a duty of 20 per cent. on tea and coffee if these articles pass into the United States through Canada, and levy duties on foreign goods from this market at the value of such goods here. This is so manifestly unjust that your Council believe the matter should again be pressed upon the notice of the Government. The Council would also recommend that measures be taken to secure for Colonial built ships the advantages of American registry, and that the Inland Coasting Trade be thrown open equally to the vessels of Canada and the United States.

Your Council have deemed it their duty thus to advert to those improvements upon which, in their opinion, the development of the Trade of the St. Lawrence depends. They ask for no exclusive privileges for the Trade of Lower Canada. They advocate measures which, it is believed, will prove of general advantage; and while they acquiesce in the principle that our fellow subjects in the western section of the Province have the right to purchase in the cheapest market, they would still urge that the people of both sections have a direct and common interest in developing the advantages of their common country, whether by improvements at the East or the West.

But when the Council look at the fact that in the year 1855 the total amount of Imports and Exports at the ports of Quebec and Montreal is only £5,700,344, and that the Imports and Exports of the ports of New York and Boston, of goods entered for consumption, and of domestic produce exported, amounts to £57,651,000 in 1855 from New York, and of £15,524,000 from Boston in 1854, or a total of £73,175,000, they cannot remain silent; for it is their conviction that, were the improvements and changes alluded to carried out, the Lower Canada merchant could attract to the St. Lawrence a large share of this vast trade, and successfully compete with the Eastern Atlantic merchant for the Trade of the West and of Western Canada, while the route to the Ocean via the St. Lawrence would ultimately be found the best for the Exports and Imports to and from the northern and western portions of this Continent.

All nevertheless respectfully submitted,

JOHN YOUNG,  
*President.*