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PROCEEDINGS



AT THE

NINTH ANNUAL MEETING

OF THE

DOMINION BOARD OF TRADE

HELD AT OTTAWA,

On 21st, 22nd and 23rd JANUARY, 1879.



MONTREAL :

THE GAZETTE PRINTING HOUSE, NEXT POST OFFICE.

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OFFICE-BEARERS OF THE DOMINION BOARD OF TRADE

FOR 1879.

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*President :*

HON. JAMES SKEAD, OTTAWA, ONT.

*Vice-Presidents :*

R. MCKECHNIE, Esq., DUNDAS, ONT.

THOMAS WHITE, Esq., M.P., MONTREAL, QUE.

JAMES J. BREMNER, Esq., HALIFAX, N.S.

*Executive Council :*

ANDREW ROBERTSON, Esq., MONTREAL, QUE.

W. E. SANFORD, Esq., HAMILTON, ONT.

ISAAC WATERMAN, Esq., LONDON, ONT.

E. K. GREENE, Esq., MONTREAL, QUE.

R. W. ELLIOT, Esq., TORONTO, ONT.

R. R. DOBELL, Esq., QUEBEC, QUE.

G. A. CHAPMAN, Esq., TORONTO, ONT.

ALEX. WOODS, Esq., QUEBEC, QUE.

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*Treasurer :*

C. H. GOULD, Esq., MONTREAL, QUE.

*Secretary :*

WM. J. PATTERSON, Esq., MONTREAL, QUE.

LIST OF BOARDS AND DELEGATES.

PLACE.	ORGANIZATION.	NO. OF MEMBERS.	NAMES OF DELEGATES.
Cape Breton.....	Board of Trade.....	23	{ Geo. H. Dobson. } S. W. Robinson. *
Fredericton.....	Do.....	40	* * *
Halifax, N.S.....	Chamber of Commerce...	50	James J. Bremner.
Hamilton, Ont.....	Board of Trade.....	80	{ Matthew Leggatt. * } D. McCulloch. { W. E. Sanford.
*Ingersoll, Ont.....	Do.....	40	* * *
*King's County, N.B.....	Do.....	82	* * *
Levis, Que.....	Do.....	40	Wm. Carrier.
London, Ont.....	Do.....	50	{ Thomas Churcher. } Isaac Waterman.
Montreal, Que.....	Do.....	238	{ Wm. Darling. * } E. K. Greene. { John Kerry } Andrew Robertson. { Thomas White, M. P.
Do.....	{ Manufacturers and In- } { dustrial Association. }	55	{ A. F. Gault. } E. K. Greene.
Ottawa, Ont.....	Board of Trade.....	41	{ Hon. James Skead. } Charles Magee.
Pictou, N.S.....	Do.....	42	{ J. R. Noonan. } R. G. Haliburton.
Quebec, Que.....	Do.....	80	{ Abraham Joseph. } Richard R. Dobell. * { Alexander Woods.
*St. John, N.B.....	Do.....	60	* * *
Sarnia, Ont.....	Do.....	40	* * *
Stratford, Ont.....	Do.....	18	P. R. Jarvis.
Toronto, Ont.....	Do.....	75	{ P. D. Conger. } R. W. Elliot.
Do.....	Corn Exchange Association	58	{ H. N. Baird. } G. A. Chapman.
Do.....	Dominion Miller's Assoe'n.	40	Wm. Lukes.
Do.....	{ Manufacturers' Asso- } { ciation of Ontario. }	150	{ A. Elliot. } W. H. Frazer. { R. McKechnie.

NOTE.—Names and Places marked (\*) indicate absence of Delegates.

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OFFICIAL LIST.—*Subjects proposed for discussion at the Ninth Annual Meeting of the Dominion Board of Trade, to be held in Ottawa, on Tuesday, 21st January, 1879, and following days.*

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*I.—Reports from Special Committees.*

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- I. On Amendments to the Insolvent Law.  
 II. On Extension of the Intercolonial Railway.
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*II.—Fiscal Policy of the Dominion.*

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- III. TORONTO, ONT., CORN EXCHANGE ASSOCIATION.—*Whereas*, this Association, believing that the fiscal policy of the present Government will be the principal topic of discussion at the coming meeting of the Dominion Board of Trade, and that the Delegates they are sending should support and represent the opinion of this Association:
- Resolved*,—That the opinion of this Association, with regard to the fiscal policy of the present Government, is—that every means should be used to bring about reciprocity with the United States, and, in case of this failing, they are of opinion, as far as the Produce interests are concerned, that a reciprocal duty should be imposed on all American Flour, Meal, Grain, Provisions and Produce, and the manufactures thereof, coming into this country for consumption, with the exception of Corn, of which they are of opinion that a duty of 15c. per bushel should be imposed, to encourage the home growth of Corn and other coarse grains for feeding purposes.
- IV. ONTARIO MANUFACTURERS' AND INDUSTRIAL ASSOCIATION.—*Whereas*, the electorate of Canada has, in a most unmistakable manner, declared in favor of the principle of Protection to native industries:
- Resolved*,—That the tariff should be so framed as to give effect to the verdict of the people, by giving judicious but effectual protection to all industries suited to the country.
- V. ONTARIO MANUFACTURERS' AND INDUSTRIAL ASSOCIATION.—*Whereas*, the future welfare of the Dominion, and the permanency of Confederation itself, require that the commercial ties of the various Provinces should be drawn closer together; and,
- Whereas*, these commercial ties can only be drawn closer by the adoption of a fiscal policy which will foster and promote inter-Provincial trade:
- Resolved*,—That this Association is of the opinion that such duties should be put on foreign farm products and the manufactures of the same, as will secure for our farmers and millers the markets of the Maritime Provinces; and such duties on coal and economic ores as will secure to the miners of the Maritime Provinces the markets of Ontario and Quebec.
- VI. HALIFAX, N.S., CHAMBER OF COMMERCE.—*Resolved*,—That this Chamber is of opinion that in the Tariff on Sugar, the aim should be to encourage the direct importation of raw Sugars from the places of production, particularly from the West Indies, by an *ad valorem* duty on the raw article, and packages free, and a distinction between raw and refined Sugars of at least 5 per cent.; and also
- Resolved*,—That when a bounty is granted on the export of Sugar from any country, such Sugar, when imported into Canada, shall be met by a *corresponding* countervailing duty.
- VII. HALIFAX, N.S., CHAMBER OF COMMERCE.—*Resolved*,—That our Delegate be requested to press upon the Dominion Board of Trade the importance of the Coal and Iron industries of Nova Scotia, and that the Tariff be so arranged as to encourage and develop these industries.
- VIII. CAPE BRETON BOARD OF TRADE.—*Resolved*,—That this Board favors the adoption of such a National Policy as will secure the home market for our Coal, Iron and economic ores, together with the other industries of the country.
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III.—*Trade with the West Indies—Australia—New Zealand—China and Japan.*

- IX. ONTARIO MANUFACTURERS' & INDUSTRIAL ASSOCIATION.—*Whereas*, the trade with the British West Indies and contiguous tropical countries is peculiarly suitable and beneficial to Canada; and *Whereas*, this important trade has been decreasing for a number of years:  
*Resolved*,—That this Association would respectfully recommend to the Dominion Government, the subsidizing of a line of steamers to ply between Canada and the ports of those countries.
- X. CAPE BRETON BOARD OF TRADE.—*Resolved*,—That the Government be respectfully and earnestly requested to grant such a subsidy as will procure regular fortnightly steam communication for the conveyance of passengers, mails and freight between Canada and the West Indies; sailing from Montreal and Quebec in the Summer, calling at Sydney, and from Halifax and St. John in the Winter.
- XI. ONTARIO MANUFACTURERS' AND INDUSTRIAL ASSOCIATION.—*Whereas*, the Government of the Colony of New South Wales purpose holding an International Exhibition this year at the city of Sydney; and  
*Whereas*, the securing of commercial connection in the markets of Australia and New Zealand would be of great benefit to our lumbermen and to many of our manufacturers; and  
*Whereas*, the cultivation of this trade, besides the direct advantages accruing from it, would tend to promote trade with China and Japan, which at present cannot be profitably prosecuted;  
*Resolved*,—That it is the duty and will be to the advantage of the producers and manufacturers of Canada to exhibit largely at the Exhibition, and that this Board urge upon the Dominion and Local Governments, the advisability of aiding, as far as possible, those who may desire to so exhibit.

IV.—*Commercial Statistics—Department of Commerce.*

- XII. LEVIS, P. Q., BOARD OF TRADE.—The necessity of more detailed information respecting the imports and exports in the annual report of the Trade and Navigation of Canada.  
The necessity for the establishment of a special office for the collection of statistics respecting the industries of the Dominion.
- XIII. ONTARIO MANUFACTURERS' AND INDUSTRIAL ASSOCIATION.—*Whereas*, great benefit would result from the furnishing, at short intervals, of complete, detailed, and reliable official information respecting the internal and foreign trade of the country; and  
*Whereas*, the present system of furnishing returns of the trade and statistics of the country is incomplete and not suitable to secure correct legislation; and  
*Whereas*, the Government has been memorialized by this and other trade organizations to create a Bureau of Statistics, with special reference to supplying the deficiency complained of;  
*Resolved*,—That this Association again urge upon the Government the creation of a Bureau of Statistics.

V.—*Inspection—Phosphate—Butter—Flour—Oils, &c.*

- XIV. QUEBEC, QUE., BOARD OF TRADE.—That the recent discovery of extensive deposits of Phosphate of Lime, and the consequent increasing value of the article as an export, makes it desirable that shippers be enabled to ascertain the percentage of purity, prior to consignments or advances thereon; therefore it is  
*Resolved*,—That this Board memorialize the Dominion Government, praying for the necessary legislation, and under same the appointment of analysts or inspectors for the purpose of inspecting such Phosphate of Lime as may be offered, in such packages or under such regulations as may be prescribed by the Act.
- XV. OTTAWA, ONT., BOARD OF TRADE.—Compulsory Inspection of Butter, Meat, Fish, Flour, Meal and Oils.

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*VI.—Reciprocal use of Canals—Admittance of Vessels to Foreign Registration.*

- XVI. QUEBEC, QUE., BOARD OF TRADE.—That the Dominion Government be urged to take such action as may result in securing the right of Canadian vessels to navigate American canals.
- XVII. QUEBEC, QUE., BOARD OF TRADE.—That the Dominion Government be respectfully urged to continued efforts towards obtaining the admission of Canadian-built vessels to registration in France on terms of equality with those of Great Britain.

*VII.—Telegraphic Communication in the Gulf of St. Lawrence—Inland Navigation—Halifax the Winter Port—Public Works—Immigration.*

- XVIII. QUEBEC, QUE., BOARD OF TRADE.—The establishment of Telegraphic communication with the Islands in the Gulf of St. Lawrence.
- XIX. HAMILTON, ONT., BOARD OF TRADE.—Increased development of Inland Navigation.
- XX. HALIFAX, N.S., CHAMBER OF COMMERCE.—*Resolved*.—That the Delegate be requested to bring the subject of Halifax as the Winter Port of Canada, before the Dominion Board of Trade, and use all his energies when the matter is discussed, to show the great advantage the Dominion will gain thereby.
- XXI. ONTARIO MANUFACTURERS' AND INDUSTRIAL ASSOCIATION.—*Resolved*.—That this meeting desires to express its cordial sympathy with the efforts of the people of Halifax to make their city a winter port, and would recommend that every facility should be given to shippers to enable them to secure freights both ways over the Intercolonial Railway.
- XXII. ONTARIO MANUFACTURERS' AND INDUSTRIAL ASSOCIATION.—*Whereas*, the building of the Canadian Pacific Railway, and the deepening and enlarging of the St. Lawrence Canals, are absolutely necessary for the development of our national resources, for the opening up and settlement of our North-West territories, and for the keeping of the faith of the country pledged at Confederation to British Columbia: and
- Whereas*, the building and equipping of the Canadian Pacific Railway would furnish employment to our people, open up our iron mines, and stimulate the establishment of rolling mills, locomotive works and car factories;
- Resolved*.—That the Government be urged to proceed with the building of the Pacific Railway, and with the deepening and enlarging of the St. Lawrence Canals, as rapidly as the circumstances of the country will permit.
- XXIII. HAMILTON, ONT., BOARD OF TRADE.—Immigration.

*VIII.—Liquid Measures—Stamp Duties—Returned Letters—Customs Regulations.*

- XXIV. TORONTO, ONT., BOARD OF TRADE.—The desirability of enforcing the existing regulations as to the use of the Imperial Liquid Measure, or abolishing it altogether.
- XXV. HALIFAX, N.S., CHAMBER OF COMMERCE.—*Resolved*.—That the question of Stamp Duties be left open with the Delegate to advocate improvements and amendments.
- XXVI. TORONTO, ONT., BOARD OF TRADE.—That the Post-Office Department be requested to return letters to the senders, when their address is on the envelopes, in those cases where the person to whom they are addressed cannot be found, instead of forwarding them to the Dead Letter Office.

*Liquid Measures, &c.—(Continued.)*

XXVII. ONTARIO MANUFACTURERS' AND INDUSTRIAL ASSOCIATION.—*Whereas*, it is known to members of this Association that in many cases goods and articles of various kinds have been undervalued when imported; and

*Whereas*, the unfair competition which has proved so detrimental to Canadian manufactures has been greatly aggravated by this fraudulent under-valuation;

*Resolved*.—That steps should be taken by the Government to prevent a recurrence of the evil referred to; and this Association recommend, as the best means to accomplish this end, the reduction of the number of ports of entry, by abolishing all, excepting those necessary at or near the frontier,—the appointment of efficient and thoroughly reliable appraisers, and the rigid enforcement of the penalty of confiscation when fraud is clearly proved.

XXVIII. HALIFAX, N.S., CHAMBER OF COMMERCE.—*Resolved*.—That the Delegate be requested to urge upon the Dominion Board of Trade the necessity of asking the immediate abrogation, by the United States, of the duty levied on the tin cans containing Fish, it being, in the opinion of this Chamber, a gross violation of the Washington Treaty.

*IX.—Insolvency.*

XXIX. OTTAWA, ONT., BOARD OF TRADE.—The repeal of the Insolvency Law.

XXX. HALIFAX, N.S., CHAMBER OF COMMERCE.—*Resolved*.—That this Chamber recommend the suspension of the Insolvency Act for five years, but that in the meantime an Act be placed upon the Statute book making null and void all preferential assignments.

XXXI. TORONTO, ONT., BOARD OF TRADE.—That the following amendments be made to the Insolvent Act:—

Sec. 49 and 52 should be amended so as to provide, as was evidently intended, that a Deed of Composition and Discharge shall only be valid when executed by a majority in number, representing three-fourths in value of those who are Creditors, for sums of one hundred dollars and upwards as set forth in the Schedule of Liabilities made and filed by the Insolvent, and not simply the proper proportion of those who have proved claims, and that it shall not be competent for the Judge to confirm a Deed of Composition and Discharge, unless and until it is so executed. See Form 4 A, Insolvent Act, page 37.

Sec. 60 should be amended so as to provide that the Estate of an Insolvent shall not be re-conveyed to him by the Assignee until the Deed of Composition and Discharge has been confirmed by the Judge.

Sec. 80, a clause should be added to this section, providing that where a Creditor has consented to a Composition, the failure on the part of the Insolvent or Debtor to pay that composition will not necessarily revive the original debt, and the Creditor will have the right to rank upon the Estate for the unpaid amount of the composition.—See Notes to this Section.

Sec. 84 should be amended so as to provide, that where a Bank proves a claim upon an Estate it shall be bound to place a specific value upon every individual endorsed instrument or note, and shall not be allowed to place a value upon the security it holds in a lump sum.

XXXII. MONTREAL, QUE., MANUFACTURERS' AND INDUSTRIAL ASSOCIATION.—That this Board memorialize the Provincial Governments of Nova Scotia and New Brunswick to regulate the terms of Bills of Sale in those Provinces.

The foregoing is a complete list of all the Recommendations and Resolutions received to date, and is subject to the revision of the Executive Council.

WM. J. PATTERSON,  
*Secretary Dominion Board of Trade.*

MONTREAL 18th January, 1879.

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# PROCEEDINGS.

CITY HALL, OTTAWA,

TUESDAY, *January 21st*, 1879.

In consequence of the detention of Railway trains delaying the arrival of members, the Ninth Annual Meeting of the Dominion Board of Trade did not open until Three o'clock p. m., at which hour the President, A. JOSEPH, Esq., called the members to order, and said :—

*Gentlemen*.—On taking possession of the chair to which, a year ago, I had the honor of being elected, I desire to welcome to the Ninth Annual Meeting the presence of so influential a representation of the local Boards of Trade of the Dominion, as that which I now see assembled. During the year now expiring, the Executive Council has met frequently, and has properly carried out all the business left for its action by the last annual meeting. You will find on your desks a list of the subjects to be discussed at this session. A great many of them—if not all—are of much importance, and I trust that they will be handled in a business-like manner, devoid of personalities or political bias. As your President, I shall endeavor, while strictly enforcing our rules of order, to grant fair play to each speaker, and I cannot anticipate any trouble in so doing, when I see the assemblage over which I am to preside. During the last session of this Board, a resolution was adopted, having for its object the “organizing a Confederation of representatives from the Boards of Trade of the Dependencies of Great Britain to meet in London once a year, or as often as may be considered advisable, with the object of drawing closer the trade relations between the Colonies and Dependencies of the British Empire.” This matter has had the attention of the Executive, and circulars on the subject have been sent to all the different British Dependencies. During the year I was invited, as your representative, to attend two meetings of

the National Board of Trade of the United States. I regret not having been able to assist in person at either of these, but representatives of this Board were present on each occasion. The first, held at Portland, Me., in September, was attended by Mr. R. S. DEVEBER, of St. John, N.B., one of our Vice-Presidents, and the second, which took place at Washington, in December, by Mr. T. WHITE, M P., of Montreal, a member of the Executive Council, whose report I am certain you will hear with pleasure. Since our last annual meeting, few subjects have attracted more attention at the hands of the local Boards than that of the Insolvent Act, the total abolition of which has been demanded by some of these bodies, while others favor its continuation. You will remember that during last session a lengthy discussion on this subject resulted in its being referred to a special committee. This committee has met frequently in Montreal, and has prepared a report, which, for convenience, has been printed. As the subject is one of much importance to the mercantile community generally, I would bespeak your serious attention to the amendments proposed. Many other important subjects have, during the year, received the attention and consideration of the Executive, and on several of these much correspondence has taken place. Among others I would mention—French registration of Canadian vessels, trade with France, freer commercial intercourse between Great Britain and her Colonies,—I need not, however, particularize, but would refer you to the report of the Executive Council, which has been printed, and will at once be laid before you. I received, with regret, notice from the "Montreal Corn Exchange Association," that it had ceased connection with this Board; at the same time I have much pleasure in informing you that three associations seek admission, viz: "Dominion Grange of Patrons of Industry," "Manufacturers' and Arts' Association of Ontario," and "Dominion Millers' Association." (Applause.)

The PRESIDENT then directed the reading of the minutes as the first order of business, whereupon it was duly moved and seconded:—

"That the minutes of the annual meeting held at Ottawa, in January, 1878, be taken as read and confirmed."

Motion carried.

#### APPOINTMENT OF COMMITTEES.

The PRESIDENT then announced the following Standing Committees:—

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*FINANCE.*

ANDREW ROBERTSON, <i>Chairman</i> .....	MONTREAL.
WM. CARRIER.....	LEVIS.
D. McCULLOCH.....	HAMILTON.

*BY-LAWS.*

HON. JAMES SKEAD, <i>Chairman</i> .....	OTTAWA.
E. K. GREENE.....	MONTREAL.
ALEX. WOODS.....	QUEBEC.

*CREDENTIALS.*

W. E. SANFORD, <i>Chairman</i> .....	HAMILTON.
GUILLAUME BOIVIN.....	MONTREAL.
R. W. ELLIOT.....	TORONTO.

*EXECUTIVE SUB-COMMITTEE ON BUSINESS.*

THOMAS WHITE, M.P., <i>Chairman</i> .....	MONTREAL.
JOHN KERRY.....	MONTREAL.
G. H. DOBSON.....	SYDNEY.

## ANNUAL REPORT OF EXECUTIVE COUNCIL.

The SECRETARY, Mr. WM. J. PATTERSON, then read the Annual Report of the Executive Council, as follows:—

*To the REPRESENTATIVES constituting the*

DOMINION BOARD OF TRADE:—

It has almost invariably afforded pleasure to the Executive Council to come before the Board to report progress. The present office-bearers, however, cannot do so at this annual meeting without referring to the depression in commercial and financial circles, which, commencing in the United States in the fall of 1874, has gone on with augmenting severity,—and the situation is now perhaps less encouraging than at any time in the past twenty years. The commercial crisis in Europe is aggravated by troubles arising from labor combinations; while disastrous Bank failures and mercantile suspensions in Great Britain have intensified the distress which prevails. Canada's commercial relations have made her feel severely the hardness of the times; and, while it is testing the endurance of merchants and manufacturers in the Dominion, the wisdom of Government will be put to a crucial test,—it being well understood that the fiscal policy of this country will be subjected to revision during the next session of Parliament.

The full Report of Proceedings at the Annual Meeting, held in January, 1878, was issued with commendable dispatch,—copies being immediately forwarded to the affiliated Boards and Chambers; and, as has been the practice from the beginning, a copy was sent to each Cabinet Minister, also to all the members of the Senate and House of Commons, early in the session of Parliament.

Without delay, the various Petitions, Memorials and Resolutions, ordered to be presented to His Excellency the Governor-General in Council, and to Parliament, were transmitted, as shown in the following statement:—

## DISPOSAL OF SUBJECTS CONSIDERED AT ANNUAL MEETING OF DOMINION BOARD OF TRADE, JANUARY, 1878.

SUBJECT.	FORM OF COMMUNICATION.	TO WHOM SENT.	WHEN.	REMARKS.	
Confederation of British and Colonial Chambers of Commerce.....	Resolution.....	S. S. Lloyd, Esq., Chairman Assoc'n Chambers of Commerce of Great Britain; also, Circular sent to all Boards of Trade and Chambers of Commerce in British Possessions, [Vide p. 23].	Jan. 25....		
Stamp Act.....	Do. ....	Minister of Finance .....	Feb. 5....	Formally acknowledged, Feb. 6th.	
Tariff.....	Do. ....				
Excise duty on Malt.....	Do. ....	Minister of Inland Revenue.....	Feb. 6....	Promise of consideration.	
Do. do. ....	Do. ....				
Weights and Measures Law.....	Do. ....	Minister of Customs.....	Feb. 7....	Assurance that Department will not relax its efforts to secure uniformity.—Feb. 12th.	
Customs Appraisement.....	Do. ....				
Compulsory Inspection of Butter.....	Do. ....	Minister of Inland Revenue.....	Feb. 8....	Promise that the matter will be considered,—Feb. 11th.	
Inspection of Fish.....	Do. ....				
Department of Commerce.....	Memorial.....	Secretary of State.....	Feb. 11....	Formally acknowledged,—Feb. 13th.	
Do. do. ....	Resolution.....	Ministers of Agriculture, Finance, Customs and Inland Revenue.....	Feb. 11....	Do. do.	
Sugar Duties and West India Trade.....	} Petition.....	Secretary of State.....	Feb. 12....	Do. do. Feb. 16th.	
		} Sugar Resolution.....	Minister of Finance.....	Feb. 5....	Do. do.
		} Memorial.....	Secretary of State.....	Feb. 15....	Do. do. Feb. 20th.
Reciprocal rights on American Canals.....	Petition.....	Do. ....	Feb. 18....	Do. do. Feb. 21st.	
Duty on Foreign Vessels.....	Memorial.....	Do. ....	Feb. 15....	Do. do. Feb. 28th.	
French Registry of Canadian Vessels.....	Petition.....	Minister of Marine and Fisheries .....	March 1 ..	Do. do. March 6th.	
Telegraphic Communication in Gulf St. L.	Letter & Resol'n.....	Secretary of State.....	March 2 ..	Do. do. March 8th.	
Pilotage of Lower St. Lawrence.....	Petition.....	Minister of Public Works .....	March 4 ..	Do. do.	
Direct Australian Trade.....	Letter & Resol'n.....	Referred to Special Committee.....		Report printed and now before members.	
Telegraphs on Government Railways.....		Referred to Special Committee, to report at Annual Meeting .....			
Insolvency Act.....		Referred to Executive Council .....			
Extension of Intercolonial Railway.....					
Development of Iron Industries .....					

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## OBITUARY.

It is the unwelcome duty of the Executive Council to record the decease, in April last, of the Hon. JOHN YOUNG, who took a prominent part in establishing the Dominion Board of Trade, and was its first President. All the members are probably aware that the deceased was for many years identified with the commercial interests of Canada; and the public work with which, from the first, he was most closely identified, was the improvement of the ship channel between the ports of Quebec and Montreal, by virtue of which the latter is now an inland seaport during seven months in each year,—affording ample accommodation for some of the largest steamships in the commercial navy.

## CANADA IN THE INTERNATIONAL POSTAL UNION.

Mention is made, with pleasure, of the following extract from the Annual Report of the Council of the Montreal Board of Trade:—

“Reference was made in the Council’s Report last year to the arrangement which had been procured, for the exchange of direct closed mails between the Dominion and the German Empire. This plan was the only one by which numerous grievances could be obviated until Canada came into the Postal Union—which occurred on 1st August last. It has been authoritatively stated that the partial Postal Convention has, since the first day of the present year, become a Universal Postal Union, all the Colonies and Possessions of Great Britain being now included, and participating in minimum postage rates and frequent mail service.

“Besides the Canadian mail-service proper by the “Allan Line,” the advantages of frequent and regular trans-Atlantic communication is now enjoyed *via* New York—special mails being made up in the principal cities of Quebec and Ontario for dispatch by the steamships of the Cunard, Inman and White Star Companies.”

## U. S. NATIONAL BOARD OF TRADE.

A meeting of the Executive Council of that body was held at Portland, Me., in the early part of September last, the Dominion Board being represented on the occasion by one of the Vice-Presidents, Mr. R. S. DEVEBER. The sessions were mainly occupied in discussing plans for promoting the future efficiency of the Board, and for extending its influence; and it was determined that a special and vigorous effort should be made to bring all the Commercial Boards and Chambers in the United States within its influence. A sub-committee was appointed to consider details, and to report to a meeting to be held at Washington, D. C., in December.

Mr. THOMAS WHITE, M. P., was appointed to represent the Dominion Board at the December meeting; and he has reported as follows:—

MONTREAL, 6th January, 1879.

A. JOSEPH, Esq., *President Dominion Board of Trade.*

SIR,—I have the honour to report that in accordance with your letter of credential, I visited Washington, to attend as a delegate of the Dominion Board of Trade, the meeting of the Executive Council and Presidents of the constituent bodies of the National Board of Trade of the United States.

The object of the meeting was two-fold; first, to consider a report of the Council adopted at a meeting at Portland in September last; and second, to press upon Congress, then in session, the various questions which had from time to time been recommended by the requisite two-thirds vote of the National Board. The chief object of the report adopted at the Portland meeting was to meet the objections which had been urged by some of the larger constituent bodies, on the ground of unequal representation and expense. It was proposed to meet only once in two or three years, and to permit a species of voting by proxy,—that is allowing a majority of the delegation of a Board to cast the vote for the whole. Both these suggestions, however, were abandoned, and, excepting an enlargement of the representation of the constituent bodies, no change of importance was adopted in the constitution of the Board. It has been passing through

the usual trials of all such bodies ; but the feeling among the thoroughly representative men who met at Washington, was strongly to the effect, that, if no other result had followed than that of permitting business men from different parts of the Union to meet together once a-year and compare notes, that advantage has been a full compensation for the cost and trouble connected with the Board.

Among the subjects pressed upon the Committees of Congress, in accordance with the decisions of the Board at its several meetings, was that of a renewal of a reciprocity treaty with Canada. I found a good deal of interest as to the result likely to follow the decision of the elections, on the 17th September last ; and in the statement which I was invited to make before the Council, I explained that that decision was, while in favour of reciprocal trade arrangements between the two countries, emphatically in the direction of refusing to delay the adoption of another policy any longer on account of them. "Reciprocity of trade or reciprocity of tariff," I stated, had been the rallying cry at the hustings ; and that while adopting a policy of self-preservation, at which our friends in the United States could hardly take offence, seeing that it was modelled on their own, the people of Canada, I was sure, would always be ready to agree to the fullest reciprocity of trade, based upon a broad, liberal and comprehensive basis.

In accordance with my instructions, I invited the National Board to send delegates to the approaching meeting of the Dominion Board, and the President was by resolution instructed to appoint delegates for that purpose.

I have to acknowledge, with thanks, many acts of courtesy and kindness on the part of the members of the National Board.

I have the honour to be, Sir,

Your obedient servant,

(Signed)

THOS. WHITE.

#### EXTENSION OF THE TELEGRAPHIC SYSTEM TO THE GULF.

It will be observed from the Official Programme, that the question of extending the telegraphic system to the islands in the Gulf of St. Lawrence is given notice of. This important subject was introduced at the annual meeting held in 1876, by a delegate from Quebec, as originated by Dr. P. FORTIN. In the following year the scheme was inquired into, and reported on, by a Special Committee of the House of Commons. It appeared that an important part of the project was the construction of about 165 miles of a shore line from Matane to Fox River, so as to provide a continuous line from Gaspé to Quebec and Montreal ; and to assist in that part of the plan, the late Government gave a grant of \$10,000 in 1877, and an additional sum of \$5,000 in 1878. The work was thereupon proceeded with, and completed in August last.

Since then, Dr. FORTIN has, on several occasions, addressed the Boards of Trade at Montreal and Quebec, expounding his scheme, and pressing its importance upon public attention with a great deal of success. He has also made a suggestion that probably no better disposal of a portion of the amount coming to Canada from the Fishery Award by the Halifax Commission, could be made, than to apply it to a purpose that will be of so much benefit to the fishermen of the Dominion.

#### TRADE WITH THE WEST INDIES.

In accordance with the action taken at last annual meeting, the Executive Council memorialized the Government as follows :—

*To His Excellency the Right Honorable Sir Frederick Temple, Earl of Dufferin, &c., Governor-General of the Dominion of Canada, in Council.*

THE PETITION OF THE PRESIDENT AND EXECUTIVE COUNCIL OF THE DOMINION BOARD OF TRADE :

HUMBLY SHEWETH :

*That it has been represented to your Petitioners that the consumption of Raw Sugars in Canada is decreasing, and that the consumption of Refined Sugars is on the increase :—*

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*That* representations have also been made to your Petitioners, that the Duty imposed on Raw or Low Grade Sugars is relatively higher than the Duties which are levied upon Refined Sugars, while a drawback [covering, as it is alleged, a bounty of 18c. per 100 lbs.] is still allowed by the Government of the United States upon Refined Sugars exported to Canada; and that these conditions operate disadvantageously to Canadian interests, and especially to the industry of Sugar Refining in the Dominion, which is now discontinued:—

*That* the Intercolonial Railway now affords an independent inlet for the Dominion at the sea-board during winter, and that from Halifax, as the winter port, there are facilities for carrying on a trade with the West Indies and South America superior to any ever before enjoyed by Canadian merchants,—but that the Canadian trade with Tropical and South American countries, is said by those who have been engaged in it, to be decreasing,—it also being the opinion of merchants on the sea-board, as well as in the interior Provinces, that its resuscitation cannot be hoped for until direct importations of Tropical and South American products can be made into Canada:—

*That* the coal industry of the Maritime Provinces would, in all probability, receive a great impetus from an active trade between Canada and the West Indies—the kind of coal produced in Nova Scotia being suitable for the West India market:—

*That* by direct exportations to, and importations from, these countries, profitable employment would be afforded to Canadian shipping and seamen, and also a large increase of traffic to the Intercolonial Railway,—and that thereby Canadian merchants would be able to carry on and extend a most valuable trade without being subjected to onerous charges, commissions, etc., incident to United States ports:—

*That* in view of the representations made to your Petitioners, and the considerations adduced, they adopted resolutions on the subject of the Sugar Duties, and Trade with the West Indies and South America, as follows:

“Resolved, That this Board fully recognizes the great desirability of cultivating direct trade with the West Indies and other Sugar producing countries, not only as in itself an important branch of commerce, but also as directly benefiting the fishery and shipping, and, indirectly, the agricultural and other leading interests of the Dominion; and, as such trade cannot be successfully maintained unless Sugar refineries exist in Canada, it respectfully urges upon the Government the adoption of such measures as may be necessary to counteract the payment of bounties on Sugar by other countries, and thus afford a fair field for refining in Canada; and in accordance with this policy, and in the interest of consumers, the Board would further recommend a slight reduction on the duties now levied on Raw Sugars.”

“Whereas, the surplus Mineral, Fishery, Manufacturing and Agricultural productions of the Dominion are, and are likely to be, far in excess of the home capacity to consume; and

“Whereas, it is a common policy of nations and countries to provide abroad a market demand for all surplus commodities; and

“Whereas, the geographical position of our Maritime sea-board possesses peculiar advantages for an extensive West India and South American Trade; and

“Whereas, the West Indies and Brazil are large consumers of products that are indigenous to Canada, and we import largely through foreign channels the products of the Tropics; therefore

“Resolved, That the Council of the Dominion Board of Trade be respectfully requested to employ their best influence and efforts to impress upon the Government the importance of such modifications of the Treaty relations and re-adjustment of Tariffs, as will secure a reciprocal commerce between the Dominion and the Tropical and South American countries.”

Wherefore,—and for other reasons that need not be adduced, your Petitioners do most earnestly implore that your Excellency-in-Council may be pleased to take this subject into your early consideration, and that you may be pleased to take such measures as in your wisdom shall appear to be best adapted to promote, and establish on a permanent basis, trade with the West Indies and South America, so as to promote Canadian industries, and enable Canadian merchants to send their merchandize direct to these

countries in exchange for their products,—which your Petitioners are persuaded would be productive of the happiest results.

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

Signed on behalf of the Dominion Board of Trade,

A. JOSEPH, *President.*

WM. J. PATTERSON, *Secretary.*

MONTREAL, 18th Feb., 1878.

It seems to be generally understood that, in arranging a commercial policy, trade with the West Indies as well as with South America, will receive the attention of Government,—the Premier having assured the Council of the Montreal Board of Trade that he will cordially embrace every opportunity of increasing the trade of Canada with these countries. Some consideration is said to have been already given to the necessity which exists for direct steamship communication between a port in Canada and a port in the West Indies.

FRENCH REGISTRY OF CANADIAN VESSELS.

The Board having resolved at last annual meeting to memorialize the Dominion Government, relative to the duty to which Canadian vessels are liable prior to admission to French registry, the following was transmitted to His Excellency the Governor-General:—

*To His Excellency the Right Honorable Sir Frederick Temple, Earl of Dufferin, Viscount and Baron Clandeboye, Governor General of the Dominion of Canada, in Council.*

The petition of the Dominion Board of Trade, humbly sheweth:—

That your petitioners previously represented that a discriminative duty existed in France against ships built in Canada,—inasmuch as ships built in Great Britain were admitted to French registry on payment of two (2) francs per ton, while ships built in Canada could not be admitted except upon payment of forty (40) francs per ton;

That that discriminative duty is still maintained, and that it is practically prohibitive—to the great detriment of the shipbuilding industry of the Dominion, preventing, as it is alleged, the sale of Canadian-built vessels to French merchants; while it is believed that the discrimination referred to is a barrier to the enlargement of direct trade with France;

That, it appears to your petitioners, in the making of such a distinction between British and Canadian vessels, a cardinal fact is entirely overlooked, viz., that Canadian-built vessels having British registry are clearly British ships, and ought not to be discriminated against:

That your petitioners, at their recent Annual Meeting, adopted the following resolution, viz.:—

“That the good offices of the Dominion Government be asked, with a view to procure, through the assistance of the British Government, the registration in France of Canadian-built vessels on terms of equality with those of Great Britain;”

Wherefore, your petitioners do most earnestly pray that Your Excellency in Council may be pleased in your wisdom to make such representations to Her Most Gracious Majesty the Queen, as may induce the Imperial Government to take measures for securing to the Dominion immunity from the discriminating impost herein referred to; and that Your Excellency in Council may be further pleased to use your good offices so that, in future treaties with foreign nations, the Imperial Government may be induced to take into consideration the interests of this Dominion as an integral part of the Empire.

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

Signed on behalf of the Dominion Board of Trade.

A. JOSEPH, *President.*

WM. J. PATTERSON, *Secretary.*

[L.S.]

MONTREAL, 18th February, 1878.

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Only a formal acknowledgment of receipt of this petition was given; but it was afterwards printed in a return made to Parliament. This important question is more fully referred to in another part of this report.

## MEETINGS OF THE ASSOCIATION OF CHAMBERS OF COMMERCE OF THE UNITED KINGDOM.

The annual meeting of that body was held at London in February last, S. S. LLOYD, Esq., M.P., presiding. The sessions occupied three days. Attention was given to the subjects of Foreign Tariffs and Free Trade. Resolutions were adopted as follows:—

“That, while fully approving the principles of Free Trade, which have for some time past mainly guided the commercial policy of this country, measures be at once adopted by this Association to enforce upon Her Majesty's Government the inadvisability of signing treaties of commerce with those foreign nations, which exclude Great Britain from the most favored-nation treatment.”

“That the action of several foreign and colonial Governments in imposing protective, and in some cases high and prohibitory duties on the importation of British manufactures, is a subject requiring the continued and earnest attention of the Government; and that the Council of the Associated Chambers be requested to press this question by memorial and deputation at the Foreign Office.”

A resolution was adopted, on a vote of 36 yeas against 10 nays, to call the attention of the Colonial Secretary to the heavy duties levied upon British Colonial manufactures imported into France, with a view to secure for the Colonies the same treatment as the Mother-country. On the subject of a “Minister of Commerce,” it was resolved:—

“That the interests of commerce and industry in all branches of shipping and agriculture, are not sufficiently considered in legislation and administration, for want of a responsible representative of those interests in the Cabinet; and that a deputation wait upon the Prime Minister to urge upon him the necessity of the appointment of a Minister of Commerce and Agriculture.”

It appears that most of the European Governments have given notice to terminate existing commercial treaties with Great Britain,—with a view, it is believed, to an increase of duties on various articles of British produce. At the Autumnal Meeting of the Association, therefore, a resolution was adopted as follows:—

“That in view of the re-actionary tendency of Foreign Governments, this Association desires to impress upon the Minister for Foreign Affairs the importance of vigilance in regard to the negotiation of such treaties as affect this country, and the vital necessity of using his utmost influence in the direction of Free Trade.”

## REPORT OF THE SECRETARY.—TRADE WITH FRANCE.

MONTREAL, 29th Nov., 1878.

A. JOSEPH, Esq., *President Dominion Board of Trade.*

DEAR SIR,—I take the earliest possible opportunity, after my return from England, of reporting to you, for information of the Executive Council, respecting the meeting of the Associated Chambers of Commerce, held at Sheffield, Aug. 27th, and following days.

By the utmost dispatch I was only able to arrive in Sheffield on the evening of 28th Aug., after the *business* meetings had closed.—the *festivities*, however, were only beginning, and there was ample opportunity for friendly intercourse and interchange of sentiment. At a banquet on Aug. 29th, the honor was accorded of coupling my name with the toast of “The Colonies;” and in responding I endeavored to assure the representatives and others present of the loyal attachment of the people of the Dominion to our Sovereign Lady, Queen Victoria, and claimed for Canadians a deep interest in the consolidation of the British Empire,—referring to the resolution adopted by the Dominion Board of Trade at the annual meeting in January last. I afterwards received the most cordial assurances on the part of influential members of the Association, as well as of the Sheffield Chamber, of their desire to do all that was practicable to promote the commercial interests of Canada. The publicity given to the proceed-

ings, accounts sufficiently, I suppose, for several invitations to speak elsewhere about our Dominion,—most of which had to be declined.

In October, I was favored at Sheffield with a special opportunity of speaking before a large audience on the position, resources and commercial interests of Canada,—referring again to the resolution of your Board,—suggesting the preferable alternative of true free trade between Great Britain and all her Colonies and Dependencies by a Customs Union round the world, to that of a North American Zollverein, in which the United States would be the overshadowing power,—but explaining that the views expressed by me were not to be taken as in any way authoritative. Some discussion followed that address, and allusion was made to the excessive tax upon Canadian-built ships before being admitted to French registry. On the occasion of both visits to Sheffield I was assured that efforts would be made to procure, as far as possible, fair consideration for Canada and other Colonies, in the negotiation by the Imperial Government of future commercial treaties.

Opportunities have been afforded since the occasions above referred to, of making some inquiries as to what is comprehended in French tariffs, so far at least as Canada is concerned; and it seems from what I have been able to ascertain, that the question involves immensely more than the rate at which Canadian-built vessels are admitted to French registry, as compared with the rate for British-built vessels.

Canadian-built ships and all other manufactured articles seem to be treated under a general French tariff,—while British ships and manufactured articles are dealt with under the special provisions of the Cobden-Chevalier Commercial Convention of 1860, which is now about to expire.

The differences between the general tariff rates and those of the special convention, are almost, if not really, prohibitive so far as relates to most Canadian manufactures. Take a few examples from among many that might be adduced:—

Under the general French tariff on *Steel Goods* the duty upon certain agricultural implements is 96 francs and 4 per cent *ad val.* per 100 kilos. (about 200 lbs.), and 18 per cent. *ad val.* on the wooden handles. Under the special convention between Great Britain and France, the duty is only 20 francs per 100 kilos., the handles being free. It thus appears that Canadian implements of the kind referred to, are subjected upon entering France to 76 francs per 100 kilos., and 22 per cent. *ad val.*, more than the same description of goods if manufactured in the United Kingdom.

Under the general French tariff, duties on the following articles are practically prohibitive:—

Harness and Saddles, and all Leather Goods.  
All Cotton and Woollen Goods.  
Soap, &c., &c.

Upon Rubber Belting to the value of 380 francs, the duty amounted to 398 francs. The duty upon a Sewing Machine from Canada was 85 francs.

Under the Franco-British Commercial Convention the duties upon the following manufactures are:

Harness and saddles, 10 per cent. *ad val.*  
Cottons (printed) 15 per cent. *ad val.* (Unbleached Cotton yarn, and Cotton and Linen tissues, are admitted from Great Britain free of duty, to be printed or dyed in France for re-exportation).  
Woollens, 10 per cent. *ad val.*  
Soap, 11 francs per 100 kilos.  
Rubber Belting 20 francs per 100 kilos.  
Sewing Machines from England, 6 francs.

By way of illustration it may be stated that Mr. Malcolm of Toronto, who exhibited Harness, Saddlery, &c., at the recent Exhibition in Paris, informed me there that H. R. H. the Prince of Wales had purchased a saddle from him, and that almost immediately after, an order came from a distinguished officer of the French Government for one similar to that purchased by the Prince. It was ascertained, however, that Mr. Malcolm could not sell the article for use in France, without incurring the severe penalty of imprisonment and confiscation of the property,—that for H. R. H. being excepted on account of being in bond and to be re-exported.

Were the commercial intercourse between France and Canada more reciprocal in its character, so far as duties are concerned, there can hardly be a doubt but the volume of exports from the Dominion would increase considerably. I am told that the total values

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of merchandize exported from France to Canada during the years 1874 and 1876, respectively, were 11,512,500 francs, and 9,204,385 francs; while the exports from Canada to France during these years respectively, were 2,796,678 francs and 2,796,675 francs,—there being, remarkably enough, a difference of three francs only between the two totals.

In view of what I have said there are some important points to be considered: (1.) That it is understood by well-informed parties in London, that a new Commercial Convention will probably be entered into between Great Britain and France early next Spring; (2.) That great exertions have been made to procure a treaty between France and the United States, similar in all respects to any arrangement that exists, or that may hereafter be entered into, between England and France, or between France and other European nations; and (3.) there is another consideration of special interest to Canada. It appears that France has Conventions with Belgium, Sweden and Norway, the Netherlands, Switzerland, Italy, Portugal, Austria, Germany, and Turkey, by which the merchants and manufacturers of these countries participate in all the benefits accruing under an arrangement similar to the Franco-English one. If, therefore, it is possible to have the Dominion embraced in the contemplated new Convention, it would seem to be quite possible that *that circumstance might be the key to an intercourse between Canada and many of the European nations very much less restricted than at present.*

It is of importance to remark here that, of course, any arrangement of the kind proposed, would involve, on the part of Canada, a willingness to accept the special English tariff on French goods included in the reciprocal convention; as without this, it could hardly be expected that a foreign country would admit to the advantages of special reciprocal arrangements, a Dependency having independent powers of tariff legislation. The great advantages, however, of being included in any treaty that may be made, would appear to amply compensate for the concessions involved on our part.

I need not dilate upon what might be the disastrous consequences to our commerce, if no account is taken of Colonial interests in future commercial treaties between the Imperial Government and foreign nations. But let me make two suggestions:—(1.) That a communication be forwarded to the Executive Council of the Association of Chambers of Commerce of the United Kingdom, invoking their aid in procuring for the Colonies of the Empire recognition on equal terms in all future commercial treaties with foreign countries; and (2.) the presentation of a Petition to His Excellency, the Governor General of this Dominion, setting forth the disabilities under which Canadian commerce and manufactures struggle, by virtue of the present French tariff,—praying that the Government of this Dominion will take immediate steps to represent the whole question to Her Most Gracious Majesty the Queen and Her Privy Council.

I am, Dear Sir,

Yours Faithfully,

(Signed)

WM. J. PATTERSON, *Secretary.*

Your Council requested the attention of the Executive of the Association of Chambers of Commerce to the importance of the Colonies of the Empire being recognized in future Commercial Treaties, that may be entered into between the Imperial Government and foreign nations,—sending also to the Chairman, S. S. LLOYD, Esq., M.P., a copy of the foregoing report of the Secretary of this Board.

#### BRITISH COLONIAL TRADE WITH FOREIGN COUNTRIES.

The following is a copy of the letter addressed to the Agent of the Association of Chambers of Commerce, on the subject of British Colonial trade with foreign countries:—

#### DOMINION BOARD OF TRADE,

MONTREAL, CANADA, 5th Dec., 1878.

JAMES HOLE, Esq.,

*Agent, Association of Chambers of Commerce of the United Kingdom,*  
LONDON.

DEAR SIR,—Recalling the conversation I had with you a few weeks ago in London, on the subject of the desirableness of the recognition of the Colonies in future Treaties of Commerce entered into by the Imperial Government with foreign countries,—special reference being made at that time to the existing Convention with France, probably soon to be re-negotiated,—I have now to inform you that the question has been brought to the further notice of the Executive Council of this Board. From representations made to

them, it seems as if the subject is one of far wider scope, and of much greater importance to Canada and the other British Colonies, than they were at first aware of. For instance :—While the so-called Cobden-Chevalier Convention with France is understood to have provided for a comparatively low rate of duty upon *British* ships, *British colonial* ships being subjected to onerous duty under the general French tariff, it also provides for admission into France, at low rates of duty, articles which when manufactured in this Dominion, are practically prohibited. This is the case with some kinds of Agricultural Implements, Harness and Saddles, India Rubber Belting, Cotton and Woollen Cloths, Sewing Machines, and other articles which need not be enumerated here; for details would have to be discussed by the several Governments.

In a report which I have made to the President of this Board, [several of the disadvantages against which the manufactures of Canada, for example, have to contend, are specified; and it has been recommended that the Executive Council of your Association be immediately solicited to press upon Her Majesty's Government, directly, or through the Colonial Office, to take into consideration in all future Commercial Treaties with the governments of foreign countries, the interests also of the Colonies and Dependencies of the Empire. I believe it may be safely said that Canada would fairly, even liberally, consider what equivalents she can offer for advantages derived from such Commercial Treaties.

The result of the recommendation is the present communication, which I am to solicit you will kindly bring to the notice of your President, S. S. LLOYD, Esq., and the Executive Council, with the earnest request that they will exercise at the earliest moment all the influence they possess, in assisting to secure for Canada and other Colonies and Dependencies such consideration and action as may tend to promote and consolidate the varied interests of the British Empire.

Soliciting also consideration for circular-letter of 1st November,—on the question of a proposed Convention in London of representatives from all the Colonies and Dependencies of the British Empire,—I beg to inform you that the Ninth Annual General Meeting of the Dominion Board of Trade will commence at Ottawa on Tuesday, 21st January, 1879; and if it were possible for your President or Executive Council to favor us with at least an *interim* reply to this letter and the circular, it would be very highly esteemed.

I am also to tender an invitation to your President and Council to send a delegation to the Dominion Board Meeting in next month, and to assure the gentlemen who may come of a most cordial welcome.

I have the honor to be, Dear Sir,

Yours faithfully,

(Signed,)

WM. J. PATTERSON, *Secretary*.

A prompt reply was received from Mr. LLOYD, as follows :—

ASSOCIATION OF CHAMBERS OF COMMERCE OF THE UNITED KINGDOM,  
1 GREAT COLLEGE STREET,  
WESTMINSTER, S. W., December 20th, 1878.

MY DEAR SIR—I beg to acknowledge your favor of the 5th instant. It would give me very great pleasure to attend your meeting on 21st January, but I regret that it will be quite impossible. I cannot consult my colleagues before posting this letter, but I feel quite sure that you may rely on this Association's earnestly seconding your efforts to secure that the Colonies shall be placed on the same footing as the Mother Country, in all tariff negotiations with foreign states. As you intimate, it is possible that the Anglo-French tariff may speedily come up for consideration, and it would therefore seem desirable that you should at once furnish us with an exact statement of the comparative disadvantages to which Canadian manufactures and shipping are at present subjected.

With reference to the proposal repeated in your Circular of November 1st, asking the assistance of this Association in organizing a Conference of Representatives of the Commercial bodies of the Dependencies of the Empire to meet in London, I should take the deepest interests in such a conference could it be organized; but I am not prepared, without further consideration, to undertake the responsibility of organizing such a Conference (on behalf of this Association). I have requested that a notice may be put on the programme for our next Annual Meeting, touching that subject.

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Our Annual Meeting will take place in London, on the 4th, 5th and 6th March, and it is needless to say that (as hitherto) any representatives from the Dominion Board of Trade will be most heartily welcomed.

I remain,

Yours very truly,

WM. J. PATTERSON, Esq.

(Signed,)

SAMPSON S. LLOYD.

No time was lost in preparing such a statement as Mr. LLOYD suggested,—and he was communicated with, as follows:—

DOMINION BOARD OF TRADE,

SECRETARY'S OFFICE,

MONTREAL, January 16th, 1879.

SAMPSON S. LLOYD, Esq., M. P.

*President Association of Chambers of Commerce of the United Kingdom,*

DEAR SIR,—I have very great pleasure in acknowledging your letter of 20th ult. and am directed by the President and Executive Council to thank you for the cordial expressions of sympathy which characterize it, in regard to the efforts of this Board to procure the removal of restrictions from the trade of Canada with France. You were pleased to say:—"As you intimate, it is possible that the Anglo-French Tariff may speedily come up for consideration, and it would therefore seem desirable that you should at once furnish us with an exact statement of the comparative disadvantages to which Canadian manufactures and shipping are at present subjected." And with as little delay as possible I now respond to your suggestion.

In the report made to the President of this Board, under date 29th November last, and to which your attention was before solicited, some *general* statements were made as to the extraordinary disabilities to which British Colonial trade (especially Canadian trade) with France is subjected. Your perusal of the accompanying copy of that report (Schedule A) is here requested, as preliminary to an exact statement relating to the onerousness,—or rather the prohibitory nature,—of the exactions to which Canadian commerce with France is subjected.

The discriminations to which particular reference is now to be made, are those against Canadian trade with France, and the examples submitted are those of articles taken from the list of Exhibits from this Dominion at the recent "Exposition Universelle," at Paris,—see appended Schedule B. The *whole* list of Exhibits at Paris might have been tabulated, but a selection made almost at random, has been deemed sufficient to illustrate the general subject which I have been endeavouring to lay clearly before you.

You may notice on looking over the list that, unless a very great modification can be effected, the immense expense incurred by the Dominion Government—and, worse than that, all the toil and outlay incurred by Canadian Exhibitors at Paris, have been simply a useless contribution to an Exhibition from which no practical outcome can be looked for, so far as direct intercourse with France is concerned.

It is not deemed necessary, in this communication, to enter upon an argument of the general question to which it relates; I am rather to express the hope that it may appear to you and the Council of the Associated Chambers, to be self-evident that the Colonies and Dependencies of the Empire should not be practically discriminated against in any treaty or arrangement made between the Home-Government and Foreign Countries; and it may be further remarked, in the particular case of a really prohibitive Convention as against Canadian-built vessels, *that it seems remarkable that they have been so dealt with, when it is remembered that their English registry constitutes them legally, as they are really, British vessels.*

I am only further to trespass upon your attention to assure you that Canada believes she is no inconsiderable portion of the British Empire, which she will do all in her power to strengthen and sustain, and will be ready to make equivalent concessions to Foreign Countries for advantages received.

In the hope that this communication may meet your approval, and secure the influence of your Council and Association,—

I have the honour to be, DEAR SIR,

Your obedient servant,

(Signed,)

WM. J. PATTERSON, *Secretary.*

## SCHEDULE B.

*STATEMENT shewing comparatively the duties levied in France upon manufactures from Canada and Great Britain respectively.*

The rates [with 4 per cent. added] in the first column are those of the French General Tariff upon Canadian manufactures. The second column shows the rates of the Cobden-Chevalier Convention upon British manufactures.

BOTTLES—Glass.....	<i>Prohibited</i> .....	1 fc 30c per 100 kilos.
CHEESE.....	7 fcs 20c per 100 kilos..	3 fcs per 100 kilos.
COTTON—Woven manufactures of.....	<i>Prohibited</i> .....	{ 50 @ 345 fcs per 100 kilos according to fineness, &c.
FURNITURE, of wood.....	18 p.c. ad. val.....	{ 7 fcs per 100 kilos. or 10 p.c. ad. val
EARTHENWARE, &c.		
Bricks and flat tiles.....	4 fcs 80c per 1,000.....	Free.
Curved do.....	12 fcs 00 per 1,000.....	Free.
Ridged do.....	30 fcs 00 per 1,000.....	Free.
Drain pipes.....	60c per 100 kilos.....	Free.
Common utensils.....	12 fcs 00 per 100 kilos.....	{ 4 fcs per 100 kilos.
Table-ware, common.....	18 fcs 00 per 100 kilos.....	{ 15 p.c. ad val.
do do fine.....	<i>Prohibited</i> .....	
LEATHER and manufactures of.....		
Pig Skins tanned.....	240 fcs per 100 kilos....	} 10 fcs per 100 kilos.
Goat do do.....	10 fcs per 100 kilos....	
Other do large do.....	54 fcs per 100 kilos....	
do do small do.....	144 fcs per 100 kilos....	
Dyed, varnished or moroccoed.....	<i>Prohibited</i> .....	45 @ 60 fcs p. 100 kilos.
Harness, Saddlery, &c.....	<i>Prohibited</i> .....	10 p.c. ad val.
Boots and Shoes.....	<i>Prohibited</i> .....	10 p.c. ad val.
MACHINES—Agricultural:		
Ploughs, Harrows, Reapers, Mowers, &c.....	18 fcs per 100 kilos.....	6 fcs per 100 kilos.
WEIGHING, Platform Scales, &c.		
weight of which is under 100 kilos.....	78 fcs per 100 kilos....	} 6 @ 15 fcs p. 100 kilos.
do do do 200 do.....	54 fcs per 100 kilos....	
do do do 1000 do.....	42 fcs per 100 kilos....	
SEWING, same as foregoing.....	do do do.....	do do do
IRON and STEEL, manufactures of		
Axes.....	150 fcs per 100 kilos....	15 fcs per 100 kilos.
Files, according to fineness.....	90 @ 270 fcs p. 100 kilos.....	20 fcs do do
Scythes.....	144 fcs per 100 kilos....	20 fcs do do
Spades, Sickles, Forks and other farming utensils.....	96 fcs per 100 kilos....	10 @ 15 fcs do
Saws, circular and straight.....	132 @ 240 fcs do.....	20 fcs do do
Tools of all kinds, of iron.....	60 fcs per 100 kilos....	10 fcs per 100 kilos.
Do. of iron tipped or faced with steel.....	150 fcs per 100 kilos....	15 fcs per 100 kilos.
Do. of steel.....	210 fcs per 100 kilos....	20 fcs per 100 kilos.
Iron Tubes—according to diameter.....	42 @ 62 fcs p. 100 kilos.....	11 @ 20 fcs p. 100 kilos.
Hardware—viz.: Hinges, Bolts, Bars, Braces, Screws, Nuts, Locks, Padlocks, Nails, Spikes, Grates, &c., &c., Iron Bedsteads, Household Articles of iron, tinned, varnished or enamelled.....	<i>Prohibited</i> .....	8 @ 16 fcs p. 100 kilos.
Stoves, Cooking Ranges, &c.....	<i>Prohibited</i> .....	4.50c @ 8 fcs p. 100 kilos.
PAPER HANGINGS.....	150 fcs per 100 kilos....	8 fcs per 100 kilos.
ROPE, Hemp.....	30 fcs per 100 kilos....	15 fcs per 100 kilos.
RUBBER—Shoes, Boots, &c.....	240 fcs per 100 kilos....	60 fcs per 100 kilos.
SOAP.....	<i>Prohibited</i> .....	6 fcs per 100 kilos.
WOOD, Manufactures of:		
Wooden-ware.....	4 fcs 80c per 100 kilos....	4 fcs per 100 kilos, or 10 p.c. ad val.
Doors, Window Sashes, &c., &c.....	18 p. c. ad val.....	Free.
Boards (except of oak or walnut, which are free,) of less thickness than 80 millimètres.....	6c per 100 mètr.....	Free.
Waggon, Carts, &c.....	18 p. c. ad val.....	10 p.c. ad val.
Carriages, &c.....	<i>Prohibited</i> .....	10 p.c. ad val.
WOOLLEN GOODS:		
Fabrics of all kinds.....	<i>Prohibited</i> .....	} 10 p.c. ad val.
Hosiery, &c.....	{ [With some exceptions where the duty is of a prohibitory nature.]	

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## FREER COMMERCIAL INTERCOURSE BETWEEN GREAT BRITAIN AND HER COLONIES.

The following is a copy of the Circular referred to in the foregoing letter to Mr. Hole:—

DOMINION BOARD OF TRADE,  
MONTREAL, CANADA, 1st Nov., 1878.

SIR,—The Executive of this Board have thought it advisable to address this Circular letter to the various Chambers of Commerce throughout the Dependencies of the British Empire, with the object of soliciting their views and co-operation in drawing closer the trade relations between Great Britain and her Dependencies. To attain this, they suggest, that representatives of the various Chambers of Commerce be asked to meet at a Convention, which it is proposed shall be held in London, Eng., as soon as possible in the ensuing year, 1879.

The object of the Convention can best be laid before you by the following extracts taken from the Annual Report of this Board for 1878, the first being an extract from the report of the delegate who attended the Meeting of the Associated Chambers of Commerce of the United Kingdom, held at London in February, 1877, which reads as follows:—

“While watching the proceedings, I observed that all the resolutions of a particular class were worded as follows:—‘In all treaties between Great Britain and Ireland, and other Foreign Countries, &c.’ and asked the Chairman whether this Association of Chambers of Commerce was aware that Great Britain had any Colonies—and if so, where they came in for consideration. The result was that the words ‘and her Colonies’ were inserted after the words ‘Great Britain and Ireland’; on further reflection, however, I came to the conclusion that what the Colonies most needed, was more direct intercourse with each other, and that Great Britain,—say, under the machinery now existing in the Association of Chambers of Commerce—should aid in drawing together a Convention of delegates from all the Colonies of the Empire, for the purpose of considering questions of trade and fiscal policy. Such an assemblage might be convened at the same time as that adopted for the Annual Meeting in London of the Association, and the Colonial Delegates might have a representative status at its meetings. It is, of course, an important question, whether it would be wise to adopt a retaliatory policy towards the United States or any other country whose present fiscal policy is so antagonistic, either to Great Britain or her Colonies; but I do think that all lovers of our present connection with the Mother Country should exert every effort to draw the component parts of the British Empire together, in so far as thought and action may contribute to consolidation. This, to my mind, can be better accomplished by establishing freer commercial intercourse between the Colonies themselves, and between them and the United Kingdom; the result of such action being the building up of a Great Trade Empire, with which Foreign Countries would be only too glad to join. In this way, free trade principles would be nursed and protected. I firmly believe that, unless some broad scheme of this kind is planned and given effect to, the Commercial prosperity of Great Britain will be undermined by foreign countries demoralizing separate portions of the Colonial Empire in detail, and inflicting suffering such as Canada has experienced during the past three years.”

This question was again brought up at our Annual Meeting of 15th January, 1878, and the following resolution was carried unanimously:—

“That it is desirable to communicate with the Associated Chambers of Commerce in England, with the view of obtaining their assistance in organizing a confederation of Representatives from the Boards of Trade of the Dependencies of Great Britain, to meet in London once a year, or as often as may be considered advisable, with the object of drawing closer the trade relations between the Colonies and Dependencies of the British Empire.”

Since then the advisability of some such scheme has drawn the attention of many of the leading political economists of Great Britain, and it has been very favorably received by many prominent men in this country.

The liberty is therefore taken of addressing this to the attention of your Board, and it will be a favor, if, at the earliest possible date, you would take it into consideration, and write in reply.

This Board refrains from offering any suggestions as to how the desired end can be arrived at, believing that if representatives of the commercial interests of the Empire

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can be drawn together, some practical scheme, alike favorable to Great Britain herself, as also to her several Dependencies, and her Indian Empire, may be propounded.

We have the honor to be, Sir,  
Yours obediently,

(Signed,)

A. JOSEPH, *President.*

WM. J. PATTERSON, *Secretary.*

#### DEPARTMENT OF COMMERCE.

The Executive Council again call attention to the importance of the establishment of a Department of Commerce in connection with the Dominion Government. The lack of the necessary statistics relating to Agriculture, Commerce, Manufactures, and Mining, in Canada, has long been felt to be a serious embarrassment; and the establishment of such a Department, either as a distinct branch of the public service, or as a subordinate one of some existing Department, seems to be essential.

#### REPORTS FROM SPECIAL COMMITTEES.

The Special Committee appointed at last Annual Meeting to consider amendments to the Insolvent Act, has reported very fully on the subject,—the recommendations having been printed, and copies forwarded to the constituent bodies, so that their representatives may have an opportunity of considering the question carefully before the report comes up for discussion. It will be observed, that the Official Programme contains one notice for a repeal of the Insolvent Act, and another for its suspension for five years.

A report from the Special Committee appointed to consider the question of extension of the Intercolonial Railway will also be submitted to the Annual Meeting.

Among the subjects referred to the Executive Council was that of the Iron Industry. As this subject is formally submitted by the Halifax Chamber of Commerce and the Cape Breton Board of Trade for discussion at the present meeting, the Council did not deem it necessary to take any action on the subject, leaving it to the Board to deal with it upon the motions embodied in the Official Programme.

#### APPLICATIONS FOR AFFILIATION.

Applications have been made from the Dominion Grange of Patrons of Industry and the Ontario Manufactures and Arts Association for affiliation with the Dominion Board of Trade. The Executive Council informed them that the power to admit to affiliation was vested in the Board, and promised to submit the applications at this meeting, at the same time furnishing them with copies of the Constitution of this Board. Your Council see no objection to the admission of these two bodies to affiliation, and would recommend that a resolution to that effect be at once adopted.

#### TREASURER'S STATEMENT.

The Treasurer's accounts for the past year show that the revenue has fallen short of the expenditure by \$506.80, which, with the deficit of \$70.00 from the previous year, makes a total indebtedness of \$576.80. This amount would have been reduced by \$174.00, but for two Boards failing to pay their assessment for 1878.

#### CONCLUSION.

In closing their report, the Executive Council would call special attention to the fact, that the functions of the Board extend far beyond the mere Annual Meeting and discussion of subjects which may be submitted for consideration by constituent bodies; they are continuous, and include the treatment of questions which no local Board of Trade could possibly deal with. In confirmation of which, reference may be made to those portions of the report relating to British Colonial trade with foreign countries, (especially with France) to trade with the West Indies, to commercial relations with the United States, and to others of a cognate character. The information obtained on these

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subjects through the correspondence of our very efficient Secretary, Mr. Wm. J. PATTERSON, representing as he does in this correspondence, the trade interests of the Dominion at large, is of great importance. The Council hope that this view of the value of the Dominion Board, and of the important duties which it performs, will tend to increase the confidence in which it is held by constituent bodies, and thus add to its usefulness and success.

Respectfully submitted on behalf of the Executive Council.

(Signed,)

A. JOSEPH, *President.*

MONTREAL, 17th January, 1879.

On motion of Mr. J. J. BREMNER (Halifax), seconded by Mr. WM. CARRIER (Levis), the Report was adopted.

### THE REPORT OF THE COMMITTEE ON INSOLVENCY.

The Report of the Special Committee on Insolvency, appointed at last annual meeting, of which printed copies had been sent to the various affiliated Boards, was submitted as follows :—

MONTREAL, 7th January, 1879.

To the President and Executive Council

OF THE DOMINION BOARD OF TRADE.

GENTLEMEN,

We beg to call your attention to the following resolutions, adopted at the Annual Meeting held at Ottawa in January, 1878 :—

*Resolved.*—“ That the Insolvent Act of 1875 and Amendments are framed for the management of the Estates of Traders after they become Insolvent, and to prevent any Creditor from obtaining a preference over the general creditors of the Insolvent ;

“ That such an Act is necessary, and should not be repealed ; and further,

“ That the subject of Insolvency be referred to a Committee, to report thereon at the next meeting of this Board, and that Messrs. A. Robertson (*Chairman*), W. Darling, A. T. Paterson, J. Kerry and E. K. Greene, form such Committee.”

The Special Committee thus appointed addressed a circular to all the constituent bodies, as well as to other commercial organizations, requesting that a copy of any proposed amendment to the Insolvent Law of the Dominion, which had been considered and approved by them, be forthwith sent to the Secretary of the Board. Soon afterwards, the Committee proceeded to the consideration of the various suggestions they had received ; but, after frequent conferences, and before finally determining upon the details of a Report, it was resolved to ask for further information from those most intimately acquainted with the legal procedure and working of the Act, as to any alterations that may have been suggested by their experience of the present statute. A large number of professional gentlemen were, therefore, addressed, and many valuable and, in some instances, elaborate replies received, involving long and patient reconsideration of previous deliberations before a final Report was agreed upon. The proposed amendments to the Insolvency Law, as recommended by the Special Committee, are given in full in an Appendix to this Report.

For the sake of perspicuity, however, it has been deemed expedient to make a brief general Report of the proposed recommendations, which the Special Committee now beg to do, leaving the Members of the Board to examine the details at their leisure. It is therefore summarily reported to you as follows :—

That no Deed of Composition and Discharge should be valid, unless signed by a majority in number and three fourths in value of the Creditors, as stated by the Insolvent under Form F, and furnished to the Assignee, under the provisions of Section 17 of the Insolvent Act, and of any additional Creditors stated by him at any time after furnishing the Statement Form F, and of any Creditors discovered by the Assignee, or

who may make claims against the estate, and which claims the Assignee finds are well founded, and that a majority in number and three-fourths in value of all these Creditors have proved their claims, and signed the Deed of Composition and Discharge.

That Deeds of Composition and Discharge should not be received after sixty days from the date of the assignment, or issue of a Writ of Attachment; and the Assignee and Inspectors should not suspend any proceedings for the realization of the estate, except by a vote of the majority in numbers and three-fourths in value of the Creditors; and should any sale of the effects of an Insolvent Estate be advertised to be made by public sale, or by tender, such sale should not be stopped by the deposit with the Assignee of a Deed of Composition and Discharge.

If the Deed of Composition and Discharge is valid the Insolvent should be entitled to the proceeds of the sale.

Should the first offer of a Composition by the Insolvent be refused, no second offer should be received from the Insolvent by the Assignee, unless a majority in number and nine-tenths in value of the Creditors have signed the Deed.

The Insolvent should not be entitled to his discharge, or to the confirmation of a Deed of Composition and Discharge, if he has purchased goods on credit, knowing he was unable to pay for them, and the 136th section of the Insolvent Act should be available to any Creditor in opposing the discharge of an Insolvent, as well as in taking proceedings against him for fraud.

No Deed of Composition and Discharge should be valid unless there is sufficient security for the composition, nor should the minority in number and value of the Creditors be bound by any Deed of Composition and Discharge signed by the majority in number and three-fourths in value, unless the payment of the composition is secured.

The Assignee to an Insolvent estate should not be permitted to convey the estate to the Insolvent on the execution of a Deed of Composition and Discharge, until the Deed is confirmed by the Court; and the Affidavit of the Assignee and Inspectors should be produced before the Court, that the Deed is signed by the majority in number and three-fourths in value of all the Creditors of the Insolvent, as stated by him in Form F, and furnished to the Assignee under the provisions of the 17th section, or in any subsequent statement made by him, and of all Creditors discovered by the Assignees, or Inspectors, and that all the Creditors who have signed the Deed had proved their claims and had valued and deducted all securities held by them.

The Minority of the Creditors should only be bound by the majority in number and three-fourths in value, when the estate of an Insolvent has paid or will pay to the unsecured Creditors 50 cents to the Dollar.

After a demand is made upon a debtor, or after a Writ of Attachment is obtained, action should be taken within a limited time to have the Writ acted upon by an Official Assignee, after which time, if no action has been taken, it should be necessary to make another demand or to have another Writ. No opportunity should be given to a Creditor to suspend action upon a demand or upon a Writ of Attachment and thus retain the power to select any Official Assignee he desires to have placed in charge of an Insolvent estate.

Official Assignees should not be eligible as Creditors' Assignees; their duties should terminate as soon as the Creditors elect an Assignee. Their number should be decreased to one in each County, and not more than two in a Judicial District, and their remuneration should be limited to the repayment of actual disbursements, and for estates under \$2000 should not exceed \$4.00 per day, and for larger estates \$5.00 per day, the probability is they may have several estates at one time.

Security should be given by the Official Assignee only for his conduct in the proper management and care of the estate during the time he acts as Official Assignee, and as soon as the Creditors appoint an Assignee the security should be liable only up to the time the Official Assignee transfers the estate to the Creditors' Assignee.

Should the duties of the Official Assignee be thus limited, and there be default in the appointment of a Creditors' Assignee, the Official Assignee should apply to the Judge to appoint an Assignee to the estate.

Should the duties of the Official Assignee not be limited in this manner, it should not be in the power of the Creditor who makes the demand upon the debtor, or who obtains the Writ of Attachment, to select the Official Assignee; the Judge should name the Official Assignee in the county or district who is to take charge of the estate, and this should be done in rotation, beginning with the name of the Assignee at the top of the list.

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Official Assignees in the Province of Quebec should not be appointed for Electoral Divisions, but for Judicial Districts.

To entitle a Creditor to make a demand to have a Writ of Attachment, the application should be made upon a debt overdue.

The Insolvent should make an affidavit to his statement of affairs, and to any corrections or supplement he may make to this statement.

Security should be given in every case by the Creditors' Assignee, and no appointment should be made by Creditors of an Assignee without security, which should be for at least 25 per cent. of the estimated value of the estate, the Insolvent Act should have a form of Bond for the Creditors' Assignee and should provide by whom it is to be held for the benefit of Creditors, and who should have the power to proceed upon the Bond against the securities.

It might be provided, that the Official Assignee should only give up an estate to the Assignee appointed by Creditors after his Bond of Security has been executed, and lodged with the party entitled to hold it.

When an Assignee, under the authority of Creditors, demands the assignment and delivery of a Security at an advance of 10 per cent., payment should be made to the holder of the Security before any dividend is paid to the general Creditors; the holders only of negotiable instruments, such as bills or notes, should be permitted to prove them against an estate, to vote on such claim or to draw dividends, and the production of the notes or bills should be necessary when the claim is proved, at which time the Assignee should write upon the note or bill that the claim has been proved against the estate, and the notes or bills should be produced on the payment of each dividend, and the note or bill marked with the date of payment of the dividend and the amount paid.

In the Province of Quebec the privilege of the unpaid vendor, under the Civil Code, is at variance with the 82nd Section of the Insolvent Act; it is desirable that the provisions made in the Insolvent Act should be the rule in all cases.

It has become the practice to take the endorsement of the partners of a firm to secure debts due by the firm, and enable the holders of such bills or notes to rank on the estate of the firm and on the estate of the private Creditors until paid in full. It should be provided in such cases that the dividend received from the estate of the firm should be deducted from the Claim, and the balance only ranked for against the estate of the partners.

In addition to the foregoing there are a number of suggestions regarding balances in Banks, Advertisements, Inspectors sales of estates *en bloc*, recovery of penalties for Assignees, Landlord's privilege in the Province of Quebec, the restraining of Mortgage and privileged Creditors from proceeding in Chancery. That Section 102 and the amendment to that Section, and Section 128 should be made to agree in regard to there being no appeal from the decision of a Judge in the appointment of an Assignee or Inspectors; that Section 104 should be amended as regards the proof of claims; that Chattel Mortgages should give the holder no preference, unless the Mortgagor was solvent when the Mortgage was granted, and that there be no claim for dower on the real estate of an insolvent trader.

There are also a number of suggestions from the Scotch Bankrupt Act which appear to be valuable, but to insert them in our Report would be only a repetition, and therefore all the suggestions that have been made, and which have been considered valuable, will appear in the Appendix to this Report, and to which we call the attention of the Board.

Before closing this communication, the Special Committee beg to express their thanks to all who so readily responded to their requests for information on the important question which has, less or more, for several months engaged attention. While they have not been able to adopt all the suggested amendments as formulated in the various replies, they have steadily aimed at embodying in their conclusions the essence of all that appeared to be valuable.

The whole respectfully submitted.

(Signed.)

ANDREW ROBERTSON, *Chairman.*

WM. DARLING.

A. T. PATERSON.

JOHN KERRY.

E. K. GREENE.

## APPENDIX.

## DETAILS OF THE AMENDMENTS TO THE INSOLVENCY LAW RECOMMENDED BY THE SPECIAL COMMITTEE.

SECTION 2—SUB-SECTION II.—It is provided that the proportion of claims in value required to give validity to a deed of composition and discharge, shall be formed of all claims proved in the manner provided by the Act, and the proportion of claims so proved must amount to a majority in number and three-fourths in value. This has led to great complaints from creditors, for at any time, the Insolvent can file his deed of composition and discharge if he has upon the deed the names of the majority in number and three-fourths in value *who have proved their claims*.

The remedy for this is, that it should be provided that there must be a majority in number and three-fourths in value of the creditors stated by the Insolvent under form F, and furnished to the Assignee under the provisions of section 17, of the Insolvent Act of 1875—and of any additional creditors stated by him at any future time, and of any creditors discovered by the Assignee, or who may make claims against the estate and which claims the Assignee finds are well founded, and that the person who signs a deed of composition and discharge must, before doing so, have proved their claims in the manner provided by the Act.

At present, a majority in number and three-fourths in value of the creditors of an Insolvent is sufficient to carry a deed of composition and discharge; should the first offer be refused by the creditors, it should be provided that no second offers can be carried unless a majority in number and nine-tenths in value of the creditors agree to it in writing.

Deeds of composition should be filed with the Assignee, within 60 days of the assignment or issue of a writ of attachment, but neither the Assignee or Inspectors should suspend any proceedings for realizing the estate, unless by a vote of the majority in number and three-fourths in value of the creditors; and should the effects of an estate be advertised for public sale, such sale should not be stopped by the deposit of a deed of composition and discharge; if the deed of composition and discharge is valid, the Insolvent should be entitled to the proceeds of the sale. Serious expenses have been incurred by merchants and others in attending sales at public auction of the stock in trade of insolvent estates, and these sales stopped by the deposit of a deed of composition and discharge.

SECTION 5—If no opposition is made to a demand for an assignment by a creditor, and the debtor does not assign on the sixth day after the demand is made, the power of the creditor to take proceedings in compulsory liquidation should be limited to ten days from the date of the demand; after that time a new demand should be made upon the debtor.

At present a friendly creditor makes a demand upon a debtor, and he can at any time have a writ of attachment issued and place the estate in the hands of an assignee of his selection.

If there is more than one assignee in any county or district, the Judge or Prothonotary who grants the writ should name the assignee to whom the writ is to be addressed in rotation, beginning with the name of the assignee on the top of the list. If this were done, it would prevent assignees from taking means to force debtors into insolvency through a creditor friendly to the assignee, in order that he might obtain the gains to be made in winding up the estate.

SECTION 9.—The debt should be overdue to entitle a creditor to a Writ of attachment, and the Writ of attachment, when issued to the Official Assignee of the County or District in which the Insolvent has his chief, or one of his principal places of business, should entitle that assignee to seize and attach the effects and estate of the Insolvent in any County or District in any part of the Dominion.

And if a creditor, his clerk or other duly authorized agent, makes affidavit to his claim and a Writ of Attachment issues, it should be provided, that it be addressed to one of the Official Assignees of the County or District in which such Writ shall issue, within 48 hours from the time of its issue.

At present these writs are held back until the creditor chooses to put the writ in force, and he selects the Assignee.

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SECTION 11.—Writs of attachment should be executed as soon as possible after they are issued, and the time should be limited. At present they are sometimes issued and held under the control of an Assignee favorable to the insolvent, and action taken upon them only when there is danger of another Writ being issued and placed in the hands of another Assignee.

SECTION 14.—The debtor should make the Assignment to the Assignee, in the County or District in which he has his chief place of business, and Writs of Attachment should also issue from the Judge or Prothonotary of such County or District.

Assignments have been made of City estates to assignees in another place, because the debtor has a dwelling house there.

SECTION 17.—The insolvent should make an affidavit to his statement of affairs (Form F), and also an affidavit to any correction or supplement he may make to this statement.

SECTION 21.—Ten days notice by mail is too short a time; it should not be less than fifteen days. If a meeting of creditors is called in Prince Edward's Island, a letter mailed ten days before the meeting to a creditor in Montreal is too short notice, and at certain times in the year a creditor could not attend the meeting from not having notice in time.

SECTION 27.—Official Assignees should not be eligible as creditors' assignees; their duties should terminate as soon as the creditors elect an assignee, and the number should be decreased. The remuneration should be limited to the repayment of the actual disbursements; and for estates under \$2,000, the fees should not exceed \$4 per day, and for larger estates \$5 per day.

In the Province of Quebec, in the Judicial districts of Quebec, Montreal and St. Francis, Official Assignees should have their appointment for the whole district, and not for electoral districts.

SECTION 29.—The Act should provide that in every case the Assignee appointed by creditors should give security. (See Scotch Bankrupt Act, section 72.)

Security should be given by the Official Assignee only for his conduct during the time he acts as Official Assignee; and as soon as the creditors appoint an assignee, the liability of the security for the Official Assignee should be limited to his conduct up to that time.

The creditors in this way would not be misled by supposing that there was security for the conduct of the Assignee, if the same person who acted as Official Assignee was appointed Creditors' Assignee; and they should in every case demand security from the Assignee, and the value of the security should weigh with them in the voting for an Assignee. The Insolvent Act should have a form of a bond for the Creditors' Assignee, and should provide by whom it is to be held for the benefit of creditors, and who should have power to proceed upon the bond against the securities. It might be provided that the Official Assignee should only give up an estate to the Assignee appointed by creditors after his bond of security has been executed and lodged with the party entitled to hold it, and that the bond should not be for less than 25 per cent. of the estimated value of the estate.

Should the duties of the Official Assignee be limited, and he be not eligible for the office of Creditors' Assignee, in default of the appointment of an Assignee by creditors, the Official Assignee should apply to the Judge to appoint an Assignee to the estate.

SECTION 35.—The Inspectors should advise and direct the Assignee in the management and winding up of the estate, and such directions should appear in the minute-book of meetings of creditors or of inspectors, proof of claims, &c., kept by the Assignee in connection with that estate, but no instructions given by Inspectors and executed by the Assignee at variance with the provisions of the Insolvent Act should release the Inspectors from their liability to creditors, or the Assignee and his securities from their liability to creditors.

There should be *three* Inspectors, and the majority of them should govern in superintending and directing the proceedings of the Assignee in the management and winding up of the estate, and no Inspector who has accepted or acted under an appointment of creditors as an Inspector, should be permitted directly or indirectly to purchase any part of the stock in trade or assets of the estate over which he is Inspector, even if he resigns his office of Inspector before making the purchase.

SECTION 37.—Forty-eight hours is too short a time to give the Assignee notice of objection; the agent at a meeting may be unable to consult his principal, and this time might be extended to 5 days.

SECTION 38.—No sale of an estate *en bloc* should be made without two weeks advertisement in the local papers.

SECTION 48.—Any creditor who proceeds against an Assignee should be entitled to the penalty recovered from the Assignee.

SECTION 56.—The Insolvent should not be entitled to his discharge or to the confirmation of a deed of composition and discharge if he has purchased goods knowing himself to be unable to pay for them, and the 136th section of the Act should be available to any creditor in opposing the discharge of an Insolvent as well as in taking proceedings against him for fraud.

SECTION 59.—A deed of Composition and Discharge should only bind the minority when sufficient security is given for the due payment of the Composition offered; under the Scotch Bankrupt Act, Section 137, no offer of Composition is entertained without security, and the deed of Composition should be an absolute reduction of the original debt to the amount of the Composition.

SECTION 60.—The Assignee to the estate should not be permitted to convey the estate to the insolvent on the execution of a Deed of Composition and Discharge until the deed is confirmed by the Court; and the required declaration of the Assignee should also be made by the inspectors before the Court, that the majority in number and three-fourths in value of all creditors of the insolvent as stated by him in form F, and furnished to the Assignee under the provisions of the 17th Section, or in any subsequent statement made by him, and that all the creditors discovered by assignee or inspectors are taken into consideration, and that in estimating the value, all securities held by creditors have been valued to the satisfaction of the assignee and inspectors, and deducted from the claim.

SECTION 64.—The notice by mail is too short; 15 days is short enough.

SECTION 74.—Landlords' privilege in the Province of Quebec in cases of insolvent tenants should be restricted to 6 months, making the Province of Quebec in this respect the same as the other Provinces, and should not, in cases of insolvency, be governed by the provisions of the Civil Code.

SECTIONS 75 AND 76.—Mortgage and other secured creditors upon insolvent estates should prove their claims in the usual manner, and be restrained from proceeding in Chancery.

SECTION 101.—Notices.—Ten days is too short; it is sufficient for the Provinces of Quebec and Ontario, if the debtors and creditors reside there, but not for the United States or Maritime Provinces.

SECTION 102—and amendment 40th Victoria, No. 23—provides that the decision of the Judge in any question involving the appointment of an assignee shall be final, while in Section 128, it is provided that all decisions or any final order or judgment rendered by a Judge may be appealed. This Section should be made to agree with Section 102 and amendments, and it would then provide that all decisions by a Judge, in matters of insolvency, may be appealed from, except his judgment in the appointment of an Assignee or Inspector.

SECTION 104.—Uncontested claims sworn to should not be considered proved. The Assignee with the advice of the Inspectors should, in writing, addressed to the claimant, admit or reject claims; if rejected, the claimant can appeal to the Judge; and the costs in all cases should fall upon the person whose claim is not confirmed by the decision of the Judge or Court.

When proof of claim is made upon negotiable instruments, the Assignee should be authorized to require the original document to be produced and to write upon it. *Proof is made in respect of this note, draft or bill (as the case may be), upon the estate of—, and this document should be produced on the payment of each dividend, and the Assignee should write upon it the date of payment of dividend and the amount.*

SECTION 107.—But the amount at the credit of an Insolvent in any Bank should not be available as a set-off against any debt of the Insolvent that has not matured at the date of the Insolvency; such balance should be paid to the Assignee to the Estate.

SECTION 133.—Chattel Mortgages should give no preference to the holder of the Mortgage, if the person who gave the Mortgage was Insolvent at the time the Chattel Mortgage was granted; any Chattel Mortgage granted by a person in such circumstances should be considered as a transfer made in contemplation of Insolvency by way of Security for preferential payment to a Creditor of Creditors.

SECTION 136.—This section should always be taken into consideration at the time a Discharge is granted by the Courts, or a Deed of Composition and Discharge conferred,

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and the creditor should have the right to oppose the discharge under this Section, and to prove that the Insolvent has purchased goods on credit, or obtained advances in money, or the endorsement or acceptance of negotiable paper without consideration, or that he has induced persons to become security for him, knowing or believing himself to be unable to meet his engagements, and that the proof of this from the books of the insolvent, or otherwise, should be a bar to his discharge for at least five years.

SECTION 139.—This section should specially apply to an Assignee who falsely represents to the Judge that the majority in number and three-fourths in value of *all* the creditors of an insolvent have signed the Deed of Composition and Discharge, and that all who have signed the Deed had duly proved their claims and deducted all securities to the satisfaction of himself and the inspectors.

SECTION 65 AND AMENDMENTS.—It is provided that a debtor should not obtain a discharge from the Court unless his estate has paid or will pay 50 cents to the dollar. It is desired that the minority should only be bound by a discharge when the estate of the insolvent has paid or will pay 50 cents to the dollar.

SECTION 82.—It is provided under this Section "that in the Province of Quebec the privilege of the unpaid vendor shall cease from the delivery of the goods sold," and it was apparently intended to make the law in this respect similar to the law in the other Provinces; but there has been a great deal of litigation on this subject in the Province of Quebec, as the Civil Code of Lower Canada under 1998, 1999 and 2000 is at variance with the provision made in Section 82 of the Insolvent Act, it is desirable that the provision made in the Insolvent Act should be the rule applied in all cases of Insolvency, otherwise dealers in Flour, Tea, Liquors and all other goods kept in stock and sold in packages, have an advantage over the dealers in all goods that require to be opened and exposed for sale. It is only goods that are in entire packages and in the same condition as when sold, that the seller can exercise the right to revendicate.

SECTION 53.—It is provided that an Insolvent who has obtained a consent to his discharge or a deed of Composition and Discharge, *may* file the same and give a notice form *J*; when this is done, any Creditor or Assignee may oppose the confirmation of his discharge. And under Section 60 it is provided, so soon as a deed of Composition and Discharge has been executed, it shall be the duty of the Assignee to re-convey the estate to the Insolvent.

It has been found that an Assignee can re-convey the estate to the Insolvent, although the Inspectors oppose his doing so on the ground that the majority in number and three-fourths of the value of the Creditors are not parties to the deed, and that the Judge will not hear the case on the merits until the Insolvent files the deed of Composition and Discharge, and gives notice form *J*; the Insolvent is not obliged to give notice form *J*, as the Act only provides that the Insolvent *may* do so, he thus holds possession of his estate re-conveyed by the Assignee, against the directions of the Inspectors, and the creditors are unable to do anything to compel the notice to be given by the Insolvent, so that they may oppose the deed of Composition and Discharge. In the Act of 1869, the form *O* gave the creditors the power to compel the Insolvent to file his deed of Composition and Discharge, otherwise the discharge would be annulled. It is therefore necessary that it be provided in Section 53, that the deed of Composition and Discharge, or the consent to a Discharge, must be filed in the office of the Court, and notice given, form *J*, within 8 days after the Assignee has given his certificate and transmitted the same to the Clerk or Prothonotary in the County or District wherein the proceedings are carried on. *See Section 52.*

SECTION 84.—In this Section it is provided—"If a creditor holds security from the insolvent, or from his estate,—or if there be more than one insolvent liable as partners, and the creditor holds security from, or the liability of, one of them, as security for a debt of the firm,—he shall specify the nature and amount of such security or liability in his claim."

It has now become the practice not only to take the promise of a firm upon bills or notes, but to take, in addition, the endorsement of any of the partners who have private means. The whole of the partners of a firm are liable to the whole extent of their means on any bill or note signed or endorsed by the firm in which they may be partners, and the object in getting the special endorsement of the partners is to have the right of ranking first upon the estate of the partners in their united business, and also upon the separate estates of the partners in competition with their private creditors.

The separate partners, in this way, can at any time give a preference to any creditor of his firm, and thus keep his private estate from the general creditors of his firm, and

give it, as a preference, to any of the creditors of his firm that he pleases. In giving credit to a firm, the creditor looks to the assets of the firm and to the private estate of each of the partners as a security for the credit, as the acceptance of the firm binds the whole of the property of the firm, as well as the property of the individual partners.

It would be desirable that the claimant against the estate of a firm, should only have the right to rank on the assets of the firm, and the right to rank on the estate of the individual partners of the firm after the private debts of the individual partners are paid; and that the endorsement of the individual partner does not in any way alter his liability, as he was liable to the full extent of his private property by the signature of his firm, after his private debts were paid.

If however it be considered proper that the partners at any time may prefer any creditor of the firm by endorsing the bills held by such creditor, and thus give a preference over his private estate, the rule for ranking in the Scotch Bankrupt Act should be adopted, Section 66. "When a creditor claims on the estate of the partner of a Company in respect of a debt due by such Company, the Trustee on the estate of such partner shall before ranking such creditor put a valuation on the estate of the Company, and deduct from the claim of such creditor such estimated value, and rank and pay him a dividend only on the balance."

The intention of Section 84 of the Insolvent Act of Canada apparently is, that the liabilities of the partner should be treated as a security, and the value of that liability deducted from the claim against the firm, but the concluding part of the section and the amendments show that if the security held is based upon negotiable instruments after they are mature and unpaid, that the creditor has the right to rank on both estates until paid in full.

Should the Assignee under the authority of creditors require the assignment and delivery of a security at an advance of 10 per cent., payment should be made to the holder of the security before any dividend is paid to the general creditors, and no creditor should be permitted to prove a claim for Bills or Notes under discount. If these Bills or Notes are not in his possession, it should be provided that only the holders of Bills or Notes should be permitted to prove a claim for such Bills or Notes, and to vote and draw dividends upon them.

When negotiable instruments form the claim upon an estate, on which the security has to be deducted, the claim should not be received by any Assignee unless each negotiable instrument is separately stated and valued.

SECTION 88.—This section might be amended in the manner provided by the Scotch Bankrupt Act, that the claims shall rank first upon the estate by which the debt they represent was contracted, and after the amount of dividend is ascertained; that the creditor shall only be entitled to rank on the estate of the individual partner for the balance after deducting the amount to be received, or that has been received, from the estate of the Company, and for this amount the creditor is entitled to rank in competition with the creditors of the individual partner.

DOWER.—It should be considered whether sales of the real estate of an insolvent trader should not set aside any claim for dower.

#### SUGGESTIONS FROM THE SCOTCH BANKRUPT ACT, &c.

Notwithstanding any offer of Composition, the Assignee should proceed in the execution of his duty as if no such offer had been made until the confirmation of the deed of composition and discharge is pronounced upon by the Judge.—See Section 142 Scotch Bankrupt Act.

Insolvent not entitled to a discharge under the Insolvent Act. If the free funds for division among creditors does not amount to \$500.—See 168 Scotch Bankrupt Act.

As there is often fraud on the part of the Insolvent by representing the claims of creditors favorable to him to be larger than their just claims in order to carry through a deed of composition and discharge, the 143 section of the Scotch Bankrupt Act would to some extent remedy this.

143 Section of the Scotch Bankrupt Act.—"Neither the Bankrupt nor the security for the composition shall be entitled to object to any debt which the Bankrupt has given up in the state of his affairs as due by him or admitted without question to be reckoned in the acceptance of the offer of composition nor to object to any security held by any creditors unless in the offer of composition such debt or security shall be stated as objected to and notice in writing given to the creditor in right thereof."

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Any estate wherever situated which may be acquired, or descend or revert to the Insolvent previous to his discharge, should be transferred to and vested in the assignee, and if the Insolvent does not immediately notify the Assignee that such estate has come to him in the manner above stated he should forfeit all the benefits of the Act.—*Section 103 Scotch Bankrupt Act.*

The examination of the Bankrupt must be made and completed before an offer of composition is accepted under the Scotch Bankrupt Act.—*See Section 138.*

The lodging a claim in the hands of an Assignee, or in the hands of a Chairman at any meeting under the Insolvent Act, or presenting a petition for the issue of a writ of attachment should interrupt prescription.—*See 109 section, Scotch Bankrupt Act.*

No creditor who has placed a value on the security he holds can correct such valuation, if before doing so he has been required to convey the security to the Assignee on payment of the valuation placed on the security with the advance allowed by the Act, the Assignee, with consent of the Inspectors, has two months allowed them to do this after the valuation of the security has been made.—*62nd section of Scotch Bankrupt Act.*

It has been found that advantage is taken at meetings of creditors to set aside claims that are well founded because the oath or claims is not framed in the manner provided by the Act, and oppositions to claims are also made causing expense to persons who have well founded claims for the same reasons. The provisions of the Scotch Bankrupt Act, section 51, would do away with much of the annoyance and injustice to creditors, from the manner in which the oath or claim is framed or produced.

*Section 51 Scotch Bankrupt Act.*—When it appears to the Assignee that the oath or claim of any person produced with a view to voting or ranking, and drawing a dividend from the estate is not framed in the manner required by the Act, he shall call upon such person or his agent to rectify his oath or claims, pointing out to him where it is defective, and unless such person or his agent shall thereupon make such alteration upon his oath or claim as may be necessary in order to rectify the same, the Assignee should disallow or reject such oath or claim, provided always that when the failure to comply with the provisions of the Act shall appear to have been made for some improper or fraudulent purpose, or when injury can be qualified by the other creditors or any of them, it shall not be incumbent upon the Assignee to give such person an opportunity to rectify such oath or claim.

It is desirable that the Assignee should be called upon to examine all claims filed, and in writing addressed to the claimant to reject or admit them, and he should do this whether the estate is settled by a deed of composition and discharge, or by the realization of the estate by the Assignee, and the creditors paid their proportion by dividends. At present the Assignee has not this duty to perform under the provisions of the Act. It is true that the 93rd section provides that it shall be the duty of the Inspectors, with the Assignee, to examine claims against the estate, and also each dividend sheet before the expiry of the delay within which the same may be objected to, and to instruct the Assignee as to which claims or collocations should be contested, by or on behalf of the estate, whereupon contestation shall be entered and made in the name of the Assignee or of the Inspectors, or of some individual creditors consenting thereto, and shall be tried and determined by the Judge or Court.

This is too expensive a manner of settling such a matter, and the 126 section of the Scotch Bankrupt Act provides that the appeal to the Court has to be made by the creditors, whose claim has been reduced or rejected by the Assignee, and not by the Assignee, Inspectors or Creditors.

*126th Section of the Scotch Bankrupt Act.*—The Assignee shall examine the oaths and grounds of debts—and in writing reject or admit them, or require further evidence in support thereof, for which purpose he may examine the Bankrupt, Creditor, or any other party on oath relative thereto—and in case he shall reject any claim, he shall in his deliverance state the grounds of such rejection, and he shall complete the list of the creditors entitled to draw a dividend, specifying the amount of their debts with interest thereon to the date of the sequestration, and distinguishing whether they are ordinary creditors or preferable or contingent, and he shall make up a separate list of any creditors whose claims he has rejected in whole or in part.

In the Insolvent Act of 1875 (Canada), Section 65, it is provided that the Court or Judge may require a report in writing upon the conduct of the Insolvent and the state of his books and affairs before and at the date of his insolvency.

Under the Scotch Bankrupt Act, Section 146, it is provided:—That it shall not be competent for the Bankrupt to present a petition for his discharge, or obtain any consent of any creditor to such discharge, until the Assignee shall have prepared a report with regard to the conduct of the Bankrupt, and as how far he has complied with the provisions of the Act, and in particular whether the Bankrupt has made a fair and full discovery and surrender of his estate, and whether he has been guilty of any collusion, and whether his Bankruptcy has arisen from innocent misfortunes, or losses in business, or from culpable or undue conduct, and such report may be prepared by the Assignee at any time after Bankrupt's examinations, but shall not be demandable by the Bankrupt from the trustee till after the expiry of five months from the date of the sequestration, and such report shall be produced in the proceedings for the Bankrupt's discharges, and shall be referred to by its date or by other direct evidence in any consent to his discharge.

All accounts for law business incurred by the Assignee or Inspectors shall be submitted for taxation.—Section 154 Scotch Bankrupt Act.

Under the Scotch Bankrupt Act there are no official Assignees, but the Judge before whom the proceedings are taken appoints a judicial factor, who takes immediate measures for the preservation of the estate, and finds security, but who vacates his office when the creditors appoint a Trustee or Assignee. Inspectors or Commissioners, as they are called under the Scotch Bankrupt Act, must be a creditor or hold a power of Attorney from a creditor.

Inspectors or Commissioners under the Scotch Bankrupt Act are limited to three, and a majority are a quorum; they may assemble at any time to ascertain the position of the estate; they have power to consent that the Assignee refer to arbitration any question that may arise regarding the estate or any demand or claim thereon.

In the 151st Section of the Scotch Bankrupt Act, it is provided:—“If the Bankrupt shall have been personally concerned in or cognizant of the granting, giving, or promising any preference, gratuity, security, payment, or other consideration, or in any secret or collusive agreement or transaction, as aforesaid, he shall forfeit all right to a discharge, and all benefits under the Act, and such discharge, if granted, either on or without an offer of composition, shall be annulled, and the Trustee (or Assignee) or any one or more of the creditors may apply by petition to the Lord Ordinary to have such discharge annulled accordingly.”

Under the Scotch Bankrupt Act, before the discharge under a composition is confirmed by the Court, the remuneration to the Assignee and the expenses of the Bankruptcy must be paid or provided for to the satisfaction of the Trustee and Commissioners, called Assignee and Inspectors under the Canadian Insolvent Act.

The Assignee should not be paid by Commission, when the settlement is made by a Deed of Composition and Discharge, but by an account of the services he has rendered, as appears by the book or register he keeps of his work done in the preservation or management of the estate. The remuneration should be fixed by the Inspectors, subject to appeal to the Judge by the Insolvent, who has to pay the amount, or by the Assignee, who has to receive it from the Insolvent.

Should the estate be sold *en bloc*, the remuneration to the Assignee should not be settled by Commission, but by the account of his time employed in the disposal of the estate, and no sale of any estate *en bloc* should be made without sufficient advertisement for tenders or without sufficient advertisement if sold by auction.

Under the Scotch Bankrupt Act, an Accountant in Bankruptcy is appointed, who is paid out of monies voted by Parliament for that purpose.

He cannot be directly or indirectly by himself or any partner engaged in practice before any law Court, nor directly or indirectly have any management or intromission with any money of any Bankrupt estate, constituting the fund in any process of sequestration.

He may concur in a sale by private bargain of the real estate of the Insolvent.—Section 115.

He preserves an extract of the Judgment discharging the Bankrupt, and preserves the copy of the proceedings of all Assignees in every estate, which are transmitted to him by every Assignee or Trustee.—Section 140, 145, 147.

He makes extract of the Judgment, exoneration and discharge in favor of the Assignee.—Section 152.

Every Trustee or Assignee before his discharge must transmit the Sederunt Book to the Accountant, who thereupon directs the Trustee or Assignee to deposit the

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unclaimed dividends in the same Bank in which money was lodged by him under the provisions of the Act, and a book or books must be kept in the office of the Accountant entitled "The register of unclaimed dividends," and in what Bank deposited, which is open to all persons, and the deposit receipts for such unclaimed dividends must be transmitted by Assignees to the Accountant, and on a warrant being granted by the Judge for payment of any unclaimed dividend, the Accountant makes an entry thereof in the said register.—*Section 153.*

The Accountant keeps a book entitled the "Register of Sequestration" in the general form of Schedule *G* annexed to the Act with any additional heads he may consider necessary, which book is open to all concerned, and he regularly enters thereon the Court in which any sequestration is awarded, the date, name and designation of the debtor, place and county of his residence, or place of business, name of the creditor making the demand, name and designation of the Assignee and Commissioners.—*Section 157.*

Every Assignee must deliver a return free of expense in the form *H* annexed to the Act of every sequestration in which he is Trustee or Assignee, and the Accountant causes the returns so made to be regularly bound up and preserved according to the alphabetical order of Counties, in a volume to be kept at all times in his office, with an index thereto framed by him, which volume is open to all concerned, and any Assignee who fails to make such return is removable from his office at the instance of any one creditor, or of the Accountant, or subject to such censure as the Judge may think suitable, and be found liable in all expenses.—*Section 158.*

The Accountant takes cognisance of the conduct of all Assignees and Inspectors and in the event of their not faithfully performing their duties and observing all rules and regulations imposed upon them by the Act or otherwise relative to the performance of these duties or in the event of any complaint being made to him by any creditor in regard thereto he enquires into the same, and if not satisfied with the explanations given, he reports the same to the Judge, who after hearing the Assignees, (Inspectors) and Commissioners therein, and investigating the whole matter, has power to censure such Assignee or Inspectors and to remove them from office, and otherwise deal with them as the justice of the case may require.—*Section 159.*

The accountant superintends the annual returns required by the Act from trustees and frames an annual report to the Court shewing the state of each dependant sequestration returned to him, and he has power either on the application of one or more creditors or of his own accord to require exhibitions of the sederunt book in any Bankruptcy or of any vouchers or documents he may think necessary, and to direct that a meeting of the creditors shall be called to take any measures under consideration which he judges requisite for the preservation or management of the estate, or more speedily realising and dividing the funds or winding up the estate.—*Section 160.*

The accountant at all times when necessary reports to the Court any disobedience by the Trustees (Assignee) or Inspectors, of any requisition or order by him, and generally any matter which he may deem necessary for the due discharge of his office to bring before the Court, and it is competent for the Court to deal summarily with the matter reported.—*Section 161.*

If the accountant shall possess information that shall lead him on reasonable grounds to suspect fraudulent conduct, malversation, or misconduct on the part of the Assignee or Commissioners such as may infer punishment, he is entitled to give information to Her Majesty's advocate, who directs such enquiry and takes such proceedings as he shall think proper.—*Section 162.*

In the schedule attached to the Act there should be form of Bond of Security for Assignee.

Form of composition contract in which the original debt should be reduced to the amount of the composition and thus prevent the original debt from reviving.

Form of Oath for Voting should be more full.—See form No. 20 *Scotch Act.*

Form of Oath for Ranking should be more full.—See form 21 *Scotch Act.*

Form of Bond of Security for the payment of a composition.

Form of declaration by an Assignee that the majority in numbers and  $\frac{3}{4}$  in value have signed the deed of composition and discharge and that all such claims have been found correct and justly due after examination by himself and Inspectors.

Form of declaration by Insolvent before he obtains a confirmation of discharge.

Form 74 *Scotch Act*, "That he has made a full and fair surrender of his estate, and has not granted or promised any preference or security, or made or promised any payment, or entered into any secret or collusive agreement or transaction to obtain the

concurrence of any of his creditors to the offer of compensation made by him to them or to the security for the same."

On motion the report was taken as read.

The SECRETARY read the following explanatory note:—

MONTREAL, 20th January, 1879.

WM. J. PATTERSON, Esq.,  
*Secretary Dominion Board of Trade.*

SIR,—While we concur in the alterations and additions to the Insolvent Act, recommended in the Report of the Committee, *if it is decided to retain the Act in its present form*, we would prefer its repeal.

Please append this to the report submitted to the Board.

Yours, faithfully,

(Signed)

A. T. PATERSON,  
E. K. GREENE,  
Members of the Committee.

Mr. ANDREW ROBERTSON (Montreal): I did not know anything of that before, and I think it is hardly in order. I move that the report as printed and presented to the Board be received in the meantime, and that it be allowed to stand until the discussion upon the subject of Insolvency.

Mr. E. K. GREENE (Montreal): I wish to state in explanation of the letter which has just been read, that it is in accordance with the course I pursued here last year, when I moved the repeal of the Insolvent Act. While I am still of the opinion that the Act should be repealed, yet, so long as it is continued, I would prefer to see it amended, as suggested in the printed report.

Mr. A. WOODS (Quebec) seconded the motion, and it was agreed to.

#### APPLICATIONS FOR AFFILIATION.

Mr. THOS. WHITE, M.P. (Montreal) moved, seconded by Mr. ANDREW ROBERTSON (Montreal):—

"That this Board cordially endorses the recommendation of the Executive Council, for the admission to affiliation of the "Dominion Grange of Patrons of Industry," the "Agricultural and Arts Association of Ontario," and the "Dominion Millers' Association," and that the Secretary be instructed to inform the bodies respectively of their admission to this Board."

Carried unanimously.

#### ORDER OF BUSINESS.

Mr. THOS. WHITE, M.P., (Montreal,) presented the following report of the Committee on Business:—

The Committee on Business beg to present their first report:

They have examined carefully the official programme, and recommend that the subjects be grouped and taken up in the following order:—

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- 1st.—No. 2, official programme. "On extension of Intercolonial Railway."  
 2nd.—Nos. 12, 13, official programme. "Commercial Statistics and Department of Commerce."  
 3rd.—Nos. 14, 15, official programme. "Inspection laws, and development of Phosphate."  
 4th.—Nos. 16, 17, official programme. "Reciprocal use of Canals, and admittance of vessels to Foreign Registration."  
 5th.—No. 18, official programme. "Telegraphic Communication with the Gulf."  
 6th.—No. 19, official programme. "Increased development of Inland Navigation."  
 7th.—Nos. 20, 21, official programme. "Halifax as a Winter Port."  
 8th.—No. 22, official programme. "Pacific Railway."  
 9th.—No. 23, official programme. "Immigration."  
 10th.—Nos. 24, 28, official programme. "In the order in which they are printed."  
 11th.—Nos. 29, 30, 31, official programme. "with report of Special Committee. "Insolvency."  
 12th.—No. 32, official programme.  
 13th.—Nos. 3, 4, 5, 6, 7, 8, official programme. "Fiscal Policy of the Dominion."  
 14th.—Nos. 9, 10, official programme. "West India Trade."  
 15th.—No. 11, official programme. "Trade with Australia."  
 16th.—"Intercolonial Trade," from Pictou Board of Trade, not on official programme, having been sent in too late to be placed thereon.

Your Committee recommend that the discussion on the fiscal policy of the Dominion be fixed as the first order of the day, at the afternoon sitting on Wednesday. All of which is respectfully submitted.

(Signed),

THOS. WHITE,

*Chairman.*

OTTAWA, 21st January, 1879.

On motion the report was adopted.

#### CREDENTIALS.

Mr. W. E. SANFORD (Hamilton), Chairman of the Committee on Credentials, presented their first report as follows:—

OTTAWA, Jan. 21st, 1879.

The Committee on Credentials beg to present their first report, which shows that fourteen Boards are represented by thirty delegates.

Respectfully submitted.

(Signed,)

W. E. SANFORD,

*Chairman.*

On motion of Mr. SANFORD, seconded by Mr. DOBSON, the report was adopted.

#### EXTENSION OF THE INTERCOLONIAL RAILWAY.

The SECRETARY read the following report from the Special Committee appointed at last annual meeting to consider this subject:—

A. JOSEPH, Esq., *President,*

and Wm. J. PATTERSON, Esq., *Secretary Dominion Board of Trade:*

SIRS,—The Committee appointed at the last Annual Meeting of the Board for the purpose of considering the resolution of the Cape Breton Board of Trade, on the question

of a survey for the extension of the Intercolonial Railway to Louisburg, and as to the advantage of such extension to the trans-Atlantic Commerce, Passenger and Mail service of the Dominion, beg leave to report as follows:—

Your Committee find that the subject of the nearest available Port of Canada to England has been at various times a matter of enquiry by the public, with a view to reducing to the shortest possible period the time consumed in the transit of mails and passengers between the great centres of commerce of the Eastern and Western hemispheres, as well as to reduce to a minimum the length and risk of ocean passage.

The latest and most important of these enquiries hitherto looking in the direction of a practical solution of the problem, was the appointment by the House of Commons of Canada in 1873 of a Select Committee for collating information on the subject of "the nearest port of Canada to Europe." The report of this Select Committee was brought before the House in 1874, which recommended that a survey be made between Louisburg and a point of the Intercolonial Railway, which report will hereinafter be referred to more fully. Your Committee find that three (3) seaports of the Dominion have been severally spoken of in this connection. These are Paspebiac, at the entrance of Bay Chaleur; Louisburg, on the south-eastern shore of Cape Breton, and Halifax, in Nova Scotia proper.

These three ports are distant from Valentia, on the west coast of Ireland, as follows:—

From Valentia to	Louisburg,	1960 miles.
" "	Halifax,	2156 "
" "	Paspebiac,	2190 "

By this it is seen that Louisburg is nearer to Europe than Halifax by 196 miles; that Louisburg is nearer Europe than Paspebiac by 230 miles; and that Halifax is nearer Europe than Paspebiac by nearly 40 miles.

#### PASPEBIAC.

In reference to Paspebiac being adopted as the Eastern Canada port for the trans-Atlantic mail and passenger service, it could be so utilized only by a railway being built across Newfoundland, from St. Johns, on the south-east, to St. George's, on the west, a distance of 300 miles; thence by steamship to Paspebiac, a distance of 250 miles. This course would involve five trans-shipments from the time of leaving London, England, until tapping the Intercolonial Railway of Canada, supposing the Irish Railway between Kingston and Queenstown or Valentia to form a part of the line of travel; or three transshipments between Valentia and the tapping of the Intercolonial Railway. It is a great inconvenience on long lines of travel to be required to make frequent changes from steamships to rail; but however passengers might regard the trouble and risks of such frequent trans-shipments, this peculiarity would at least form a serious obstacle to the carriage of freight over the route. From the almost impenetrable ice barrier at one time, and the moving ice floes at another, prevailing in the Gulf of St. Lawrence in the winter season, the water stretch between St. George's and Paspebiac could scarcely be available for this species of ocean travel for more than six months of the year.

Such are the prominent features of the Paspebiac route, which in the course of investigation have intruded on the notice of your Committee. We next submit the result of our enquiry in reference to

#### LOUISBURG.

As already stated, this port is distant from Valentia 1960 miles, and 230 miles nearer Europe than Paspebiac. The trans-Atlantic steamships from Liverpool coming west, pass Ireland to the south of Valentia on a course by which they pass Newfoundland to the south-east, near Cape Race, whence they have a direct south-westerly course to Louisburg, free from any intervening impediments; Sable Island being too far to the south of this course to incur any risk of running on its dangerous low line of sand bars.

The coast and harbor of Louisburg afford the superior advantages of being open to navigation the whole year through—in other words, it is a winter port. The harbor is close to the Atlantic, deep, well sheltered, with good holding-grounds, and is already connected by twenty-one miles of railway with the port of Sydney, and some of the most important coal-mines of Cape Breton, and has a coal-loading pier standing in thirty-two feet of water at low tide, and thirty-six feet at high water, so that ships

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now can obtain best qualities of domestic, gas, and steam-coals in the port at from \$1.50 to \$2 per ton—an advantage in this respect not afforded by any port in North America—Sydney and Pictou excepted.

Louisburg is situated on the Atlantic shore of Cape Breton, and lies in the sailing course of ships from Europe, and the direction of Cape Race, bound for New York and *vice versa*. It is seven hundred (700) miles nearer Europe than is New York; hence, passengers and mails for Europe could leave New York, and especially western cities, several hours later than the steamships leave New York and the American ports, by which they propose to cross the Atlantic and meet those ships at Louisburg. In this connection, there is another seaport rising in importance to the St. Lawrence trans-Atlantic service. This is the harbor of

#### SYDNEY,

which is situated on the eastern extremity of Cape Breton, and is of about equal distance as Louisburg from Valentia, viz., 1,960 miles. This harbor is regarded as the third harbour of the world in respect to the safe and easy facilities which it affords to shipping. For ease and safety to ships in approach and departure, it is unequalled in North America. For capacity, good anchorage and protection from winds, it has a reputation of being unsurpassed. It is situated further to the north than Louisburg, and lies directly in the track of shipping engaged in the St. Lawrence trade, and possesses an extensive export trade in coal. Owing to its favourable position, a large number of the ocean steamships engaged in the St. Lawrence trade call for bunker-coal, mostly ships on their homeward voyage from Montreal, which enable such vessels to increase their freight capacity at the loading port. Sydney has attained the eminence of being the chief port of call in North America, north of New York, for European shipping in quest of North American business. As coaling depots for steamers in the American and Canadian trans-Atlantic business, Louisburg and Sydney possess superior advantages.

Mr. Jevons shows that England excels all other countries in Europe by possessing the only extensive deposits of coals and iron on the seaboard between the Orkneys and the Cape of Good Hope, where the trade of Europe and the traffic of the Mediterranean would seem to require them. Nova Scotia, on the western shores of the Atlantic, with her deposits of coal and iron, furnishes similar advantages, which seem destined to serve the wants of the St. Lawrence and American commerce. From the Straits of Belle Isle to Cape Horn—as a glance at the map of North America will show—there are no extensive coal-fields near the sea-board, except these in Cape Breton, which lies far out in the Atlantic, where the convenience of commerce would seem to require them, and where the ocean highways from Europe to America branch off, as has already been described, one road passing Louisburg to the United States, while the other passes Sydney into the Gulf and River of St. Lawrence.

The mail steamships in the trans-Atlantic trade combine mails, passengers and freight, and by the ships engaged in the American trade, calling at Louisburg and taking bunker-coal, and the St. Lawrence boats calling at Sydney, they would not only increase their freight capacity, but would accommodate the travelling public of the United States, Canada, and especially the Maritime Provinces; as passengers could leave their homes, after the sailing of the boats from New York and Montreal to meet them at the ports of call, and the ocean voyage would be shortened from 700 to 1,000 miles. By this arrangement it is obvious that Canada, by the Intercolonial Railway, would largely participate in the benefits of the United States mail and passenger service with Europe. In the railway correspondence laid before the Local Legislature in 1874, D. J. Kennelly, Esq., then Managing Director for the Glasgow and Cape Breton Coal and Railway Company, writing upon the subject, says that in 1873 he visited Washington for the purpose of laying before the Executive the advantages that would arise to the United States by the extension of the Intercolonial to Louisburg, provided that the American people choose to avail themselves of it for the purpose of facilitating their mail service to and from Europe, and he adds that his views of this were favourably entertained at the Capitol.

But as the great consideration in connection with the most of such enquiries has been as to which route would afford the speediest and safest means of travel, we here present a tabular statement showing the respective merits of the following ports in

shortening the time of transit, in mail and passenger carriage between Europe and America. The rates of speed are those assumed by Sanford Fleming, Esq., C. E., in the appendix of his history of the Intercolonial Railway, which are for the light passenger and mail Steamships,  $16\frac{1}{2}$  miles per hour, and for Railways both in Europe and America, including stoppages, 30 miles per hour.

No. 1 of the following tabular statements is from the work just named, page 246. Time occupied between London and New York, via Shippegan *i. e.*, Paspebiac.

From London to Valentia.....	16 hours.
“ Valentia to St. Johns Nfld 1640.....	100 “
“ St. Johns to St. Georges.....	$8\frac{1}{2}$ “
“ St. Georges to Shippegan, 250 miles.....	$15\frac{1}{2}$ “
“ Shippegan to New York, 906 miles.....	31 “
	171 hours.

By this route, Mr. Fleming claims that passengers from London for New York will reach their destination in 7 days and 3 hours, that is nearly four days less than the present lowest mean average of time made between London and New York. In the above tabular statement of the probable time of 171 hours occupied between London and New York, we find the distance between St. Johns and St. Georges, Newfoundland, given at 250 miles, while recent surveys and most authorities give the distance between these ports as being 300 miles, which would not be lessened in the location of a Railway line.

Again, he assumes the American speed rate at 30 miles per hour, for railways to include stoppages between the points of departure and arrival; but the longer time necessarily consumed in trans-shipment cannot reasonably be included in the ordinary railway stoppages. We take the very minimum time consumed in each trans-shipment to be one and a half hours; with these additions, the tabulated time and distance should stand thus:—

*No. 2.—London to New York by Shippegan.*

From London to Valentia.....	16 Hours.
“ Valentia to St. Johns, 1640 miles, @ $16\frac{1}{2}$ miles per hour.....	100 “
“ St. Johns to St. George's, 300 miles, @ 30 miles per hour....	10 “
“ St. George's to Shippegan, 250 miles, @ $16\frac{1}{2}$ miles per hour.....	$15\frac{1}{2}$ “
“ Shippegan to New York, 906 miles, @ 30 miles per hour.....	31 “
Add two trans-shipments, one at St. Johns and one at St. George's, $1\frac{1}{2}$ hours each.....	3 “

Total from London to New York by Shippegan.....  $175\frac{1}{2}$  hours.

Assuming the same rate of speed by rail and water, we now give the time between London and New York, *via* Louisburg and the Intercolonial:—

*No. 3.—London to New York by Louisburg or Sydney.*

From London to Valentia.....	16 Hours.
“ Valentia to Louisburg, 1960 miles, $16\frac{1}{2}$ miles per hour.....	$118\frac{1}{2}$ “
“ Louisburg to New York, 1050 miles, @ 30 miles per hour.....	35 “

Total from London to New York by Louisburg.....  $169\frac{1}{2}$  hours.

COMPARATIVE STATEMENT.

*No. 4.—From London to New York:*

Table No. 2.....	$175\frac{1}{2}$ Hours.
Table No. 3.....	$169\frac{1}{2}$ “

By difference in favor of Cape Breton route..... 6 hours.

From the foregoing statement, it appears that in addition to the natural advantages in favor of Louisburg and Sydney over Shippegan as European routes, there is a

difference of time in favor of the Cape Breton route of six hours. The mails between London would enter the Dominion *via* Cape Breton in five days and fourteen and a half hours, and reach New York from London in seven (7) days and three hours.

A very few words in reference to the American sea-board will suffice. It has been remarked in the records of marine, that disaster to steamships occur, on the west side of the Atlantic, mainly in the distance between Louisburg and Baltimore, to which the low-lying Sable Island, with its sand bar stretching off for several miles seaward, contributes a large quota. This Island lies directly in the track of ships passing east and west between the American and European ports, and danger is enhanced by the prevalence of fogs between the gulf stream and the eastern sea-board of the United States. Ships bound from Louisburg to Europe, or from Europe to Louisburg or Sydney, are inside of Sable Island, and save the coast navigation, which would have to be travelled by ships bound further west.

Having, now, as we conceive laid before you the comparative merits of the several ports, named as the result of an impartial view of a large amount of information contained in discussions that from time to time have taken place in reference to the nearest seaport of the Dominion to Europe, and available for the purpose of transmitting mails and passengers trans-Atlantic wise, it now only remains for us, in connection with the foregoing report, to produce a few extracts from the Report of the Select Committee on this subject, appointed by the Commons in 1873, viz :—

“ The Committee appointed to enquire into and report on the shortest route for mails and passengers between Europe and America beg leave to present their first report as follows :—

“ 1st.—That the length of ocean voyage may easily be reduced by at least one-third, or say in round numbers from 800 to 1,000 miles.

“ 2nd.—That the rate of speed now obtained might be materially increased (probably to the extent of not less than two miles per hour), if vessels were employed for the purpose of conveying mails and first-class passengers only.

“ 3rd.—That by selecting some suitable point within the territory of the Dominion, and using vessels especially constructed for the purpose, it would be quite practicable to gain from two to three days each way in the passage from London to New York, and even more in the journey to other points in the interior of Canada and the United States.

“ The Committee believe that a very great saving of time in the transit of mails and passengers may easily be effected, and they are strongly of the opinion that immediate steps should be taken by the Government of the Dominion to draw the attention of the British and United States authorities to the subject, and if possible to secure their co-operation in subsidising an efficient line.

“ The Committee also deem it advisable to draw the attention of the House to the fact that by making Louisburg the terminus of the Intercolonial Railway, Newfoundland would be brought within 100 miles of the great railway system of the American Continent.

“ That from the evidence given before your Committee, it has been shewn, that Louisburg is a first class harbor, having the geographical advantage of being the nearest available harbor of this Dominion to Europe.

“ It is 230 miles nearer to Europe than Paspebiac, and 196 miles nearer to Europe than Halifax by the direct route.

“ It should also be observed that the approaches to Louisburg are very easy, and the anchorage is good, in the north-east portion of the harbor, which is entirely sheltered from wind, and, that the harbor is capable of floating vessels of any size.

“ Your Committee recommend that a survey be made between Louisburg and some point of the Intercolonial Railway, to ascertain the practicability of building a railway between the most suitable point of said railway and the harbor of Louisburg.”

From the foregoing information obtained, your Committee are of the opinion that extension of the Intercolonial Railway to Louisburg and Sydney will connect the two great highways of ocean travel with the railway system of Canada.

It will bring the Agricultural and Manufacturing products of the interior into more intimate relations with the mining, fishing and shipping interests of the Eastern ports, and will furnish a favorable opportunity for a mutual exchange of products.

It will benefit Canadian commerce by bringing the outlying resources of the sea-board into requisition.

It will tend to develop the nation's wealth, through the facilities it will afford for the increase of production, and for the rapid and economic movement of our products to market. It will practically shorten the distance between the centres of the old and new world; and with a line of fast steamers connecting Louisburg with Valentia, will open a new route for trans-Atlantic travel.

And, finally, the opening up of this route will not only make Canada the highway of travel between Europe and America, but, on the completion of the Pacific Railway, it will connect Cape Breton with Vancouver, and afford the most rapid and safe means of communication between Europe, America and Australasia.

Your Committee, in view of the importance of these considerations, respectfully suggest that the Executive Council be instructed to memorialize the Government to hold the survey suggested by the Select Committee of the House of Commons, with a view to the extension of the Intercolonial Railway to Louisburg.

All of which is respectfully submitted.

(Signed.)

RICHARD S. DE VEBER, *Chairman.*

GEO. H. DOBSON, *Secretary.*

Moved by Mr. A. ROBERTSON (Montreal), seconded by Mr. G. H. DOBSON (North Sydney):—

"That the report now read be received and embodied in the Report of the Annual Meeting now being held."

Carried.

#### COMMERCIAL STATISTICS. (Nos. XII and XIII).

Mr. WM. CARRIER, (Levis), addressed the Board in French on this subject, and concluded by moving, seconded by Mr. THOMAS WHITE, M.P., (Montreal):

"That this Board hereby expresses the opinion that more detailed information respecting the imports and exports of the Dominion should be embodied in the annual report of the Trade and Navigation of Canada."

Mr. THOMAS WHITE, M.P.: As, I dare say, many present did not catch the remarks of the mover, I may state that his argument is based on the fact that, in preparing the Trade and Navigation returns, the practice is to group a large number of articles in such a way as to render it almost impossible to arrive at anything like a fair estimate of what is really the trade in specific articles in which persons may be engaged. He gave one illustration which, I think, will strike every one as extraordinary. It is in relation to the iron industry. There is an importation of iron of over \$2,000,000 annually, yet it is impossible for any one engaged in the industries affected by that importation to get a knowledge of the quantities and values of specific articles included in that sum. What the mover desires is, that at least our trade returns should give us some means by which we can have an adequate idea of what the trade of the country is. I have very great pleasure in seconding the resolution.

Mr. R. W. ELLIOT, (Toronto): It is very difficult to over-

estimate the importance of this question; and we know, from facts which are before us, that the reform which the resolution calls for is perfectly practicable. The trade newspaper of New York gives you, week by week, a return of all the importations of particular articles in each particular branch of trade; and what is possible to be accomplished by private enterprise in New York, is possible to be done by the government of Canada, with the means it possesses for collecting and publishing accurate information. These returns could be given to the newspapers in the various cities, and the public could thus be accurately informed from time to time of the trade going on in the Dominion. The effect would be to greatly check, if not to entirely prevent, over-importations. Supposing, for instance, it should be shown that there was a large importation of a particular article in any one year, others would be prevented from importing more of that stock, because it would be useless, and thus there would be a large national saving. It would make no difference in the revenue in the end, because the revenue depends more upon the consumption than the importations of the country. I think this resolution should commend itself to every member of the Board.

Mr. D. McCULLOCH, (Hamilton): I almost regret the resolution is not more specific—that it does not point out the details asked for. However, I cordially agree with the gentlemen who have spoken upon this subject, that it is a matter of very great importance, and one on which we should base some further action than a mere resolution. I agree with what Mr. WHITE said about getting specific information; but there is this further difficulty—there is no systematic grouping, so that it is impossible to get information to make a comparison between the imports of any two years. It would greatly facilitate such comparisons, if specific information were furnished and the grouping were more systematic. For instance, if one wanted to get at the amount of iron imported, he should be able to turn to the heading "Iron," and find not only the total imports of iron, but also the particular kinds in a detailed statement. That information cannot be obtained now. I know I had occasion lately to go over our statistics to ascertain some facts, and I found great difficulty in getting what I wanted, not only for lack of specific information, but from the want of system in grouping. Another fact which ought to be impressed upon the government is, that some special attention should be given to the values of all articles imported and exported. In the late contest, in discussing the national policy, the question of the balance of trade frequently came up. I have my own notions on that subject, which I am not going to express now; but the question was raised

whether or not we are importing more than we export, and we were told by those who opposed the national policy that the figures furnished in the returns did not represent the actual state of affairs—that, as a matter of fact, we do not import more than we export. I do not agree with that theory, but I think it would be important to direct the attention of the government to this matter with a view to having some uniform valuation that will show what the imports and exports actually are. Our statistics should leave it beyond question whether we are importing more than we export or not.

Mr. R. McKECHNIE (Dundas) : I quite agree with those who condemn the present system of preparing the Trade and Navigation returns. They are so lumped together that it is difficult to know what the various imports and exports really are.

The motion was carried.

#### INSPECTION OF PHOSPHATES. (No. XIV.)

Mr. ALEX. WOODS (Quebec) moved, seconded by Mr. JOHN KERRY (Montreal):—

" *Whereas* the recent discovery of extensive deposits of Phosphate of Lime and the consequent increasing value of the article as an export make it desirable that shippers be enabled to ascertain the percentage of purity prior to consignments or advances thereon; therefore it is

*Resolved*—That this Board memorialize the Dominion Government praying for the necessary Legislation, and under same the appointment of analysis or inspectors for the purpose of inspecting such Phosphate of Lime, and other minerals as may be offered, in such packages or under such regulations as may be prescribed by the Act."

Mr. WOODS said : I think this resolution explains itself pretty clearly. Phosphate mining has become a recognized industry in this country; it is developing very rapidly, and is likely to become more important in the future. The exports of phosphate from Quebec in 1877 were some 400 tons; in 1878, they were 4,600 tons. Altogether the exports last year from Quebec and Montreal reached 11,000 tons. It is very desirable, however, that there should be some regulation adopted, such as is proposed in the proposition now before the Board. Individuals who either purchase or ship phosphate on their own account from this side of the Atlantic, are in very great ignorance as to how it may turn out on the other side. They have very little guidance as to the purity of the phosphate they ship. The *modus operandi* is to select from cargoes small portions of the mineral, subdivide them and have them analyzed by some competent analyst. In cases where the vendor and the purchaser may disagree about the analysis, it is usually submitted to the arbitration of a third party. While it is hardly probable that we can change that, it is

very desirable that we should have some idea here, prior to the shipment of the mineral, how it may turn out. This applies not only to phosphate of lime, but also to other minerals which may be largely developed in this country. It would be necessary, in appointing an officer of this kind, to select a man of large experience. However, that is a matter which may safely be left in the hands of the Government.

Mr. JOHN KERRY (Montreal): I may say that the Montreal Board of Trade have two or three times asked the Government to appoint such an officer as this motion calls for.

Mr. E. K. GREENE (Montreal): There is no doubt that very serious loss is incurred by shippers from ignorance of the quality of the mineral they ship, and the appointment of an officer to inspect the mineral in this country would save a large amount of money to them. The effect during the last year of shipping poor material, containing a small percentage of phosphate, has been to partially demoralize the market; and I am told by the owners of very large mines near this city, that it will take at least twelve months to bring about a favorable feeling towards the phosphates of Canada. I think it would be wise to render the inspection of this mineral compulsory.

Mr. CHARLES MAGEE (Ottawa): It is very gratifying to find that this new industry has been growing so rapidly, as the returns placed in my hands indicate. Last year we shipped nearly 12,000 tons to England and 500 tons to New York, while about 200 tons are being shipped to Boston as an experiment. I would not be inclined to go so far as Mr. GREENE, and make the inspection of this mineral compulsory. The industry will have to be further developed before we know what is really required; but, at present, I can see no harm in having a competent chemist to inspect the phosphate, and determine the quality or purity of it. I do not think that can be done without the co-operation of the buyer and seller. Near this city phosphate is being mined, and piled into small lots of twenty, thirty, forty, or a hundred tons each, and I do not think any purchaser would be inclined to buy these lots on the report of an inspector. I think the purchaser's agent will have to select samples from the various piles, and be satisfied that they are fair samples of the lot, because, even in a small heap, you may find two samples showing a difference of twenty per cent. I believe, in Liverpool, as a cargo is unloaded, a sample is taken from every tenth bucket;—the samples thus obtained are analyzed, and that analysis is taken as the strength of the phosphate in the cargo. In regard to the statement that this trade has been injured by the low grades of phosphate that have been shipped from the country, I

find from a return that the average percentage of the shipments up to the present time is 87 per cent.; and, as the price is based generally on 70 per cent., this may be regarded as a very good average. That is the percentage of shipments amounting to 8,000 tons. I do not think, at the present time, that it would be desirable that inspectors should be appointed; but I think it would be advisable, if the Government should take such a step, that the office should be in connection with the Inland Revenue Department, as we have analysts already under the Adulteration of Food Act.

Mr. JOHN KERRY (Montreal): It is a matter of no importance whether the officer is called an inspector or analyst, so long as we have the mineral inspected. I do not know that the system of arriving at the value of phosphates in Liverpool is at all found fault with, but we want to know what they are worth on this side before they are shipped. The Canadian phosphates are the best in the world, and every care ought to be taken of them by the Government, to see that they go out in a proper condition.

Hon. JAS. SKEAD (Ottawa): This is a subject of great importance to this section of Canada. We have, within the last four or five years, developed phosphate mines very extensively in the neighborhood of this city, and, so far as we know, the supply is unlimited. I believe it will take the place, to a large extent, of the timber trade. The phosphate goes to Montreal, Quebec, or some other point of shipment, and money is wanted in the course of the operation. What is required is some authentic statement as to the value of the mineral, whereby the banks can be guided in making advances. I think the proper course is to let the Government appoint experts to inspect the phosphate—men who will be independent of both buyer and seller, and who could be remunerated by a small fee for the inspection. I do not agree with my colleague (Mr. MAGEE) that the inspector should be connected with the Inland Revenue Department. He should be a competent, experienced man, who should be examined as to his fitness before being appointed, and whose emoluments would be confined to fees for inspection. A great deal of phosphate has been sent out of this country which ought never to have been shipped, and which would not have been exported if there had been some means of ascertaining its quality here.

Mr. ALEX. WOODS (Quebec): The business, so far as we have been able to judge at Quebec, has not been conducted in good shape hitherto. The practice has been to send it in bulk in barges, and it has been carelessly handled by the bargemen, who seem to be ignorant of its value. I am satisfied that it will yet be shipped with greater care—that it will be ground and

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packed in casks, with the amount and grade of the contents marked upon the packages. In that way, shippers could get advances from the banks with certainty, because they would know on what they were lending money. As it is now, they have no definite information to guide them.

The motion was adopted.

#### RECIPROCAL USE OF CANALS. (No. XVI.)

Moved by Mr. A. WOODS (Quebec), seconded by Hon. JAMES SKEAD (Ottawa):—

“That the Dominion Government be urged to take such action as may result in securing the right of Canadian vessels to navigate American Canals, as contemplated by the Washington Treaty.”

Mr. WOODS said:—I think it is quite needless for me to say anything in support of this motion. It is one that has been unanimously passed by this Board on former occasions. The importance of it is such, particularly to the port which I represent, that it is desirable to bring it before the new Government, with the hope that some action will be taken upon it immediately.

Hon. JAMES SKEAD (Ottawa):—This has been thoroughly discussed at other meetings of the Board, and it is needless that I should say anything more on the subject than simply urge the Council again to press upon the Government the importance of having something done. It is of very serious moment to our lumber trade on this river that a change should be made without delay.

The motion was adopted.

#### ADMISSION OF CANADIAN VESSELS TO FOREIGN REGISTRATION. (No. XVII.)

Moved by Mr. A. WOODS (Quebec), seconded by Mr. A. ROBERTSON (Montreal):

“That the Dominion Government be respectfully urged to continued efforts towards obtaining the admission of Canadian-built vessels to registration in France, on terms of equality with those of Great Britain.”

Mr. WOODS said: He believed this proposition would receive the unanimous support of the Board. He had noticed, with great pleasure, the announcement in the press lately that Sir A. T. GALT was in France, and had some hope of accomplishing the object which he had in view. He (Mr. WOODS) was very much pleased to see that the new Administration had taken the matter up in earnest, and that it was quite probable that tangible results would follow their action.

The motion was adopted.

TELEGRAPHIC COMMUNICATION IN THE GULF OF ST. LAWRENCE.  
(No. XVIII).

Moved by Mr. A. WOODS, (Quebec), seconded by Mr. G. H. DOBSON, (North Sydney) :

"That this Board would reiterate the desirability of carrying out the telegraphic system in the Gulf of St. Lawrence, as proposed by them at their annual meetings of last two years. In the meantime, should the finances of the country not justify undertaking the whole system at present, this Board would recommend that the same be commenced by carrying out that part between the mainland, the Island of Anticosti, St. Pauls, C.B., and the Straits of Belle Isle ;

"And further : The importance of establishing Signal Stations, to be attended by light-house keepers, at prominent points on the track of trans-Atlantic vessels where land lines already exist."

Copies of a chart shewing the proposed lines of telegraphic communication having been furnished by the Montreal and Quebec Boards of Trade, they were distributed to the delegates.

Mr. WOODS said : Mr. FORTIN, who is the author of the map which has been placed before the Board, has given this subject great attention and deserves well of the public. The importance of making the Gulf and River St. Lawrence safe for the immense traffic which comes and goes, seems to me not to be sufficiently appreciated by the rest of the Dominion. When we know that the cities on the Atlantic seaboard necessarily compete with us for the trade of the West ; when we know that the city of New York has only some 25 miles of pilotage waters ; and that from the city of Quebec there is a matter of 150 miles of pilotage waters to navigate, and, after passing that, there is a distance of some 450 miles of comparatively inland navigation attended with considerable danger, we must admit the absolute necessity to the Dominion of rendering this highway to the sea, safe to vessels. There is little use in spending millions of money in enlarging our canals and deepening our rivers unless the gateway to those works is made safe. That it is not so, will be patent to any one who considers the number of accidents occurring annually. Only last year I was a party to the investigation of the loss of three steam-ships in the waters of the St. Lawrence. The history, as given by the select Committee of the House of Commons, in the session of 1876, of the disasters in the St. Lawrence, particularly at some noted points, would appear extraordinary to those who do not give attention to the subject. A light-house keeper prepared a map of the south side of the Island of Anticosti. The map was on a large scale, and at each point where a ship was wrecked he marked the form of a vessel. The whole margin of the island for a long distance was covered with vessels, and in some places they were absolutely piled on top of each other. The Committee recommended an ex-

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penditure of \$375,000, which would, in all human probability, have lessened these disasters fifty per cent. The fact is established by Lloyd's agency, that many vessels have gone ashore on the Island of Anticosti which, had assistance been sent to them in a reasonable time, could have been saved. The steamship "Lake Megantic" went ashore on the south point of Anticosti last summer. Had the system of Mr. FORTIN been in operation, a steamer with proper appliances to assist that vessel would have been at Gaspè and within six hours' call of her. As it was, I think it took about eight days before the news reached Quebec. The consequence was that the vessel, which went ashore from the fact that the Captain was misled by the character of the lights and currents at that place, became a total loss to the extent of about \$200,000. Independently of the immense loss which is annually sustained by disasters to shipping, the utility of the scheme of telegraphy to the fisheries cannot easily be calculated. We have already in our fisheries a source of wealth which, according to the Commissioner of Fisheries, yields a product of \$12,000,000 annually. That harvest is reaped by the citizens of Canada and of the United States. In the Lower Provinces there is a population of something like 150,000 dependent upon the fisheries, and the industry would be prosecuted with greater certainty if the fishermen could know from time to time the localities frequented by the fish. It is well known that fish desert parts of the coast, and may not be twenty miles distant from where the fishermen are looking for them. The erection of signal stations would certainly give to our fisheries an immensely increased value, and give to the industry a certainty of profit which it has not at present. I speak a little more lengthily on this subject than I have done before, because I do not want the motion to pass merely as a matter of course. It is desirable that the attention of the Government should be drawn to it, in order that something might be done towards carrying out this scheme. It seems to me but reasonable and proper that some of the Fisheries Award should be expended in making our fisheries more profitable. I hope the Government will take up this question, and if they cannot carry out the scheme in its entirety, that they will extend the system as much as possible. It embraces the carrying of land lines further down the coast from points where they now terminate. Since the last meeting of this Board we have had some 160 miles constructed between Matane and Fox River, which is a great improvement. A larger expenditure would be incurred in laying a cable to connect the land wires with the Island of Anticosti, and perhaps it would be necessary to grant a subsidy to any Company which would undertake the work.

Mr. JOHN KERRY (Montreal): I second this motion with a very great deal of pleasure. We have heard Mr. FORTIN on two occasions in Montreal eloquently giving his reasons for demanding those improvements. I believe those lectures have been published in pamphlet form, and will be circulated among the members of the Senate and House of Commons next session.

Mr. W. M. LUKES (Toronto): I have much pleasure in supporting this motion, for the same reasons that I supported it when it came before this Board in 1876. I can only account for the inaction of the late Government in this matter from their economical habits and the hardness of the times; and I sincerely hope that the present Government will give their attention to it now. I support this proposition, because we are told that this telegraphic system will increase the catch of fish, and as fish is said to be an excellent kind of food for producing brain power, we need a good deal of it in Ontario. (Laughter.) The aim of this project is also to increase our inter-Provincial trade. Contrast our trade with that of the United States, and in proportion to our population we are nowhere, comparatively speaking. We entered into this Confederation with a view to increasing our inter-Provincial trade, and I have great pleasure in supporting any movement calculated to promote that object.

Mr. W. E. SANFORD (Hamilton): In a newspaper discussion recently upon the question of the transportation of grain from the West to Eastern markets, it was shown that the St. Lawrence was the natural outlet for the products of the West, but that it would never be largely utilized, from the fact that the Canadian Government were not alive to the necessities of the case, and did not offer facilities for protecting the traffic by our great highway to the ocean. It was shown that the risk by our route being greater than by the Erie Canal, the insurance would be greater, and that the latter would secure the traffic. The increase of freights by the Erie Canal during the past twelve months has been something extraordinary. Our neighbors are fully alive to the necessity of action, and are determined to keep the trade of the West if they can.

Mr. G. H. DOBSON (North Sydney): I endorsed a motion similar to this last year, but the Government seemed to think the improvement too expensive. I am pleased to observe that Mr. WOODS has introduced a second proposition with respect to signal stations at important points. In Nova Scotia, Prince Edward Island, and Newfoundland, there are land wires all round the coasts, and by the Government establishing signal stations in connection with the lighthouses to be looked after by the lighthouse keepers, vessels could be signalled as they passed certain

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points. In England and Norway, and I believe in France, there are signal stations at the most important points, at the light-houses, which are looked after by the light-house keepers. The Board should urge the importance of that project. If they cannot get the telegraphic system as a whole, they might get that part of it.

Mr. E. K. GREENE (Montreal): The question of safety in navigating the Gulf and River St. Lawrence is of vital importance to the Dominion. Capt. FORTIN gives the value of cargoes passing backward and forward by that route annually at \$226,000,000. The question of insurance upon that value alone is a serious one. We all know that insurance by the St. Lawrence route is very high. New York has an advantage over us in that respect. Another point is the loss of life resulting from accidents to vessels. In the case of the steamer "Lake Megantic" no lives were lost; but in many cases of shipwreck, if immediate notice could have been given, the lives of the crews might have been saved. See the advantage which this telegraphic system would be to the fishermen, by warning them of approaching storms. They have no intimation of storms until they meet them, and if they happen to be out then, they are pretty sure to go to the bottom. Another matter which I think is of importance in connection with this subject, is the extension of our canal system. We anticipate from the increased receipts and shipments of wheat, a very large fleet which we wish to direct by way of the St. Lawrence rather than let them go to New York. All those interests combined go to show the necessity and importance of having this system carried out. In relation to the United States, and their efforts to monopolize this trade as far as their facilities will allow them, I may mention that the question has come up of the reduction, if not the entire abolition, of tolls on the Erie Canal, to meet the competition of our enlarged canals. A suggestion has been made to lay a small narrow-gauge track alongside the Erie Canal on which to run locomotives to tow barges. I am not an engineer, but it seems to me to be a plan which might be feasible, and certainly it behooves this country to adopt any measure which will place us in a position to compete successfully with our friends for the trade of the West.

Mr. A. ROBERTSON (Montreal): I think it was two years ago that Mr. FRY asked the Montreal Board of Trade to bring this subject before the Government. We did so, and asked to have the line built from Matane to Fox River. They gave \$10,000; but the Montreal Telegraph Company wished to have \$10,000 for building the line and \$500 a year for working it for ten years. The difficulty was to get the \$500 per annum. We took

particular pains to try if the insurance companies would give it, but their answer was "No." We next tried whether the Quebec Board of Trade would raise \$250, the Montreal Board of Trade having agreed to raise another \$250, but that could not be got. Finally another grant was procured by our Board from the Government, and the Montreal Telegraph Company built the line. In reference to this question of cables from different points, it seems to me that there ought to be one cable, at all events, laid to the Island of Anticosti, and land lines built round the coast so that help could be furnished whenever required, especially on the north side of the island.

The motion was adopted unanimously.

The Board then adjourned at 5.45 p. m. until 10 a. m. Wednesday morning.

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## SECOND DAY'S PROCEEDINGS.

MORNING SESSION.

CITY HALL, OTTAWA,

WEDNESDAY, 22nd January, 1879.

The PRESIDENT took the chair at 10 o'clock a.m., and directed the roll to be called, after which the minutes of yesterday's proceedings were read and confirmed.

The Hon. JAMES MACDONALD, Minister of Justice, was introduced, and provided with a seat beside the President.

The Committee on Credentials presented their Second Report, showing that two more delegates were present, representing the London Board of Trade.

## COMPULSORY INSPECTION OF BUTTER. (No. XV.)

Hon. JAMES SKEAD (Ottawa), moved, seconded by Mr. R. W. ELLIOT (Toronto):

"That this Board recommends that Inspection of Butter be compulsory in the future, and that the Act relating thereto be so amended as to embrace the principle of compulsory inspection of butter, meat, fish, flour and meal."

Hon. Mr. SKEAD said: This subject was before the Board last year, and we considered in this city that the subject was not thoroughly discussed at that time. The butter interest of this country is second to no other agricultural interest, and I think the time has arrived when something should be done towards making the inspection of butter compulsory. With a view to economizing time, I will read to you, from last year's report, the reasons which influenced our Board of Trade in asking that the inspection of butter be made compulsory:

"The Ottawa Board of Trade find, with regard to butter, great difficulty in enforcing the law as it now stands, inasmuch as it is not compulsory, and I believe it has had a bad effect on the character of the butter exported from this country. I believe the law should be compulsory, that inspection should be imperative, and not merely permissive. The Ottawa Board of Trade, feeling the great desirability of having the inspection of butter compulsory, have placed this notice on the paper. The subject was before this Board last year, and it was believed then that the law as it stands was sufficient. Finding it has not been so, the Ottawa Board of Trade asks you to recommend its amendment.

Our butter does not stand so high in the English market as it should do, and I attribute it to the fact that the inspection is not what it should be. I believe a large amount of butter which is sent from Canada to the English market is unsaleable. It is packed improperly, and is not, in other respects, what it might be. In our local market we find the need of inspection. The great body of people who go to the market to buy butter are not judges of a good article, and there ought to be some means by which they could be protected from imposition. I can see no other way to accomplish that, except by having the law compulsory. I do not believe the character of our ashes would have been so high if the inspection had not been compulsory. I think there are a great many articles of commerce that ought to be included under a compulsory inspection law; therefore, I ask that the inspection of butter and hides be made compulsory in all cases."

I hold in my hands the Report of the Inspector in this city for the last quarter of 1878. He says that he does not inspect one-fourth the quantity of butter sold in this city, and the same is probably the case throughout the country. He inspected, in the three months, 3,575 lbs. of butter, and the following table shows the percentage and the price obtained for each quality:

Per cent.	Weight.	Grade.	Price.	
26	920lbs.	1	13c.	119.60
21	752	2	10c.	75.20
17	615	3	8c.	49.20
21	750	4	6½c.	48.75
15	540	Grease.	5½c.	29.70
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The average price therefore was 9 cents per pound. If the inspection were made compulsory, the presumption is that this quantity would have averaged at least 11 cents per pound, and thus have saved at least \$71.54 to the producer, showing conclusively that it is in the producer's interest. I find in a Toronto newspaper an interesting article on Canadian butter, an extract from which I would like to read:—

"An English gentleman who has been engaged in the butter trade for many years has been "prospecting" Ontario this season. He is thoroughly conversant with English and Continental methods, having studied all of them at their homes. Sweden, Norway, Denmark and Schleswig-Holstein are the principal sources from which the foreign butter supply is obtained for England, and these countries the gentleman we allude to, has thoroughly gone over. His object in view in coming to Ontario, was to satisfy himself whether or not a better quality of butter than the average Canadian consignment could not be obtained. So far, he regrets that he has been only partially successful, owing to the old, old trouble of careless and unscientific packing. His opinions are embodied in this plain and sensible language:—

"The general inferiority of Canadian butter must be taken as an established fact. No one who is in this business, and has an opportunity of handling butter from the Continent of Europe, can be otherwise than grieved at the loss accruing to this Dominion every year on account of the large lots of inferior butter shipped to British Ports, quality which at best commands a comparatively low figure, and in too many instances is only fit to be sold for grease. The butter makers of Brockville, Morrisburg and the Eastern Townships get fair value for their manufacture; though they by no means reach the prices that first class butter ought to bring; but I think there can be no doubt that the principal loss falls upon the farmers of the Western section of Ontario. From my observations here this season, I am satisfied that it could not well be otherwise, and things must remain substantially as they are, until the farmers them-

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selves waken up to the fact that they, through want of appreciation of a most valuable part of their work, are losing, on the aggregate, hundreds of thousands of dollars yearly."

"I need not enter into a criticism of the present system of working, the particulars of which are well enough known; but seeing farmers here have, in the breed of their cows, the fertility of their soil, and the suitability of their climate, all the elements of a first-rate butter country, the blame must be their own, as the loss is certainly their own, that so much inferior quality is sent into the market. I am well aware that the country being new, a vast amount of energy has been absorbed in breaking in the land and grain-raising, and that dairy farms as such must be plants of later growth; but I believe the time has now come when a percentage of your leading farmers ought to give special attention to this department.

"It must also be kept in mind that the factory or creamery system which is extending so rapidly in the States will certainly leave Canada in the background, unless your agricultural and dairy associations take the matter firmly in hand; but I have no doubt that if some system is carefully determined on and diligently worked out, you can, from the advantage of climate and other causes, manufacture an article superior to that produced in the States."

I do not, of course, think that this Board can recommend anything, or that the Government can adopt any measure to compel people to make good butter, unless they are disposed to make it good themselves; but I do think if there were compulsory inspection it would be properly graded so that buyers would not be imposed upon. There would be a brand by which butter would be known; it would be in the end creditable to the country as well as profitable to the makers. The bulk of the butter sold in our markets is hidden from the sight of the purchaser, and they have to judge by the top. There is a great deal of deception in the packing, and there should be some way to protect purchasers. Our Board holds that we should recommend that the Act be made compulsory with regard to butter, and if possible to flour, meal, fish and meats.

Mr. WM. LUKES (Toronto): I wish to ask if this motion has reference to exports and imports, or whether it includes butter for home consumption? Butter is sold in lots ranging from one to one thousand pounds; flour, from one stone to thousands of barrels.

Hon. Mr. SKEAD: We wish to apply it generally to packages, but I do not think it would be applicable to single pounds, because a purchaser can see whether a single pound is good or not.

Mr. R. W. ELLIOT (Toronto): A great deal of the trouble with bad butter arises from the way it is bought. It is taken by the farmers' wives to the stores and exchanged for goods. In this way storekeepers are obliged to take butter which they do not like, because it would be a mortal offence to the makers to refuse it. Then, after it is purchased, it is not properly kept in the store. This compulsory inspection should be carried out. It would save a large amount of money to the country every year. In regard to inspecting every pound of butter that is sold, I do

not think that is the object the proposer of this motion has in view. He desires to confine it to quantities sold in the wholesale market, or packages. The purchaser in such cases has not a proper opportunity to discover the quality of the butter he is buying. Buyers abroad should learn that this country exports uniform grades of butter—that if a package is marked “No. 1,” it is really number one. The same course taken with regard to ashes has made Canadian ashes stand at the very highest points in foreign markets.

Mr. D. McCULLOCH (Hamilton): I have not heard of any reason why people should not be allowed to buy bad butter if they choose; but, at the same time, in the matter of exporting bad butter, there is no doubt the country at large suffers, the innocent with the guilty. If the proposition were confined to the butter exported, I believe it would meet with the approval of everybody.

Hon. Mr. SKEAD: I see no reason why people should be prevented from buying bad butter if they wanted it, but they should know what they are buying.

Mr. WM. LUKES: I remember this question coming up at this Board in 1876, when it was pretty thoroughly discussed. I objected to the form in which the motion was submitted; and I object to it now for the same reasons I gave then; I think it is impracticable, unless it is specified more in detail as to places and quantities of inspection. In relation to flour, the motion does not specify whether foreign imports are to be subjected to this inspection, and the same remark applies to meal, fish and oil. It is impracticable, because all those articles are sold in very small quantities, and it would be doing an injury to dealers in and manufacturers of those articles in this country to make inspection compulsory. I do not think it is practicable to inspect flour in this way. The grades which, by Act of Parliament, we may have inspected are so numerous that it is very difficult to get an inspector who can please both the buyer and the seller, or even to satisfy his own judgment. And, as there are innumerable grades of flour, there are also innumerable grades of butter, cheese, &c. I opposed the proposition in 1876, because it did not include foreign flour and meats, and as we are subject to very strong competition in those articles from the United States, I considered that we would be giving the foreign producer a decided advantage over our own people to compel the one and not the other to submit to inspection. My impression is, in relation to the inspection of flour and meal, that the Inspection Act will have to be remodelled. In the United States, whatever the law may be, the practice now is to have fewer grades

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of flour than they formerly had. They have two or three grades which enables the purchaser to detect immediately the quality of what he is buying. I have been brought up to the flour milling, and my ancestors were engaged in the same business; yet I would not consider myself competent to inspect three or four grades of flour to satisfy a purchaser, or even myself. It is very desirable that people should know the quality of the butter they are buying, but I presume the municipal arrangements are sufficient to provide the necessary inspection. There is a law in existence by which, if the people of Ottawa want to have their butter inspected, they can have it done.

Mr. J. J. BREMNER (Halifax): With regard to the Lower Provinces I consider compulsory inspection impracticable. Small farmers, separated by long distances from the inspectors' offices, have no means of getting it inspected. Of course, butter for exportation should be inspected. I believe the Fisheries' Inspection Act is a very good one. It is a compulsory Act, and I see no reason why the present motion should include fish. I would call the attention of the Board, however, to some amendments which are desirable. I think the barrels in which fish are packed should be inspected. Pork, worth about eight dollars, is packed in a barrel worth two dollars. Down with us, mackerel to the value of twenty-five dollars is packed in a barrel worth thirty cents, and the consequence is the contents are frequently spoiled in transit. Another thing is the size of herring barrels. They are large enough for poor herrings, but for fat, large fish they are too small, because, if the proper weight is put into them they are spoiled by too close packing. These are the two amendments to the Fish Inspection Law which I think are desirable.

Mr. THOMAS CHURCHER (London): In the judgment of the London Board of Trade, the compulsory inspection of butter would be very objectionable. They feel that the greater the freedom that is allowed to dealers the better it is for the trade. More especially do I find the objections to compulsory inspection coming from dealers in butter. Our merchants in London handle a very large quantity of butter, and they are shippers, to a very considerable extent, to Great Britain. They find that compulsory inspection would interfere with their trade very materially. They ship to order, and rely upon their own judgment as butter dealers for the sale of their goods. They tell me that if they ship their brands of butter to certain markets, it is accepted at once, because they have a character to lose, and they know their brands insure the butter being of a certain quality. Compulsory inspection would require uniformity in packages. They find that in some parts of England different packages are required

from the kind in demand in other sections of the country, and compulsory inspection would embarrass them in their trade. The millers object to it for the same reason. They have their regular customers, and their brand is accepted. If the expense of inspection be added to the cost of production, it is so much against them. These are the objections that we have in London to compulsory inspections.

Mr. JOHN KERRY (Montreal) : Can the gentleman from London tell us the proportion of butter that spoils in transit ?

Mr. CHURCHER : I am not acquainted with the details of the trade. I merely mention the objections of the trade in London to compulsory inspection.

Mr. ALEX. WOODS (Quebec) : There is a great deal to be said in favor of some sort of inspection which would be compulsory, but it is absolutely impracticable as proposed by this motion. The number of inspectors that would be required all over the country, and the consequent embarrassment to trade, would be such that it would be insupportable. I would suggest an amendment, that the inspection of butter for exportation be made compulsory. Last year we passed a resolution in favor of authorizing the local authorities to appoint inspectors, and to make the inspection law compulsory in such municipalities as might desire it. That was very properly objected to at the time as being more than the Dominion Parliament would be likely to do, inasmuch as the different grades which would be adopted in such municipalities would prevent anything like uniformity. At the same time, as the exportation of butter is from three or four central points, there might be compulsory inspection at those places, of butter for export. Any one who has given attention to this matter must have felt the impossibility of depending upon the quality of butter purchased in our markets. The variety is such that great loss is experienced in exporting it. I am satisfied that if this extensive interest were properly managed it would be a great source of wealth to the country. It is known that some qualities of butter sell at seven cents a pound which, with proper management and care on the part of the makers, would bring twenty cents ; so we see the immense loss which the country sustains in consequence of carelessness on the part of the makers and packers. I think the sort of package in which butter for exportation should be put, ought to be defined by Act of Parliament, and dealers would soon find it to their advantage to make use of such packages as would secure them a market. I can see no other way of accomplishing the object which the proposer of the motion has at heart, without embarrassing the trade of the country.

Mr. G. A. CHAPMAN (Toronto): I think that this motion is not explicit enough, and that it was in consequence of its incompleteness that it fell through when brought before this Board on former occasions. Great difficulty has been found in the inspection of flour. We have an inspector at Toronto and there is one at Montreal. Flour inspected at Toronto, when inspected again in Montreal, has been reduced to a lower grade. Now, I think it should be understood that the inspection of any inspector appointed by the Government should be final. I believe that the amendment I am about to offer will give the Government some basis to work on. I move in amendment, seconded by Mr. P. D. CONGER (Toronto):—

“That all the words after ‘that’ be omitted, and the following substituted therefor: ‘the Government be asked to give the Boards of Trade, and similar associations, power to appoint examiners for the inspection of butter, &c., and that when so appointed the inspection of all butter offered for sale in five or more packages shall be made compulsory.’”

Mr. THOS. WHITE, M.P. (Montreal): This question has been before the Board on several occasions, and the difficulty has been in passing a very general resolution. If, instead of adopting a general motion like this, we can get a committee of practical men who will report to this Board what is wanted, it will be of advantage to the Government and to Parliament who will have to deal with the subject ultimately. I do not think it is possible to come to any agreement on such a motion as this. It recommends that the power of appointing inspectors be given to the Boards of Trade, which you will find Governments in these days, when they are so desirous of getting all the patronage they can into their own hands, will hardly consent to. I therefore move in amendment to the amendment, seconded by Mr. ANDREW ROBERTSON (Montreal):—

“That the subject of compulsory inspection be referred to a special committee, composed of the Hon. Mr. Skead, and Messrs. Magee, Lukes, Bremner, Woods and Chapman, with instructions to report at the present meeting of the Board, if possible.”

Mr. A. ROBERTSON, (Montreal): I do not like to make the inspection of butter compulsory, for the simple reason that I have known large quantities of butter to spoil in Montreal which were shipped from the country in good condition. I think it might be mutually arranged by the shippers themselves to have the butter inspected; but to compel everybody to have it inspected, when neither the purchaser nor the seller desires it, would be a very great mistake.

Before a vote was taken, Hon. Mr. SKEAD withdrew his motion, and the Board divided on Mr. WHITE'S amendment, with the following result:

*Ayes.*—Messrs. Baird, Boivin, Bremner, Chapman, Carrier,

Churcher, Dobson, Greene, Haliburton, Jarvis, Kerry, Lukes, McCulloch, McKechnie, Noonan, Robertson, Rosamond, Sanford, Waterman, White, Woods.—21.

*Nays.*—Conger, Elliot, Magee, Skead.—4.

HALIFAX AS THE WINTER PORT OF THE DOMINION. (Nos. XX AND XXI.)

Mr. J. J. BREMNER (Halifax), said: It is unnecessary for me to say much as to the importance of the Intercolonial Railway to this Dominion. Without it the Confederation of these Provinces could not exist. It is also unnecessary for me to point out at length the great importance to Ontario and Quebec of this Railway, as a distributor of their agricultural products and of their manufactures. But, until it becomes a means of outlet to the Atlantic for trans-shipment to Europe of the agricultural products of the West, it fails to realize the purpose for which it was built. Since our meeting here last year, little progress has been made towards making Halifax the Winter Port of the Dominion for the shipment of grain and other produce to Europe. What is the present position of the question? The distances between Chicago and Portland, and Chicago and Riviere du Loup, being equal, the rate of freight between these points is equal; and it thus becomes necessary to save from the ocean rate sufficient to pay the freight from Riviere du Loup to Halifax. Last year Sir HUGH ALLAN offered to carry grain from Halifax to Liverpool at a rate of one shilling and three pence sterling per quarter less than the rate from Portland to Liverpool, and other goods in proportion. We could not get the then-existing Government to name a rate which that difference would cover;—the present Government has named such a rate, but Sir HUGH ALLAN now says that he cannot carry freight at a greater difference than ten per cent. less than New York rates. The Intercolonial Railway stands in a very different position than if it were merely a commercial undertaking. One of the principal inducements to Nova Scotia to enter the Confederation was the Intercolonial Railway, and the benefits which were to flow to her from being made the outlet for the products of the West through this railway. As things stand at present the great benefit to Nova Scotia is rather doubtful. Go to the junction of this Railway with our Provincial Railways running east and west, and mark the large quantities of goods which arrive there daily for distribution through the Lower Provinces, and you will see that this Railway has been the means of enabling the merchants and traders of the Upper Provinces to do a good deal of the business which formerly was done by the merchants and traders of the Lower Provinces. We

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do not grudge you this trade, and hope that the time will come when we may be able to reciprocate; but we do think that the benefit which we would derive from the working of this railway in the way it was intended it should be worked, ought not to be withheld from us. Previously to Confederation, Nova Scotia built railways East and West, at an expense very great for her resources; she did not work them, however, with a view to make money out of them but to develop the resources of the country. In fixing the rates of freight she did not consider how much it would take to pay, but what rate would ensure the carrying of all that was to be carried. She made no money in operating her railways, but the resources of the country were developed, the value of property rose, the revenues increased, and the indirect advantages far more than counterbalanced any loss there might be from the working of them. In the same way, I may ask, were the Canadian canals built as a commercial speculation? Are the large sums now being spent on these canals merely an investment of surplus funds of this Dominion seeking profitable direct returns? Independently of the immense amount already spent on them, how much more does the country expect in direct returns for the \$15,000,000 which are now being expended on these public works? Half-a-cent a bushel will not go far towards it. Apply *commercial principles* to these canals, and the people of the West will at once understand the feelings of the people of Nova Scotia when they are told that *commercial principles* forbid this railway, the property of the country, being used in the way it was intended to be used, and in which alone it can ever be of any great value as an agent in building up this Dominion into the great country which its natural resources justify us in expecting that it will become. The farmer may keep little stock, and sell his hay and fodder because they bring in a little ready money, and he is saved the expense of buying and tending stock. But is he a wise man? Is he providing for the future? He is impoverishing his farm and laying up a future of poverty and dependence. And so this country does not act wisely if, from false economy, she refuses to use the magnificent highway which she possesses, for the developing of her resources and building up a large and profitable trade within herself—a trade which will especially build up that part of this Dominion, which is and must continue to be the best customer for the products of the West. At present we are building up rival cities on foreign soil, whose growth, stimulated by our trade from year to year, is making it more and more difficult to establish an Atlantic winter port on our own territory. The Intercolonial Railway is the property of this Dominion, and, like the canals, was built and is to be used for the general good of the country, even if there should be an

apparent loss in its working. The loss would only be apparent; for if this railway were fully utilized, in a short time the increased revenue of the country would indirectly more than compensate. Would there, on the whole, be loss to the railway by carrying through freight at a rate which would ensure the shipment of produce from the West *via* Halifax? I believe the opening up of this trade would bring other freights to the railway, which would go far to counterbalance the loss on the through freight; and if the trade were once established, and steamers and sailing ships could get freights at Halifax, I believe the advantages of Halifax as a cheap, safe port, and being so much nearer to Europe than the other shipping ports, would ensure such competition for ocean freights, that the Intercolonial Railway would soon be able to obtain a rate which would pay. I believe that were the necessary arrangements completed, it would at present be more profitable for the Allan Line of Steamships to carry freight from Halifax at the difference which would have to be paid to the Intercolonial Railway than to go to Baltimore to load. Even, without detention at Baltimore, it must take about eight additional days, which at \$500 per day, makes \$4,000 on the trip,—and then there are the expenses at Baltimore. If cargoes could be furnished at Halifax without delay, three steamers could do the work instead of four, as when Baltimore is used. Then, at Baltimore, there is the danger from ice, which every winter is more or less troublesome there. Week before last one of these steamers was frozen up at Baltimore, and was unable to proceed in her turn from Halifax, and I hear that last week also one of them has been frozen up there. It is very seldom that there is ice in Halifax harbor, and I have never seen it that a steamer could not pass through; and even on those rare occasions when there has been ice for a day or two, it could have been prevented (and will for the future be) by running a tug-boat up and down the harbor. But there are other elements that come into the calculation. There is the Dominion subsidy paid to the Allan Line, and there is also this advantage that steamers coming to Halifax, besides the through freight, get a large quantity of local freight for the Lower Provinces which pays them much better than the through freight. They have no such local freight to Portland, but only through freight. I believe that several lines of steamers, with the subsidy paid by Canada, and the other advantages of Halifax, would be quite willing to make Halifax their terminus and carry freight at the same rate as from Portland, paying the Intercolonial Railway a fair freight. If suitable arrangements cannot be made with the Allan Line, I consider it to be the duty of the Government, on expiration of the present arrangement, to grant a subsidy to no

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line of steamers which will not make Halifax its terminus, with an agreement for moderate or low through freight over the Intercolonial. If this is done, a line will be got to do the work, and through its agents it will see that freights are always ready at Halifax for its ships. But to accomplish this the railway will first have to be completed; that is, it will require a terminus nearer to the city, the water front of which will not be in danger of being frozen up. It will also have to be equipped, like other railways seeking such freight, with a grain elevator and sufficient storage to ensure that cargoes can be ready for steamers without delay. If this railway were the property of a private company, would not one of the first things they would do be to make such an arrangement with a steamship line as I have indicated? How much more is it the duty of the Government, which represents also the interests of those who will be benefited by the successful working of the line? Mr. President and Gentlemen, the full utilization of this railway is a matter of the utmost importance to that portion of the Dominion which I here represent. It is only by all parts of Canada looking at things with broad and enlightened views—in a national and not in a sectional spirit—that we can realize the great destiny which I believe is in store for this country; and, as we by the sea do not grudge the enlargement of your canals, because we look to national and not to sectional interests, so we look for your support in making this great Intercolonial Railway what it was intended to be—our great national highway—a means of material prosperity to a considerable portion of this Dominion,—a means of national greatness by the building up on our own soil of a great Atlantic seaport, safe and accessible at all times, under our own control, and subject to no foreign influence. Without such a port, this Dominion will be incomplete, and unable to take a very high rank in the estimation of other countries. There appear, too, to be great changes in the near future which will have a very beneficial influence on the Intercolonial Railway. Quebec is now connected by the North Shore Railway with Montreal and thence to Ottawa. It is only a question of a few years when the connection will extend to Toronto, and when a bridge will span the St. Lawrence at Quebec. When this happens, with the Point Levi and Riviere du Loup railway in the hands of the Government (as it should be), the Intercolonial Railway will be quite independent of the Grand Trunk Railway. For this change, which is soon to come, we should prepare, and whether it be in opening up our country by canals or by the Intercolonial Railway, let us act with a patriotic spirit. (Applause). I move, seconded by Mr. W. H. FRAZER (Toronto):—

“That in the opinion of this Board, it is the duty of the Government to use every

effort by the utilization of the Intercolonial Railway, to make Halifax, N.S., the winter port of this Dominion, for the shipment to Europe of the products of the West, as well as for the forwarding of mails and passengers."

Mr. W. H. FRAZER (Toronto): In seconding this motion, I may state that the Board which I represent had one of a similar character, but after conferring with the delegate from Halifax, we considered that his should prevail. We, therefore, withdrew it; and, after the manner in which Mr. BREMNER has gone into the question, I will not detain you longer than to say that we in Ontario heartily sympathise with the people of Nova Scotia in their efforts to make Halifax the winter port of the Dominion. They will have not only the support of the manufacturers of Ontario, but of all classes, as the people have come to the conclusion that sectionalism should no longer exist; and that such a policy should be supported as will build up an Atlantic winter port on our own territory.

Mr. R. G. HALIBURTON (Pictou): The subject that Mr. BREMNER has brought before the board is one that we can scarcely differ upon. The whole Dominion has expressed its earnest opinion on the question; and the best proof that the people have approved of it is the fact, that an immense sum of money has been expended in building lines of railway, which will prevent us from being placed in the same humiliating position that we were in fourteen years ago, when we were threatened that if we did not comply with certain terms and conditions from the other side of the line, they would close our winter outlet to the Atlantic against us. We have built the Intercolonial Railway for no other purpose than to secure winter communication with the seaboard through our own territory; and it would be monstrous to throw away all the money that has been expended upon it—for we have a line that will compare favorably with any other railway on the continent—when all it requires is a little more encouragement to make it a commercial as well as a national success. I think the time has come when any money that is to be expended in subsidies to mail steamers should inure to the people of Canada alone, and not to assist in building up the trade of foreign ports. (Applause). I tell you, gentlemen you have been assisting by the manner in which your subsidies have been granted, in developing the trade of the United States at the expense of the trade of our own country. I was astonished while in London not long ago, when I came to find on what terms Americans were being carried over the Allan Line of steamers. A friend told me he was actually going to be carried by that Line as a settler in Tennessee *via* Portland at the same rate that was charged to passengers to Halifax! Here we are paying a subsidy to the Allan Line to bring emigrants to the United

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States and build up a foreign port, when it is absolutely essential to the trade of the Dominion that we should have our winter port at the terminus of our own system of railway communication. If we are called upon to pay anything by way of subsidy to ocean steamers, let us pay for something that will be for the good of our own country, and not to benefit the trade of a foreign nation. Within a few months we have had information given to us that we have a summer port of our own away to the north, that will be available for several months of the year for the transport of the produce of the North West, that will not be cursed by a heavy tax upon everything that is sent through it across the ocean. We are blessed by nature in a way that the United States are not blessed, and we will have a summer outlet from the North West, with communication from Port Nelson as near to Liverpool as Liverpool is to New York. We have already expended a great deal towards establishing a winter port, and we should not hesitate in adopting any means that will make that large expenditure profitable to the Dominion. (Applause.)

Mr. W. E. SANFORD (Hamilton): I wish to ask the delegate from Halifax if he includes a subsidy to steamers in his motion, or simply a special rate of freight over the Intercolonial?

Mr. J. J. BREMNER (Halifax): I do not propose any further subsidy than is paid at present, but that any line of steamers that received the subsidy shall make Halifax the winter port; and by reducing freights on the Intercolonial there can always be a large amount of freight available for the steamers—in fact there is no such freight at Portland as there would be at Halifax.

Mr. ISAAC WATERMAN (London): While I agree that Halifax should be the winter port, and to some extent the summer port, of the Dominion, we should also take into consideration the freights that are charged to us from the West to Halifax. We very frequently find, when we ask the price of freight from London to Halifax, it is so enormously high that we cannot afford to ship that way at all, the rates to New York, Boston or Portland being so much cheaper. It is a singular fact that to-day freights from London to River du Loup are higher than they are from London to Moncton, and we are thus compelled to send our freight over the American lines rather than patronize our own. We find that we can get freight from Liverpool to London, via the American lines, for the same rate as from Liverpool to Quebec by the Canadian route. If this Board could take such action as would secure as cheap, or a cheaper rate *via* Halifax, a great deal of the western freight would go that way;—then, too, the difference between the summer and winter rates over

the Canadian lines is so great that it is impossible to ship by Halifax in the winter. It seems to me that the Grand Trunk Railway is always trying to discriminate in favor of Portland; for if you obtain any advantage *via* the Intercolonial, the Grand Trunk at once offers to give you as good if not better terms to ship via Portland. Before we look into the question of ocean freights, I think we should certainly enquire into and regulate our inland freights, so as to enable the people of the West to assist in making Halifax the winter port in the way they would like to do.

Mr. W. E. SANFORD. (Hamilton): I favor Halifax as a winter port for passengers, mails, and local freights, but when we go beyond that it is a question that deserves very careful consideration. I have the figures before me showing that the distance from Chicago—taking that as the central point of the grain trade of the west—to Baltimore is about 760 miles, as compared with 1706 miles from Chicago to Halifax; 850 from Chicago to Baltimore, and 1000 miles from Chicago to New York. Mileage is an interesting question in carrying freight. It is claimed by the freighters over the New York Central and the New York and Erie routes, that they can carry a cargo of freight from Chicago to New York at 35 cents per 100lbs. at a profit of about \$11 on the car.

Mr. ANDREW ROBERTSON, (Montreal): How many tons to the car?

Mr. W. E. SANFORD: Ten tons. You must bear in mind that the Intercolonial Railway is not fully equipped with rolling stock for a large grain trade, that necessitates the hiring of cars, which is now extensively done over the lines running into Baltimore and New York, at three-fourths of a cent per car per mile. Now if you figure up the cost of simply transporting a car to Halifax—with the probability that in nine cases out of ten it must return empty—you have an actual charge to meet, of fifteen dollars for the car alone which is a very serious item, while the charge per car to New York is but \$10.50. Our friend from Halifax says, very properly, they have not the facilities there of grain elevators, while in New York, Philadelphia, and Baltimore, hundreds of thousands of dollars have been expended in the construction of magnificent structures for that purpose. Then we have the question of ocean freights. In New York the competition is such that freights are exceedingly low—all the way from 16 cents to 22 cents at times. Besides, I understand that there are no harbor dues or tolls in New York.

Mr. J. J. BREMNER: On the contrary, the harbor dues there are very heavy.

Mr. SANFORD: I am asking these questions, and making these statements, to gain information. It does appear to me, however, that the extreme railway mileage over the Canadian route, as contrasted with the length of ocean mileage by the American route, is a very serious matter. The distance from Halifax to Liverpool is some 2,450 miles; from New York to Liverpool it is 3,040. There is a question of 600 miles of ocean travel, which is only a small matter when compared with the extra 700 miles of railway carriage *via* Halifax. I should like very much to see Halifax harbor filled with shipping—both steam and sailing vessels; I should like to see that city a great centre of commerce; but I do not feel that we are called upon to ask the Government to pay a part of the cost of transporting the products of the western world to the Liverpool market, and thereby increase the public burden.

Mr. R. MCKECHNIE (Dundas): I cordially agree with the mover of this motion, that the Government should do all in their power to make Halifax the winter port of the Dominion. I think we should look upon this matter from a national, and not a sectional, point of view. When the Intercolonial Railway was proposed, it was very strongly objected to, and a popular expression at the time in reference to the scheme was that it would never pay for the grease to oil the axles used on the railway. However, the road was constructed, and we have found that the railway has been a success. I believe that it is one of the best built railways on the continent of America, and it is in capital working order, with the exception of the rolling stock. I consider it is a duty to run that road in the interest of the whole community, without the expectation of making any profit out of it whatever. The argument has been advanced that the local trade might be increased. That is a matter we in Ontario would like very much to see carried out. Two large items of the trade of the Intercolonial are coal and iron. Both are industries that I would like to see developed much more than they are. We in the West, as consumers of coal, would like to see that industry developed ten-fold; and I hope such a policy may be carried out by the present Government as will largely develop a trade between Ontario and the Maritime Provinces—a policy that will force the iron and coal of Nova Scotia as far West as it will be profitable to bring it, and we will send our grain and our manufactures to them in return. I believe that it will pay the Government to make reductions in freight over the Intercolonial, if it is intended to make Halifax the winter port. I was very much pleased with the late Government for bringing the winter mails through the port of Halifax, as I consider it was a step in

the right direction. I should like to see the East built up as well as the West, and to see more intimate relations between the Provinces than we have had in the past. While we are pleased to have such sharp neighbors to the south of us—people who are able to give us such forcible lessons in trade matters as they have given us in the past—while we are willing to continue our intimate relations with them, we should not neglect our own interests at home. The Americans have been sharp enough to look after their own affairs very closely, while we Canadians have been neglecting in a great measure the interests of our own Dominion. I cordially sympathize with the people of Halifax who wish to make their harbor a winter port for the traffic of the West.

Mr. ANDREW ROBERTSON (Montreal): This question came up before this Board last year, and on that occasion I asked, on behalf of the Board of Trade of Montreal, that we should endeavor to get the mails carried via Halifax for one year. The success of that experiment gained my vote for having Halifax made the winter port. Mr. HALIBURTON treats it from a sentimental point of view; but, while I am willing to see Halifax prosper with the rest of the Dominion, I cannot shut my eyes to the fact that there are obstacles to be overcome. So long as we can carry goods without a loss to the country, or even if we can carry at a slight loss, I am willing, from a sentimental point of view, to stand it; but as Mr. SANFORD has fairly put it, we cannot ignore the geographical fact that Halifax is a great deal farther from Chicago than Chicago is from New York. Take Montreal to-day as the apex of the triangle, and there is only a difference of one mile in the distance between Montreal and Portland and Montreal and Riviere du Loup. When we come to consider that the Grand Trunk Railway will carry freight to Portland as cheaply as they will carry it to Riviere du Loup, and that it has to go 550 miles further by rail before it reaches the seaboard at Halifax, we must admit the difficulty of competing with the Portland route. There ought to be a warning note sounded as to the extent to which Government should go in order to make Halifax the winter port. I don't think the Government should, at this particular time, be asked to enter into any large expenditure, unless it is for a practical purpose. I should certainly be happy to see Halifax compete with New York or Portland as the winter port; and I am willing that the Government should give their best attention to the development of traffic over the Intercolonial to its fullest extent; but they should take care in doing so not to make it a burden to the general interests of the country.

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Mr. WM. LUKES, (Toronto): While I do not expect immediate action to be taken by the Government on this question, I quite approve of the way in which it has been introduced at this Board. Everything must have a beginning, and so great and important a question as this must receive consideration; but I am of opinion that the present Government, as well as the late Government, intend to do all in their power for the benefit of the Dominion as a whole and not for any particular section. This question of making Halifax the winter port must not be looked at merely in that light; we have a great North-West to open up, which we expect in a very short time will be the granary of the continent, and when that vast territory is as fully developed as we anticipate it will be in a few years, it will produce large quantities of the finest wheat. The United States millers are already looking with longing eyes at the wheat of our North-West, but there is only a small chance for their taking that grain to manufacture it for domestic purposes, as their tariff forbids it. But we cannot ignore geographical facts. I believe Vanderbilt is on the right track in relation to the Grand Trunk Railway, when he says that, his roads being the shortest, he is not prepared to concede rates to any other line whatever. When we anticipate what the North-West is going to be, it is necessary that we should take time by the forelock, so that we shall be prepared to carry the grain which may be produced up there through the Dominion and ship it from our ports to Europe. I believe if we had freer reciprocal trade with the United States that a great deal of the Minnesota grain would come to the seaboard *via* the St. Lawrence; and the day is not far distant when there will be sufficient produce raised in the North-West to keep in continuous operation a line of steamers that will make Halifax a winter as well as a summer port,—and I think the Government could, if necessary, contribute to that object by making freight rates over the Intercolonial as low as possible—even if it did not quite pay running expenses.

Mr. ALEX. WOODS (Quebec): I do not think that the gentleman who has just sat down would advise the Government to ship freight by Halifax at the expense of the country. He seems to think it would be a Halifax grievance if the Government did not make Halifax the winter port, and maintain it at a serious loss to the country—in other words, not only to give them a railway, but to run it at a loss for all time to come. So far as the management of the road up to the present time is concerned, I think our friends from Nova Scotia have no reason to complain. I do not know either that it is any ground of complaint that the

merchants and manufacturers of Ontario and Quebec have reaped a benefit from the Intercolonial. No doubt they have reaped a benefit from it by obtaining new customers in the Maritime Provinces ; but the people of these Provinces must admit that it has been a benefit to them also to get their goods cheaper than they could ever do heretofore in Halifax. I was in favor of the scheme to make Halifax the winter port for passengers and mails ; but it would be a very serious matter if this Board is to recommend a policy which will load grain and all the produce of the West with a heavy charge simply for the purpose of keeping open and running the Intercolonial Railway, and making Halifax its terminal point on the Atlantic seaboard. I am amazed at the representatives of the Manufacturers' Association being so willing to sacrifice the interests which they have in charge, in order to make Halifax the winter port. Does it occur to them that the parties really interested are not the people of Halifax, but the farmers of the West? We find by the return handed in by the delegate from Halifax last year, that the amount of freight that had been forwarded from Riviere de Loup to Halifax over the Intercolonial that year was 8214 cars. I have gone over that return in vain to find any articles of manufacture ; nor can we expect that the manufactures of Ontario will be forwarded over that line to any great extent for some years to come, as the manufacturers will not pay extra freights for the privilege. It is a very different thing for the farmer who has to ship his butter, cheese, and grain, to find himself handicapped with 700 miles of extra freight in sending his produce to Liverpool, and there is no doubt it would be a very serious hinderance to the agricultural interests in the West. By all means give Halifax the benefit of the Intercolonial Railway, but at the same time be fair and reasonable to the interests of the West, which demand that their produce be taken to the markets at Liverpool by the cheapest and most expeditious route.

Mr. D. McCULLOCH (Hamilton): I should be sorry if our friends from Halifax were to misinterpret, in any way, what has been said by my colleague, Mr. SANFORD, into a supposition that we in the West are cool or indifferent in this matter. The feeling in the West is strongly in favor of making Halifax the winter port ; but it seems to me that our friends in Nova Scotia must look this matter fairly in the face, see the practical difficulties in the way, and do their share in removing them, if they are to be removed. Mr. BREMNER seems to think we enjoy a great advantage in the West by having large expenditures on canals. If he considers it is a matter of mere local interest, he is mistaken, as the expenditure is made to improve the whole St. Lawrence

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route, and it is of no greater advantage to us locally than it is to any other part of the Dominion. I have no fear that the farmers of Ontario are likely to be handicapped by any arrangements that are going to be made, because we have competing routes, and we can select the line that affords the best accommodation. What our friends in Halifax will have to do is to make their line the cheapest. Whatever should be done by the Government ought to be done as soon as practicable; but they cannot overcome the whole difficulties of the situation, nor can they be expected to go beyond what can be fairly considered national interests. Our friends in the East must see that they are competing against long-established and powerful interests, in which the machinery of commerce has been developed to a very high degree of perfection. Mr. BREMNER has spoken about the necessity for the construction, at the public expense, of elevators at Halifax. I think, however, that on further consideration, he will see that is not a part of the work that the Government should undertake. In other cities which are termini of the railways on the seaboard, elevators are matters of private enterprise. That is the kind of enterprise we must expect from Halifax, and the people of Halifax must show whether they are in earnest in the views they have expressed here to-day. We only ask that they do their share, and we in the West will consent to the country doing its share. The three cities—Hamilton, London and Toronto—have within the last ten years been mainly, if not altogether, instrumental in the building of railway lines to the extent of nearly one thousand miles in length. We have done it without complaint, by our own enterprise, and that is the kind of spirit that must be shown by our friends by the sea if they wish to succeed in this matter.

Mr. J. R. NOONAN (Pictou): It is very gratifying to hear the kindly feelings that have emanated from our friends in the West in relation to this question. I am sure when they favor Halifax as the winter port, they are conceding a great deal, because the cost of shipping over a long rail route, instead of by a short one, must be a considerable loss to those who favor the Intercolonial; and I feel very much pleased at the manner in which the delegates from Ontario and Quebec have favored this scheme of making Halifax the winter port. I have no doubt that the Government will assist by reducing rates over the Intercolonial to such an extent, that low freights will be an equivalent to the shorter mileage of competing routes.

Mr. J. J. BREMNER: I can assure the gentleman who says that railroads in the United States do not provide elevators, that he has been misinformed. It is a fact that, where private enter-

prise does not supply elevators, the Railway Companies erect them in order to accommodate and secure trade to their lines. Mr. SANFORD made a point when he spoke of the great distance of Chicago from Halifax as compared with New York, but he must also bear in mind that there is a great difference in the distance between Halifax and Liverpool as compared with New York and Liverpool. The distance from Halifax to Liverpool is 2,450 miles, and from New York to Liverpool it is 3,040, so that it is a very much longer route from Chicago to Liverpool, *via* New York or Portland, than *via* Halifax. I have before me a memorandum showing that the expenses for a 600-ton ship at the port of New York is \$646; at Baltimore it is \$432; at Philadelphia, \$575; Boston, \$366; at Portland, \$300; and at Halifax, \$49. I think the rate at Halifax has been lately reduced, so that there are advantages in favor of that port, which I think greatly counterbalance the extra length of railway carriage over the Intercolonial. Mr. SANFORD also said there would be a great deal of expense in providing cars on the Intercolonial, as it was not sufficiently well supplied with rolling-stock. When the Intercolonial Railway was to be built, by the terms of Confederation, we presumed that it would be a fully equipped road, with every capacity to perform the duties for which it was intended. Surely, the building of the Intercolonial Railway was not done in the way of asking for bread and giving us a stone? I think the sooner the railway is fully equipped with cars the better. Mr. ROBERTSON asks how far we would ask the Government to go. I think he is too much alarmed about what the Government should be asked to do. Montrealers having obtained what they wanted, care to go no further; let the trade come as far as Montreal, then go to Portland, or anywhere else, for all they care. I think that is not the way to look at a question, the object of which is to benefit the whole Dominion. The time is fast approaching when the whole of this trade may go past Montreal to Quebec by the North Shore of the Ottawa and St. Lawrence.

Mr. ROBERTSON: We are not jealous.

Mr. BREMNER: The time is coming when we will need every avenue of export that we have, and the more we have the better. What we ask the Government for is not so serious a matter as some gentlemen seem to think. One of the things we ask for is, that the subsidy paid to any line of steamers for carrying our mails should be utilized so that the Dominion shall get the benefit of it by compelling them to make Halifax their winter port. Some gentlemen have spoken of the distance from Chicago to Riviere du Loup as being the same as from Chicago to Portland. I acknowledge that that is the fact, and we have to

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provide for the extra freight by rail from Riviere du Loup to Halifax ; but I contend that that can be provided for, in a great measure, by the better facilities which Halifax offers as a sea port, and I am satisfied that if Sir HUGH ALLAN were made the same offer this year that was made to him last year it would be accepted. I contend, and I think it is the opinion of this Board, that the Intercolonial Railway should be utilized, even at an apparent loss for a time. I consider that the best way to make the road pay in the near future, and relieve the country of the expense of its maintenance, is by encouraging trade to go by that route. There is no better means of doing so than by utilizing it in connection with Halifax as a winter port, and the sooner it is done the better for the country at large. I trust the Board will adopt my motion.

The motion was then put and carried unanimously.

The Board was thereafter adjourned until 2.30 o'clock p.m.

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#### AFTERNOON SESSION.

WEDNESDAY, *22nd January*, 1879.

The PRESIDENT took the chair at 2:30 o'clock, p.m.

#### RECEPTION OF UNITED STATES' DELEGATES.

Capt. E. P. DORR, (Buffalo), and HAMILTON A. HILL, Esq., (Boston), delegates from the National Board of Trade of the United States, accompanied by some friends, here entered, and were provided with seats beside the President.

It was thereupon moved, by Hon. JAMES SKEAD, (Ottawa), seconded by Mr. CHAS. MAGEE (Ottawa), and carried with applause :

"That the Dominion Board of Trade, in welcoming Capt. E. P. DORR, of Buffalo, and HAMILTON A. HILL, Esq., of Boston, delegates from the U. S. National Board of Trade, accords to them the full privilege of debate during the present Session."

#### FISCAL POLICY OF THE DOMINION. (Nos. III, IV & V.)

Mr. E. K. GREENE, (Montreal), moved, seconded by Mr. R. McKECHNIE, (Dundas) :—

"That in the opinion of this Board the tariff should be so framed as to promote, by effective and judicious protection, the development of the Agricultural, Mining and Manufacturing resources of the country, and the encouragement of all such industries as may be carried on with advantage to the country ;

"That as regards those articles the growth and production of foreign countries which cannot be grown or successfully produced in Canada, the tariff should be so arranged as to promote *direct trade* with those countries of growth and production, thus placing the distributing business of the Dominion in the hands of Canadian Importers, and building up the shipping interests of Canada ;

"That power should be taken by the Government by Order in Council, to meet bounty-protected foreign manufactures by countervailing duties."

Mr. GREENE : I do not propose, Mr. President, to enter upon a general discussion of the details of the Tariff. I think the voice of the people of this country has emphatically pronounced in favor of the encouragement of home industries, and the development of the trade and natural resources of the Dominion ; and I have no doubt that the Government of the day will honestly and faithfully carry out their pledges made to the electors. If it were necessary to enter into details on this question, I do not think any more instructive comparison could be made than the success which has followed the United States in the adoption of the principles of protection in that country. If we go back in the history of the United States before the war, we find that they were a population of thirty millions of people with a national debt of \$64,000,000, which is about \$2 per head, with a tariff varying from 20 to 35 per cent., their manufactures steadily increasing and their tonnage nearly equal to that of Great Britain. Suddenly the cloud of civil war arose, and the nation engaged in the most gigantic struggle which the present century has witnessd. Nearly three and a half millions of men turn their labor from their factories and their farms to destroy each others' lives and property. The exact numbers in the Northern army were 2,688,523, the South having nearly one-half as many. The equipment of so great a host taxed the nations of Europe for supplies, of which England reaped the lion's share ; new iron mines were opened, new blast furnaces, cotton and woollen mills erected. Then came the suspension of specie payments in the United States, and the loss of their shipping, so that their sea-going tonnage decreased from 80 per cent. before to 26 per cent. after the war. This great gain came to England, and with it the foreign trade which the United States had almost entirely lost. Since 1873 the reaction which naturally followed the war set in, values began to be reduced, and the price of labor ultimately came to be almost the same as it was before the war. We now hear of the United States as a manufacturing country which had been lost sight of for twelve years. During that period Canada had reaped a large benefit from the troubles of her neighbor. That

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benefit has gradually decreased as the United States recovered, and we now meet with the competition of her manufacturers, with decreased importations from England, and increased importations from the United States. Prior to the war the national debt of the United States was \$64,000,000; after the close of the war it had increased to \$3,000,000,000, which they have been enabled by their protective policy to reduce to \$2,000,000,000. They have not only reduced their debt, but the interest on that debt has been reduced. It seems to me, looking at the history of the country alongside of us, which so far as this continent is concerned, is affected by the same circumstances as we are, we cannot but be amazed at the recuperative power of the republic.

[Here the Hon. S. L. TILLEY, Minister of Finance, entered the hall, and was warmly received, the delegates standing. He was introduced to the American delegates, and was provided with a chair near the President.]

Mr. GREENE continuing said: If we are going to hold the position on this continent which the natural wealth and resources of the country entitle us to, we can only do so by adopting the course which has been so successfully adopted by our neighbors (hear, hear.) We may take any illustration we choose as a comparison between the two countries, and in every instance the comparison is against Canada and in favor of the United States. When the policy of protection was first adopted by our neighbors, England and Englishmen contended that the United States would be ruined, as a protective policy was contrary to all sound principles of political economy. The United States has adhered to that policy during the war, and notwithstanding the high tariff in existence at that time, they increased it in order to meet their war expenses. Any gentleman who has visited England and the United States at any time during the past twelve months, must have been struck with the comparison between the condition of the working classes in the two countries. The destitution that prevails amongst the working classes in England to-day has no parallel in the United States; and it is a well known fact that when the workmen of any country are prosperous, the wealth of that country must of necessity be increased. The statistics of the State of Massachusetts show that, with a population of one and a-half millions, their savings banks' deposits amounted to \$238,000,000 during the past year, while we in Canada did not exceed \$12,000,000 with a population of four millions. No stronger indication of the condition of the working classes of a country can be found than the sav-

ings banks' deposits. Statistics have been brought up from time to time showing the rapid decrease in importations from the Mother Country, and the increase of imports from the United States—showing a difference of \$29,000,000 against England in favor of the latter country during the last four years. The argument has been used that a high tariff decreases the revenue—the result in the United States shows just the contrary. The tariff of the United States for 1877 averaged forty per cent. upon dutiable goods, and the revenue from that source has been more per capita than the Canadian average from the 17½ per cent. tariff. Statistics show that in 1871 England manufactured and used one half of the total cotton productions of the world. In 1878, England's manufactures of cotton were 5,000 bales less than in 1871, while the total world's production of cotton had increased from 6,000,000 bales to 7,300,000 bales, the bulk of which was manufactured in the United States. It seems to me that, so far as facts and figures can go, they sustain the principles which we advocate in the motion now before this Board. I see by late statistics presented to the French Government by M. Vacher, that the total value of the assessable property of all kinds in France is £9,220,000,000, while the statement of Ellison, the statistician for the British Government, values the total property in England at £8,500,000,000. I was totally unprepared for such a statement, and I doubt if any gentleman here could have believed that such a difference in the property value of the two countries existed. We have always been led to believe that the wealth of England was far in excess of that of all other countries. The only solution for this unexpected condition of things, is that France for years has followed a protective policy, until the whole people are constantly and steadily employed; and so far as the condition of the French operative is concerned, it is more favorable than that of workmen on the other side of the Channel. I may say that the principles that should guide the adoption of a protective tariff, are freedom from taxation of all raw materials that cannot be produced in this country; protection to all industries that can be carried on in this country advantageously by being protected; and on all other articles in the general tariff a duty as low as the requirements of the revenue will permit. I am rejoiced to see that the principles which the Manufacturers' Associations, both of Ontario and Quebec, have been working for, for years, have at last reached a point where we have every reason to expect that something will be accomplished. (Applause.)

Mr. R. McKECHNIE (Dundas): I think it quite unnecessary

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in our discussion at the present time to make any lengthy remarks in regard to this motion. We have had it discussed at meetings of this Board on many previous occasions. Then it was a question that had not received that amount of attention which it receives at the present day, and very warm discussions took place between those who were opposed to the principles of protection and those who were in favor of them. I announce myself as a protectionist, pure and simple. Formerly in discussing this question at this Board, some gentlemen would advocate protection in a manner that would give a revenue to the Government—incidental protection. I have always been a protectionist pure and simple. I do not see how any protectionist can hold the idea that the industries of a country can be fostered by incidental protection, and the Government derive a large revenue from it at the same time. The free traders ask, if you cut off the revenue how are you to carry on the Government of the country? But we have the fact before us that the United States raised a very large revenue from a very high protective tariff. Great Britain, on the other hand, raises a very large revenue through a nearly free trade tariff, the duties being levied on only a few articles. I do not anticipate that the Government of our country will find any trouble in raising the revenue; but we as protectionists ask that the industries of the country shall be fostered and protected in doing so. I believe that if the forty millions of dollars worth of goods that we import every year were manufactured in this country, it would be a benefit to all classes. Build up the industries of the country and you provide employment for all, and enable the people to buy dutiable goods that they would otherwise have to do without. There can be no better example before us than the United States in this matter. They have built up their manufactures by protection from first to last; and although some gentlemen from that country tell us that protection has not been an un-mixed benefit to them, that Canada ought to rely upon them for what manufactures we require, and encourage agriculture only,—they continue to adhere strictly to a protective tariff. If protection is good for a country adjoining us, with nearly the same natural resources, surely the same policy must be advantageous to Canada? I am glad to know that this question has been virtually decided. It has been discussed for many years back, and last session it was discussed not only in Parliament but throughout the length and breadth of the country. All other questions were looked upon as of minor importance, and in fact they were swallowed up in the great one of protection to the industries of the country. We have now a Government elected on their professions, that they were willing to do what they could to foster and encourage native industries.

I do not wish to say anything that would offend those who differ from me, but I must say that I consider the late Government did not approach this question in the manner the manufacturers of the country desired of them. A resolution was moved at the last meeting of this Board, which was certainly a very mild one:—

“That while, in the estimation of this Board, the present tariff of  $17\frac{1}{2}$  per cent. is fair and reasonable: yet, in the event of its being found necessary to increase the duties for Revenue purposes, that this Board would respectfully request the Government to consider the industrial development of the country in any readjustment of the Tariff.”

That was a very mild resolution. I have heard it sometimes stated that no matter what discussion takes place here, no matter what resolutions are passed, they have no effect on the policy of the Government,—that they are forwarded to the Departments, and that is the last that is heard of them. Whether the resolutions passed at the meeting of this Board last year had any effect or not, it is certain that the Government carried out all the recommendations of the Board. The resolution brought forward by Mr. GREENE was of a different nature from the one now before the Board. We do not tell the Government that we are satisfied with a tariff of  $17\frac{1}{2}$  per cent.; we are *not* satisfied with it. We do not tell the Government what we want; we simply ask them to consider the matter, and I am very glad to know that they have invited all parties interested to give them their views, so that they can have the fullest information before them, before framing their tariff. I think the industries of the country have reason to be grateful for the manner in which the Government have met their representatives so far. The question has been virtually settled so far as the people are concerned, and it now only remains for the Government to give it effect. I hope when the Budget is brought down by the Finance Minister, that it will be of such a nature as will restore confidence to the manufactures of the country, many of which have been almost destroyed, others working on half time, while but few are doing a successful business; and that in time our home industries will have such prosperity as they enjoyed a few years ago. I hope the question will be settled upon a permanent basis,—that we will not need to ask the Government to remodel it. I trust that what will be done will be the fixed policy of the country for years to come. While Great Britain very properly declared free trade to be a wise policy for that country many years ago, its wisdom is being largely questioned at the present day; and it is quite possible that the whole fiscal policy of the Mother Country will be remodelled, so that they will only trade free with those countries that are willing to reciprocate.

Mr. E. K. GREENE: I rise to a question of privilege.

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Reference has been made to the resolution of last year on the tariff. In relation to the history of that matter, I wish to state that two gentlemen from Hamilton were appointed from the Hamilton Board of Trade to bring in a resolution in relation to the protection of the industries of the country. Having full confidence in those two gentlemen, and, knowing that they were strong Protectionists, the drafting of that resolution was left with them. I merely saw that resolution a few moments before coming to the meeting, and altered it a little to strengthen its force; but having had no opportunity of seeing it before, not knowing its contents, and not having examined it critically, it was drawn rather mildly, without any intention of its being so mild on my part.

Mr. G. A. CHAPMAN (Toronto): This motion has been moved and seconded by representatives of the manufacturing interests, and I, as a delegate from the Corn Exchange of Toronto, not representing any interest specially, yet, to a certain extent, representing the agricultural interests of Canada, am prepared to support it. Mr. MCKECHNIE calls himself a protectionist pure and simple. I might call myself a free-trader pure and simple, and yet I can support his policy. I think when a man is a free-trader and can find no one to free-trade with, he is bound to do something else. (Laughter and applause.) I think the Canadians have shown a desire for many years—in fact ever since the Reciprocity Treaty was abrogated—to have that reciprocity restored, and to trade with the United States as they had been in the habit of doing. However, they have steadily refused to reciprocate, and I think the time has come, as the movement is taking place all over the civilized world, when we must protect our own industries. I think we are at the commencement of a national policy—not only for Canada but the whole British Empire. It has been contended in the Corn Exchange of Toronto, that a reciprocal duty should be imposed upon all grain and agricultural products that are grown in Canada, and 15 cents per bushel on corn. The reason is simply this: If we could have reciprocity we should be perfectly content, but when we cannot get reciprocity of trade, the fairest way is to have reciprocal duties. The Americans charge us 15 cents per bushel on grain exported by us into their country; let us put 15 cents per bushel on their grain. The largest export of grain to the United States is barley, on which we have to pay a duty of 15 cents, and the revenue they derived from that source last year was nearly one and a half millions of dollars. The principal grain we import from the United States is corn, and I think every Canadian who looks to the welfare of his own country,—every farmer and every stock-raiser who consumes

coarse grains for feeding purposes,—should see that we have our own market for our own coarse grains. We can raise barley in abundance, and the time is coming, in the near future, when we shall have no market in the United States for it, although the barley crop of the Eastern and Middle States cannot compare with that of Canada; but the opening up of such new territories as Nebraska will bring new competitors into the field, as they can raise as good barley as we do in Canada.

[At this point Hon. MACKENIE-BOWELL, Minister of Customs, entered the hall, and was received with much enthusiasm and invited to a seat beside the President.]

Mr. CHAPMAN resuming, said: Therefore, we consider that in protecting our own interests we cannot be guided by a better policy than by imposing reciprocal duties on the products I have mentioned, and I think it is a policy that will be received with general satisfaction by the agriculturists of Canada. (Applause.)

Mr. ANDREW ROBERTSON (Montreal): I see that the motion embraces several notices from different boards. We have been told that the resolution adopted by this Board last year was a very mild one. I think it is only fair to say that the motion as originally prepared last year was much stronger from Mr. GREENE'S standpoint than the one which was adopted. However, departing from that point, I have come to the conclusion that the tariff must be altered. I see our Finance Minister present, and I fancy I hear him asking where he is to get his money. It is easy to deal in generalities, but it seems to me that the present motion is altogether too general and will not be productive of what I would like to see. I have come to the conclusion that, so far as this country is concerned, the course of trade of late years has been changing completely. It has been changing from England to the United States; and while I have no fault to find with our neighbors, I think it only fair to ourselves as British subjects that we should encourage the people who encourage us. (Cheers.) I take this ground, that as England receives our products free, we ought in justice to her to favor her, in framing our tariff, more in her favor than any other country. But I am told that England will not allow us to do so. I raise the question—are we Englishmen or not? I say we are, although we are Canadians, and in justice to ourselves and to them we ought to reciprocate with them more freely than we do. We had at one time a Reciprocity Treaty with our neighbors which covered the products of the forest, the field, the mine and the sea. These products were admitted on both sides of the line free of duty. In a fit, shall I say of temper—at all events, of displeasure with us, the United

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States chose to abrogate that treaty. We have suffered for ten years from that, and we have given them our markets as before the abrogation of the Reciprocity Treaty, while they have closed theirs to us. In the course of my investigations of this subject, I happened to fall upon the years 1873 and 1877, which are very often used to show the difference of trade of late years. I have, however, prepared a table showing the importations from Great Britain, the United States and other countries, since Confederation, because I think it is only fair to take a period of at least ten years. The table is as follows:—

## EXPORTS.

## TOTAL EXPORTS DURING TEN YEARS OF CONFEDERATION

To Great Britain .....	\$357,596,893
“ United States .....	329,539,840
“ Other Countries .....	75,162,140
	\$762,299,697

	GREAT BRITAIN.	UNITED STATES.	OTHER COUNTRIES.
1868-71 .....	\$113,113,174	\$129,919,618	\$22,756,585
1872-75 .....	162,192,753	142,091,518	35,384,221
1876-77 .....	82,290,966	57,528,704	17,022,158

## AVERAGE PER ANNUM.

	GREAT BRITAIN.	UNITED STATES.	OTHER COUNTRIES.
1868-71 .....	\$28,278,293	\$32,480,000	\$5,689,146
1872-75 .....	40,548,188	35,522,900	8,826,055
1876-77 .....	41,145,483	28,764,352	8,511,079

## RATIOS OF EXPORTS.

	GREAT BRITAIN.	UNITED STATES.	OTHER COUNTRIES.
1868-71 .....	42.54	48.88	8.56
1872-75 .....	47.75	41.83	10.41
1876-77 .....	52.47	36.67	10.56
Totals .....	46.90	43.10	9.99

## IMPORTS.

## TOTAL IMPORTS DURING TEN YEARS OF CONFEDERATION

From Great Britain .....	\$484,347,469
“ United States .....	389,969,111
“ Other Countries .....	96,538,278
	\$970,854,858

## IMPORTS—Continued.

	GREAT BRITAIN.	UNITED STATES.	OTHER COUNTRIES.
1868-71 .....	\$150,191,988	\$105,543,580	\$41,837,053
1872-75 .....	253,846,982	187,042,829	41,356,725
1876-77 .....	80,306,499	97,382,702	13,344,500

## AVERAGE PER ANNUM.

	GREAT BRITAIN.	UNITED STATES.	OTHER COUNTRIES.
1868-71 .....	\$37,548,497	\$26,386,000	\$10,459,510
1872-75 .....	63,461,725	46,760,707	10,339,181
1876-77 .....	40,153,250	48,691,351	6,672,250

## RATIO OF IMPORTS.

	GREAT BRITAIN.		UNITED STATES.		OTHER COUNTRIES.	
		Percentage of Duty on Value of Imports.		Percentage of Duty &c.		Percentage of Duty, &c.
1868-71 .....	50.48	14.31	35.46	6.93	14.06	22.75
1872-75 .....	52.64	12.58	38.78	6.81	8.58	27.10
1876-77 .....	42.03	15.50	50.78	8.73	6.99	33.55
Total.....		13.59		7.32		26.60

## DUTIES PAID.

	GREAT BRITAIN.		UNITED STATES.		OTHER COUNTRIES.	
1868-71 .....	14.31	\$21,499,663	6.93	\$ 7,323,056	22.75	\$ 9,602,216
1872-75 .....	12.58	31,896,529	6.81	12,738,775	27.10	11,211,183
1876-77 .....	15.50	12,453,355	8.73	8,510,836	33.55	4,467,374
Total .....	13.59	\$65,849,547	7.32	\$28,572,667	26.60	\$25,280,773
Total Ratios .....		55.02		23.87		21.00

What I want to call attention to particularly is the amount of duties we raised on those importations and the rate charged. We have charged Great Britain 13.59 per cent., other countries 26.60 per cent., while we have only charged the United States

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the modest rate of 7.32 per cent. Now, it seems to me that in making our tariff, England is far more entitled to consideration than any other country. At all events, we should not charge her a higher rate of duty; we ought to remedy this state of things. We have been fighting for years for a reciprocity treaty with the United States; and I wish to say now frankly that I am prepared to accept reciprocity at any time in the products of the field, the forest, the sea, and the mine, as soon as our neighbors can see their way clear to granting it; at the same time, I do not think it is our interest or duty any longer to pursue the policy we have been following for the last ten years. I am told if we change our tariff the United States will retaliate. I never know the word "retaliation" in my business or as a man. (Cheers.) We ought to be treated according to our ability and the dictates of common sense, and whether a nation has forty millions or four millions of a population, they are entitled to consideration. I will never, so far as I am concerned, allow it to be said that Canada was afraid of retaliation. I wish to impress upon you here the fact, that we ought to give them a reciprocal tariff under the circumstances. When I was in England three years ago, as your representative at a meeting of the Associated Chambers of Commerce, this question was discussed, and they were afraid that Canada was going to initiate a policy inimical to them as Englishmen. I told them that they might depend upon it Canada would not frame a tariff worse to them than to other countries, but on the contrary would treat them better,—that if England would not allow us to treat them better than other countries, they would be to blame themselves. My opinion is that we should give to those who are friendly to us, every advantage that we can in framing our tariff. I do not object to Mr. GREENE'S motion, but I think it is only fair to put some of these statements before you, and particularly because our American friends are here;—and I want to tell them that we desire to deal with them in a business way. We wish to meet them half way; but if they will not meet us, we will take our own course, no matter what the consequences may be. (Applause.)

Mr. D. McCULLOCH (Hamilton): I am very glad that Mr. ROBERTSON has not embarrassed the question by moving an amendment, as I feared he would. I think we ought to regard this tariff question in very much the same way as a merchant or a manufacturer regards his own business. It is a matter of national business and ought to be settled upon business principles. Whenever we swerve from that line, either one way or the other—drawn by any consideration whatever—we are getting into a mistaken

path. Mr. GREENE has told you what his views are of the principles that ought to govern the construction of a tariff; but, of course, at the present time it is scarcely in order for us to discuss the several questions, because it has been thoroughly considered and settled. The question of what principles should govern the construction of a tariff is still an interesting and an important one. It is ten years since I arrived at a conclusion on that point, and I have never seen any reason to change that opinion. The way that I would construct a tariff is this: I would take those industries that are natural to the country, and protect them with such duties as would keep the foreign competitor out. (Applause.) That is a blunt way to put it, I admit, but in the end the blunt way is the most effective. Mr. GREENE puts it more mildly:—"As will warrant their manufacture in Canada." I have no objection to that euphemism. The important question is not what per cent. we should impose, but what industries we should protect, and what duty will keep the foreign competitor out. If he is kept out by five per cent., that is an effective duty. If it takes fifty per cent. to keep him out, that is no more than an effective duty. In the discussion of this question, no doubt, there has been very much confusion of thought on this point. Many free-traders have supposed that what we want is a "Chinese wall,"—a very favorite figure of speech with them for many years past, and quite as meaningless. We do not want protective duties at all on articles that we have not the facilities to manufacture in this country. Clearly we cannot manufacture them, and clearly the only reason the Finance Minister will have for placing duties on such articles is that he wants revenue. Now, as to revenue, I am glad to say that through the active discussion (in which I have engaged in some small way), the question of revenue and protection was not so much mixed up as they once were. It was not my fortune to agree with the late Premier on this question to a very large extent, but he said one thing in which I heartily concur with him: he said that the phrase "incidental protection" was a stupid one. Well, it was a stupid phrase. (Applause.) Unfortunately, the early advocates of any measure have to take into account that they are obliged to address very many stupid people, and they have therefore to deal out truth in small quantities. We have passed that stage, however, and incidental protection may be relegated to the limbo of absurdities, where it will do us no harm, at all events. I have no excuse to detain the Board, except to enunciate that one principle. If we want a protective duty at all, what do we want it for? We do not want a half measure that will let a little competition in and keep a little out; and I do not think that the Finance Minister can frame such a tariff; he must either impose

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a duty so low as not to be protective at all, and therefore of no service to the country, or give us such protection as will be effective. That being done, our aim is accomplished. Now, with regard to our friends in the United States the word, "retaliation" has been used throughout this discussion in connection with the protectionist policy in a manner that seems unjustifiable. I have no fear of retaliation, nor has any protectionist that I know of. We do not want to retaliate against them. As a protectionist I sat, when a boy, at the feet of the great protectionist of the United States, and instead of looking with any hard feeling upon the United States for the course they have pursued, I have admired their policy. They have kept steadily in view the interests of their own country: they have been patriotic in their policy. They do not want to injure us; they want to see us prosper, but they do not want us to prosper at their expense, and they will be the first to acknowledge that we are right in taking the same ground that they have done. (Applause.) There is not the slightest fear that this measure need embarrass the Finance Minister or the Government in collecting a revenue. The revenue of Great Britain is very large and is principally raised from customs, yet I think there are only twenty-two articles altogether upon their tariff. It might not be practicable in Canada to apply the principle to the same extent, but it is applicable here to the raising of a revenue. After all, it is not the tariff that causes the tax—it is only a means of raising a revenue and collecting it. We have to pay a certain amount of money to meet the expenses of our Government; and, while it is the part of a wise Finance Minister to levy the taxes in the most convenient way to the people, after all the burden is there and must be borne, no matter whether he levies it through customs or by direct taxation. The money has to be paid, and the important question with us is, not the particular form in which it is to be paid, but the amount, and that remains the same whether we have a protective tariff or not. We have obtained the sanction of the people to a national policy; and having got, as I believe, their matured decision upon that point, the important question to be considered is the wise application of their decision. I have stated the principle which I believe in, and I am sure it will meet with general approval and work out good results. I have not the slightest fear that it will cause any ill-feeling in the United States or in England. I chanced to be in Great Britain a few months ago, and had conversations with many leading men there. I never met any of them who, when the circumstances were explained to them, did not acknowledge that we are doing exactly what they would do if in our place. We do not deny that free trade has been, to a certain extent, a success in England.

I should rejoice if it were as successful as Cobden ever anticipated in his most sanguine dreams; but while free trade might be the very thing required by England, it might be the policy most antagonistic to our interests in Canada. But free trade is no longer worshipped as an idol or fetish in the Mother Country. The people see now that it was not free trade that caused the prosperity which that country has enjoyed for many years past, but that there have been many other contributory causes at work which have been veiled by free trade; but, now that the veil has been rent, they see that free trade had little to do with it. I have met people in Great Britain who really believed that free trade was the world's system, but that a lot of wrong-headed Yankees on this side of the Atlantic had originated a false doctrine, from not having the same education and experience that older countries enjoyed; and that we in Canada were only too likely to adopt the same mistaken system. I deny the correctness of that position. Free trade and not protection has been the doctrine that has been placed on its defence. I am satisfied that for our circumstances a protective tariff is necessary, and until circumstances change that we should retain it. The time may come in our history when a change to free trade would be to our advantage. I am inclined to think that in the United States they are approaching that period themselves, and before long that they may adopt a free trade policy. Possibly the time will come when we, too, may find it to our advantage to throw off protective duties, and when that time comes I hope we will be wise enough to act as the circumstances may then dictate. (Cheers.)

Mr. ISAAC WATERMAN (London): It is hardly necessary for me to add anything to this debate after the able speech of my friend from Hamilton. I hope that our Government will never frame a tariff which will impose a special duty against the United States, or rather which will demand a larger duty on goods imported from the United States than on goods imported from England. I hope our tariff will be the same for all countries. I think a tariff which would discriminate against the United States would do us more harm than good, because it would create a feeling against us in that country which would prove injurious to us in the end;—at the sametime I do not believe that England would allow us to carry out such a plan. With regard to the subject of protection, I can testify to the correctness of what has been said in this debate upon the subject of free trade in England. I had the pleasure of travelling through some of the countries of Europe this summer, and I found that free trade had ceased to be popular. The manufacturers of England want protection, because

you can find American goods selling cheaper in the English markets than goods manufactured there. You find the iron manufacturers of Belgium underselling their English rivals in the markets of Great Britain. The consequence is that English factories are closed and the employes are standing idle. Even in Belgium, where everything is so cheap, the manufacturers are crying for protection. I was in France, and found that there was a heavy protective tariff in that country, and that the only exceptions that were made to it were in the case of treaties with certain countries. What we require in this country is protection for our manufactures, and if we adopt that policy our country cannot fail to be benefited. The free trader tells us that if we protect the manufacturer, we do so at the expense of the poor man; but, I am sure no employe would object to paying a little more for his clothing, &c., if he could get steady employment, even though the effect of protection were to make manufactures dearer. But I deny that protection enhances the cost of manufactured goods. I come from a portion of Canada where we have a great many manufacturing establishments, and I can assure you that half the men who ought to be occupied in them are standing idle to-day, and why? Simply because of the competition from other countries. If the Government will give us protection, the country is sure to prosper. It is said that England has been made rich by free trade: that I am willing to admit, but here we are under a different condition of affairs, and the same policy that suited England in the past will not suit us here; if we are to be guided by the experience of other countries, let us take note of the cry for protection which we hear from the English manufacturers every day.

Mr. A. ROBERTSON (Montreal): I wish to explain that I consider England as our own nation; for all other nations, which I call foreign nations, I would have the same tariff that we impose against the United States.

Mr. R. W. ELLIOT (Toronto): I wish to say a few words about the adoption of a retaliatory policy against the United States. It was intimated by one gentleman here to-day, that the abrogation of the reciprocity treaty was the result of a desire on the part of our neighbors to retaliate upon Canada for her sentiments during the civil war in the United States. I think that any one who considers the question carefully will admit, that it was absolutely necessary for the United States to end that treaty, unless they were willing to see a great portion of their commercial power pass from their hands into ours. It would have been absolutely impossible to have raised a revenue to meet the heavy expense of the war. The cost of that war was something like five thousand millions of dollars. They have met every obligation that they

incurred, and have paid off a large portion of their debt. I think we have no reason to complain of the abrogation of the reciprocity treaty, and that we have no reason to hope that they will renew it until the commercial condition of both countries is greatly changed. If a renewal is brought about it will be in this way; we are four millions of people possessing 3,500,000 square miles of territory, and have undertaken to build a trans-continental highway. We must change our fiscal policy if that great work is to go on. Our burdens must increase until they are something like those of the people of the United States, and then, if reciprocity is granted, the two countries will be on equal terms. I have heard it contended that free trade has a tendency to diffuse the blessings of civilization all over the world. I contend that the contrary is the fact—that if the free trade system should be universally adopted, civilization would be confined to certain countries and all others would be left without it. As we build artificial barriers against the cold, so do we raise artificial barriers in commerce which diffuse the benefits of civilization throughout the world.

Mr. THOS. WHITE, M.P. (Montreal) : It must be a matter for very great congratulation that this subject, which has occupied our attention at this Board during the last five years, is now being discussed, not as a controversial question at all, but as to the manner in which our views are to be carried into effect. For several years we have discussed this tariff question at every annual meeting. I am not what might be called a fanatical protectionist. I believe that our policy should be one which will tend to develop our industries, and that legislation which would aid that development should be framed by the Government of the day. I do not believe that protection *per se*, as it is called, is necessarily the best system for any country, or that free trade *per se* would be most suitable. In 1873, I moved here that, with a surplus of \$2,000,000, and with the enormous protection arising from the condition of affairs in the United States, a tariff of fifteen per cent was enough protection. I have never had any reason to doubt the correctness of the views I then expressed. Those who were present at that meeting of the Board will remember that, in my remarks on that occasion, I ventured to say that it was the duty of the Government—and in that respect I differed from free traders—to study the commercial and industrial condition of the people, and adopt such measures from time to time as might be necessary for the promotion of the industrial and commercial prosperity of the country. Every one will admit that the condition of the United States at that time was, in relation to the affairs of this country, as great protection as almost any duty that we can

possibly hope to see put on at this time, even after the unequivocal decision of the people of Canada in favor of protective duties. But circumstances have changed since then, and for the last three or four years at this Board I have moved or supported resolutions in favor of the adoption of what is called a national policy. The Board every year, up to last session, adopted that resolution; and even last year, though the resolution seemed to indicate that a 17½ per cent. tariff was sufficient, it at the same time recognized the duty of the Government, in any change of the tariff, to look after the promotion of our industries. We are here to-day in the position of a body which, having pronounced for four or five years in favor of a particular policy, finds those views prevailing throughout the Dominion. We advocated the adoption of a national policy, not from political motives, for I believe after all, that no body ever met together that was freer from political bias in its discussions, but simply having regard to the commercial interests of the country. We pronounced in favor of that policy sometimes by narrow majorities, sometimes by a larger vote, and nobody in this Board has, up to the present time, controverted the correctness of the views expressed in the motion which is now under discussion. There is no doubt whatever that the policy of the Government must be in accordance with the views which its members have expressed elsewhere, and with the views of those who have been sent to Parliament to support them—that it must be a protective policy. It seems to me that there is a portion of this motion which ought to have some attention in a body like this, and which, in the larger discussion on the general question of protection, has not received much consideration. My friend, Mr. WATERMAN, has laid down strongly the view that there should be no differential duties in this country. It is a fact nevertheless that our friends in the United States impose such duties. In framing their tariff they have recognized the principle, which should be recognized in all tariffs, of encouraging the long voyage, and in that way building up the shipping and importing interests of the country. Because, no matter how we may develop our industries and how prosperous they may become, there will still be a large import trade, possibly an increased import trade, because of the increased demands of those people engaged in the home industries; and the policy of the Government of this country ought to be, in addition to developing our industries and those resources which we have in the way of mines, agriculture, &c., to so frame their fiscal policy as to put a premium on the long voyage, and to aid the distribution of imports by Canadian rather than by foreign merchants. We stand in a peculiar position in this country. Our trade with the United

States is not a foreign trade in the ordinary acceptation of the term. A man in western Ontario buys a parcel of goods in New York or in Montreal; there is no shipping employed in either case. He gets his goods as easily from the one city as from the other, the only difference being that, if he gets them from New York, he employs United States railways, while if he gets them from Montreal, he employs Canadian railways. But if he sends to London for those goods or to Asiatic countries, he gives employment to the shipping industries of the country, and helps to build up our seaports. In the United States what have they done? In one clause of the tariff of 1872 they have recognized the principle of encouraging the long voyage. That clause means simply this, that an American merchant going to the city of London, for instance, and buying a cargo of any article produced in countries east of the Cape of Good Hope, say tea, and bringing that cargo to the city of New York, to there distribute it to his customers throughout the country, has actually to pay ten per cent. more duty on that tea than if he had gone to China or Japan and bought it there. Or if he came to Canada and bought the cargo here, he would have to pay ten per cent. more duty on it than if he had brought it from Asia. That clause applies not only to tea, but to all productions of countries east of the Cape of Good Hope. They are all subject to this extra ten per cent. if they are bought in London, which is a large distributing point for those articles, instead of the countries of production. The result of this policy has been to build up trade with the countries of production. It has had the effect, if not of building up their own shipping—because their own shipping, from causes outside of commerce altogether, has gone down to a considerable extent—to build up shipping so far as United States ports are concerned. When the tariff of 1872 was brought before Congress, Sir FRANCIS HINCKS was Finance Minister of this country. He had introduced a measure into Parliament for the abolition of the duty on tea. After that bill had passed both Houses of Parliament his attention was called to this particular measure to which I have referred, and which was then passing through Congress and was likely to become law. He immediately introduced a supplementary law giving the Governor-in-Council power to impose a similar duty on tea coming into Canada. He recognized the importance of our adopting a similar principle here, in order to protect the commerce of this country—the grocery trade, which is a very large interest—from the effects of that policy in the United States. Unfortunately that policy was afterwards changed in this country, and what has been the result? Go to any of our large cities and you will find that the whole of our grocery trade has been diverted practically to New

York. Has that been to the advantage of Canada? On the contrary it has been found that persons who go to New York to buy tea, because it can be bought there more cheaply than in Canada, buy other goods as well. And we find that the distribution of products of countries east of the Cape of Good Hope is passing even from the hands of British merchants into the hands of our neighbors, and that our grocery trade is suffering in consequence. That is a view of things which no Government can ignore. It is not a question of free trade or protection. It is a question simply of meeting a policy of that kind by a similar policy in this country, in order to secure that direct trade for ourselves. The view which Mr. ROBERTSON has presented opens up a larger question again. It is all the same question it is true. We are a part of the British Empire, and at a recent meeting of the Associated Chambers of Commerce the question of an Imperial and British-Colonial Trade Zollverein evoked considerable interest. Resolutions relating to it were introduced, and, if I mistake not, one was actually adopted at the meeting held the year before last. It has been said that we cannot adopt differential duties. We can adopt this policy:—We can say in relation to the importations from the Mother-Country or the Colonies, there shall be a specific tariff, and for all other countries such another tariff, except for importations from countries of production, such as wines from France, fruit from the Continent, teas from China and Japan, spices from the East Indies, &c. We can manage to frame our tariff in such a way as to give the trade in those articles to Canadian instead of to American merchants. One of the difficulties which we must look fairly in the face—and to my mind it is the only reasonable argument which has been used by those who call themselves free traders, though in this country there can be no such thing as free trade—is this: If you adopt such a policy as Mr. McCULLOCH has enunciated, in a very little while you will have such an over-production in the country itself as to practically destroy our industries. I do not say whether that would be the result or not; I am simply speaking of the argument itself. The only way by which such a result could be prevented, would be by securing markets in other countries for the manufactures of Canada. We have already succeeded, to a considerable extent, in sending our manufactures to foreign countries; but if we adopt a policy to encourage the long voyage and make it to the interest of our people to import from the countries which will take our manufactures in exchange for their productions, we will have taken a long step towards opening up markets for our manufactures, and, in that way, meeting the objection which, as I have said, is the only reasonable one I have heard against the

adoption of a national policy for the Dominion. I hope when the time comes for the discussion of this question in another place, when the Government of the day announces its policy, it will be found that it embodies the view of cultivating direct trade with the countries of production, and in that way building up the importing interests of the country as well as our manufacturing industries. (Applause.)

Mr. J. J. BREMNER (Halifax): I wish to be allowed to bring up a separate motion on the sugar duties, because it requires special consideration. I cordially endorse the principles embodied in the motion which has been proposed here. Although living at one end of the Dominion, the people of Nova Scotia desire to see this Dominion become a great country, and are willing to combine with the rest of the population of Canada to promote the interests of the whole. Of course we have a great deal to gain by protection in our own Province. We have our deposits of coal and iron, which, to a certain extent, are unremunerative at present. Protection to those interests must have a beneficial effect upon the whole Dominion. We remember the time when we had a large outlet for our coal, and it was the most prosperous period we have ever had in the Lower Provinces. We feel that a return of that prosperity is likely to be brought about, not by an increase in the price of coal, but by the larger production of it. I have been informed, on the best authority, that there are mines in Nova Scotia which do not pay at a certain price now, because of the decreased production, which paid at a lower rate when a larger quantity was produced.

Mr. WM. LUKES (Toronto): The interest which I represent here is undoubtedly the largest, not only in this country, but also in the United States. I refer to the milling interest of the Dominion of Canada. I am very glad to see by the official programme, that there is no opposition from the Maritime Provinces to the imposition of a duty on flour, grain and cereals coming into this country. I take this as an indication that they are so thoroughly convinced of the necessity of a national policy which will include the breadstuffs of the country, as well as the coal and manufacturing industries, that they will, at all events, remain neutral on the question. I think it would have been better if there had been a larger representation from the Maritime Provinces, from the fact that we believe we are in a position to remove the prejudice that existed, not only in this country, but in every part of the civilized world, against putting a duty on breadstuffs. This originates more from a sentiment than business principles. I say so for this reason:—that I can see no cause for exempting articles of food from taxation any more than articles of clothing.

In civilized society one is as necessary as the other. Fortunately, we have no class in this country who cannot provide bread for themselves if they can get employment. I have put this question to statesmen: Why should there not be a duty imposed on breadstuffs coming into the Dominion from foreign countries, as well as on the hats, boots, or clothes imported? and they have failed to give a reply, simply because they cannot adduce any substantial reason for exempting breadstuffs. The milling interest of this country represents invested capital to the extent of \$10,500,000. They have been patiently suffering for the benefit of the community, until their capital has nearly all gone in consequence of foreign competition. We demand that we shall not be treated as an exceptional class of the community; we demand our rights. Unless some gentleman can find a substantial reason why our breadstuffs should not be protected, we will approach the Government, and we will claim what we conceive to be our rights. There was a time when we had protection for breadstuffs for a short period, but it was removed. For a time we did not feel the pressure of foreign competition, but for the last three or four years it has affected us seriously, because the attention of the milling interests of the United States has been of late directed to this country. I remember hearing the late Premier say that he could not grant privileges to the millers. He called it a privilege to protect our interest, and said he could not legislate for or against a class. I called his attention to the fact that we were not asking for special legislation, but simply to be placed on the same footing as other manufacturers in the country. There is a fear on the part of some that we are not able to manufacture enough to meet the demands of the country, and that consequently, occasions may arise when the price of breadstuffs will be excessive. I say we have the facilities for manufacturing, and that we have the raw material in this country, not only to supply our own demands but also for exportation. I believe it is considered that our agricultural class is far in excess of that of the United States in proportion to the population of the two countries. While only fifty per cent. of the people in the neighboring country are engaged in agriculture, I believe we have eighty per cent. in this country; and the official returns of the two countries show that we have either a better class of farmers in Canada, or more productive soil than they have in the United States, from the fact that we produce per acre more than our neighbors. We had at one time a reciprocity treaty with the United States. I should like to see a renewal of that treaty. Statistics show that during the last year of the reciprocity treaty we sent to the United States, after supplying the demands of our own people, no less than 2,500,000 barrels of flour. That

was in 1865; and our production of wheat and our facilities for manufacture have been increasing ever since. Any gentleman here can understand that in losing such a large market the milling interest of Canada received a severe blow. I know it is said by those who claim that England rules the world—though I don't believe she does either commercially or otherwise—that if we cannot get the United States market we should turn our attention to other industries. They say, "why don't you send your productions to England?" Simply because when we have sent our productions there, in nine cases out of ten the venture has proved to have been unprofitable. Some people believe that the Englishman is prepared to swallow the entire productions of the world. Now you cannot stuff an Englishman more than four times a day, and you cannot distend his stomach so as to swallow more than he is able to consume, and that is why we cannot send our productions there. I am aware that occasionally orders are sent to us at a profitable rate for special brands of flour, but such orders are exceptional. We have not got the English market, but we have our own, and we ask to be allowed to retain it, because we have the raw material and the manufacturing facilities to meet all the demands which may be made by the people of Canada. In the Maritime Provinces the people have been taught to believe that the duty for which we ask is going to be added to the price of the article, and a prejudice has, in consequence, been created against our business. I am prepared to show that this is a fallacy, and that the consumer will not have to pay the duty, no matter how much it may be. Our friends in the Maritime Provinces who are anxious to sell us their coal, I am sure do not want to see the milling interest of this country entirely extinguished, but rather are prepared to see that we, as millers, get a reasonable profit for our investment. I observe the *Maritime Journal* has been trying to put the people on a correct track on this question, and they have illustrated it in this way:—It has been said that it would be a great hardship to the people of the Maritime Provinces if they could not bring flour from the United States when they go there with cargoes, but we can send our flour to Boston or New York in bond, so that they can get it whichever way they please. This journal has been showing that in Boston and New York they have Canadian and American flour, and there is no difference in price. If the duty is added to the price, will any one say that it is added in the United States? The duty there on a barrel of flour is \$2.20, but that price is not added, for it sells at the same rate as American flour. It will not be added here, from the fact that there is so much competition and so few foreign markets for it, that there can be no exorbitant price

demanding or obtained by the millers if protection is granted. If there is any industry in the country which can present greater claims to the consideration of the Ministry for protection, I should like to know where it is! We claim that, if we are to suffer, we should all suffer together, and, if we prosper, we should all prosper together. If other manufacturers are entitled to protection, so should we. I cannot help referring to a remark made by a representative from Montreal, who said that protection would divert a certain amount of capital into unnatural channels. This has been asserted and reiterated, until I believe it is the opinion which prevails, to a large extent, with both political parties in Canada. My impression is that, if there is money waiting for investment, it is a very difficult thing to define what is an unnatural channel for its employment. If capitalists say that they can better invest their money in manufactures than in bonds or mortgages, it is for them to look out and see how they can best employ it, and they will take care that there is no considerable over-production. The expression "natural manufactures" is meaningless. Is cotton manufacture a natural manufacture for England? Positively not, simply because they have to go abroad for the raw material, bring it home, then manufacture it and export it; more than that, they have to buy breadstuffs for the people who manufacture it. If any industry is "unnatural," the cotton industry of Great Britain is. When a nation can find the raw material in their own country, and produce the breadstuffs required to feed their own operatives, I should say the industry is natural to that country; and such industries we wish to protect. I approve of this proposition because it includes all the industries of the country. There should be sufficient encouragement given to capitalists to invest their money in developing our resources. There has been a good deal said about retaliation, and the cry was used with some effect during the elections. On one side, at all events, the ground has always been taken that we were existing at the sufferance of the United States. I dissent from that view, from the fact that I have never seen anything in the American people to believe that they will act in a retaliatory spirit; because they know so much about their own business that they manage it to suit themselves, and they will give us credit for understanding ours when we manage it as well as they do. The United States flour men were, I believe, the means of abrogating the reciprocity of trade in flour. At that time our population was only about three millions, yet we were able to send 2,500,000 barrels of flour to the United States in one year,—equal to 15 per cent. of their home consumption, and it is no wonder that they felt sore on the question. However plausibly politicians may put it, we are no nearer a renewal of

the reciprocity treaty than we were ten years ago, because our neighbors know the value of their own market and the benefit of keeping it to themselves. They did not adopt a policy of incidental protection, but they framed an absolutely prohibitory tariff, and they were wise in doing so. When Mr. HAYES, the American delegate to this Board last year, addressed us on this subject, he said: "We on the other side of the line generally respect men when they begin to respect themselves, and there is no fear whatever of a retaliatory policy being adopted in our country." I know that politicians have endeavored to frighten the farmers, by saying that if we adopt the national policy, the United States would not take our barley. If they could draw that string any tighter than it is now, they would have done so long ago, but it has all the tension it will bear; another turn, and the long voyage will be the result;—the Canadian farmer will send his barley to England. Our neighbors know that 15 cts. a bushel is the right thing, because it will contribute that much to their Treasury, while their farmers are getting the benefit of it. Fifteen per cent. is about as much as they can collect, and they do not put it any higher because they like beer—especially lager. (Laughter.) I should like to read an extract from the *American Miller*, the organ of the American Millers' Association, the President of which, I am proud to say, is a Scotch Canadian. It will show unmistakably the feeling of the people of the United States towards us:

While we can hardly assent to the proposition that Americans should have a reciprocal free trade with their Canadian cousins; and if the treatment which the Wood Tariff Bill received at the hands of Congress during its last session be any index to popular sentiment, it will be a long time before the American people throw open the doors of commerce to foreign nations. It is a mistake to suppose that nations should be governed by the same rules which apply to families. If the cardinal maxim of a government be carried out, viz., that it exists for the benefit of the governed, its policy must of necessity be a selfish one. It is only the most powerful and prosperous countries that can afford to be ruled by sentimentality. England, with her mighty industries that have been built up by years of protection, can afford to be sentimental in the matter of free trade, and talk about "reciprocity," "competition," &c. At the same time it is to her interest to do so; for she can produce manufactured articles more cheaply than other nations, and therefore undersell them in the markets of the world. We have not yet reached the point where we can control our own markets, were trade unrestricted; and to indulge in the folly of free trade with our rivals would at the present time result disastrously to the manufacturing industries of the country.

Now let us examine the grounds with reference to the milling interests of the United States on which a protection of these interests is based. Owing to the pressure caused by the war, we at one time had a treaty of reciprocal free trade with Canada. For the four years given below the imports into this country of flour and wheat from Canada were as follows:—

Years ending. June 30.	Cwt. of Flour.	Flour reduced to bush. Wheat.	Bushels of Wheat.	Aggregate bushels.
1862 .....	1,147,297	3,346,233	3,220,633	6,566,916
1863 .....	806,159	2,351,296	949,095	3,300,391
1864 .....	1,008,468	2,941,365	1,790,863	4,732,228
1865 .....	5,434,427	15,850,411	1,304,717	17,155,128
Totals.....	8,396,351	24,489,355	7,265,308	31,754,663

Under the present tariff the imports of flour and wheat from Canada were as follows for the four years named :—

Years ending. June 30.	Barrels of Flour.	Flour reduced to bush. Wheat.	Bushels of Wheat.	Aggregate Bushels.
1870 .....	83,867	419,335	838,348	1,257,683
1871 .....	26,745	133,725	688,263	821,988
1872 .....	170,818	854,690	1,532,215	2,386,305
1873 .....	70,113	350,565	1,453,204	1,803,769
Totals.....	351,543	1,757,715	4,512,030	6,269,745

Here certainly is a contrast that shows the workings of the two systems ; but a still better showing is made by taking the imports for a series of years, as follows :—

Years ending. June 30.	INTO NEW YORK.			Into whole country.
	Barrels of Flour.	Bushels of Wheat.	Aggregate Bushels.	Total Bushels from Canada.
1869 .....	73,713	1,236,378	1,604,943	1,790,077
1870 .....	59,942	691,917	989,627	1,257,683
1871 .....	18,315	688,374	769,969	821,988
1872 .....	78,122	1,478,684	1,869,294	2,386,305
1873 .....	63,224	1,391,066	1,707,186	1,803,769
1874 .....	62,252	1,409,718	1,720,978	2,092,792
1875 .....	4,571	215,777	283,632	350,322
1876 .....	11,538	1,217,472	1,275,162	1,630,299
1877 .....	2,174	292,035	302,905	343,555
Totals.....	373,851	8,611,421	10,478,616	12,478,780

It seems to us that these figures present a very good reason why there should be a duty upon wheat and flour coming from Canada. In the four years of reciprocity we imported wheat, and flour reduced to wheat, to the extent of over 31,000,000 bushels ; while for a corresponding period under protection we imported less than a fifth of that amount. We hardly think that it is gratifying to Canadian millers to know that while

in 1865 under free trade they made over two and a half million barrels of flour for the people of the United States, at the present time they send us annually less than the amount produced by some of our American mills. Canadian millers may enjoy competition from the States, but we hardly see how they can enjoy the loss of so good a customer as we were during the days of reciprocity.

But we very much doubt whether Canadian millers really relish the competition which they meet with from the United States. Certainly all of them do not; for we know that some of them are complaining of the encroachments which American flour is making upon their home markets. This fact is felt all the more from contrast with the days of free trade, when they had full swing both of their own and many of our markets. We are acquainted with several Canadian millers who favor a high tariff on American flour; and unless we read the signs of the times amiss, it will not be long ere Canada will be obliged to protect her millers and other manufacturers from undue outside competition. We have mastered the lesson taught by reciprocity, and found that the benefits were all on one side. American millers, at least, will not care to see the sentimental experiment of free trade repeated. In the course of events our Canadian friends will learn the same lesson, and then it will be our turn to solicit neighborly courtesies.

If you want anything better than that, I do not know where you will find it. It has been said that no Ministry can relieve a depression. I take exception to that. You might as well say that the statesmen who inaugurated free trade in England had no power by their enactments to make England prosperous. On the same ground, if any legislation can affect the condition of a country, protective legislation can at all events do us no harm. But I contend that the legislation of the country should be exclusively in the interests of our own people. I believe it is a wrong principle to consider the interests of Great Britain in framing our tariff. Does England give us any advantages that she does not give to the United States? Will she take our wheat at a fraction of a cent more than she can get it for in the United States? Not at all. Where is the discrimination in our favor? I cannot see it. Why does she buy our breadstuffs? Simply because she is hungry and wants to be fed. Some reference has been made to the Contagious Diseases Act, which has lately become law in England. What was done in that case? Any advantages which are given to Canada were extended to the United States as well. We import into this country every year something like 800,000 barrels of flour. If that were manufactured here, the advantage to the people would be at once felt. About 60 or 70 cents is expended on the labor of manufacturing a barrel of flour in the United States. It would cost at least 50 cents per barrel in this country; and consequently we would retain \$400,000 a year in Canada, and you know how many families that would maintain. Not only that, but you send the value of the raw material to the United States. True, you get the value of the raw material you send to England, but the difference is this: while it only costs you about one cent per bushel to handle it in this country, it will cost 12 cents per bushel to manufacture it into flour. Therefore, every encouragement should be given to the milling interests of the Dominion.

Mr. R. G. HALIBURTON (Pictou): This motion, which the Board has been asked to adopt, is presented under more favorable circumstances than a similar proposition met last year. We are not called upon to discuss abstract principles of political economy. The people have announced what they want, and the mode in which the wishes of the people are to be carried out must be left in the hands of the Government. A time has come when men of all parties should unite to make the policy which the Government has been called upon to prepare, as successful as possible. No Canadian can deny that we have passed, during the last ten years, through a period of profound depression, and that all our interests have suffered alike. The only point of difference has been as to the remedy which should be applied. In the abstract, I am a free trader; but the question is not one of free trade, it is a question whether we are to have any trade at all. We occupy a peculiar position in this country. We have only one customer from the Atlantic to the Pacific, and that customer has raised a barrier between us. Under the circumstances, what are we to do? In commerce, at all events, we must have Canada for the Canadians. We must be prepared to make some sacrifices, if necessary, to prove that this country can be independent of her neighbor. I have been told by some of those who advocate the policy of the late Government, that we dare not adopt protection, because it would be a retaliatory policy. If we cannot be an independent people in the most important point of all—the management of our own affairs—why did we enter into this Confederation? Why have we built the Intercolonial Railway? Why are we called upon to construct a railway across the continent, to pierce the Rocky Mountains with something that will be a novelty in the world in the way of railway enterprise? Surely it is madness to saddle ourselves and posterity with such a debt as we are incurring, if the country is not ours! If we cannot adopt an independent national policy of our own, the evil can never be cured, and we have no prospect of ever being an independent people. But I believe that is a mistake. I believe that this country can pursue an independent policy of its own,—that we have a future before us, and that it is the duty of the Government to demonstrate by its policy that it has faith in that future. But I will say this, as a loyal Canadian and a loyal British subject:—if the national policy should not be successful, it will then be time to ask ourselves in different Provinces whether we are justified in sacrificing our interests for a mere dream which must be a costly one to us and to our descendants? We have been told that this is a retaliatory policy that the country has decided to adopt. It is monstrous to call a demand for fair play “retaliation.” It is twelve years

since I commenced to agitate the coal trade. We then urged, as we do now, that unless the Dominion would create a coal trade within itself most serious results would follow. But there was a good feeling in this country towards our neighbors, and it was believed by our people that we had only to do what was right and ultimately a better spirit would prevail in the United States, but that was a mistaken idea. I do not blame the United States for the course they pursued. They did what they thought was best for themselves, and, of course, must have felt some contempt for us for the policy that we pursued. Who are the men that approve and who are the men that disapprove of the policy enunciated in this motion? On the one hand, you have all the monopolists and rings trembling lest the principles we enunciate should be carried out; on the other hand you will find the free-traders of the United States, who had the ground cut from under their feet by the policy of our late Government, rejoicing that we have changed our views. In the long run it will be a free-trade, at all events it is a fair trade policy. You all know how the coal trade of Nova Scotia has been crashed. Had we, twelve years ago, seen a hostile force landed on our shores and said "Come to our rescue," would you call yourselves men if you had allowed us to be plundered? Better would it have been for that country if a hostile force had swept over it, leaving devastation and ruin behind it, than to allow our industries to be crushed out; for time would have remedied the evil, and nature would have repaired the devastation of the hostile force; but the ruin that has been wrought by a mistaken policy cannot be undone. Millions of dollars have been expended in our coal mines that are useless; we have lost our market in the United States, and we have lost our people. You may put on duties now and aid those industries, and we may ultimately make ourselves independent, but it will take a long time to repair the injury that has been done. We ought to have adopted a firm policy at the outset, and then we would never have had anything to complain of. We should have adopted this policy ten years ago, when our competitors in the United States had their currency disturbed and were unable to compete with us on the ocean. Permit me to read to you what was written in 1867, before the first Parliament of Canada met. It was the first signal note of the policy which has lately been affirmed by the people of the Dominion. It was as follows:

THE MEMORIAL OF THE COAL OWNERS.

October 19th, 1867.

"The coal fields of Nova Scotia, from their favorable position on the Atlantic seaboard, are able to supply the Eastern portion of the United States with bituminous coal,

at prices which would enable them to compete with all other sources of coal supply, if our trade were not crippled by adverse legislation.

"Your memorialists respectfully submit that these peculiar facilities for international trade between our neighbors and ourselves, are rendered of little avail through the prohibitory tariff of the United States, which must operate so seriously on our coal trade with the United States as to demand the immediate attention of your honorable House.

"Your memorialists respectfully submit that the time has come, when, in justice to ourselves, we are called upon to take some action in the matter. The Dominion of Canada, by adopting a similar policy to that of the United States, would in time render our coal trade independent of foreign legislation. The consumption of coal amongst us is rapidly increasing, and in a few years not less than a million of inhabitants of British America will use coal instead of wood for domestic fuel. When it is remembered that the consumption for household purposes in Great Britain is at the rate of a ton per head per annum, and that our longer winters render at least twice as much fuel necessary, we may look forward to a time when two millions of tons of coal will be required in the Dominion alone for domestic purposes, independently of what will be employed for manufactures, &c.

"Your memorialists believe that the creation of a coal traffic between the Eastern and Western portions of the Dominion, would tend to bind them together by commercial intercourse, and to build up a home trade by supplying the grain growers of the West with a remunerative return freight from the Atlantic seaboard; and that the adoption of a similar policy to that of the United States will be the surest mode of securing, ultimately, a return to a more rational commercial system on the part of our neighbors.

"Those districts which now supply Ontario and Quebec with coal would be enlisted on the side of the Eastern States in their endeavor to open up those channels of trade which unwise legislation is rapidly closing up.

"Your memorialists believe that the step suggested by us would be hailed with satisfaction by the free-traders and manufacturers, and by all enlightened minds in the United States, and that a self-reliant policy on our part will not only strengthen the hands of our friends in the neighboring republic, but will also render us independent of the restrictions which foreign legislation has imposed upon our trade."

The PRESIDENT called attention to the fact that the question of the coal trade would be discussed on a separate motion, and that any further remarks on that subject would be out of order until it was brought regularly before the Board.

Mr. HAMILTON A. HILL (Boston) then addressed the Board. He said: Captain DORR and myself are present by appointment of the President of the United States National Board of Trade as delegates. I have just arrived by the train, and came directly from the station to the hall, and congratulate myself upon having had the opportunity of listening to the very able debate which has taken place this afternoon. I am glad at this stage of the proceedings that my associate, Captain DORR, and myself have been favored with the opportunity to convey the greeting of the United States National Board of Trade, not only to the Dominion Board of Trade, but through it to Canada itself and its people, and to the distinguished gentlemen who have charge of the governmental affairs of the Dominion at the present time. We have listened to the discussion which has taken place, in which, from the very necessity of the case, it has been necessary to make frequent reference to the United States. I desire to say—and in doing so

I feel certain I am speaking the thoughts of the people on the other side of the line—they fully recognize, if it were not presumption to assume there was any doubt about it, the undeniable right of Canadians to adopt such fiscal regulations, and make such tariff laws, as they regard as being in the best interests of the country. (Applause.) Many Americans who belong to the free trade school are in doubt as to whether it was wise for the leaders of that school to insist, as they had done in England, upon its being the imperative duty of every nation to legislate not only in reference to its own interests but in the interest, real or supposed, of those nations by whom they were surrounded. As a free trader, I do not believe that such a position can be maintained. I believe it is the duty of every Government and every nation to legislate, in every instance, as it appears to them to be in their best interest for the time being. In the United States we have acted on that principle. We have never professed to frame our tariff laws for the benefit of the world at large. Whether that policy has been right or satisfactory, this is not the time or place to enquire. It will be found recorded in history, that the legislation of the United States has always been calculated to advance what she believed to be her best interests at the time. We must, therefore, cheerfully accord the same right to Canada and to every other country, to legislate according to what they believe to be in their present interests. I have never heard the word "retaliatory" used in the United States in connection with any policy which Canada might adopt.

Mr. LUKES—You do not read the Canadian newspapers. (Laughter.)

Mr. HILL (continued): Perhaps I do not read all the Canadian newspapers. If Canada is content to change its fiscal policy, neither the Board which I represent nor the Government at Washington have any desire to use the word, or anything which it signifies, against Canada. I wish to say a few words in reference to the reciprocity question. The relations between the United States and Canada are, as all understand, very peculiar and very intimate. The alterations made in the laws between the two countries show how necessary they are to each other. My friend from Montreal, Mr. WHITE, has very correctly used the phrase, that the United States is the natural customer of Canada. They are such, and they desire to have the utmost intercourse, commercial and otherwise. We are neighbors, and geographically dependent very much upon each other. When the Cunard Line of Steamers was first started, the Canadian mails were landed at Halifax and sent by a round-about route to Quebec and Montreal.

Mr. CUNARD told me on one occasion that he went to Washington, and laid the matter before the United States Government, and asked whether the Canadian mails might not be brought to Boston and sent sealed to Canada. The request was immediately granted, and that was the first step towards breaking down the barrier that existed between the two countries. A second step was when Mr. R. J. WALKER, as Secretary of the Treasury, in 1846, introduced his Tariff Bill. He initiated the warehouse system, and a very liberal law enacted by him benefited the transit-trade of Canada by enabling merchants importing goods from Europe to load and pass them through United States territory in bond without paying duty. I assisted in bringing about several changes in that measure, and my first visit to Washington was to remove imperfections in its operation, and to make it easier for the passage of Canadian exports or imports to and from Europe through United States territory. Many Americans next thought it would be mutually beneficial to have reciprocity in reference to certain articles produced on both sides of the line. Then came the Reciprocity Treaty, and on that subject all who are present are well advised. I desire to say a few words in connection with the circumstances which led to the abrogation of that treaty. It was done to a certain extent in haste—in somewhat of a pet—through the influence of certain persons who desired to bring the treaty to an end. There was also another and much larger class in the United States who were opposed on principle to the Reciprocity Treaty. I refer to the protectionists. The main strength of the opposition to the Reciprocity Treaty came from the protectionist party. Mr. Senator MORRILL argued that reciprocity was a principle wrong in itself, and it was mainly through his efforts and those of the protectionist party of the North that the Treaty was abolished. Before leaving Boston, I made a few notes in reference to the manner in which the repeal eventually passed, and I wish to place these figures on record, so that it will be understood that even in the Legislature there was a very wide difference of opinion upon the subject. When the measure was before the house in May, 1864, the proposition for an unconditional repeal of the treaty by a vote of 82 to 74 was rejected, and by a vote of 74 to 72 the whole question was postponed till the following December. In December, when Congress met, there was great excitement in reference to various matters which had taken place at St. Alban's, and that excitement was used by Mr. THADDEUS STEPHENS, of Philadelphia, and his associates, and on December 13th, 1864, the measure providing for the unconditional repeal passed by a vote of 85 to 57, and 40 members abstained from voting. When the Bill reached the Senate the vote was more decided: On January 12th, 1865, the

Bill was adopted by a vote of 33 to 8, and 8 members were absent. Messrs. SUMNER and WILSON voted for the Bill, and each made speeches apologizing for being compelled to vote as they did. There was, therefore, a very wide difference of opinion at that time in regard to abolishing the treaty. Since that time, it is only fair to say there has been a wide difference of opinion respecting the abrogation of the treaty, and there has been a very large party from the first in favor of renewing reciprocity with Canada; and to-day the National Board of Trade stands most decidedly and squarely on the ground that it would be in the best interests of both countries to adopt such reciprocal relations as should be mutually agreed on. Sooner or later such relations will exist between the two countries, and we should endeavor to make the treaty as simple in its provisions as possible, and that as we make progress in the intimacy of relations between the two countries, we should make such changes from time to time as may seem desirable. I thank you for allowing me this opportunity to address you, and in taking my seat, I desire to say once more, that our Board sends its cordial greetings to this Board, the people of Canada, and its Government. (Applause.)

The motion was put and carried unanimously.

#### QUESTION OF AN EVENING SESSION.

Mr. ALEX. WOODS, (Quebec), moved that the Board meet at 8 o'clock in the evening.

After a brief discussion the motion was agreed to on the following division :

*Ayes.*—Messrs. Baird, Boivin, Bremner, Chapman, Conger, Greene, Haliburton, Jarvis, Lukes, McCulloch, Noonan, Sanford, Woods.—13.

*Nays.*—Messrs. Carrier, Elliot, Frazer, Kerry, Magee, McKechnie, Robertson, Rosamond, Skead, Waterman, White.—11.

Mr. THOS. WHITE, M.P., (Montreal), moved, seconded by Mr. J. KERRY (Montreal):—

“That the election of Officers be the first order of the day, after lunch, to-morrow.”

Carried.

#### SUGAR DUTIES.—(No. VI.)

Mr. J. J. BREMNER (Halifax), addressed the Board on the subject of the sugar duties, as follows:—

The resolution which has already been passed by this Board, renders it unnecessary for me to go at length into the question of

the sugar trade. That resolution affirms the principle of fostering that trade. To show how important the direct trade in sugar from the places of production may become to this country, allow me for a few minutes to call your attention to the sugar trade in the United States, where the import of sugar is the first of all imports, both in value and in quantity. In the year 1877 the value of sugar imported into the U.S. was \$81,187,504, being one-sixth the value of all the imports into that country for that year. The quantity imported was 1,584,000,000 lbs., and the revenue derived from it was \$37,080,819, or about thirty per cent. of the whole revenue of the United States. This import was almost entirely direct from the places of production. It can be easily imagined what an impetus would be given to their export trade, by their large imports from countries requiring the very supplies which the United States can produce. The trade of the United States with the Tropics in the year 1877 amounted to over \$200,000,000. Ours in the same time amounted only to something over \$5,000,000, and we have not far to look for the cause. Of all our imports of sugar in the past year, we brought only six per cent. from the West Indies or places of production. In the year 1872 we imported direct 46 per cent. ; in 1874, 25 per cent. ; in 1876, 16 $\frac{3}{4}$  per cent. ; in 1877, 10 $\frac{1}{2}$  per cent., and in 1878 it fell off to 6 per cent. If we can import nothing, how long can we continue to export anything of consequence, and, far less, can we expect to increase our exports. But it is unnecessary to dwell upon this. The subject has already been discussed, and is fully understood. We can revive and increase our trade with the West Indies only by refining in our country raw sugars imported direct. We have now to consider what tariff is best calculated to subserve the end in view. The Halifax Chamber of Commerce considered the matter, and I now submit a motion expressive of their views, and hope that it may meet the approval of this Board and receive its sanction. I now move, seconded by Mr. E. K. GREENE (Montreal) :--

" That this Board is of opinion that in the tariff on sugar, the aim should be to encourage the direct importation of raw sugars from their places of production, especially from the West Indies ;

" That the duty on all sugar should be *ad valorem* with at least five per cent. additional, or such additional duty, upon refined sugars, as will develop the refining of raw sugars in the Dominion ;

" That there should be no duty on packages containing raw sugars imported direct from places of production ;

" That when a bounty is granted on the export of sugars from any country, such sugar, when imported into Canada, should be subject to a corresponding countervailing duty."

The principle of the first and last clauses has already been affirmed in a resolution of this Board, and it is necessary for me

now only to speak as to the propriety of the second and third clauses of the motion. The *ad valorem* duty is the most equitable, as it imposes a duty exactly in proportion to the quality of the article imported. I hold in my hand a report by the Hon. DAVID A. WELLS on the sugar trade of the United States and the duties on imported sugar. Throughout this report Mr. WELLS frequently affirms that *ad valorem* duties on sugars are the fairest and most equitable, and least liable to give opportunity of defrauding the revenue. In summing up his conclusions as to what tariff should be adopted in regard to sugar, he says:

"7. The *ad valorem* duty on sugar, acknowledged by all (who have ever made the subject of taxation a study) to be the most equitable and just duty that can be devised, is objected to by the Government for fear of under-valuations, and by the merchants for fear of complications with officials, Government lawsuits, spies and persecutions. Its enactment, therefore, is regarded by all interested as both impracticable and inexpedient. That these objections should be made, reveals however the deplorable facts, that the Government, on the one hand, acknowledges a doubt of the ability as well as of the honesty of its officials; and that the merchants, on the other, labor under a system of terror, engendered by a national fiscal policy which has made the employment of spies and informers an almost necessary adjunct for the collection of our revenues.

"At the sametime, it cannot be denied that *ad valorem* duties on sugars (with all the assumed objections to them) are certain to be assessed and collected more equitably and completely than duties which are assessed (as at present) according to the now obsolete and impracticable color test; for with the exception perhaps of cotton and grain, there is hardly an article of merchandise entering largely into international exchanges concerning which commercial information is more accurate and accessible than this same article of sugar. Price-currents, showing stocks on hand, crop prospects, current demand and current prices for all the standard grades, are frequently prepared for the trade and implicitly relied on by the trade; and if anything additional for the purpose of verifying invoice values were needed, the great sugar-producing countries of the world are now readily accessible by telegraph.\*"

Although the Government of the United States has not adopted the *ad valorem* system of duties on sugar, it will be seen by the following, taken from Mr. WELLS' report, that such has been their aim, although in such a manner (by the adoption of specific duties) as to encourage fraud and lose a large sum annually to the revenue:—

"That the existing tariff does not offer any such striking inequalities, but that its specific duties on sugars are almost exactly proportioned—when reduced to *ad valorem*s—to the varying values of the varying grades or numbers, is very clearly shown by the following table:

Raw—Cost in producing country.	Duties.	Net.	<i>Ad valorem</i> .
Melado.....3 cents per pound,	1½ to 25 per cent—	1.87	62½ per cent.
No. 7.....3.50 "	1¾ to 25 "	—2.17	62½ "
No. 10.....4 "	2 to 25 "	—2.50	62½ "
No. 13.....4.50 "	2¼ to 25 "	—2.88	64 "

It is only by *ad valorem* duties that direct importation of sugars will be encouraged. If the duty is "specific," the refiners will have no inducement to import direct or to purchase from those who import direct, but could as advantageously purchase raw sugars in the United States. This, of course, would defeat

the end sought to be attained. The objections to specific duties are numerous. Of course a uniform specific duty on raw sugars would not answer the refiners, as they would not be able to import the low grades of sugar from which alone they can profitably manufacture the soft whites and yellows which form the great bulk of our consumption. Duties assessed by grades determined by color are open to the most serious frauds, and it is well known that the color of refining sugars does not now determine their value either at the place of shipment or the place of consumption. Sugars that are very strong and of high value may be very dark, whilst weak sugars of low value may be of a lighter color. Of a cargo of refining sugars probably very few hogsheads are exactly alike, and every hogshead will probably contain at least three different shades of color. In sampling sugars for duty, great advantage can be taken of this. Even if there is no attempt at fraud, it is impossible to grade sugars satisfactorily by color. Two cargoes of the same value, shipped at the same port at the same time, may, by some accident of sampling or of weather, be graded, the one a fraction under and the other a fraction over, any particular number, and these cargoes of equal value in every respect may be taxed 25 cts. per 100 lbs. (or other rate) different the one from the other. Besides it has been found in practice that the same quality of sugar has been graded in Canada much lower at one port than at another. If a purely specific duty is objectionable, a partially specific duty is proportionally so. To ensure that there shall be no danger from under-valuation of invoices, all invoices and samples of cargoes could be sent to a central Department at Ottawa for examination and comparison with others. As to the exemption from duty of packages containing raw sugars imported direct from places of production, whilst sugars from the West Indies are imported in expensive packages (those from Cuba costing \$6 to \$7 per hhd.) sugars from the East Indies, &c., are imported in mats and bags of no value. It will be seen that the collection of duty on packages will operate much against the West Indies, and of sugar producing countries it is only with the West Indies that we now have or are likely soon to have much trade. The rate of duty can be arranged so that the revenue will not suffer. It is needless to say much about bounties. That matter is now understood, although there were some who declared that the United States were giving no bounty on the export of refined sugar; and after the United States reduced the bounty by 48 cents per 100 lbs., they declared that now at least there was no bounty given. It will be interesting to these gentlemen to learn that Mr. SHERMAN, Secretary of the United States Treasury, in his examination before the House Ways and Means' Committee at Washington last month, acknowledges that the refiners by the present

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drawback receive a bounty of 25 cents per 100 lbs., and he adds : " It is a good thing." When we consider that the Secretary of the Treasury in the United States determines the amount of drawback to be paid to refiners on the export of sugar, it will be understood how unsafe the position of Canadian refiners would be without a law providing for countervailing duties. I trust that the Board will pass this motion.

Mr. E. K. GREENE (Montreal) : I have great pleasure in seconding this motion. I think the sugar trade is one of the most important interests in Canada. The tariff as it now stands works directly against the refining of sugar in this country, which is contrary to the true principles of political economy, and to the principles which we have adopted. A tariff which will enable refiners to manufacture sugar here will encourage trade with the countries where sugar is produced, and thus increase our commerce. It will enable our manufacturers to send their products to the countries from which they draw these supplies, and whatever the duty may be—which is a matter for the Government to determine—one important point is to enable the refiners to refine sugar in this country. Unless the Government is empowered to impose countervailing duties to meet the bounties granted in other countries, it will be impossible to establish refineries in Canada.

Mr. ANDREW ROBERTSON (Montreal) : I am in favor of this motion, but I think it would be very injudicious for us to attempt to define what the tariff should be.

At 6 p.m., the Board rose for recess.

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#### EVENING SESSION.

WEDNESDAY, 22nd January, 1879.

The PRESIDENT took the chair at 8.00 o'clock p.m.

Before business was proceeded with, the PRESIDENT was asked if a quorum was present. On the roll being called, it was found there was not, but other members immediately arriving, business was proceeded with.

Mr. LUKES (Toronto) resumed the debate on Mr. BREMNER'S motion. He said: I consider to carry out this West India trade

successfully, we should be able to send out cargoes from this country to where we get our supplies of raw sugar. From the prospective state of the milling interest, I believe we shall be able in a very short time to send assorted cargoes to the West Indies. Gentlemen who understand the milling question know that it is in a different condition now from what it was three or four years ago. I do not think we all look at the bounty question from the same point of view. The free trader in England is delighted to think that he can get his sugar cheaper by the bounty paid to refiners in foreign countries; but I believe that the idea which prevails in the United States is the best one for the nation at large, so long as they do not give more than the duty paid by the refiner. I believe the people of Great Britain are becoming alive to the importance of this question, because they are beginning to find that the Americans are following the example of the French, and are driving the English refiners out of their own market.

Mr. ALEX. WOODS (Quebec): There can be no question about the importance of the interest under discussion. No part of any so-called national policy or fiscal regulation is more important to this country than one which will encourage direct trade with the West Indies. I am speaking of the products of those climes which are of such a character that they cannot be produced in our country. We have to a large extent the very articles which they require, and cannot produce, and these facts should naturally lead to a mutual trade between the West Indies and the Dominion. It seems to me while this Board should very properly draw the attention of the Government to the subject, it would be unwise if we, by any detailed recommendation, should endeavor to prescribe the mode by which we hope the Government of the day will endeavor to attain the end we have in view. I therefore move in amendment—

“That all the words after ‘West Indies,’ in the third line, be erased.”

You will observe that the Board commits itself to the desirability of regulating the sugar duties, in such a manner as to encourage direct importations of raw sugar. Whether they do that by specific or *ad valorem* duties, or by a combined system of specific and *ad valorem* duties, or by abolishing the duty on packages, or by making certain specific trade regulations, or whatever mode the experience of the Government might lead them to employ, the only object which they can have in view is the encouragement of direct trade with the West Indies. I think, therefore, it should be sufficient for the proposers of this motion, and will certainly ensure pointedness to our desires, to express plainly what we have in view by simply pressing on the Government

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that, in any trade relations they may make, they should keep in view the importance of encouraging trade with the West Indies, and that the greatest factor in that must be the importation of raw sugars from that country into Canada. Some three or four years ago, I had the honor of reading a paper before this Board on the great importance of the West India trade to this country, and then, as in every other discussion on the subject which has been brought before us, this Board was enthusiastic in its desire to adopt such trade regulations as would secure such postal facilities or frame such a tariff as would develop that trade. I think it is wise and proper, since we are on the eve of initiating a new policy, that this Board should commit itself to the desirability of encouraging direct trade with the West Indies, and especially the importation of raw sugars. But I hope the Board will see the advisability of limiting the motion to this demand; and should action be taken by the Government in this direction, I am satisfied they will initiate a policy which will do more for the permanent weal of this Dominion than probably the inauguration of the much-talked-of national policy.

Mr. JOHN KERRY (Montreal): I second this amendment for the very good reason, that I think we should be stultifying ourselves by attempting to lay down a law on a subject that we do not understand. I had a conversation with one of the leading importers in Montreal a few days ago, and I can safely say that his views are not at all in accord with the details of the motion which is now under discussion.

Mr. E. K. GREENE (Montreal): The motion, if altered as suggested in the amendment, would omit the refining interest, which is the most important of all.

Mr. J. J. BREMNER (Halifax): I say nothing of the tariff of the late Government; but I say this, that a specific tariff would not suit the trade at all. I would not say a word about an *ad valorem* tariff, in opposition to a specific tariff, if it were not that the latter would enable refiners to bring sugars from New York and Boston. If we have a specific tariff you must have a uniform rate for every grade, which I have shown is altogether impracticable. The result would be that the lower grades of sugar could not be imported. If you grade sugars, it is almost impossible to carry out that system without there being, at all events, a suspicion of much fraud. It is a very difficult matter, even where the intention is quite honest, to grade sugars in that way.—and it is only a matter of opinion after all. If you fix an *ad valorem* duty the tax is paid on the value of the sugar, and that is evidently a safer system. Some gentlemen who gave evidence

before the Committee of Ways and Means at Washington, said they never knew the test made by Government officers to be the same as the test made by the merchants—that there was always three or four per cent., and sometimes five per cent., difference. In fact, the tests taken by the same persons never agree exactly, so that under any circumstances that system is unsafe, and if there is any wish to defraud the Government, either as regards polarization or color, you can well see how easy it would be to draw the sample from the darkest spot in the hogshead. In the larger ports, where there is a superior class of customs officers, the thing might be properly done, but in small places you might get sugars in for almost anything you chose to pay. The object of merchants should be to pay an honest duty, and that nobody should be enabled to defraud the revenue. With regard to the exportation of flour, my own firm export 400 or 500 barrels every cargo, and if the sugar trade be encouraged that exportation will increase. Montreal exports large quantities of boots and shoes, and that is another trade that might be developed if this sugar industry were properly encouraged. I must object to the amendment, for I believe the *ad valorem* duty is essential to carry out the West India trade. If you leave out that portion of the proposition relating to the duty on packages you discriminate against the West India trade, because the packages, in which the sugar comes, from Cuba especially, are worth from six to seven dollars. With regard to the bounty on sugars, no refiner would attempt to work in Canada, unless there was a law on the statute book that bounties to foreign refiners will be met with countervailing duties here. I met with the largest importer of sugar in the country last Friday; he is quite in accord with my views, and I am sure that the motion I have offered will meet the case.

Mr. G. H. DOBSON (North Sydney) moved in amendment to the amendment—

“That the subject of Sugar Duties be referred to a Special Committee of three, consisting of Messrs. Bremner, Woods and Robertson.”

Mr. R. W. ELLIOT (Toronto): I beg leave to second that amendment. I think it is only necessary to bring the matter before Parliament and they will give it due consideration; I think they should be allowed very wide latitude in dealing with it. I see that Mr. DUSTAN has been called to give information on this subject to the Government; he will show that the old Dutch Standard is utterly fallacious. I believe this matter should be referred to a committee.

Mr. E. K. GREENE (Montreal): I hope that the spirit of harmony which has prevailed to-day in relation to the industries of the country will not be departed from. Mr. BREMNER comes

from the Halifax Chamber of Commerce where this subject has been fully discussed; he is in the sugar trade himself, and is in entire accord with Mr. DUSTAN. To appoint a dry-goods man on a committee to consider it, is hardly the way to settle it. I see no reason why sugar casks should be subject to duty when dry goods packages are not, though of greater value. I hope the motion will be adopted without amendment.

Mr. CHAS. MAGEE (Ottawa): I would have been quite content to have voted for Mr. BREMNER's motion if Mr. WOODS had not moved an amendment, but there seems to be a division of opinion among the experts. I think, therefore, that the matter should be referred to a committee. I will vote for the amendment to the amendment, provided somebody more conversant with the grocery trade be appointed in place of Mr. ROBERTSON.

Mr. D. McCULLOCH (Hamilton): I suppose there is some special reason for bringing up this question separately. I find no fault with that at all, but I think it would be better to merely recommend. We want direct trade with the West Indies, and sugar refining in Canada. We can all understand those objects, and I think we can all unite in a recommendation to the Government that they should take such measures as will promote them. But when it comes down to a question between the Dutch Standard and the polariscope it is a different matter. I think if Mr. BREMNER is wise, he will accept a recommendation from this Board to encourage the objects he spoke of, and then press those details on the Government. I would not vote for the motion without the report of a committee, and I have no objection to a dry goods man being appointed on the committee. I think our Halifax friends should accept a proposition bringing it before the Government, and if the motion is in that shape I am ready to vote for it.

Mr. J. J. BREMNER (Halifax): It is proposed to appoint two gentlemen who have expressed themselves as being opposed to me; this is a question I understand; it is my life work—a most important question. I do not speak upon it with any doubt at all. I know, and feel convinced what I say is true; that a specific duty will defeat the object which we aim at; will be contrary to the spirit of this meeting in all its dealings with the tariff, and I don't think that a committee should be appointed containing two gentlemen opposed to my views. One gentleman has referred to Mr. DUSTAN. Mr. DUSTAN and I are in most perfect accord on this subject.

The amendment to the amendment was then withdrawn.

Mr. W. H. FRAZER (Toronto): I am opposed to the amend-

ment for this reason: I think we may affirm we are in harmony with Mr. BREMNER, for we believe that a re-arrangement of the tariff in the sugar interest is necessary. The next thing is, how shall we meet those recommendations from the Halifax Chamber of Commerce. When we find a number of gentlemen who are practically engaged in that business, and the views they express are indorsed by a gentleman who is recognized as the highest authority on the subject, advocating this policy, I shall, on the strength of their representations, sustain Mr. BREMNER'S motion.

A vote was then taken on the amendment, with the following result:—

*Ayes.*—Messrs. Conger, Churcher, Elliot, Kerry, McCulloch, Woods.—6.

*Nays.*—Messrs. Baird, Boivin, Bremner, Chapman, Carrier, Dobson, Frazer, Greene, Haliburton, Jarvis, Lukes, Magee, McKechnie, Noonan, Sanford, Waterman.—16.

The yeas and nays were then called for on the main motion, and the following division was recorded:—

*Ayes.*—Messrs. Baird, Boivin, Bremner, Chapman, Carrier, Dobson, Frazer, Greene, Haliburton, Jarvis, Lukes, Magee, McCulloch, McKechnie, Noonan, Sanford, Waterman.—17.

*Nays.*—Messrs. Conger, Elliot, Kerry, Woods.—4.

#### THE COAL AND IRON INDUSTRIES.—(NOS. VII. AND VIII.)

Mr. G. H. DOBSON (North Sydney) moved, seconded by Mr. R. G. HALIBURTON (Pictou)—

“That this Board favors the adoption of such a National Policy as will secure the home market for our coal, iron, and economic ores, together with the other industries of the country.”

Mr. P. D. CONGER (Toronto): I have been very much pleased with the discussion which has taken place here to-day on the fiscal policy of the country, and am glad to see the unanimous feeling which seems to exist between the delegates from Ontario and the Maritime Provinces; but I believe that no one Province should be taxed heavily (as will be the case if this policy is carried out) where it will probably be of no benefit to the Province for which the article is taxed. There is no reason why manufactures should not be established in the Maritime Provinces as well as in the Upper Provinces; therefore, our manufacturing industries should be protected. It is the same with the milling interest, because grain could be taken to the Maritime Provinces and ground there as well as in Ontario. There is a common

interest there also, and the common benefit to be derived from protection. I have always held that coal cannot be brought, with any reasonable protection, from Nova Scotia to the Province of Ontario, and therefore there would have to be a tax placed upon it which Ontario should not be called upon to bear in order to bring it to that Province. It is not the fault of Nova Scotia or Ontario that the coal cannot be brought from one Province to the other; it is due to their geographical position. I have no interest whatever in American coal mines, nor have any of those whom I represent here to-night; and, therefore, I speak from an entirely disinterested stand-point. It has been said that a trade can be created between the Provinces, by which coal can be brought as back freight, and the argument is used that when the trade is developed the coal can be brought to Ontario at a profit, but this I cannot see. Coal is a very bulky commodity to transport, and I do not know of any product of Ontario, or all the products of Ontario, that could possibly make one-tenth of the bulk of it. Therefore, the products of Ontario would be the return-freight, and coal the main freight. The class of coal used in the greatest quantity throughout the country is steam-coal for railways, steamboats, smelting-furnaces, &c. I class all coals as steam-coals which are not used in the manufacture of gas. In the Province of Ontario, commencing at Kingston and going West, we use annually about 400,000 tons of bituminous coals, such as are found in the Maritime Provinces. The City of Toronto alone consumes about 100,000 tons, and I take it that Hamilton, London, and other places in Ontario will consume about another 100,000 tons. My figures may not be exact, but they are accurate enough to illustrate my argument. Then, the railways use the other 200,000 tons. The Grand Trunk Railway now uses a large quantity of coal from the Maritime Provinces. The best class of steam-coals can be laid down in the harbor of Toronto, afloat, for \$2.75 per net ton. I understand that the lowest price at which those coals can be bought, free on board at Pictou, is \$1.75, and the lowest freight ever obtained from Pictou to Montreal is \$1.75, making for the gross ton \$3.00; that is, 75 cents more than we can lay down the best American steam-coals in Toronto. Anybody who knows anything of the cost of transportation is aware that it will take \$1.25 per ton more to transport that coal from Montreal to Toronto; that is, \$4.25 per ton for Nova Scotia, against \$2.75 for American coal. I have placed an exceedingly low estimate on the cost of transportation, and I do not believe that anything near the quantity of coal required in Ontario could be brought up even at that figure, with a trade developed that would meet the most sanguine expectations of

members of this Board, in the other direction. It would take 60 vessels to carry 100,000 tons of coal to Ontario; we use 400,000 tons, and, therefore, it would require 240 vessels to supply us with steam-coals from the Maritime Provinces. I believe that we should arrange our tariff to suit the circumstances of the country, and perfectly agree with the principle so ably and eloquently set forth here this afternoon—that we should look after our own interests. If it can be shown that by any reasonable tax on coal, it can be brought to us from Nova Scotia, we are willing to pay it; but if it cannot be brought by a tax of 50 cents per ton, I do not see why we should be taxed to the extent of \$200,000 a year for nothing. Unless you want a duty of about \$2.00 per ton from the Government, you cannot get Nova Scotia coal to Ontario, and no representative of Ontario would venture to support a Government that would impose such a tax. My argument is this—while we are willing to meet the Maritime Provinces fairly, we think they are mistaken regarding their ability to send their coal to our market. Then, as to the quality of the coal, I assume that it is equal to the best American coal, and I believe that such coal is mined in Nova Scotia; but whether it can be bought at the low price named here to-day I cannot say. I know there are coals in the Maritime Provinces which have been sent to the City of Toronto which could not be sold in the market like American coal. There is very great competition among the coal companies in the United States, and for that reason they are obliged to prepare the coals in a very thorough manner, and those mines where the coal has been proved to be of an inferior quality have been abandoned. The figures which I have given are based on actual transactions. One hundred thousand tons of coal were delivered, afloat, in Toronto, at \$2.75 per ton, and contracts are asked for now, and tenders have been sent in for at least 50,000 tons at that price or lower. I much regret being obliged to take this position, after the very feeling speech we had from one of the representatives from Pictou this afternoon, because I sympathize with him in his efforts to develop the coal mines of Nova Scotia; but it appears to me his object will be gained in a, perhaps, indirect way—that is, so far as the development of the mines is concerned—by the protection of our manufacturing industries. I believe there will be a very great increase of such industries in Nova Scotia. I have been told that one iron industry in Nova Scotia alone consumes 80,000 tons of coal every year. It seemed almost incredible to me, and it will afford some idea of the development which we may expect to result from the increased number of manufacturing enterprises in the country. The railways are beginning to draw their supplies from Nova Scotia; there is a demand arising for iron,

and probably they will find that the coal interests, which are languishing now, will be revived in this indirect way, without imposing a tax on the people of Ontario from which no benefit will result to the people of Nova Scotia.

Mr. R. McKECHNIE (Dundas): I am very sorry that Mr. CONGER, when representing a western Board, should throw any doubt on the minds of the people of the Maritime Provinces as to our willingness to give fair encouragement to their industries. I speak as a manufacturer, and for a number of manufacturers in Ontario, when I say, that they are willing that a fair and reasonable duty should be placed on both coal and iron, so as to build up those important industries. It seems strange to me that we should have the raw material lying in our midst and refuse to utilize it. We allow our neighbors across the lines to supply us with the bulk of the coal and a great deal of the iron, and until a few years ago, nearly all the pig iron used in this country, when we have as good ore and as good bituminous coal lying near at hand, if we only choose to develop them. When we consider that the people of Nova Scotia and Cape Breton are a long way from us, and the cost of transporting coals to us will amount to a considerable sum; and when we find that what should be a profitable market for them—the United States—is practically closed against them; and when we find that the coal companies of the United States are allowed to send coal into Canada free of duty, it seems strange that such a state of things should be allowed to exist. I think we should utilize our raw material. We have declared to-day that we approve of a policy to build up every industry in Canada. Now, after the elections which have taken place, at which the people of the Dominion have pronounced unmistakably in favor of that policy, I say it would be unjust to leave the coal trade aside and say "we will give you no duty whatever." I think it would be only right that the duty should be put on bituminous coal. We do not produce anthracite coal in this country, and therefore I do not think a duty should be put on that. As to the price of coal mentioned by Mr. CONGER, \$2.75 per ton in Toronto, I do not know what grade of coal he may refer to, but I know we have paid \$4.00 a ton for Reynoldsville lump coal.

Mr. P. D. CONGER: You are inland.

Mr. McKECHNIE: Not very far; we are at the head of the navigation of Lake Ontario. I know some three or four years ago the experiment was tried of bringing coal from Nova Scotia. Most of it gave satisfaction to the people who used it, but some of it did not. We must try and view this question in a broad light. We wish to build up a trade with the Maritime

Provinces, and we must reciprocate one with the other if we wish to succeed. One reason why the national policy was so successful in the late elections was, that the people were united as a whole in saying that every industry suited to the country should be fostered and encouraged. I do not think this Board should name a specific duty that ought to be placed on any article. We have made but one exception to-day, in the case of the sugar duties—but I think it would have been better to have left even that to the Government who have to frame the tariff.

Mr. D. McCULLOCH (Hamilton): I stated to-day that I was in favor of protecting whatever industry we have the means of carrying on in this country. I presume there is no doubt whatever, that within a certain distance from the coal mines in Nova Scotia, a duty will have the effect that I spoke of in reference to protective duties generally. Whether that will be the effect as far west as we are in Ontario or not is something I do not at present know, but I have made up my mind, and I believe I speak the sentiments of all the protectionists in Ontario, when I say, with reference to the coal, we will try the experiment at all events, and if it costs us a little more for that article we will not grumble at it. That is one of the incidents of the national policy, and we will not quarrel with it on that account. If you ask us for a duty on coal as an isolated thing we refuse it, but if it is part of the national policy we will say "Yes." In the application of the principle which I enunciated this morning, I assume that the article will reach the consumer as cheaply as if manufactured in any other country. All that you gentlemen who are engaged in industries in this country can expect, is that you will get your own market, and we expect that you will compete among yourselves, and that such competition will bring down prices as low as if foreign competition were admitted. I do not know whether that will work in the coal trade as in other industries, but we cannot expect the principle to work the same in all cases. I presume if the experiment does not work successfully for you, you will get tired of it as soon as we will;—not only that, but if it is going to cost us so much more to get Nova Scotia coal, we will continue to get American coal. What will be the result? We will pay the duty on American coal, and that duty will go into the treasury as part of the revenue of the country, and therefore that much revenue need not be levied on anything else. We are merely contributing a portion of the revenue through coal instead of something else. So we are not going to suffer so much, even taking the worst view of the question. The Grand Trunk Railway, as I understand from Mr. CONGER, takes 100,000 tons, and

the City of Toronto 100,000 tons. The Grand Trunk Railway can purchase coal away in the east, and can probably get it as cheaply from you as any one; but if that Company should, unfortunately, have to contribute something to the revenue of the country, it will not be an intolerable thing to the people, because the Grand Trunk Railway owes something to the public of Canada, and we may as well get it in that way as any other. (Applause.) I think the highest duty I have heard mentioned by the friends of the coal interest was one dollar a ton; and I am prepared to say we are willing to accept that and try the experiment in good faith. I think it is well worthy of consideration whether the development of the coal interests of this country is not advisable from a national point of view. It is part of our national equipment, and even if we have to sacrifice a good deal to build up that industry, we are prepared to do so. I hope the result of the experiment will be that our friends in the Maritime Provinces will be able to supply us as cheaply with coal as any other country. I have never heard it said in the United States, that the coal tax was a burthen on the people there, because competition is very keen in that country, and the effect will be the same if our coal trade is protected here. All we want to do is to give our own people our own markets, not to pay them an unfair price. We are willing to give you thoroughly fair play in the matter. We are not as deeply interested in it, from a pecuniary point of view, as you are in the coal interest, but we are interested patriotically, and every Province will bid you God-speed, and give you every possible encouragement that reasonable men can ask. (Applause.)

Mr. R. W. ELLIOT (Toronto): The late arbitration between the Provinces of Ontario and Quebec, resulting in a change of what was popularly known as our boundary, has developed the fact that we have actually got coal in Ontario upon the watershed where the rivers run into Hudson's Bay;—the fact of the matter is that by the Victoria Railway that has been extended fifty-six miles north of Lindsay, we are about half way in communication by rail with those coal beds; and the time is not far distant when the coal question will be as important to us in Ontario as to the people of the Maritime Provinces.

Mr. ALEX. WOODS (Quebec): I was pleased to hear Mr. McCULLOCH's theory, and to witness his evident disposition to carry it to its legitimate conclusion. He told us this afternoon that his idea of Protection was, not that the Government should put any specific amount upon an article, but that they should increase the duty until it was high enough to keep the foreign competitor out, no matter what the amount might be, and he seems to keep

to that theory pretty fairly. To my mind this, after all, is Protection in its naked deformity. This is the legitimate and proper result of the theory which is in favor to-day. I need not say I am totally opposed to such a theory. The consequence would be, if this were carried out, that whatever duty would be necessary to carry coal to Ontario, or even to British Columbia, if coals were required there, would have to be imposed to give the coal owners the markets of the country. Another idea seems also to have sprung up in the course of the discussion—viz., that the sort of coal should be specified, that it should only apply to bituminous coal. I do hope that this Board will not for a moment consider an amendment to confine the tax to bituminous coal. It certainly would be a queer position to find ourselves in, that we were to discriminate against England in favor of the United States. Mr. McCULLOCH says very properly, that if there is none of this anthracite coal in Canada, and we have to import it, we pay the duty on it. That is, in Ontario they would pay a certain amount into the public treasury, while in Quebec we would be paying money into the pockets of the Nova Scotia miners. Now, I am satisfied that if there is any object in this matter at all, it is not only to get a larger market for our coal, but a better price for it. As representing Quebec, a port where there is probably about 60,000 tons of steam coal used yearly, I find it a very serious question if a duty of 75 cents or \$1 per ton be placed on coal. I am satisfied that it will interfere with the freights of vessels from England. It is a policy which will suit some parts of the country, but certainly will not be in the interest of the City of Quebec. I shall vote against the motion, though I have no hope that by my opposition I can prevent it passing.

Mr. P. R. JARVIS (Stratford) : West of Hamilton we use a great deal of coal, and I am sorry to say we have never been able to see any of this coal that is mined in Nova Scotia. It seems extraordinary that the gentlemen who are interested in those mines have never sent samples of their coal that we might test it and see what it is like. I understand it is bituminous coal, and if we must draw the line somewhere, let it be so far as that kind of coal is concerned. For blast furnaces the Nova Scotia coal would not answer, because a very hard and peculiar kind of coal is required. Then, again, coke is used for that purpose as well. That could be manufactured in Nova Scotia and shipped up, but the mines of Pennsylvania are so convenient to us that we can get common steam coal delivered at Port Dover for about \$2.50 per ton. From the unhappy geographical position of Nova Scotia it would be impossible to deliver the coal of that Province in our Western country. There is another great drawback in the fact

that at the present moment Toronto even is receiving coal by the carload from the mines in Pennsylvania. Of course, the cost of carrying bulky freight by rail is what prevents it coming a great distance in that way. In the town of Stratford where I reside, and where I sell a great deal of coal, we rarely use steam coal for domestic purposes. We use altogether anthracite coal, which is not produced either in England or in Nova Scotia, and it would look rather absurd to put a tax upon that kind of coal. Then, again, if it is necessary that we should tax ourselves sufficiently to keep out American coal, what will the people of Manitoba say? They are developing mines there to a great extent, and they might require protection in that part of the Dominion. I think this is one article which might be omitted from the national policy. I do not see what particular good it would do the people of Nova Scotia if we were to tax the anthracite coal and the harder coals used for blast furnaces in the foundries of Western Ontario. The most we could expect to do under a protective tariff would be to bring the soft coal up as far as Toronto and Hamilton by vessels, and perhaps to Dundas; but further than that we could not carry it, because we can send any hour of the day to Buffalo, and get all the hard coal we want at about the price that the freight on coal from Nova Scotia would cost.

Mr. G. A. CHAPMAN (Toronto): The motion contains no proposition to tax anthracite coal; it only includes the species of coal produced in Nova Scotia. The proposition as it stands is a recommendation to the Government to put on such a duty as will give the whole of the Canadian market to Canadian coal miners, and I am sure that our Nova Scotia friends do not ask that. They do not want a duty that would enable them to send coal to Manitoba. What they desire, we in western Ontario are willing to concede. I think the Government should put such a duty on soft coal as would develop their coal mines there. No doubt the question will arise, will not this tax fall heavily on the poor? I do not think it will. As a rule, anthracite coal is used for fuel, and therefore, if no duty is put upon anthracite coal there will be no injustice done to the poorer classes. The duty on soft coal would develop the coal mines of Nova Scotia by enabling our friends in the Maritime Provinces to reach a portion of the Ontario market. I therefore move in amendment, seconded by Mr. H. N. BAIRD (Toronto):—

“That the words “home market” be erased, and the word “development” substituted therefor.”

Mr. J. J. BREMNER (Halifax) asked, is it a national policy to put a duty on bituminous coal and not on anthracite? Would not such a duty restrict the use of bituminous coal, and increase the

consumption of anthracite. We have coal in Nova Scotia which can be employed for many purposes in which anthracite is now used. Is it fair, from a national point of view, to ask the people of Cape Breton to pay a duty on flour, meal and other products of the west, and refuse to protect their coal interests? I am referring now to Mr. CONGER'S remarks. I was very much pleased with Mr. McCULLOCH'S remarks, with one exception—his objection to duty on anthracite coal. It was a matter of great gratification to me when I attended the meeting of this Board last year, to find the manufacturers of Ontario our friends, and I think the knowledge of that fact helped to bring about the change which did take place last September. Now, I see no reason why anthracite coal should be admitted free of duty, especially as it would be discriminating against England. I would not advocate a duty on coal which would enable us to carry it to the far West, but that is no reason why the people of West Ontario should not contribute to the revenue of the country through this duty. They say they can get coal very cheap;—they can, therefore, afford to pay the duty upon it. I deny that Nova Scotia is unfortunately situated—the unfortunate geographical position is occupied by Western Ontario.

Mr. G. H. DOBSON (North Sydney): The first gentleman who spoke on this subject asked a question and answered it himself. He asked, how could we reach Ontario with our coal? and then told us that it would take sixty vessels to carry 100,000 tons. He proved just what we want—that this coal trade will be the means of increasing the traffic on the St. Lawrence, our great natural highway between the West and the Atlantic. The Dominion is spending millions of dollars upon the canals of the St. Lawrence; and one of the reasons which were given for that expenditure was, that the enlarged capacity of the canals would enable the farmers of the West to supply Nova Scotia with their products, and the miners of Nova Scotia to send their coal to Ontario. Mr. CONGER has simply proved that the duty for which we ask will tend to develop inter-Provincial trade. It may be interesting to him to know that we in the Maritime Provinces buy from Ontario every year \$25,000,000 worth of their products, while we send them in return possibly \$1,000,000 worth. Yet, he would refuse us the little protection that would enable us to reach the Ontario market, while, at the same time, we are denied access to the markets of the United States. He says he can understand why the milling interest should want protection; is that interest more important than the coal industry? Is it not an artificial industry, while the coal interest is one which is natural to the country,—one in which millions of dollars are

invested, and thousands of people and vessels employed constantly? Would he have this important industry crushed out for the paltry duty of fifty cents per ton? We in the Maritime Provinces have not opposed any duty which has been proposed by our western friends to give them our markets, and we should be met in an equally liberal spirit. We pay a duty of 200 per cent. on petroleum, the only mineral industry that Ontario has. We have no petroleum in Nova Scotia; and although we can purchase it cheaper in the United States, we submit to the tax for the benefit of the country. England's supremacy depends on the development of the coal trade, because it enables her to send out cargoes to distant countries and bring home the raw material for her manufactures. It is by having return cargoes of coal that we can make the St. Lawrence the highway for our inter-Provincial trade. Mr. Woods thinks the duty on coal would injure Quebec. I think he is mistaken; since Sydney has become a port of call, Quebec shippers can get abundance of coal there, and carry a greater variety of freight. All that we want to do is to secure the Canadian market, and we can supply Quebec and Montreal with coal just as good and quite as cheap as they get from England now. As the production of our mines increases, the cost will diminish. The hard coal is competing with us in the Lower Provinces more than in the Upper Provinces, and we want a duty on anthracite coal to shut it out of the Maritime Provinces. Last year Nova Scotia imported 26,000 tons of hard coal, and I see no reason why anthracite should be admitted free of duty, when it is displacing our own coal in our own markets.

The Board adjourned at 10.15 p.m., until 10 a.m. the next day.

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## THIRD DAY'S PROCEEDINGS.

## MORNING SESSION.

CITY HALL, OTTAWA,

THURSDAY, 23rd *January*, 1879.

The Board met at 10 o'clock, a.m., the PRESIDENT in the chair.

The roll was called, and the minutes of the previous day read and confirmed.

Mr. E. K. GREENE (Montreal), moved :—

“ That in all discussions which may hereafter take place during the present annual meeting, the ten minutes limit for speakers be enforced.”

The motion was duly seconded and carried.

The PRESIDENT said he had received a letter from the Hon. FREDERICK FRALEY, President of the United States' National Board of Trade, conveying his congratulations to this Board, which was then read as follows :—

NATIONAL BOARD OF TRADE,

PRESIDENT'S OFFICE,

PHILADELPHIA, January 18, 1879.

MY DEAR SIR,—I send my hearty congratulations to you and the delegates of the Dominion Board of Trade, for the coming session on the 21st inst. I should be very happy if I could be there to meet and greet many with whom I have had such pleasant experiences for several years ; but important engagements prevent my leaving home next week, and I must therefore content myself with written words. I have appointed fifteen gentlemen to meet your Board as representatives of the National Board, and I hope a sufficient number of them will be present to speak words of friendly brotherhood on our behalf.

Our Board, as you know, is extremely anxious for the establishment of reciprocal trade with the Dominion, and I cherish the hope that we may speedily bring the Governments of the English-speaking people to one mind on a measure promising so much good.

We are in very good spirits at the success of our measures for the resumption of specie payments and for the refunding of our National debt at a very reduced rate of interest. The restoration of confidence in the future which is flowing from these measures will have its natural influence in promoting commerce, manufactures and agriculture, and give us prosperity in coming years. Our proximity to the Dominion

will make it feel the benefits of our well-being, and no one will rejoice more than I to witness the glowing fires of peace, contentment and prosperity in all North America.

I shall feel next Tuesday a return of the enjoyment that I had in Ottawa at your last meeting, and I hope for you and your associates now as joyful a beginning and as happy and successful closing as we had then. With great regard,

I am, very truly yours,

A. JOSEPH, Esq.,

*President Dominion Board of Trade.*

Ottawa, Ont.

FRED. FRALEY,

*President.*

### THE COAL TRADE,—(Continued.)

Mr. J. R. NOONAN (Pictou) : With respect to the question of protection for coal as one of our industries, I would state to the Board that I was perfectly satisfied with the motion that was passed yesterday on our fiscal policy ; but as a discussion has arisen on the coal interest, I would, with your permission, make a few remarks. It is well understood that a readjustment of the tariff will be made by the Government, and I am convinced that they will give that protection and fostering care that is necessary to all our industries without incurring the charge of class legislation. Upwards of \$14,000,000 are now invested in the coal trade of Nova Scotia and Cape Breton, without being remunerative to the investors. I would state, as a reason why we should have protection to our coal, that year by year our export trade is falling off. Nova Scotia mines produced in 1878, 700,000 tons, being 6 per cent. less than 1877, and 30 per cent. less than in 1873. Our exports to the United States in 1873, were 265,000 tons ; in 1878 they were under 100,000 ; while our imports from the United States have increased from 600,000 tons in 1873, to 900,000, tons in 1878, showing an increase of 50 per cent. In 1873 we had thirty coal mines in full operation, while in 1878 we had but twenty, and those only partially worked. In 1873 the output of coal was 1,051,467 tons, the raising of which gave employment to about 5000 persons, with a monthly pay roll of \$120,000. I have no fear that if a duty of, say 75c. per ton, is put on all imported coal, we shall be enabled to send it to ports or places in Ontario hitherto shut against us, and at as low a figure as it is now obtained from markets in the United States. I trust this Board will look upon this question from a national, and not from a sectional point of view. If we in the east were prone to sectionalism, we would have reason to find fault with the duties placed upon petroleum, one of the great industries of Ontario, and upon flour and wheat. We have no objection to those duties, if you deal fairly with us in protecting our great coal industry in the manner its importance deserves.

Mr. G. BOIVIN : Before you take a vote on this question, as a delegate from Montreal I am happy to see protection given to any

industry in the Maritime Provinces. For my part I will have to pay a few hundred dollars extra on my coal in consequence of a protective duty, but I am only too glad to give them that assistance which they are willing to extend to us in Ontario and Quebec. (Applause.)

Mr. THOMAS WHITE, M.P., (Montreal) considered it would be unnecessary to have a division on the amendment, as the motion and the amendment were practically the same thing; it seemed to him to be merely a distinction without a difference, and it would be better if one or the other were withdrawn.

Mr. P. D. CONGER (Toronto) said he could not allow the original motion to pass without entering his protest against it. Of two evils he would choose the least, and vote for the amendment.

Mr. G. H. DOBSON (North Sydney) then allowed his motion to be modified, and the amendment being withdrawn, the motion was carried.

#### ADDRESS TO HIS EXCELLENCY THE GOVERNOR-GENERAL.

Moved by Mr. THOS. WHITE, M.P., (Montreal), seconded by Mr. JOHN KERRY (Montreal):—

"That an address of congratulation upon his assumption of the Governorship of Canada be presented by this Board to His Excellency the Marquis of Lorne, and that the following committee be named to prepare the address:—Hon. Mr. Skead (Ottawa), Mr. J. J. Bremner (Halifax), Mr. W. E. Sanford (Hamilton), and the mover and seconder."

Carried unanimously.

Mr. R. G. HALIBURTON (Pictou) suggested that His Excellency must be pretty well tired of receiving "the inevitable address" by this time.

Mr. THOS. WHITE, M.P., (Montreal), from the Committee appointed to prepare an address to His Excellency the Governor-General, reported that they had adopted the following:—

*To His Excellency, The Right Honorable Sir John George Edward Henry Douglass Sutherland Campbell, Marquis of Lorne, One of Her Majesty's Most Honorable Privy Council, Knight of the Most Ancient and Most Noble Order of the Thistle, Knight Grand Cross of the Most Distinguished Order of St. Michael and St. George, Governor-General of the Dominion of Canada, and Vice-Admiral of the same, &c., &c.*

MAY IT PLEASE YOUR EXCELLENCY:—

The Dominion Board of Trade avail themselves of their first meeting after the arrival of Your Excellency and Her Royal Highness, the Princess Louise, to express the deep satisfaction they feel at your appointment to the important position of Governor-General of Canada, a satisfaction intensified by the fact that you are accompanied by a member of the Royal Family.

This Board, representing as its members do, the various local trade organizations throughout the Provinces, has been in existence for the last nine years. It possesses no legislative or executive functions; but it affords an opportunity for the merchants and

manufacturers in different parts of the country to meet once a year for mutual consultation, and for the expression of their opinions in relation to those great interests upon which the commercial prosperity of the Dominion depends. Free from party political bias, it has been the object of the Board to present to the Government and Parliament of Canada, an independent opinion on commercial questions coming within the powers of the Central Legislature; and it is a matter of gratification to the Board to know that their efforts have not been without practical results, and that in the expression of their views they have fairly represented the public sentiment of the country.

In order that Your Excellency may be able the better to understand the functions of the Board, and the manner in which it has fulfilled them, we beg your acceptance of a copy of the official report of its proceedings since its organization.

We desire to express to Your Excellency our loyal attachment to the Crown and person of Her Most Gracious Majesty, our confidence in the institutions under which we live, and our earnest wish that Your Excellency and Her Royal Highness, the Princess Louise, may long be spared, and that your residence in Canada may prove to be an era of great happiness to yourselves, and of contentment and prosperity to the people over whose destinies you are called upon to preside.

Signed, on behalf of the Dominion Board of Trade,

A. JOSEPH, *President.*

WM. J. PATTERSON, *Secretary.*

OTTAWA, January 23rd, 1879.

Mr. THOS. WHITE, M.P., moved, seconded by Mr. JOHN KERRY:—

"That the report of the Committee be received and adopted, and that the address be presented to His Excellency the Governor-General by such members of the Board of Trade as can make it convenient to remain at Ottawa for that purpose."

Carried with applause.

[NOTE.—At the close of the sessions of the Board, the President, A. JOSEPH, Esq., the President-elect, Hon. JAMES SKEAD, HAMILTON A. HILL, Esq., of Boston, delegate from the U. S. National Board of Trade, with several members and the Secretary, waited upon His Excellency the Governor-General, and were accorded the honor of being severally introduced to him,—thereafter presenting the foregoing address, accompanied by two handsomely bound volumes, containing the proceedings of the Board since its inception. His Excellency replied as follows:—

*To the President and Members of the Dominion Board of Trade:*

GENTLEMEN,—It does not need the mention of the vast and varied interests you represent to remind me of the importance which such an association as the Board of Trade of the Dominion of Canada must necessarily assume, especially when the affairs of the society are conducted with the ability and zeal which have been so conspicuously shown in your session. I have seen with pleasure that the weight of your counsel has not only been acknowledged at home, but that the United States Board of Trade has proved the sense they entertain of your labors by sending delegates to attend your meeting. I have read the debates in which your members have recently taken part in this city, with the greatest interest, and congratulate you that you have been able to hear the views of so many gentlemen from almost every part of the Dominion.

I accept with pleasure the gift which you have presented to me in handing to me a copy of the official reports of your proceedings, and sincerely trust and hope that your deliberations and advice may promote the welfare and hasten the ever-increasing greatness of the trade and commerce of Canada. I thank you for your dutiful and loyal

assurance of devotion to the Crown, and beg that you will accept my gratitude for the cordiality of the reference you have made to the arrival in this country of the Princess and myself.

(Signed)

LORNE.

He then entered into conversation with the President, President-elect, HAMILTON A. HILL, Esq., and several delegates, upon various matters of commercial interest, after which the deputation withdrew.]

#### THE PACIFIC RAILWAY AND THE ENLARGEMENT OF CANALS— (No. XXII.)

Moved by Mr. R. McKECHNIE (Dundas), seconded by Mr. R. W. ELLIOT (Toronto):—

*Whereas*, the building of the Canada Pacific Railway, and the deepening and enlarging of the St. Lawrence Canals are absolutely necessary for the development of our national resources, for the opening up and settlement of our North-West territories, and for the keeping of the faith of the country, pledged at Confederation to British Columbia; and

*Whereas*, the building and equipping of the Canada Pacific Railway would furnish employment to our people, open up our iron mines, and stimulate the establishment of rolling mills, locomotive works, and car factories;—

*Resolved*, that the Government be urged to proceed with the building of the Pacific Railway, and with the deepening and enlarging of the St. Lawrence Canals as rapidly as the circumstances of the country will permit.

Mr. McKECHNIE said: I consider the question of the immediate and vigorous prosecution of the construction of our Pacific Railway to be one of importance second only to that of the rearrangement of the tariff. No doubt progress has been made to a certain extent in the building of that line. A large amount of work has been done in surveying; the branch line connecting Winnipeg with Pembina is now complete, and the cars are running on it, and another part of the line from Winnipeg to Thunder Bay is under construction, with the prospect of being completed in two or three years. I think, Mr. President, that this country has been too slow in the prosecution of that public work. It is either to be a benefit to the country when finished, or it is not. If it is to be a benefit, it should be pushed forward to completion with the utmost possible despatch. I perfectly agree with the policy of building a branch from Winnipeg to Pembina, provided it is a branch of the whole scheme of the through railway; but in building that branch and running it as it is to day, I claim that, with the slow progress of the main line, it is diverting the trade of the great West into the hands of Americans, to the disadvantage of the older Provinces of the Dominion. It is well known to our shippers and merchants, who have business with Manitoba, that there is great delay and inconvenience in passing our goods through United

States territory, as so many certificates and entries have to be made out. In addition to this, the long railway route is most expensive to the people of Ontario and Quebec, who have to send their goods to the West. I hold that the through line should be commenced immediately, by whatever scheme the Government can adopt that will be fair and just to the whole Dominion. There is one clause in the motion on which I feel pretty strongly, that is, that the building of this railway would give employment to our people. I believe there is nothing that would tend more to restore the confidence of the manufacturing and business portions of this country than the energetic prosecution of this railway scheme, in such a way as to keep our workmen and artizans at home. I wish to see every rail, bolt, and fish plate, laid on that line, made out of our own iron, with our own coal. I wish to see every bridge built of iron manufactured by our own people, and the passenger cars made in Canada, of native materials. We have all the facilities, and all that is required, for the production of everything necessary to build and equip our railway, is a policy that will encourage and build up our home manufactures. I think this work can be carried out in such a way that it will not be a burden on the people. A few years ago the United States was involved in a disastrous war, that sunk millions of dollars. Surely we can afford to spend a large sum of money in the building up of a great national highway, that will be an advantage to the whole community.

[Hon. Mr. WILMOT, President of the Senate, entered the hall, and after receiving a warm greeting he was provided with a seat near the President.]

Mr. McKECHNIE, continuing, said: In the building of our railway we will have received in a tangible form value for the money expended—a benefit that will continue with us, and be a source of prosperity to our country for all time to come. As to the deepening and enlarging of our canals, it is a public policy that is necessary to the building up of our inter-Provincial trade, to allow the Western trade to pass down through Ontario to the Lower Provinces and bring back in return cargoes of coal, which can only be done profitably in large vessels without breaking bulk. I hope this motion will meet with the unanimous sanction of the Board.

Mr. R. W. ELLIOT, (Toronto): It is very difficult indeed to find a subject which is of greater importance, not only to this generation but to the generations of the future, than having this vast extent of country that has been committed to our care, opened up

and developed. When we consider that we are but four millions of people with about 3,500,000 square miles of territory to open up, the work seems almost too gigantic for our powers; but with the experience of the past before us, knowing what our forefathers have accomplished in the past in opening up a new country, and seeing what we have seen with our own eyes, we should not be in the least faint-hearted, and we should have faith that the country will develop in the future as it has in the past. It is quite impossible to expect that settlers going into a new country now, will be willing to submit to the same inconveniences and hardships that our forefathers experienced. I have, myself, travelled from Guelph to Owen Sound, some years ago, a distance of about seventy miles, and found but three farm houses in all that distance. Latterly I have been up there again, and found the whole country cleared and settled, with schools, churches, excellent roads, and two or three lines of railway. That has all been accomplished in one generation, and the building of a railway would accelerate the settlement of a new territory to a much larger extent. The motion refers to keeping faith with British Columbia. Unfortunately that cannot be carried out literally. Our bargain was to build the railway across the continent in ten years, eight of which have expired. It would be almost a matter of impossibility to keep to the strict letter of our bargain with the Pacific Province; still I think there is no party in this country who desires to break faith with British Columbia, we all rather desire to carry out the agreement the country has made as rapidly as our resources will permit. I estimate that it will take about seven years to build this railway. Leaving out of the question any increase in population or resources, it will probably increase the expenditure of this country about one million of dollars per annum. I think we can reasonably calculate that the expenditure of the money upon this railway would produce a certain amount of prosperity over the whole Dominion, and I think it is one of the very best means of reviving trade in the Dominion. I think we might very fairly calculate, if this work is done judiciously and properly, that it will cast no additional burthen on the people of this country, as it would so add to the population and resources of the Dominion as to divide the cost of the maintenance of the work. The improvement of the canals of the St. Lawrence is a matter to which the faith of the country is pledged, and which ought to be carried out at the earliest practicable time. If it were a new question, it might be open to debate, but it is one to which the country is fully committed. With regard to the employment of our people, I think it should be a distinct stipulation on the part of the Government that a very large proportion of the rails and

other material employed in the building of the Pacific Railway should be manufactured in Canada ; it would involve no sacrifice on the part of the Government that would not be well repaid by the permanent prosperity of the country. No one desires to see the Government undertake anything they are unable to accomplish ; and I think a fair view of this matter will lead to the conclusion, that they can well undertake this work without imposing any considerable additional burthen upon the people of the Dominion.

Mr. G. A. CHAPMAN (Toronto) : There is one remark I desire to make with respect to the tolls on the St. Lawrence canals. Our neighbors on the other side of the line are reducing tolls to a minimum on the Erie Canal—in fact, I believe it is expected that the canal tolls will be abolished altogether during the coming year. If such should be the case, I believe we ought to meet their competition in the same way with regard to our canals. Year after year more of the trade that we should naturally expect to come down the St. Lawrence, is finding its way by the Erie Canal to New York, where greater facilities are offered than we have for exportation to Europe. We are behind the times, and we cannot compete with the American route successfully unless something is done towards reducing the tolls on the St. Lawrence.

Mr. R. G. HALIBURTON (Pictou) : The difficulty that we have had to contend with, in getting the trade of the West, is the scarcity of bulky freight to replace the grain for return cargoes. I look forward to the time when the coal trade in Nova Scotia will supply the return cargoes that will bring down the grain of the West to salt water. I consider the St. Lawrence to be one of the greatest heritages that the Dominion has got. The United States can build railways to any extent, but they never can build a second St. Lawrence ; and all we have to do is to develop its capacity, and trade will naturally take that channel. I was struck the other day by an article in a New York newspaper. It contended that mere railway communication cannot compete successfully for the Western trade, but the Erie Canal must be its ultimate dependence, and its navigation must be made free. After all, the Erie Canal is but a mere ditch compared with the St. Lawrence as an outlet for the trade of the West. I am sorry that the Baie Verte Canal is not included in the present motion. It was disposed of by the late Government by the appointment of a Commission, and they appointed a gentleman for whom we all had great respect—the late Hon. JOHN YOUNG—but he was one of those men who can only see one thing at a time, and he had the Caughnawaga Canal on the brain then to the exclusion

of everything else. There were appointed as his colleagues another gentleman, whose ideas were in accord with his own, and a gentleman from New Brunswick. The consequence was they brought this undertaking to an untimely end.

Mr. P. D. CONGER (Toronto): The remarks of the last speaker and Mr. CHAPMAN, with reference to the reduction of tolls on the St. Lawrence Canals, apply with equal force to the Welland Canal. That canal is very heavily taxed, and, as every one is aware, the great bulk of the Western grain enters the Erie Canal at the foot of Lake Erie, at Buffalo. Every inducement should be offered to vessels to take the St. Lawrence route.

The motion was carried.

#### IMMIGRATION (No. XXIII.)

• Moved by Mr. D. McCULLOCH (Hamilton), seconded by Mr. R. McKECHNIE (Dundas) :—

“That the depression of industry in Great Britain having called the earnest attention of the public of that country to the advantages of emigration as a means of relieving the distress which prevails, the occasion offers a favorable opportunity for the Canadian Government to consider, and, if possible, carry out a policy which would direct emigration to the settlement of the unoccupied lands of the Dominion. That any action in Great Britain for this purpose, whether on the part of the Government or by individual effort, should be heartily co-operated in by the Government of Canada.”

Mr. McCULLOCK said: I regret that I am not in a position to offer to the Board any specific information on this subject. I am here as a substitute for Mr. ADAM BROWN, who had prepared himself to discuss the question, but unfortunately was prevented from attending in consequence of ill health. I presume, Mr. President, that immigration is a pretty old subject for this Board to consider, and there would not be much excuse, perhaps, for directing your attention to it at the present time, except for the reason our experience for some years past has been that our efforts to secure immigration have not been very successful; in fact, it is rather an unpopular thing at the present time to advocate immigration. Still, the peculiar condition of affairs in England—that every man must see—and circumstances that must be much stronger in the future than they are now, lead to the conclusion that a very large immigration into Canada is a possible thing; and it might be well for us to indicate to the Government, by an expression of our opinion on this question, that it is not as unpopular a one as it may seem to them to be. There is no question at all that Great Britain has lost that supremacy in manufactures which she once possessed. There is no question at all that through the operation of their protective tariffs, or some other causes, other countries

are manufacturing more than they once manufactured, and are not any longer dependent upon Great Britain in the same sense that they once were. What that will lead to, it seems to me, is merely a temporary depression in the Mother Country. I believe that these circumstances will change the condition of affairs in Great Britain to so large an extent, that there must be a swarming of the parent-hive in order to improve the state of affairs that exist there at present. I do not look upon it as a temporary depression that will pass away. The causes that have brought it about are permanent causes. The artizan classes are thrown out of employment, and, if we look at the agricultural classes, the conclusion will be that the tenant-farmers of Great Britain cannot continue to pay to their landlords the heavy rents they are paying now, and compete with the foreign agriculturists, whose facilities for production are constantly increasing, and are coming every year in greater numbers to the markets of Great Britain. It seems to me that we have an opportunity for a large immigration, more especially into our North-West Territory, if we take advantage of it. Briefly, these are the views that might be sustained by a great many facts, if I had the time to collect them for you; but probably they are as well known to the other members of the Board as they are to me, and they may not therefore be necessary.

Mr. W. LUKES (Toronto): This has been a very important question in our history. I believe the United States has been built up by immigration; this country has been largely built up by immigration; and I am proud to say that I am one of those immigrants who came from the old country and made Canada my home. The mover of the proposition has alluded to the distress in England. I believe there are great opportunities presenting themselves to Canada now in consequence of that distress, and if those opportunities are taken advantage of, we shall have such a large accession of immigration to our shores as will immensely benefit this country. Undoubtedly the distress that prevails in England is not of a temporary character. The artizans, operatives and mechanics are out of employment because they have overproduced the world's demands. Why have they exceeded the world's demands? Simply because the United States, France, Belgium, Germany and other countries have taken an unaccountable notion into their heads, that they are going to make for themselves in the future what they had hitherto been accustomed to buy in Great Britain. I can see no reason why the greatest industry of England—the cotton trade—is not going to decline, as they now have the competition of the United States; India has commenced to manufacture her own cotton, and they have a

protective tariff against the cotton manufactures of England. Why should the United States purchase cotton manufactures from England? Why should England purchase the raw cotton from America, take it home to her manufactories, follow it up with a ship's load of flour, and another of beef and pork—buy the raw material, then the domestic supplies for her artizans, and then send the manufactured material back to the United States? Gentlemen, that is working against the tide. Nothing but the most fortunate circumstances could have enabled Great Britain to do this for the last ten years. But since the United States have resumed specie payments; since their manufacturers have been enabled to get money as cheaply as in England; and wages have been reduced to the approximate value of those of the English artizan, they are now prepared to make their own cotton goods as cheaply as can be done in Great Britain. England, no doubt, has anticipated that the United States is going to enter into a great competition in trade with her, and should the Americans relax their duty on English cottons, their markets would soon be so flooded that their manufactories would be closed, and their own artizans would have to direct their labor into other channels of industry. I wish to say a word as to the character of emigration agents. My impression is that this country has been working on the wrong principle. I do not think it is a wise policy to send some gentleman to London, furnish him with an office there, and allow him to engage such a staff as he thinks proper to go through the country with pamphlets or lectures. I believe that if our Government were to find men in this country who had emigrated from England, Ireland and Scotland, years ago on their own account, without a shilling in their pockets, and who had been successful in this country; if such men were sought out, and asked, when visiting the land of their birth, to use their influence, and let it be known in some way that they were countenanced by the Dominion Government in so doing, they would be the best and most successful agents that the country could have. I do not go so far as to say that they should ask payment for their services; but, if they were put to any expense while promoting the interests of the Dominion, they would be entitled to some remuneration. I could refer to some of those successful settlers. I know some Yorkshire men who came out here a few years ago and settled in West Guiliamsbury,—poor men, some of whom are worth to-day over \$50,000 each. I could refer to some of them who left the British workhouses assisted by their friends, and they have become wealthy men in Canada. The successful mechanic, laborer or artizan, who returns to England and relates his experience of this country, is the man who can do more to influence emigration of the

right sort than kid-gloved emigration agents. Take Cornwall, for instance ; I believe there is such distress in Cornwall to-day as in no other part of the world. On Lake Superior we have a great many Cornish miners who have saved a little money, and they occasionally go home to visit their friends. The effect is always to bring back with them to Canada some of their relatives or acquaintances. If the Government take this matter up, I hope they will bear in mind that if we are to have an increased immigration, we are not to have a pauper immigration, but men with good sound constitutions, men well developed who can take hold of the spade or the axe, as circumstances may require. I think it was the Earl of Derby who said the other day that, bitter as it might be, much as he sympathized with the British artizan and agriculturist, there would have to be a wholesale emigration from that country either to Australia or to the North American continent. I hope that every effort will be put forth by the Canadian Government to secure our share of that immigration.

Mr. THOMAS WHITE, M.P. (Montreal) : This motion, I think, goes further than it ought to go in one respect. I have had some little experience of this question, and I fear that the efforts in relation to emigration from England will be precisely in the interest of the class we do not want. In 1867 they had as great depression in England as they have to-day. In addition to the depression in trade, the Government had discharged a large number of laborers from the dockyards. The result was a great deal of distress amongst the poorer classes, and the organization of a large number of associations of different kinds for the purpose of promoting emigration. There was the East London Family Emigration Society, the Clerkenwell Emigration Society, the British and Colonial Fund under the Presidency of the Lord Mayor, and others, all of which were designed to assist persons to come to this country. There was in addition to them the National Emigration League, which was promoted chiefly for the purpose of inducing the Government to take up the question of assisting emigrants out of that country, with a view of lessening the prevailing distress, and the strain on public charity. But in all those cases it was the poorer and more indigent classes that were assisted out of the country, and as a consequence the class of least energy and of least value as settlers. I do not for a moment mean to say that there were not large numbers of those who came out poor, broken-down people who were looking starvation in the face at home in consequence of the terrible depression that existed at the time, who became valuable settlers, and are now prosperous citizens of Canada. But the whole object on the other side seemed to be, to get rid of

the class of people who were least likely to be desirable settlers in this country. Then, with regard to emigration agents, it is a remarkable fact that the United States have never had emigration agents of any kind in England. The enormous development of emigration to the United States has been done almost entirely—not altogether, for some of the States have had immigration agents—by the railway and land companies which had acquired large tracts of land from the Governments of the different States, and in some cases from the Federal Government, who sent their agents to the other side in order to bring over immigrants to settle upon and improve their lands. Those agents went there as the officers of the companies, owing no responsibility to any Government or to any legislature, but simply on their own hook, determined to get as many people to come out to the States as they could. Those people came out and settled, and in a very large number of cases the change has been a great blessing to them and to the country to which they came. Another thing that has been an injury to Canada is, the system of percentage of passages paid to passenger brokers on the other side of the water. The Allans alone have some 1,200 emigration agents in Great Britain and Ireland, who are simply passenger brokers, but they obtain from the Imperial Emigration Commissioners in England certificates which entitle them to put over the doors of their offices the title "Emigration Agent." These people are paid by the steamship companies a percentage on all the tickets which they sell. The steamship companies, on the other hand, arrange with the railway companies on this side to issue tickets for any point on the Continent of America to which the emigrant desires to go. You can readily see that the farther the emigration agent sends the emigrant, the larger commission he receives. In this way we have those 1,200 persons in natural conspiracy against emigration to Canada, because if they send emigrants to Chicago, and west of Chicago, they put so much more money in their pockets than they would if they only sent them to Quebec or Toronto. How is that difficulty to be obviated? I made a suggestion some time ago in the *Canadian Monthly* that the Dominion Government could do better than sending over agents, as they were always "spotted" by the steamship agents, who warned emigrants to have nothing to do with them, as they were "Government bummers," &c. Instead of doing that, if they would adopt some plan by which they could strike an average of the amount which the steamship agents made on each emigrant they sent west of Toronto, and give them a commission that would equal it on all tickets sold to emigrants going to Canada, they could in that way neutralize the influence that has been working

against us. A large sum of money—between \$250,000 and \$300,000—has been spent to bring people here, and, as in too many cases turns out, send them to the United States; and all that effort has been practically devoted to the maintenance of agencies, and the payment of passenger warrants on the other side. When they come to Canada, what is the result? They land at Point Levis, where they are accommodated with sheds that are anything but attractive or comfortable—sheds that are used jointly by the Grand Trunk Railway for freight, and by the Government for emigrants. It seems to me that one of the essential things to induce immigrants to stay in the country, is to give them a good impression of it when they land here. I believe if we were to spend more in the efficient administration of immigration on this side of the water it would be far better, and a larger number would be induced to settle in Canada. Just at this moment I do not think it to the interest of this country to encourage ordinary mechanics, laborers and artizans to come hither. I believe that we have in all our towns and cities as many, and more, mechanics than we can find employment for. We may hope for better times in the early future; but the class of people we do want here now, are the small tenant farmers, men who are paying in England from £1 per acre a year rental to £4 for land, who in the past have been enabled to make a considerable amount of money out of the land even at such a high rental. There is a change going on in England. The idea of labor unions has spread to the agricultural laboring classes, and it affects the tenant farmer, who depends for his success upon the small wages he pays the laborer. He cannot now make as much money out of his farm as he was enabled to do when the agricultural laborer knew nothing beyond his work, and was little above the brute so far as his knowledge of what was going on in the outside world, or what was to his own advantage, were concerned, and he was content with the mere pittance that was allowed to him. The only way to get over this difficulty of lack of employment is to go on with the construction of the Pacific Railway. If we can get that road into the hands of a company subsidized with land, whose interest is to sell and settle that land, they will devote the proper energy to immigration and get just the class of immigrants best suited to the requirements of the country.

Mr. E. K. GREENE (Montreal): This immigration question is one of great importance, and in my opinion it forms part and parcel of the Pacific Railway policy. In building the Union Pacific Railway the American Government granted a bonus of fifty millions of acres of land to two companies who began at

each end of the road. The land was given in alternate sections along the line, and the result was that the lands which were reserved by the Government doubled in value by the building of the road through that territory, so that the bonus to the railway companies actually cost the country nothing. The interest of the companies who built the railway was to induce those who worked on it to settle on their lands, and the result is that along the Union Pacific there is a fair population at all important points. If the Government were to adopt the policy which they originally intended in the construction of the Pacific Railway, I believe it would do more to bring immigration from across the Atlantic than anything else. Under the present system the cost of building that line cannot be far short of \$100,000,000.

Mr. D. McCULLOCH (Hamilton): I cordially agree with the remarks of Mr. WHITE, that any co-operation we have had with the English people in the matter of emigration has been with a view on the part of the emigration societies of the Mother Country to get rid of an undesirable class of society who are an equally undesirable class with us; but if I am not mistaken, the time has come when they must also get rid of the very class that we are desirous to have settle in this country, as they have no employment to offer them. The question of emigration has now been forced upon the attention of statesmen, not as a measure of relief to the poorer classes so much as a relief to themselves. The idea is not, perhaps, a very popular one with them at the present time; but, if I am not mistaken, the period has arrived when it has become an absolute necessity, and it will be well for us to meet them half way. They are not confined to Canada as a field for emigration. Africa has been spoken of, and the Valley of the Euphrates, as new fields for settlement; and I have no doubt that the sagacious statesman that guides the policy of the Empire had that very fact in view in the Berlin settlement. It seems to me we are reaching a new condition of things with regard to immigration both in Canada and the Mother Country, and if we take timely action we will at least be on hand to receive all the benefit which these new conditions are calculated to bestow upon us. Everything that Mr. WHITE has said with respect to providing accommodation for immigrants when they arrive in this country, is quite true, and I think it will be important to draw the attention of the Government to it in the sense he has referred to.

The motion was carried.

## INCREASED DEVELOPMENT OF INLAND NAVIGATION. (No. XIX.)

Moved by Mr. D. McCULLOCH (Hamilton), seconded by Mr. G. A. CHAPMAN (Toronto) :

"Whereas, the returns of last season show that there has been a large increase of the trade of the Western States over the New York routes ;

"Be it resolved, That the Government be respectfully requested to inquire into the cause of this diversion of traffic from the St. Lawrence route, with the view of taking such action as may seem necessary to promote the interests of Canada in this matter."

Mr. McCULLOCH said ; This does not seem to be a very applicable motion under the head of "Improvement of Navigation," but what we have found this year is, that the trade has been going by the Erie canal instead of by our canals, and it is understood by our shippers that one of the principal causes of that has been the reduction, or abolition, I am not sure which, of the tolls on the Erie canal. Our shipping interests look to our Government to take similar action with regard to our canals as a permanent measure, and the enlargement of the St. Lawrence canals east of the lakes. I understand that the Buffalo shipping trade during the past year has been something more than prosperous, while ours has not been prosperous, owing to the cheapening of transit on the New York routes. It is believed by our people that if we were to offer at once such facilities, as we might in the reduction of our canal tolls, we could secure a considerable portion of the trade that now goes by the Erie canal.

Mr. R. W. ELLIOT (Toronto) : In connection with this motion I have had placed in my hands a paper giving reasons why a harbor of refuge should be established on Lake Erie, of sufficient capacity for the vessels navigating those waters.

The paper was submitted, and was ordered to be printed in the official report. It is as follows :

## HARBOR OF REFUGE ON LAKE ERIE.

*A few reasons why a Harbor of Refuge should be built on Lake Erie, and for the proper location of same.*

In the year 1869, a survey of the coast above Long Point was made by Mr. Thomas Munro, under instructions from the Public Works Department ; and a Report upon same was drawn up by the Chief Engineer, Mr. Page.

Upon page one, the instructions given to Mr. Page, show, that the Government of that day, were strongly impressed with the importance of such a work.

Upon page two, the Report states that "there are no natural harbors in which large vessels can find shelter ; and, on account of the shallowness of the water at the existing small artificial harbors, they are useless during storms, or at the time when they might be required for purposes of shelter."

Upon the same page the Report says, after referring to the enormous increase of the Mercantile Navy : that a Harbor should be constructed "of ample area, &c., &c., of sufficient depth of water, should have good anchorage ground, be easy of access and egress, and be situated as nearly as possible, at a place or point, on the coast, towards which vessels are most frequently drifted by storms ; or where from the trend of the shore they may be detained by adverse winds."

The Report on page eighteen condemns Port Stanley for the purpose of a Harbor of Refuge; and adds, "on leaving Point Pelée, a direct course to Buffalo barely clears the end of Long Point, so that vessels are generally close to the Canadian shore; and when caught by a heavy southerly gale near the centre of the Lake, there is great difficulty in weathering Long Point—which frequently leads to much delay and disaster, \* \* \* as vessels often get embayed,—driven towards the shore, and occasionally upon it."

On page twenty-six reference is again made to the dangerous nature of the coast, at and westward of Long Point.

And on page twenty-seven a list of losses of vessels and property, chiefly on the north shore of Lake Erie, is given, showing that from the year 1858 to 1868, the number of vessels disabled were..... 266  
 Of these were totally wrecked ..... 53  
 Number of lives lost..... 65  
 Value of property lost..... \$902,410 00  
 And to this is to be added, as appears on pages 10 and 27, an equal sum for losses in property, not included in the statement above, \$902,410 00

Making the total losses..... \$1,804,820 00

And on page ten, "It is probable that the statement does not embrace all the marine disasters which have occurred within the period mentioned."

Of the above losses, more than thirty-three per cent. of the property occurred at or near Long Point, and thirty-five of the sixty-five lives.

A glance at the chart of Lake Erie will convince any person, that, owing to the circular formation of the coast, and the prevailing south-westerly storms during the season of navigation, if a heavily laden vessel should be overtaken by a storm in the bight,—even to a small extent—between Rondeau and the easterly end of Long Point, must go ashore from her inability to weather Long Point; and therefore forces the conclusion that some place in the neighborhood of Long Point is the most suitable for a Harbor of Refuge.

The mouth of the Big Creek appears to the writer a place which nature designed for such a purpose.

It is situate about twenty miles from the easterly end of Long Point, three miles west of the "Old Cut," and say one hundred and ten miles from Buffalo, or ninety miles from the entrance to the Welland Canal at Port Colborne.

By referring to Mr. Munro's chart it will be seen that some fifty soundings were made in the creek, covering a distance of over two miles, which show a depth of water of from fourteen feet near the Lake, to ten feet up the creek. The width of the creek varies from fifty to ninety feet throughout.

The creek runs through a marsh composed of soft mud upon a clay substratum, and a basin could be dredged out at reasonable cost, that would accommodate the wants of any vessels requiring shelter.

From the creek where soundings show fourteen feet, to a point in the Lake where seventeen feet with a clay bottom is given, covers a distance of about two thousand feet; and if two piers were properly constructed, and placed upon the clay bottom for the distance named, which could be done at reasonable cost considering the important interests involved, an efficient Harbor would be created.

It has been said that the opening between the piers would be in danger of being filled up with detrital matter occasionally; but this it is contended would not occur, as the creek carries no detrital matter, flowing as it does through a clay district, with very slight freshets; and that any detrital matter that might be carried at its upper end, is filtered by a check in the stream about four miles above its mouth, at the commencement of the marsh, where the banks, enclosing the stream, suddenly contract.

The writer has had personal knowledge of the creek for the past twenty-eight years, and although during that period many extensive saw-mills were in operation upon its banks, and deposited immense quantities of sawdust in the stream, the depth of the water through the marsh has not been perceptibly changed; and there are many persons living who can establish the same facts for fifty years past.

But in order to construct a harbor and prevent the entrance being continually filled up, as has unfortunately been the case in all the attempts hitherto made, it will be necessary to carry the piers out into sufficiently deep water, so that the lake current

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would catch any detrital matter, either from the inside or from the shore outside, and carry it into still deeper water; and it is well known that owing to the curved nature of the shores of Lake Erie, between the points referred to (Rondeau and Long Point,) such a current exists, frequently running several miles an hour, and which probably accounts for some of the losses that have occurred.

It should be added that the writer has been unable to obtain statistics of the losses of vessels and cargoes since the date of those already given up to 1868, except for the year 1877, which he has copied from Captain J. W. Hall's Annual Report of Marine Casualties, published at Detroit, which gives for the latter year upon Long Point eight vessels lost, with property to the amount of \$143,200, and two human lives.

I may add an extract from the same Report, taken from page 66, which says:—

“Lake Erie is 250 miles long and 65 miles at its greatest width. It has several places for shelter on the Canadian coast, not including the so-called Harbor of Refuge at Rondeau, which is rarely entered by vessels of the larger class, and is entirely one-side from its proper location.”

It is hoped that the subject herein referred to will command the interest of the Dominion Board of Trade, now in session at Ottawa.

(Signed)

WM. H. STEVENSON.

January 22nd, 1879.

The motion was carried.

#### LIQUID MEASURES.

Mr. R. W. ELLIOT (Toronto), moved, seconded by Mr. P. D. CONGER (Toronto):

“That the attention of the Hon. the Minister of Inland Revenue be respectfully called to the discrepancy between law and custom in the standard of liquid measure at present used in trade; that this Board respectfully requests the Hon. the Minister of Inland Revenue to promote the passage of an Act legalizing the use of the Wine gallon in the purchase and sale of all liquids.”

Mr. ELLIOT said: I beg to bring before the Board the very unsatisfactory condition of the standard of liquid measure in use throughout the country. For a long period the word gallon, when used on this continent, meant the wine gallon of 231 cubic inches. However, in 1873, the Legislature was induced to pass an Act declaring that the people of Canada should use the Imperial gallon of 277½ cubic inches, after six months' notice by proclamation. This notice has been given and the Imperial gallon is now the legal standard of the Dominion. There is, however, a saving clause, No. 2, section 5, in the Act, which allows the Wine gallon to be used until May 23rd, 1880, by special agreement between parties. After May 23rd, 1880, Deputy-Inspectors of weights and measures are authorized to demand all Wine measures to destroy them, a penalty of \$20 being incurred for refusal to deliver them up, and a penalty of \$5 to \$50 for each offence of having used them. So far as Ontario is concerned, the Act has made little headway; there was a spasmodic attempt to enforce it in September, 1877, but the effort failed. Many bought sets of Imperial measures, but the majority of retailers, finding their customers objecting to pay more for an Imperial than a Wine gallon of oil, whisky, or molasses, quietly put the

Imperial measure on the shelf, and took the old, well-known standards down for use. Those who tried to keep on found themselves at a disadvantage. A. would put a ticket in his window "Coal Oil 20 cents a gallon, *wine*," in small letters, and take the trade, while B. would put "Coal Oil 24 cents per Imperial gallon," and lose his oldest customers. One radical defect in the Act consists in using familiar names, as gallon, quart, and pint, to designate larger quantities than those with which the public have time-out-of-mind associated these titles. If new names had been found for the new standards, less difficulty would have been found in introducing them. This is perhaps as purely a trade question as any that can be thought of, but it is freely stated by those conversant with the facts, that the attempt to force these unwelcome measures on the people was a not inconsiderable factor in the elections of the 17th September last. No doubt the present Government will take care to settle the question, in a manner that will give satisfaction to the majority of the people. I think the cheapest and best plan is to revert to the Wine gallon, in all contracts for the purchase or sale of liquids, as the legal standard of the country, leaving the Imperial gallon, as at present, for the collection of excise duties. There are at least three sets of Wine measures in Ontario to one of Imperial, and each set costing \$2.50 or more. Taking the estimated number of traders who use liquid measures throughout the Dominion at 30,000, this would take \$75,000 to furnish them with one set each. They almost without exception have Wine measures, and would simply require such farther supply as would make up for ordinary wear and tear. This is only the beginning of the expense. I estimate that in glass bottles, stone jugs, tin cans, wickered demijohns and wooden kegs, the country has a stock of containers worth at least \$500,000. They are in every household and every store in greater or less numbers, and would all become comparatively valueless if Imperial measure went into general use. A curious fact in regard to five-gallon wickered demijohns is, that they became greatly in demand in counties where the Dunkin Act is passed. Our firm has sent as many as 300 in a single season into one of these counties. They generally hold five Wine gallons, and the question arises, if the five gallons of whisky they are used to contain is the five gallons the law allows to be sold. Considering the question in reference to our foreign trade relations, we find almost all liquids imported from Great Britain, where the Imperial gallon is the standard, are bought by the *cwt*. On the other hand, we buy many more liquids by the gallon from the United States than from Britain, and they are always bought by the Wine gallon. It is certainly a great convenience when co-

terminous countries can agree upon common standards. We cannot hope that the United States will adopt Imperial measure ; but if we revert to Wine measure there will be a single standard for liquids from the North Pole to the Gulf of Mexico, and from the Atlantic to the Pacific. This, with common standards of lineal measure, weights, and money, over the same extensive area, will be a decided saving to all concerned. The shape prescribed by the Department for the new measures, that is "truly cylindrical," is certainly the idea of a theorist. There is a great tendency to slop over and waste, from the large surface exposed when the measure is justly filled. The old form, tapering inwards at the top, had its centre of gravity lower, was more easily carried steadily, and any small deficiency from being not quite full did not make so much against the purchaser in the same depth as now, when the area of the top of the measure is relatively very much larger. It may be said that there is an advantage in having the same standard for liquid and dry measure, but this, in ninety-nine cases out of a hundred is simply theoretical. Dealers do not use the same measures for coal oil and apples, to put, perhaps, an extreme case ; but in almost the smallest business the time required to clean a measure each time it had been used for liquids, before it could be used for dries, and *vice versa*, would very soon pay for a double set of standards. In case the Imperial measure were retained in the Excise department, the trade would be put to no appreciable trouble, as the weights are put on all packages, and this forms a ready basis for calculating the contents in either standard. To show how little hold Imperial measure has taken on the trade of the country, just look at the quotations in the *Globe*, *Mail*, *Monetary Times*, and *Pharmaceutical Journal* of Toronto, or *Herald*, *Gazette*, *Journal of Commerce* and *Witness* of Montreal, and you find all liquids sold in bulk are quoted by the Wine gallon, the single exception being excisable spirits. The change in standard was never called for by the trade of the country ; and merchants have surely a right to be consulted in matters affecting their pockets, unless some great good is to be obtained by ignoring their interests. It can hardly be contended that Imperial connection is endangered by Canadians buying their coal oil and whisky by Wine rather than Imperial measure. Perhaps the author of this change had a hazy idea that he was making a step towards a decimal system, because there are 10 lbs. of water to the Imperial gallon. It is hardly necessary to say there is no magic in the number ten. The advantage of a decimal system lies in the fact that all calculations can be made by simple addition, subtraction, multiplication and division. If the time ever becomes ripe for a change by ourselves and the United States to the French system,

there is no doubt a gain would ultimately result from the trouble and expense involved; but a whole generation should be educated and allowed to grow up before legal steps are taken. I hope you are convinced, at all events that a double standard of liquid measure in the trade of the country is very troublesome and expensive. I submit two motions, one calling the attention of the Honorable the Minister of Inland Revenue to the discrepancy which exists. This you will find no difficulty in adopting. The other asks the Government to legalize the Wine gallon again, and if my arguments have at all convinced you there will be but little trouble about it either.

Mr. P. D. CONGER (Toronto) said he fully endorsed the sentiments which Mr. ELLIOT had submitted to the Board.

Mr. D. McCULLOCH (Hamilton): I consider that there has been no subject brought before the notice of the Board of more urgency than that of the Weights and Measures regulations. I have read the Act with some care, and, as to the law itself, I do not think there is much objection to it; but I would cordially cooperate with any movement that had for its object the abolition of the tyrannical, arbitrary and ridiculous rules that have been adopted under authority of that Act. Had every other industry been subjected to the same vexatious, tyrannical and absurd regulations as those which come under the supervision of the Department of Inland Revenue, the country would, ere now, have been on the verge of rebellion had there not been a constitutional mode of getting rid of the difficulty. This may be considered wild language on my part; but I venture to say that no free people were ever subjected to the same irritating and obnoxious inspection as the manufacturers of weights and measures have been for the last few years in this country. I could name one firm that has lost not less than \$20,000 in consequence of this method of inspection. The first piece of absurdity we have been subjected to in Hamilton, was that the bar upon the beam of the scales, which was an absolute necessity for adjusting it, under an order from the Department, had to be locked up, and it became an impossibility to weigh upon every platform scale in Hamilton, in consequence of that regulation. The order had to be disregarded, or business must have come to a stand. In the course of some weeks it was got through the official cranium that it was a wrong regulation, and it was repealed. But the Department has assumed that it has the right to go into the workshops of the scale-makers and say of what particular metal each-particular part of a scale shall be made, and on what particular pattern this, that, or the other scale shall be made. I say that this is going beyond the duties or

the proper functions of a Government. We had, for instance, in Hamilton, a convenient little counter scale, weighing fractions of a pound and up to a pound. Beyond that we weighed with weights. Some person from the Department came around; the bar of this scale offended his fastidious eye, and he gave instructions that that bar should be removed. I am afraid to estimate the loss that regulation entailed. All the scales of that pattern in use had to be sent to the scale-maker to have this objectionable bar removed, and all the scales that the scale-makers had on hand were declared useless until that bar was removed. In addition to that, it was provided that our old cast iron weights, of fractions of a pound, must be used no more, and dealers would have to provide themselves with brass weights. I saw at least a ton of those iron weights in one shop, ready for the market, that had to be thrown into the scrap iron heap in consequence of that regulation. These difficulties were not caused by the requirements of the Act, but were the result of the Orders-in-Council and regulations of the Department. A maker of measures sent down a sample measure that he had made, for the approval of the Department, under the terms of the regulations. It was returned to him, with the information that the seam in the measure was not a good seam; in the opinion of the Department it was not a mechanical seam—the Department clerks knew more about it than the mechanic who made it, so that all that the manufacturer had produced of this particular pattern had to be thrown on one side as useless. However, he was a man of considerable mechanical ability, and he did not want it to go by default, so he made representations to the Department that this was really the best kind of seam that had yet been invented. After some weeks, the Department came to the conclusion that the man was right; that the seam they had before objected to, was the right kind after all, and that all measures to be manufactured in future would have to be made with that seam. (Laughter.) Another one of our scales manufactured in Hamilton has a little arm made of wrought iron, to which the levers were attached. It was made of wrought iron because it was an important and necessary part of the scale, and if it formed a part of the casting and were once broken the scale would be useless. An officer of the Department came along one day, and, looking at the arm, said, "if a man were to take a hammer and hammer that arm a little out of shape the scales would not weigh properly." Of course the manufacturer had to admit that such would be the case. Therefore a regulation was made that this arm must not be made any longer of wrought-iron, and inserted, but it must form a part of the casting. That regulation was made, notwith-

standing the fact that there were hundreds of scales already manufactured in that factory that would, under this regulation, be rendered useless. The Editor of one of the city papers was called in and asked to look at this particular outrage. The result was, very earnest representations were made to the Department that this was an unjust regulation. In the course of time the Department so far gave in as to modify the regulation in this sense: that if along this little arm the manufacturer would run some babbitt metal so as to make it solid, they would allow it to pass. (Laughter.) They might just as well have provided that a lot of bees-wax or soft-soap should be run in there, for babbitt metal was no more protection, and to the best of my belief that regulation is in force to-day. I do not know that scale-making is an industry that comes under the notice of many people in Canada, outside of Hamilton, but it is pretty largely carried on there, and this inspection nuisance is severely felt. The Government have a right and it is their duty to inspect and stamp both weights and measures, but they have no other right, and no other duty, in my opinion, in the matter. The self-interest of the manufacturer is a guarantee that he will make his weights and measures correct; for a predetermination to go on and make false weights and false measures, would be like the predetermination of the Yankee vender to make and sell bass-wood hams, he would soon be found out and punished. Then you have the self-interest of the man who purchases the scale for use, and the customers who are served by it, so that all those self-interests co-operating, have the effect of producing correct scales, weights, and measures. But to go into the manufactories and warehouses and lay a repressing hand on that industry; to interfere with its future plans and purposes, is a piece of tyranny that I do not think has ever before been perpetrated in any free country, with impunity, and would not be allowed in this country, but for the fact that the people interested are so few in number that they have not been able to make their grievances felt. I am sure if I had time to lay the whole of this trouble before this Board, it would so excite the indignation of the people as to compel the repeal of this iniquitous measure. (Applause.)

MR. ISAAC WATERMAN (London): I do not think that any industry suffers more than the petroleum trade from the present law. It has always been the custom to buy by Wine measure, taking our standards from New York. Now, it so happens, that we are obliged to sell by the Imperial gallon in Canada, and Mr. ELLIOT has justly pointed out how frequently a dealer will put into his window a card, "Coal Oil, 20 cents per gallon," with the words "wine measure" in small letters. His neighbor puts

up his card, "Coal Oil, 25 cents per Imperial gallon," and although the latter sells his oil actually cheaper, the other takes the trade. We are often called upon for prices for oil, and when we quote our rates Imperial measure to country dealers, we are asked why our prices are higher than other dealers, so that those who try to comply with the law are at a disadvantage in competing with dealers who sell by Wine measure. The excise inspection was felt to be a very great nuisance, and we felt relieved when we got rid of it, but no sooner were we free from that trouble than we got this weights and measures infliction, which has put us to an enormous amount of expense and trouble. I do not believe that one-half of the inspectors know their own regulations, or can tell whether they are right or wrong. For instance, one of the parties took my weights, bored out a certain amount of the iron and run lead into it. I asked the inspector why he did so, and he replied that it was a stamp, and the law required it. (Laughter.) On one occasion I got my men to half bury a scale in the sand. The inspector came along, looked at it, and could not tell what was wrong with it. He then condemned the scale as useless, and said I would have to get a new one. A few minutes afterwards when his back was turned, I made the workman remove the scale from the sand, and it weighed all right, but the inspector to this day does not know what was wrong with it. My opinion is that if the Imperial measure were done away with altogether the country would be benefited, as many dealers will buy by Imperial measure and sell by Wine measure to the consumer.

Mr. CHAS. MAGEE (Ottawa) : I cannot altogether agree with what has been said by Mr. ELLIOT. When this question was observed as being on the official programme, the Ottawa Board of Trade discussed it, and the delegates were instructed to oppose the abolition of the Imperial measure, and the grounds of their objection are these: In nearly all cases the retail merchants have supplied themselves with the new measures at considerable cost. Although it was found, in very many cases, they had to buy by Wine measure from the Montreal merchants, they had to retail by Imperial measure, and the new measure would come into general operation in a little while. I believe, if the law had been left as it was, the Wine measure would have given general satisfaction. There is no doubt the new law has given great dissatisfaction, and, while I object to that part of the remarks of Mr. ELLIOT, I can scarcely see that his motion calls for the abolition of the Imperial measure.

Mr. JOHN KERRY (Montreal) moved, seconded by Mr. D. McCULLOCH (Hamilton) :—

" That the Government be requested to modify those provisions of the Weights and

Measures Act, which have been found to press harshly on traders, and that the use of the Imperial measure for liquors be abolished."

Mr. KERRY said that the co-existence of two different standards of measure has been intolerable, and, from the experience of the past four years, he must say he was tired of it.

Mr. THOS. CHURCHER (London): I understand this notice on the official programme to simply express the desirability of adopting a uniform standard of measure throughout the country, and I do not think there can be any dispute as to the advantage of such a step. The matter was considered in the Board of Trade which I represent, and I was instructed to support that resolution in so far as the desirability of enforcing the existing regulations go. I was also instructed to endeavor to get added to that proposition the enforcing of the cental system in buying grain, seeds and other produce. The cental system is now in force in Great Britain; it has been used by the produce dealers in our market in London, Ont., ever since the Act was passed. It has been found of great advantage, both to the farmer who sells and to the merchant who buys; it saves a great deal of trouble, and is perfectly satisfactory to all parties. Our produce dealers would be glad to see it generally adopted throughout the Dominion. Am I to understand that the Toronto Board of Trade abandon the motion that is on the notice paper? If not, I move that the amendment be amended by the addition of the following words:—

"The desirability of enforcing existing regulations as to the use of the Imperial liquid measure, and the cental system in the sale of grain, seeds and similar products."

The PRESIDENT ruled the amendment to the amendment as being out of order.

Mr. CHAS. MAGEE (Ottawa), said if the last part of the amendment respecting seeds were struck out, he would second it.

The PRESIDENT again ruled it out of order.

Mr. D. McCULLOCH (Hamilton): I will vote for the Wine measure, the Imperial measure, or any other measure, so long as we get rid of the abominable inspection regulations.

Mr. R. W. ELLIOT (Toronto): In the cities the merchants have been largely supplied with the new measures, but I have been bothered by correspondents from the country, where they do not understand the question, asking why I charge more for articles sold by the Imperial measure. I do not believe one-third of the traders throughout the country are supplied with sets of the new measures, and there is a great deal of doubt and uncertainty in making purchases as to which standard they should go by. I consider it will be almost impossible to introduce the Imperial standard without changing its name. I think the mercantile

community are perfectly willing to submit to any necessary regulation to enforce the Act, but they object strongly to the bureaucratic circulars that issue from the Inland Revenue Department. According to the Act (clauses quoted), the inspectors are authorized after May, 1880, to seize and destroy all Wine measures found in any trader's possession—an act of general confiscation is to take place. If it is the general sense of the people of this country that the Imperial measure is to be adopted, I am willing that all Wine measures be seized and destroyed; but I believe it would be better to make them legal in the purchase and sale of liquors.

Mr. KERRY's amendment was then carried on the following division :

*Ayes.*—Messrs. Baird, Bremner, Chapman, Conger, Dobson, Elliot, Frazer, Greene, Gault, Kerry, Lukes, McCulloch, McKechnie, Noonan, Rosamond, Sanford and Waterman :—17.

*Nays.*—Messrs. Churcher, Magee, Robertson, Skead :—4.

The original motion, as thus amended, was carried on the same division.

#### EXPLANATION.

Mr. W. E. SANFORD (Hamilton), from the Committee on Credentials, desired to state that Mr. DALY, the representative of the "Dominion Grange," had met the Committee that morning, but not having understood the terms of admission, he had concluded not to report himself to the Board for the present. Possibly the future action of their body would change the position; in the meantime the "Dominion Grange" had no representative at the Board.

The Board adjourned at 1 o'clock until 3.00 p.m.

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#### AFTERNOON SESSION.

THURSDAY, 23rd January, 1879.

The PRESIDENT resumed the chair at 3.00 p.m.

#### REPORTS OF COMMITTEES.

Mr. ANDREW ROBERTSON (Montreal), presented the following report of the Finance Committee :—

"The Finance Committee beg to report that they have examined the Treasurer's accounts, with the vouchers, and find the same correct. The income for the year being \$1,173, and the expenditure \$1,567.30, showing a deficiency of \$394.30 for the year. The total sum due the Treasurer by the Board being \$464.30. The whole respectfully submitted.

ANDREW ROBERTSON,

*Chairman.*

OTTAWA, 23rd January, 1879.

On motion the report was adopted.

Hon. Mr. SKEAD (Ottawa), presented the following report of the Committee on Compulsory Inspection:—

The Committee to whom the subject of Compulsory Inspection was referred, beg to report that they have agreed to the following resolutions:—

"That this Board recommend that in every city where an inspector is appointed, that all butter offered for sale in lots of five packages or over, the inspection shall be compulsory, and in accordance with the Act Vic. 39, Chap. 33, Art. 73.

"That this Board recommend that the amendments to the Hide Inspection, as proposed by the Tanners Association of Ontario, appended hereto, be adopted.

"That there should be an amendment to the Inspection Act to make the inspection of Calfskins of eight pounds and over compulsory in every market where there is a Hide Inspector.

"That the Hide Inspection Act, clause 96, be amended as follows:—All after the word "sale" on the seventh line be struck out and the following added, "or having in possession such raw hides not having been inspected and stamped as required by the Act, shall incur a penalty of one dollar for every hide so found sold or offered for sale or exported. All prosecutions under this clause shall be brought in the name of the Inspector before any Justice of the Peace, who shall hear and determine the case in a summary manner, and shall adjudge on conviction such forfeiture of the hides, and in his discretion also award the above penalty one-half of the forfeiture and penalty to the Crown, and one-half to prosecuting inspector.

"That section 82 of the Inspection Act be amended as follows: The word "damaged" be struck out and the word "rejected" inserted instead, and the following be added immediately after:—

"A number one hide shall be free from cuts, scores, scars, scabs, scales, scratches on the hair side and grub holes.

"A number two hide may have a few light scores, but in all other respects shall be the same as a number one hide.

"All hides being cut or badly scored, or having scratches, scabs or scales on the grain, or having grub holes less than eight in number, shall be classed number three.

"All hides being badly cut or being hair slipped or having more than eight grub holes, or being badly scarred, or scabbed, or scratched on the grain shall be classed rejected hides."

All hides before being weighed by the inspector shall be trimmed as follows:—

"The face shall be cut out in a line from the nostril to the eye, thence around behind the ear, then across the head behind the horns.

"All legs cut at the knee shall be cut off; all narrow strips or tags shall be cut off in line with the body.

"The lips and switch shall be cut off.

"The heads shall be cut off all hides known as cut throats."

All calf and kip skins shall be trimmed as follows:—

"The head shall be cut off behind the ears; the legs shall be cut off at the knee; the tail shall be cut off.

"Calf and kip skins to be inspected shall be, and include all veal skins 8 to 13 lbs. inclusive, shall be classed as calfskins.

"All veal skins from 14 to 25 lbs. inclusive shall be classed kip."

"That this Board desire to call the attention of the Government to the anomaly of the present inspection of flour and grain, owing to the difference in judgment of the inspectors at the various receiving points; and they would respectfully suggest that the Government should at as early a date as possible appoint one inspector of flour, whose

headquarters shall be in Montreal, and one inspector of grain, whose headquarters shall be in Toronto, who shall have full control of the inspection throughout the Dominion, and, having the power to appoint sub-inspectors at various points, shall alone be responsible."

JAMES SKEAD, *Chairman*.

The report was received, and at a future stage of the proceedings was, on motion, adopted.

#### ELECTION OF OFFICE-BEARERS.

The PRESIDENT announced that the first order on the paper was the election of office-bearers for the ensuing year, and appointed Messrs. ANDREW ROBERTSON and D. McCULLOCH to act as scrutineers of elections.

Mr. J. J. BREMNER (Halifax) was nominated to fill the office of President of the Dominion Board of Trade for the ensuing year, but declined the honor. The Hon. JAMES SKEAD was thereafter nominated, and a ballot being taken, he was declared to be unanimously elected.

Further nominations and ballottings resulted in the election of the following gentlemen:—

##### *Vice-Presidents:*

R. McKECHINE, Esq., DUNDAS, ONT.

THOMAS WHITE, Esq., M.P., MONTREAL, QUE.

JAMES J. BREMNER, Esq., HALIFAX, N.S.

##### *Executive Council:*

ANDREW ROBERTSON, Esq., MONTREAL, QUE.

W. E. SANFORD, Esq., HAMILTON, ONT.

ISAAC WATERMAN, Esq., LONDON, ONT.

E. K. GREENE, Esq., MONTREAL, QUE.

R. W. ELLIOT, Esq., TORONTO, ONT.

R. R. DOBELJ, Esq., QUEBEC, QUE.

GEO. A. CHAPMAN, Esq., TORONTO, ONT.

ALEX. WOODS, Esq., QUEBEC, QUE.

#### THE STAMP ACT.

Mr. J. J. BREMNER (Halifax) moved, seconded by Mr. J. R. NOONAN (Picton):—

"That the attention of the Government be called to the many evils and inconveniences which arise in the operation of the Stamp Act, with a view to such legislation as will remedy these objections."

Mr. BREMNER said: This question was very fully discussed here last year. I will just mention a case which I have known to arise under this Act. The maker of a note signs it, and hands it over to the person in whose favor it is drawn, and the latter

stamps it in his presence. He is not required by law to pay the note, because he does not stamp and cancel it himself. In many places the Act cannot be carried out because of the difficulty of getting stamps.

Mr. THOMAS WHITE, M.P. (Montreal): There is one difficulty about this motion—that it really gives no information to the Government. The motion simply asks them to remove the evils and inconveniences of the Stamp Act, but all ways of raising taxes are inconvenient. It would be more convenient if we could throw our letters unstamped into the post office, or import our goods without passing them through the Custom-house. I move in amendment, seconded by Mr. E. K. GREENE (Montreal):

“That all the words after ‘That’ be erased, and the following substituted therefor: ‘this Board renews the expression of its opinion at its last meeting, that the Stamp Act be so amended as to allow either the maker or the endorser to stamp bills or promissory notes, and that, in addition to the stamps at present in use, stamped paper be introduced to as large an extent as possible.’”

Mr. BREMNER: I would be ready to accept this amendment if the last clause relating to stamped paper were left out. The difficulty is to get stamps to put on the notes; would stamped paper remove that difficulty? It would only make the Act more obnoxious, because, if an error should occur in drawing up a note, the stamp would be useless.

Mr. WHITE: I know there are many who are engaged in trade who would be glad to see stamped paper introduced, but the use of it is not made imperative.

Mr. GREENE (Montreal): The objection Mr. BREMNER raises is easily overcome by adopting the custom in England—that is, if stamped paper is used and destroyed, it can be returned to the Government, and the amount of the stamps refunded.

Mr. BREMNER withdrew his resolution, and the amendment was adopted.

#### POSTAL REGULATIONS.—(No. XXVI.)

Mr. P. D. CONGER (Toronto) moved, seconded by Mr. R. W. ELLIOT (Toronto):—

“That the Post Office Department be requested to return letters to the senders when their addresses are on the envelopes, in those cases where the person to whom they are addressed cannot be found, or the letters insufficiently stamped, instead of forwarding them to the Dead Letter Office.”

Mr. CONGER said: It frequently happens that stamps come off letters, and in such cases the letters are sent to the Dead Letter Office.

Mr. R. W. ELLIOT (Toronto): I bear very willing testimony

to the great efficiency of our Post Office Department. It is one of the best managed departments in the country, and I have no doubt the Postmaster-General will at once rectify this trifling matter when his attention is called to it.

Mr. CHAS. MAGEE (Ottawa) : I think it is not generally understood what the practice of the Department is. If the name of the sender is printed or stamped on the back of an envelope, with the request to return it in a certain number of days if not called for, it is done ; but it is sent to the Dead Letter Office if those words are omitted or only written.

The motion was adopted.

#### UNDER-VALUATION OF IMPORTED GOODS.—(No. XXVII.)

Mr. R. McKECHNIE (Dundas) moved, seconded by Mr. D. McCULLOCH (Hamilton) :—

" *Whereas* it is known to members of this Board that in many cases goods and articles of various kinds have been under-valued when imported ; and

" *Whereas*, the unfair competition which has proved so detrimental to Canadian manufactures has been greatly aggravated by this fraudulent under-valuation ; be it

" *Resolved*, That steps should be taken by the Government to prevent a recurrence of the evil referred to, and this Board recommend, as the best means to accomplish this end, the reduction of the number of ports of entry, by abolishing all excepting those necessary at or near the frontier, the appointment of efficient and thoroughly reliable appraisers, and the rigid enforcement of the penalty of confiscation when fraud is clearly proved."

Mr. McKECHNIE said : There has been a great deal of complaint from the manufacturers in this country at the under-valuation of imported goods. Importers have learned that they can get their merchandise valued lower at certain ports than at others. I think it is nothing but right, and necessary, that this Board should bring the matter before the Government, with a view to preventing a recurrence of the evil complained of.

Mr. THOS. WHITE, M.P., (Montreal) : I ventured to make the remark last year when this question was before the Board, that the principal difficulty was the political one. While the Government are responsible to the whole country, they are also responsible to special constituencies, and if they attempt to take away a port of entry from any county, there will be a howl from one end of it to the other. Mr. SANDFIELD MACDONALD tried it in 1863, and the result was as I have described it. In the end he had to restore the ports. After all, I do not think the number of small ports is the cause of the difficulty. This motion does not require the closing of ports of entry on the frontier. I venture to say if you examine the number of ports with a view to ascertaining where the undervaluation is, you will find it occurs at frontier ports, and not the small ports in the interior. Even at

large ports of entry, such as Montreal, Quebec, Toronto and Hamilton, you will find that the differences of appraisement are very great. The *Journal of Commerce* recently published a series of articles on that subject, containing facts which appear to me marvellous, and which one can hardly realize to be true, showing the different appraisements in the various lines of goods in the large ports, from Halifax to the West, to be something startling. I am bound to say that Montreal came off very well in that examination. Now, it seems to me there is only one way of getting over this. It is, perhaps, a hobby of mine, but I have thought a good deal about it, and I present my view to the Board. It is this:—The Customs system of the country ought to be recognized as a complete system in itself, from one end of the country to the other. No appraiser should ever be appointed to appraise goods in the city where he has been engaged in business himself, and he should not continue in any one port for more than five years. There should be a complete change of appraisers from one large port to another, so that they can understand, when they are appointed to that particular office, that they must, at the end of five years, go somewhere else. Suppose an appraiser is thus changed way from Montreal to Toronto, and finds a difference in the way of appraising goods at the two ports, the attention of the Government is at once directed to the fact. Appraisers are, of course, all honest men. Such a thing as an appraiser taking a *douceur* from a merchant to give a lower appraisement is never heard of. But human nature is human nature, and it might happen that an appraiser's human nature is like the rest. After a while he becomes acquainted with every man in the trade in a particular place. He knows the merchants with whom he can make special arrangements, and in a little while that process goes on in the way of under-valuation of particular lines of goods. You change the appraiser, and it will take some time for him to know that he can supplement his salary and make it a matter of great convenience to the merchant at the same time. If you wish to promote honesty and uprightness, that is the way to do it; but the chief object is to secure a thorough equalization of the system of appraisements in all our large ports. Then, you take the smaller ports. You find at a particular port of entry the imports for any one quarter turn out to be a great deal more than the business of that particular section requires, and immediately an inspector is sent there to ascertain how it is; so there is not much danger that persons will bring goods into those small ports for that particular purpose. They are really brought in at large ports where it is known that a particular system of appraisement obtains, and taken from there to their destination. The change which I

suggest would have the effect of bringing about the improvement desired. We should get rid of the system of unequal valuation, which is almost as bad as under-valuation. Of course, it might involve some expense. The appraisers could not be removed at their own cost, but the advantage would be so great that the Government could compensate them in such a way that they might not lose anything by the change from place to place. I have thought a great deal about this matter, and I believe in that way alone can we secure thorough uniformity of appraisement at different ports throughout the Dominion, and prevent frauds between the Custom-house and individual merchants, and practical fraud (though not intentional) as between one port of entry and another.

Mr. D. McCULLOCH (Hamilton): The complaints that I have heard have been chiefly of different appraisements at different ports, which, of course, gives the merchants at one place an advantage over those at others. What is required is uniformity at all the ports. I am not very sure that I have faith in Mr. WHITE'S idea, that by removing appraisers we are going to greatly benefit in that way. What we want mainly is appraisers with sufficient technical knowledge for their business. Unfortunately, with very few exceptions, we have not got them. In talking the matter over in Hamilton, it has been suggested to me, that if we would take London, Hamilton, Montreal, Quebec, and such large ports of entry, and group districts around them, the appraisers at such ports (being men possessed of good technical education), would have in charge the small ports in those districts, and you would get uniformity within their limits. There should be periodical meetings of those appraisers to consult together as to the prices and valuation of goods. That is one plan. Another is to appoint a general appraiser who shall have charge of all the ports. He should be a thoroughly skilled man. Of course he is a very difficult man to get. I agree with Mr. WHITE that we could not get the smaller ports closed, even though that were an essential point, and I do not think it is. The remedy suggested in Hamilton is to get thoroughly skilled appraisers, working under a uniform system.

Mr. WM. LUKES (Toronto): I do not know whether there is to be a specific or an *ad valorem* duty placed on flour and cereals imported into Canada. If it is to be *ad valorem*, it will require a pretty sharp man to distinguish between the grades of flour, and to see that the revenue of the country is not defrauded. I know that there are importers who know the ports where they can enter their goods most advantageously, and who clear enough by

the under-valuation to cover the railroad charges. I know we have to compete with those men who work in an underhand manner, and who are thus enabled to make a profit which honest men cannot. This has been the case especially in the iron interest. I know men who would not intentionally defraud the Government, but who are obliged to resort to the same tactics to protect themselves from the unfair competition of merchants who "pull the wool" over the eyes of the inspectors. The difficulty is to find men who are competent to inspect the various qualities of merchandise. It is important that the attention of the Government should be called to this question, especially at a time when we expect an increased revenue from a change in the tariff.

Mr. W. H. FRAZER (Toronto) : The Association which I represent here, had occasion to send out a circular recently, and this was one of the questions it contained—"How far have you been embarrassed by the under-valuation of goods entering Canadian markets?" Answers have been received, showing that the evil extends to all the Provinces. A manufacturer of show-cases in the City of Detroit has a large trade in his class of goods in this country, and he has managed, by under-valuation, to undersell our own people. Show-cases, invoiced at \$60, he entered at \$30. He was detected, and the Government fined him \$5. He discontinued entering them at Windsor, and entered them at London until he was detected there, when he changed again; and that sort of fraud will continue until such goods are confiscated. Another case to which my attention was drawn was in agricultural implements. Ploughs were entered at \$8 which were worth \$16 at the place of manufacture. In most of our industries the same system has been going on, and it will never be remedied until the Government appoint competent appraisers.

Mr. R. W. ELLIOT (Toronto) : This is a question that we should consider as thoroughly as possible. The appraisers are bound to accept the invoices as correct, unless they have proof that they are not. The great trouble is, that goods are entered at much lower rates than they sell at in the home market. I have been told of goods that sold in New York at 21½ cents per lb. which were actually invoiced at 15 cents. The appraisers could not be blamed for that; they had no evidence to show there was fraud, and they were bound to accept the invoice. The proper way is to appraise them at the ports where they enter the country, and the duties could be collected at the ports of destination. Most of the goods imported from the United States come into the country at such places as Rouse's Point and the Suspension Bridge. The Government could easily station inspectors at those

points and appraise the goods there. The American system provides for the grouping of Custom-houses, and it would be well to adopt the same plan here, and thus ensure uniformity. Of course, it is almost impossible where a single appraiser has to appraise all classes of goods, that he can have an accurate and technical knowledge of all of them. Some other system of appraisement must be devised before satisfaction can be given either to the Government or to the importers. In regard to that series of articles which appeared in the *Montreal Journal of Commerce*, headed "Curious Disclosures," it really does appear as though there are great discrepancies in the valuation of goods at certain ports; but I know that in one case, at all events, the discrepancy arose from incorrect statistics furnished by the Government. I know that my own firm entered a certain importation at twice the amount that was stated in the return furnished by the Government. Aside from all that, I believe, very good ground has been shown for the necessity of more rigid inspection in our Custom-houses. We have now Inspectors of Ports, but their duties do not seem to extend far enough in that direction, and it is a question still whether they would know if appraisements were proper or just. Their duties seem to be confined more to seeing that the routine of the offices was properly carried out. No one man can be expected to judge of the correctness of appraisements, when he has to value so many classes of goods as are entered even at small ports of entry.

Mr. ANDREW ROBERTSON (Montreal): This is a subject that has often been before the Board, and I am glad it is introduced now by an importer. Some years ago a deputation of this Board waited upon the Finance Minister, who was the same gentleman who now fills that position, Hon. Mr. TILLEY. We pointed out to him the difficulties we had in conducting our business in consequence of this discrepancy in valuations at different ports. It was found that in St. John, N.B., at that time, there was no examination of goods at all. The representative from Hamilton, on that occasion, told us that the examination in that city consisted in the appraiser (who was at that time the Custom-house clerk as well) coming out, chalking the case, and sending it away. The representative from Toronto, on that occasion, showed that there was a loose examination there also. I proposed a plan, which was favorably received by the western men—that the examination should take place at Montreal, and the invoices be deposited there, so that they could be used for reference, but that the duties should be paid at the port of destination. This plan would involve no greater delay than the existing arrangement. Notwithstanding the views expressed by

my friend Mr. WHITE, with regard to the smaller ports, I think it is a gross mistake, no matter who is in power, to have inland ports. I approve of Mr. WHITE's proposition to change the appraisers in the large ports, but I think it is desirable that the removal should be oftener than every five years. It would be of great advantage to the honest importer; but I should like to go further than that, and abolish all the smaller ports of entry that do not touch the frontier or coast at all.

Mr. HAMILTON A. HILL (Boston), by request, explained the United States system. He said: The same difficulty existed in the past at U. S. Custom-houses which has been referred to here to-day—the different valuation at different ports. The evil was to a great degree met by the appointment of what we call general appraisers, in addition to the local appraisers. In the first place, I think three were appointed, two for the Atlantic seaboard, and one for the Pacific coast. It was the duty of those appraisers to go from port to port and examine invoices, and do everything they considered necessary to equalize the examinations at all the ports. I am not quite sure that those general appraisers, by that name, still exist; but there are officials representing the Treasury Department at Washington, whose duty it is to go from place to place and see, as far as possible, that the same valuation takes place at the different ports, of the goods that enter the country.

Mr. ANDREW ROBERTSON (Montreal): I suggested that the examinations should take place at Montreal, because at that time two-thirds of our goods were passed there. Of course I should expect to have goods passed at Halifax, our winter port, as well.

Mr. G. A. CHAPMAN (Toronto): I think general appraisers should be appointed, and the local appraisers should be changed from time to time. In that way you would stop frauds at the Custom-houses.

Mr. R. McKECHNIE (Dundas): While it might be desirable to abolish some of the smaller inland ports of entry, I agree with Mr. WHITE that it would be a difficult matter for the Government to do. I do not look upon that as so grave an objection as the difference of valuation at different ports. We are remodelling our fiscal policy somewhat in approximation to that of the United States, and if the Government would be guided by the suggestions which have just been made by Mr. HILL, as to the appraisement of goods, and appoint one or two general appraisers, to travel through the Dominion and look after the local appraisers, it would be of great advantage to the country, and would save ten-fold the amount of the salaries they would receive.

The motion was adopted.

## THE DUTY ON LOBSTER CANS—(No. XXVIII.)

Mr. BREMNER (Halifax) moved, seconded by Mr. ANDREW ROBERTSON (Montreal):—

"That this Board petition the Government to use every effort to have the duty charged in the United States on tins containing fish, abolished, and, in the event of not succeeding in this, that a corresponding duty be levied on the like article imported into Canada from the United States, and that, in the meantime, the sanction of Parliament be obtained for the adoption of such a course."

Mr. BREMNER said: This, perhaps, is a matter of greater importance than some gentlemen think. The exports of canned lobsters from Nova Scotia last year amounted to 4,498,524 lbs., valued at over half a million of dollars. By the Treaty of Washington, all fish, the produce of our fisheries, are to be admitted into the United States free of duty; but this privilege, as regards canned fish, is virtually annulled by the duty of 18 cents a dozen on the cans. The fish is supposed to be admitted to the markets of the United States free of duty, but the cans, which are worthless, are taxed. On the same principle, the pickle which surrounds mackerel might be taxed. The attention of the United States Government was called to this, but no action was taken, because no duties had been paid up to that time. Since then, duties have been paid under protest, and the papers have been sent to the Department of Marine and Fisheries. At the present moment, large sales of canned lobsters could be made in the United States but for that duty on the cans. This same business of canning fish is carried on extensively in the United States, and no duty is charged in this country on the cans. Portland, being nearer to the Provinces of Ontario and Quebec than Halifax, can supply these Provinces with canned fish cheaper than we can. The business is increasing rapidly, and the increase is likely to continue. If the United States Government would take off the duty on cans, we could ship largely there now. The English market, which has been the largest, is now depressed, and sales have actually been made in the United States at better prices, even after paying the duty, than can be realized in England.

The motion was adopted unanimously.

## THE INSOLVENT ACT.—(Nos. XXIX TO XXXI.)

Mr. ANDREW ROBERTSON (Montreal): I will not take up the time of the Board by speaking now, but will simply move, seconded by Mr. A. F. GAULT (Montreal):—

"That the Report on Insolvency presented by the Committee appointed at the last session of this Board, as printed and distributed among the members of the Board, be

adopted, and that the Executive Council bring the same before the Hon. the Minister of Justice at the earliest possible moment."

Mr. CHAS. MAGEE (Ottawa) moved, seconded by Mr. E. K. GREENE (Montreal), in amendment :

"That all the words after 'that' be omitted and the following substituted therefor : 'The Insolvent Act of 1864, passed at that time for the relief of insolvent debtors, having been in operation for 15 years, has in a large measure effected the object for which it was enacted ;

"That its operation during the past five years has caused a growing feeling in the mind of the country, that the time has arrived when its repeal would be desirable, and that this Board recommend the repeal of the Insolvent Act and its amendments, and the concurrent passing of an Act preventing the revival of preferential judgments and assignments, to take effect at an early date."

Mr. MAGEE said : The Ottawa Board of Trade having put forward the repeal of the Insolvent Act as a subject for the consideration of this Board, it becomes my duty as one of their delegates to propose a motion in favor of its repeal ; and I do so the more willingly, as I have for several years been convinced that the practical working of this Act has been to promote bankruptcies and frauds upon creditors, and if it is allowed to remain upon the statute book its tendency will be to lead to universal bankruptcy. In many of the cities and towns, a majority of the retail traders have taken advantage of the Act at least once, some twice, and others three or four times, and in almost every case to the great disadvantage of his more honest and industrious neighbors. When Mr. BARTHE, the member for Richelieu, moved in the House of Commons, during the session of 1877, for the repeal of the Insolvent Law, his bill was defeated because the Government proposed an amendment, which was thought by many to be a remedy for the evils of the law as it existed,—the amendment being that no insolvent should get a discharge without the consent of his creditors, unless his estate paid 50 cents on the dollar. And in 1878, when the same honorable member brought in the same bill, it was defeated because many of the members thought one year's trial was not sufficient to judge of the effects of the amendment, and asked for another year's trial. Other members voted against it on the plea that the depression then existing was so severe that the time was inopportune, and if the law was repealed it might lead to a commercial panic. While others voted against it on the ground that, if the law were repealed, there was no other provision for the distribution of an insolvent debtor's estate, except in the Province of Quebec. Now, sir, I do not think that the working of the Act has been any more beneficial during the past two years than in previous years, nor do I think the average rate of dividend paid by insolvent estates has been larger than it was before the amendment of 1877. Neither am I aware of a single

instance in the Ottawa district of an insolvent having been refused his discharge by the judge, because he did not pay 50 cents on the dollar, and there were few instances where an insolvent discharge has been contested on public grounds. It is generally done by some creditor who tries to exact payment in full or to gratify private spite, but, as the law works, the contestant seldom succeeds. The insolvent gives notice that on a certain day he will apply to the county judge for his discharge, but he does not name the hour, and unless the creditor watches the entire day he is likely to be outwitted. It is true the country is not any more prosperous to-day than it was a year ago, but the repeal of the Insolvent Act will, in my opinion, do a great deal to restore confidence, and will be one of the most active means of promoting a return to prosperity. The practical effect of the law is to encourage reckless trading. The retail merchant goes into business, knowing that if he does not succeed he can take the benefit of the Act and get relieved from his liabilities; whilst the wholesale merchant sells to men of whom he has no personal knowledge, only knowing that if they fail he will have a share of their assets, and that he is in the same boat with his neighbors. The Act leads to over-importation and over-trading, and its moral effect is very disastrous—in fact the only benefit accruing is to the dishonest and reckless trader. The Act has been amended several times, and each amendment has increased the cost of working it and added largely to law costs, so much so that many creditors will almost take any compromise offered rather than allow an estate to go into the hands of an assignee. Then the effect of these insolvent sales of stock, either by the assignee or insolvent, is most disastrous to the honest traders. I know of one instance in this city of a dry goods merchant who has failed three times within four years; twice he got a settlement under the Act, and he is now getting a settlement outside of the Act; and during these years he has been selling goods under cost,—the second time he advertised in the most unblushing manner that having had a favorable settlement he was prepared to give his customers the advantage. The same man, a short time previous to this, had subscribed \$500 to a church. And this person is still in business supported by a Montreal house, and no doubt will soon get a fresh license to prey upon his fellow traders who are struggling to pay 100 cents on the dollar. Now, sir, a law which permits and encourages such abuses should be abolished. I have carefully read over the amendments presented by the committee appointed by the Dominion Board at its last meeting, and believe them to be good; but I have no faith in the law being well worked, even if amended in the direction of this report. The subject has been so fully

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discussed, both by this Board and in the House of Commons, that it is unnecessary for me to enter into it at any greater length. However, in discussing it at the present time we do so after the United States have had four months' experience of the repeal of their insolvent laws; and I will ask the indulgence of the Board whilst I read the opinion of Messrs. H. B. Claflin & Co., a New York dry goods firm who do the largest business in the United States, and perhaps the largest in the world, and who are recognized as essentially a representative house.

CHAS. MAGEE, Esq.,  
Ottawa, Ont.

NEW YORK, January 11th, 1879.

DEAR SIR,—We have your valued favor of January 9th, inquiring as to the operation of our State Insolvent Laws as contrasted with the general Bankrupt Act which was abolished September 1st, 1878.

Replying we beg to say that perhaps our own business connections are not so extended as to justify us in drawing general conclusions from our own experience, but, assisted by such information as we have been able to obtain from collateral sources, we think we are warranted in saying that the failures in the dry goods trade during the present season will not amount to over 30 per cent., in point of number, compared to the failures of the corresponding period of 1877.

We believe that in great part the disasters and depression which prevailed in the general trade of the United States was fairly to be attributed to the operation of the Bankrupt Act, and we think that the returning prosperity of to-day is to some extent occasioned by the renewed confidence that prevails in all trade circles, because of the repeal of the measure that was most iniquitous in its practical results.

However the general features of the Bankrupt Act may commend themselves to philanthropists and political speculators, we have found that whenever a composition is guaranteed to a debtor by law it has operated to the disadvantage of all honest traders. How is it possible for a merchant of moderate capital to pay 100 cents in the dollar of his obligations, when his neighbor is compelled to pay only 20 cents, or even a more nominal consideration by virtue of the provisions of a bankrupt law?

In the United States bankruptcy had degenerated into a trade and a profession, and a man who was successful in this department received from our degenerate public sentiment only applause and credit for his successful performance. A little while longer and all trade would have been prostrated under the operation of such a law.

We congratulate ourselves that we have been relieved from such an incubus, and we have hopes for the future of a more successful administration in all business circles.

We are sorry that we are not able as yet to give you details rather than general conclusions, and if at any time hereafter we can serve you it will be a pleasure to have you command us.

Yours truly,

H. B. CLAFLIN & CO.

This, sir, is a practical and unbiassed opinion from a very high authority, and one that ought to have some weight with this Board and with the country; and as our trade relations are so intimately connected with the United States, we cannot do better than follow their example and repeal our own Insolvent Act.

Mr. R. McKECHNIE (Dundas): The question of the repeal of the Insolvent Act has been discussed at various times by this Board. It has been brought up in Parliament on several occasions, and there is a growing feeling I believe throughout the country in favor of its repeal. There is no doubt that it will come up again during the approaching session, and it is well that this

Board, representing the manufacturing and commercial interests of the country, should give such a recommendation to the Government as they think will be in the best interests of trade generally. I have long held that, while the introduction of an insolvent act at first might have been of benefit to some few deserving men who would be enabled to get a clearance from their creditors, and start again, it has been the cause of a great deal of the insolvency that has taken place in the country since. It is giving a premium to incompetent men to engage in business; it is giving a premium to recklessness in trade. It is time that such an Act should be abolished, or, at least, suspended for a while. It is time that honest and prudent men, who are anxious to pay their debts, should receive some encouragement, which they certainly have not received for some time past. I think the Act has tended to lower the tone of commercial morality in this country. Business men have not the same high tone of honesty that they had previous to the passage of the Insolvent Act. It has actually become fashionable to go into insolvency. I was rather amused to see the large batch of official assignees recently appointed by the Government. In fact it seems to be one of the recognized industries of the country.

Mr. JOHN KERRY (Montreal): It ought to be protected.

Mr. R. McKECHNIE: The Act is no protection to the honest trader, but it is to the dishonest trader. If the Act is to continue in force, the amendment proposed by the Committee might be highly necessary; but on the broad principle of the Act itself, I have made up my mind it is high time that it should be repealed, and I shall support the motion of the Ottawa Board of Trade.

Mr. ISAAC WATERMAN (London): I have contended for years past, that if there were fewer commercial travellers employed to force goods on merchants throughout the country, there would be less insolvency. I agree with Mr. McKECHNIE that it has become fashionable amusement to fail in business—as fashionable as it is for ladies and gentlemen to spend the summer at the seaside. If the Insolvent Act were done away with, and people were given to understand that they could not get the benefit of its provision any more, there would be fewer failures. Traders would not buy so many goods, and they would be more anxious to pay for what they would purchase. A man will take care not to become a bankrupt, if he finds that he cannot get back his good name again. In case of misfortune, I am sure that the merchant and the manufacturer will gladly assist a man to prevent him going into insolvency. It seems to me that if the Insolvent Act

is repealed, a "dead beat" will be prevented hereafter from remaining in business.

Mr. THOMAS CHURCHER (London): I am one of those obnoxious gentlemen to some who are present—an official assignee—and I have been engaged in the business since 1864. I can very well remember the condition in which trade was before the passage of that Act. It was so obnoxious that the wholesale merchants throughout the country petitioned Parliament for an Insolvent Act, and it was granted. There is no concealing the fact that every Insolvent Act that has been passed has been met with very great disfavor and discontent. There seems to be a sort of dry rot about such matters, which infects Acts of Parliament and prevents them being effective. Mr. WATERMAN has put his finger on the great blot in the matter. I have had as many estates pass through my hands as any assignee in the country, and have made careful examinations of insolvents, and the influences that have been brought to bear on them. I some time ago made, for the information of the Board of Trade, a list of the insolvents during one year, and I was amazed to find the character of the men to whom our wholesale merchants were giving credit. There were day-laborers, mechanics, artisans, school teachers, men of every denomination, in large numbers, but very few men who had been regularly brought up to trade. I found all through really a very small percentage of dishonesty amongst those men—I mean by that, men who had deliberately planned and tried to carry out a fraud—but I found a great deal of stupidity and entire ignorance of the commonest principles of trade. Here is one thing that comes before me constantly in the examination of nearly every insolvent. About the first question that is put to him is, "What capital did you begin business with?" and the stereotyped answer is, "None at all." Here is a man living as a day-laborer; he has some opportunity of renting a store; he takes it and commences business, and at once the travellers from every principal city in the Dominion are calling on him, and giving him credit. Now, if our merchants will conduct their business with such unwisdom as this,—if they will trust all kinds of men, and send goods hundreds of miles from their places of business to persons they would not employ in their stores as clerks or porters, what other consequences can you expect? You may pass insolvent act after insolvent act, and you may try to do what you have been attempting of late—to make those Acts effective—but the same result will follow. I will venture to say that, of all the Acts passed in this country, the law of 1864 was really the best we have had. Hon. Mr. ABBOTT, in framing that Act, took what I may call four principles of

action: 1st, That as soon as the trader was unable to pay his debts, his property should be taken from him and dealt with by his creditors; 2nd, That the creditors should share and share alike; 3rd, If the insolvent had been reasonably honest and prudent he should be relieved of his liabilities; and 4th, If he had been dishonest or imprudent, his discharge should be refused. There was every provision to carry out those principles, but since then you have made it almost penal to go into insolvency. You have allowed every class of men to go into business, and when they fail you treat them as felons almost, and tell them that they must not be allowed to get a living. When you tell a man that unless his estate pays fifty cents in the dollar he cannot get his discharge, and when he goes into any other occupation he is liable to have some creditor swoop down upon him, you refuse to allow him to make a living. Now, I say that is not right, and you are endeavoring to protect yourselves. If you will trust men like those I have mentioned, you must expect to suffer loss. The only remedy is to better the system of business. Without going any further into that portion of the subject, I think it is only proper, as an assignee engaged in the working out of those different Acts,—not that I should speak in the interest of the assignees, but that I should give you the advantage of my experience,—I will venture to pass some remarks upon this report which is before the Board. There is no doubt that some of those recommendations are very good, but there are some that I fear will be disappointing, and do a great deal of evil. On receiving a copy of this report, I submitted it to a gentleman you are all pretty well acquainted with—Mr. HUGH McMAHON, a barrister in London. His firm has made insolvency almost a specialty. He has put his opinion in a brief form in writing, and I now lay it before the meeting:—

My attention having been called to the "Report on the Subject of Insolvency" made by a Special Committee of the Dominion Board of Trade; and, as you are one of the delegates of the London Board, at the meeting to be held in the course of a few days at Ottawa, where this subject will, in all probability, be fully discussed, I beg to give, in as concise form as possible, my views in regard to some of the proposed amendments.

There is no doubt that the Act of 1875 requires amendment in several particulars; but I doubt the policy of making any sweeping changes such as are contemplated by the report of the Special Committee referred to.

No amendments should be made to any Act, unless such as are found by actual experience to be required for its proper working, and, in most instances, the defects in the legislation will be found in the cases which have come before the Courts for judicial decision.

The safest guides in these matters are (1st) the judicial interpretations of the Statute sought to be amended, and (2nd) the opinions of those who have been called upon to carry out the Act, and who, as assignees, occupy a quasi-judicial position.

By relying on these sources for information and guidance, much of the crude legislation forced through Parliament would not be in existence, and thus the great expense and delays consequent upon obtaining judicial interpretation to these frequent amendments would be obviated.

Change nothing but what absolutely requires amendment ; and make no attempt at theoretical legislation on the question of Insolvency.

Some of the more important matters requiring amendment are :—

1st.—A clause preventing a trader from conveying to his wife any real estate for her separate use, in consideration of her barring dower in other lands which he is selling or conveying.

There has been a good deal of litigation on this subject, and in some instances the Courts have held that the barring of dower by a wife in a portion of her husband's real estate, formed a sufficient consideration for a conveyance to her of a portion of his estate equal in value to the dower assigned.

As these transactions often take place but a short time prior to the husband's estate being placed in insolvency, creditors are frequently defrauded of large sums.

2nd.—Under the 140th section of the Act of 1875 it is made a misdemeanor for an insolvent within thirty days prior to the demand of an assignment, or the issue of a writ of attachment, to remove, conceal or embezzle any part of his property with intent to defraud, &c.

There is thus a way of reaching the insolvent by criminal process ; but there is no means by which the person with whom the insolvent conceals his goods can be reached. A man without means may enter into collusion with an insolvent and obtain part of his stock, and dispose of it and divide with the insolvent. For want of means there is no use in commencing an action against him, and the Insolvent Act makes no provision for reaching him criminally.

3rd.—A proposition is made in the report to prevent an estate being put into insolvency except in cases where the creditor's claim is past due.

This would enable many debtors to dispose of their estates and set their creditors at defiance, as there are cases of frequent occurrence where debtors have advertised and auctioned off the greater portion of their stocks at less than cost, because they thought insolvency proceedings could not be taken so long as there was no creditor's claim overdue.

4th.—The suggestion in the report that there should be no right of revendication, after the goods have been taken possession of by the seller, will commend itself to every trader.

5th.—It has been held that a chattel mortgage on a trader's stock covers not only the goods which may be in his possession and forming part of his stock when the mortgage was given, but that it also covers the stock which may subsequently come into the possession of the mortgagor.

If chattel mortgages are to be continued as entitling the mortgagee to enforce them upon the insolvency of the mortgagor, their operation should be limited so as to cover the goods in the possession of the mortgagor at the time of the execution of the mortgage.

I think those are very sound remarks. In taking up this report I find, first of all, some provisions affecting the matter of compositions. Now, I do not suppose that the committee intend to do away with composition, but I am afraid that the amendments they propose will only embarrass those things. A writ of attachment is issued, and the assignee, if he understands his business, will at once communicate with the principal creditors and with the insolvent, and ascertain if there is a possibility of a composition being entered into and effected. If he does, he will make preparation for it. He will call a meeting, and in ten days after the issue of the writ the first meeting is gazetted, and he will take an inventory of the insolvent's stock and all his assets, and be prepared at a meeting of the creditors to lay an authentic statement of the assets and liabilities before the creditors. They can then, if the circumstances warrant a composition, enter into it at once. The Act as it stands provides that

it shall not be concluded at that meeting, but that another meeting shall be held which shall be specially and duly called by notice sent to all the creditors, and at that meeting the thing is concluded. Altogether, this occupies three or four weeks. Of course, it is essential to the insolvent that he should obtain possession of his estate as soon as possible, and his business should not be closed any longer than can be avoided. If you close his business and take his assets from him, it is simply impossible to make any composition. Under the present Act every opportunity is afforded for a speedy settlement. The parties can come together and make an agreement. If there is anything suspicious about it, any creditor can apply to the judge and prevent a confirmation of it. There is every facility for the debtor and his creditors coming to a settlement. You cannot improve upon that, and I am afraid, if the amendments proposed here are adopted, you will put almost insuperable difficulties in the way of composition being carried out, and great injury will be done. The report recommends that official assignees shall not be eligible to become creditors' assignees. I cannot see any good that will result from that. If you are to do away with the official assignee, you will have to go back to the old system, and issue writs of attachment from the sheriff, and what can you expect in that case, but a loose, careless way of handling things? He knows he is to be in possession for only three weeks. That time should be invaluable. If you take away the estate from the official assignee, he gets together a loose settlement of the affairs of the estate, and everything has to be done afresh when the creditors meet. They have to take a proper inventory of the stock and possession of a man's affairs. The interim assignee's expenses are altogether unnecessary. These objections which I have made to the amendments, I thought it was only my duty to put before you.

Mr. THOS. WHITE, M.P. (Montreal), said the Committee on Business, beg to present their second report as follows:

"They have received notice of an additional question from the Halifax Chamber of Commerce, relating to the questions of exporting in bond, and drawbacks, which they recommend be admitted for discussion after the present programme has been disposed of."

All of which is respectfully submitted.

(Signed),

THOS. WHITE,

Chairman.

OTTAWA, 23rd January, 1879.

On motion of Mr. THOS. WHITE, M.P. (Montreal), seconded by Mr. JOHN KERRY (Montreal), the Board adjourned at 6 p.m., until 8 p.m.

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## EVENING SESSION.

THURSDAY, 23rd January, 1879.

The PRESIDENT resumed the chair at 8 p m.

THE INSOLVENCY ACT.—(*Continued*).

Mr. CARRIER (Levis), said: Since I have had occasion to file claims through assignees, people in this country have had to deal with three different Insolvent Acts: that of 1864, 1869 and 1875. These acts have all been more or less remodelled or amended at every session of Parliament, sometimes to meet the views of creditors, sometimes for the benefit of insolvents; and our Legislature has not succeeded, so far, in framing an Act to satisfy the wants of trade. Although I have every confidence in the gentlemen of the Special Committee, whose report is now before this Board, I doubt very much whether the amendments therein would make the Act more perfect, and I prefer to recommend the repeal of the Act. Therefore I will vote for the amendment of Mr. MAGEE; and I do it with pleasure, inasmuch as it meets the views of the Board which I represent.

Mr. R. W. ELLIOT (Toronto): If the repeal of the Insolvent Act would cause insolvency to cease, I would vote for it with very great pleasure; but I do not think that proposition is at all tenable. Whether we have an Insolvent Act or not, I think we will have insolvency, and the question is how we can best deal with it. It is simply a question of degree, whether you are to consider most the creditor or the debtor in such cases. It is quite true that men who desire to do fraudulent things may, under the Insolvent Act, gain an advantage over their creditors, but it is quite open to question whether any one going into insolvency does himself any permanent good thereby. He may do his creditors a wrong, but he does himself an injury. I was very much struck with the able remarks of Mr. MAGEE. He spoke about the danger of a panic should the Insolvent Act be repealed. There is a great deal of force in that idea. If there were to be a scramble to secure debts due by people who are behind hand, there would be a panic in this country, and a state of affairs which no gentleman who hears me would choose to contemplate with any degree of satisfaction. Another idea is, that the Insolvent Act causes insolvency. I differ from that view also. If a man becomes insolvent, whether under the Act or not, his estate must be sold by summary process to the highest bidder; therefore, the repeal of the Insolvent Act would

not by any means help the honest and prudent trader, who pays 100 cents on the dollar of his indebtedness. It appears to me the Insolvent Act provides for cases of hardship,—for men who, having lost part of their property by no fault of their own, are deprived of the capital which they could have used to pay their debts. I think it is wise that those men should be protected. You will find in every flock a black sheep; and so you will find among all creditors a man who will not be satisfied with taking all that a debtor possesses, but who would hang a load of debt around his neck for all time, while the rest of the creditors would accept what he would pay. To commercial circles the Insolvent Act has been what the national policy has been to politicians during the past three or four years; it has been in our thoughts and speeches in such a way as to impress itself very strongly on those who have a considerable number of debtors. I have come to see very clearly that while we may do a great deal in reducing the cost of working the Insolvency law, and making its operation more speedy and certain, at the same time there is a principle involved in it, that when a man through misfortune has lost everything, or is willing to give up everything to his creditors, he should be allowed to make a new departure in life. The limit placed upon an insolvent estate—50 cents on the dollar—is none too low. In fact, I think it should be lower when we come to consider in the present state of affairs, that the average of stocks bought a couple of years ago, has decreased 15 or 20 per cent.; that the fixtures in ordinary business become of no value when that business ceases; that a debtor is obliged to sacrifice a good deal on the first cost in consequence of old stock accumulating, and it is hardly to be expected that an estate should realize more than 50 cents on the dollar. There are difficulties in the operation of the Insolvent Act, but they can be prevented by the proper working of the law. When there is the slightest suspicion of mismanagement or malfeasance, a compromise should be resolutely avoided. The creditors who wind up the business should decline to accept composition. If that were done the commercial atmosphere would soon become clear again, because all the men that Mr. CHURCHER so eloquently described, who go into business without capital or experience, would soon be weeded out; and it should be understood that a man who gets credit in a wholesale house must have some experience in business, some capital, a good character, and a good stand for his business. I have known a case under the old state of affairs where the creditor held on to a debtor, and compelled him to involve his friends in order to get his discharge. That is not right. If a creditor thinks a man good enough to give him credit in the first place, he should be willing to accept what that man can pay if the venture should prove to be unprofitable. In

regard to the cost of the working of the Act, there is no doubt a good deal can be done to make the law more acceptable to the general public. Much expense might be spared, if a more summary process were adopted for debtors who have no foreign creditors. I think we should adopt the report of the Committee, and urge upon the Legislature the strong consideration of it at the earliest possible moment.

Mr. P. D. CONGER (Toronto) : I had charge of some resolutions from the Toronto Board of Trade, which touched upon two or three points in the Insolvent Act, regarding the manner in which an insolvent should obtain his discharge, and the influence of banks on insolvent estates ; but I have run in a very rapid manner over this report, and am assured by the framers of it, that these points which I have touched upon are included in it. Of course there are two sides and two parties to be considered in insolvency, the interest of the honest but unfortunate insolvent, and the interest also of the wealthy creditors. I suppose persons in any business would say that the interest of the wealthy creditor would be represented at a Board like this. However, when we see so many instances of frauds, and so comparatively few cases of honest insolvency, I do not wonder that the insolvents would get the worst of it in anything recommended to the Government by the Dominion Board of Trade. My own view of the report and the amendment is that they do not differ very much. If the amendments are carried out, it will be next thing to the abolition of the Insolvent Act, and the first step towards its repeal. It seems to me we should have an insolvency law at times, but that after having been in operation for a certain period, it should be abolished, and re-enacted from time to time as circumstances require it. I do not think, however, that the country is prepared for its repeal now. Almost the entire Board of Trade of Toronto are in favor of continuing the law, though they have different views regarding the amendments necessary.

Mr. G. A. CHAPMAN (Toronto) : It seems to me that the objection to the total abolition of the insolvency law, lies in mercy to the debtor. I put myself in his place and ask myself how I should feel under the circumstances. My earnest desire in such a case would be to pay what I could, and to that end I would hand over all I had. But how could I pay the balance ? If I had friends, I could carry on business through their assistance, and in their name, and as I made profit I could pay my creditors. Any man with a spark of honor would feel himself a slave while he owed any one a cent, and would work to pay off his indebtedness. Therefore, I vote for the abolition of the Insolvent Act.

Mr. E. K. GREENE (Montreal): The Insolvent Act was passed in 1864 for the relief of insolvent debtors, of whom, in previous years, there had been a large accumulation. The mercantile community have had the full benefit of the Act. No merchant in business was more in favor of the Insolvent Act at its inception, and for many years after, than I was; but experience has convinced me that the Act, as it stands to-day, is one of the great evils of the land. I may mention one case in which I was interested. Some years ago, a man, doing business in Western Ontario, informed us that he was insolvent, and could pay only five shillings in the pound. We knew that he could pay twenty shillings, and we determined that he should pay it. We sent a gentleman from Montreal, who was well versed in such matters, to ascertain what had become of the assets, and who found that he had removed three-fourths of his stock. Of course, when a man does a thing of that kind, it is not done by daylight, nor does he inform his creditors of it. We applied for a warrant for his arrest. He resisted the order, and the Judge said the evidence was not sufficient to detain him. We had to advance the assignee money before he would accept the estate, and, at the end of twelve months, the estate, being a small one, was wound up, and our dividend was one cent on the dollar. We might have accepted the five shillings, but thought we would try if we could punish the man for fraud, and the result was a failure. When the application for his discharge came up twelve months after, we opposed, and the case was so flagrant that the Judge would not grant him his discharge for six months, but at the end of eighteen months he was given his certificate. The expense of contesting the discharge was far greater than the dividend.

Mr. A. ROBERTSON (Montreal): In what year was that?

Mr. GREENE: I believe it was two or three years after the Act of 1864 was passed.

Mr. ROBERTSON: We have not got that Act now?

Mr. GREENE: I am well aware of that, but all the additions to the Act have simply been cumbering it. Last year a Committee was appointed who visited the Minister of Justice with a view to getting the Act amended, but the best amendments could not be obtained. One was, that the first-named assignee should not be the assignee of the creditors. We also asked for the abolition of official assignees, and to give creditors the right to appoint their own assignees. The reply of the Minister of Justice was that the official assignees were scattered all over the country, that they had a certain amount of political influence, and therefore the Government did not wish to abolish them. Look at the effect of

the Act upon the morality of the commercial community! Any one who has been in business since 1864, who has not had to go into insolvency since then, will concur in my opinion—that the morals of the country have been seriously injured by the Act. It is regarded by those who favor it, that it enables creditors to get speedy possession of the insolvent's estate. If that were all, it would be one of the best laws on the statute book; but I know that assignees have gone around from time to time, to men whom they knew were not in the best circumstances, and whose pride would have prevented them from thinking of a compromise with their creditors, and suggested to them that they could obtain an easy settlement. When you suggest to a man, who feels himself embarrassed, that there is an easy way to get rid of his liabilities—by paying twenty or thirty cents on the dollar—the result too frequently is that he goes into insolvency. In the United States they had an Insolvent Act, but there had been a war in that country which prostrated every interest, and the Act was to relieve—just as our Act in 1864—men who were unfortunate from a combination of circumstances. Our neighbors have repealed their Act. We have had no war in this country, yet our Act has continued in force about the same period as theirs. Take the number of failures in this country, and, notwithstanding the civil war in the United States, ours are double, in proportion to our wealth and population. There must be some cause for it, and the only cause I can assign, is the bad effect of the Insolvent Act upon the country. A man writes to me that he is prepared to assign, and will pay so much on the dollar. I accept, from the simple fact that if the estate goes into the Insolvent Court I will get much less. He knows that, and the result is he makes this offer. When the estate would pay 75 cents, he offers 50 cents, and I accept because if I refuse I would get less. In a small town like Brantford, a man who is enabled to buy back his stock at a reduced price, advertises that he has done so, and is prepared to undersell his neighbors, who have to pay one hundred cents on the dollar. Honest men cannot help feeling that an injustice has been done them, and that this must either be stopped or they must fail too. One man can demoralize a whole town in this way. I know a case in Stratford, where an insolvency occurred, and for a year after the town was demoralized. The United States have set us an example in repealing their Act. Unfortunately, they gave six months' notice, and a great many took advantage of it, and swelled the list of insolvents; but since that Act has been repealed, the failures have been thirty per cent. less. I saw a notice in a newspaper the other day about insolvencies in Ohio. In 1877 the failures in that locality were 203, and the amount involved was \$4,000,000—that

is for the last quarter of 1877. For the last quarter of 1878 the number of failures was 53, and the amount was \$1,400,000. To my mind that is the natural result of getting rid of a bad law. I am satisfied, if the Insolvent Act were abolished in Canada, nobody would wish to see it re-enacted. Under the law in Lower Canada, there is a fair distribution of a man's estate. It is true, if a man defends he may keep you out of it for a time, but sooner or later he must distribute his estate amongst his creditors. You can make no law that is perfect, or that can compel a man to pay his debts at maturity, if he wishes to defy you, but the losses under the old law are not a circumstance to those brought about by this Insolvent Act. Reference has been made by the gentleman from London to the delinquencies of creditors. It is true that creditors are delinquent, but any merchant who is engaged in selling goods over all this Dominion, knows, that although a man may go into insolvency (unless his account amounts to thousands of dollars) he cannot spend a dollar to prosecute the insolvent, because the chances are that he will not succeed in his suit. Instances are frequent where it has been attempted, and the estate has had to bear the whole expense, or a large share of it, and the result has rarely been satisfactory. The question resolves itself into this: Is the commercial morality of the country lessened by the Insolvent Act? and are the losses to the community larger under that Act than they would be without it? If the commercial morality is lower, and the losses are larger in consequence of it, than they would be without it, the Act should be abolished. The repeal of the Insolvent Act naturally follows the adoption of the policy of protection; and whether the repeal takes place this year or not, sooner or later the Act must be got rid of, and when it is done, I hope no extended notice will be given of it.

Hon. JAMES SKEAD (Ottawa): I look upon this Insolvent Act as a most iniquitous and demoralizing law. In my experience extending over thirty-eight years in this section of the country, I have found very little trouble about an honest man getting a settlement with his creditors. I know an estate that was worth \$400,000 four years ago, and the party who owned it then was supposed to have a surplus of \$300,000 to \$400,000. That estate has got into the meshes of this wretched law, and God only knows what the result will be. My friend from Toronto spoke to-day about men who came from the Old Country with only one shilling and sixpence in their pockets who are wealthy to-day. I know of one who came here with less, and who built up his business successfully. The experience of that man would tell a sad tale of the powers given to the men who

handle estates under this Act, if they wished to exercise them. It is a most demoralizing Act, and the sooner it is struck from the statute book the better. I predict that if it is kept in force two years longer, it will affect some of our banking institutions. I hope the Government will abolish it without delay. I believe the prevailing depression has been brought about through three evils: too much credit, which is the result of over importation; the warehouses having been crowded with goods, they were forced into the hands of retailers who, in turn, forced them into the woods,—and the result is over-production of lumber. Out of the great trade of Quebec only seventeen rafts were sold last year. These three evils—too much credit, over importation, and over production of the products of our forests, have brought about our troubles. The sooner we bring business down to a cash system the better, but the first step towards accomplishing that will be the abolition of this abominable law, and I hope that this Board will to-night recommend its abolition. Let us follow the example of the United States. In that country the Insolvent Act served its purpose, just as it has served its purpose here. Go down through our streets and see the red flags flying in every direction, announcing goods selling at 30 cents on the dollar less than the original cost! How is the honest man to pay 100 cents on the dollar under such circumstances? I shall vote for the repeal of this iniquitous law. (Applause).

Mr. ANDREW ROBERTSON (Montreal): Mr. GREENE has told us a story of his hardships under the Act of 1864. It will best serve my purpose now, just to mention the peculiarities of the Acts of 1864, 1869 and 1875. The Act of 1864 enabled the debtor, at any moment when he found himself involved, to make an assignment. This law continued until 1869, when it was altered for this reason: We had then very few assignees, and considerable hardship was experienced from the difficulty of finding persons fit to manage the estate—an assignee who knew something of the business that he was called upon to wind up. In 1875, when the Act was about to be amended, considerable pains were taken by this Board, and by the Montreal Board of Trade, to improve, as far as possible, the Act of 1869. The trouble we experienced was that the Government had a policy of their own, and that was to control the appointment of official assignees. I told the Hon. Mr. FOURNIER then, that the system would be found a bad one, and, before two years went round, they would find more people anxious for the repeal of the Act of 1875, than there were for the repeal of the Acts of 1864 or 1869. I saw the difficulty then—the chief difficulty I have with the law to-day—that there are too many assignees appointed largely through political influence.

I hope the Government will go on appointing assignees until they have every man in the country appointed, and there will be free trade in them, and we can get just such assignees as we want; but I do not want to go back to the times that Mr. GREENE speaks of previous to 1864. I remember the trouble there was to get the law of 1864, and I am satisfied that Act was a great improvement on the previous laws as they then existed. Prior to 1864 the game of grab, and devil-take-the-hindmost, was the rule in Ontario. The moment there was a judgment against a man, there were creditors from Toronto, Hamilton, Montreal, and other places, all trying to get the better of each other; and if you did get judgment once in ten times recovering in full, you only got an average of two shillings in the pound. Mr. GREENE has told you about the law of Quebec, but what did that do for us? I have sued for debts in the Province of Quebec, and, even when a debtor did not oppose, it took from four to five months before a judgment could be obtained. When the sheriff went to sell the stock there would be next to nobody present, and perhaps half the stock would be sacrificed to bring the amount required by the creditor. I gave up suing in the Province of Quebec entirely, because it involved a great deal of trouble and expense for little or no benefit. But, on the other hand, suppose a man did not want to give you a judgment, what was the consequence? There was a case in which I sued a man, where after I gained my suit the man procured a separation as to property from his wife, and when the execution was got against the estate, it was found not to be his but his wife's, and thus not only lost the debt, but had to pay the costs. It was to remedy such defects in our laws that the Insolvent Act of 1864 was passed. I have not a single dollar owing me in Nova Scotia or New Brunswick, and do not like their local laws. I do not plead for the Act of 1875 as being perfect; but am pleading for an Act which will enable creditors to get the goods and chattels of insolvents in settlement of their claims, provided they are unable to pay their debts. The first duty of a merchant, when a man comes to buy from him, is to ascertain what capital he has. If he is a man who has just come in from a farm in the country and wants to start business, he should not receive credit; he should be told, as I have told such men hundreds of times, do not go into business. The morality of the country has gone because of the difficulty of doing business. A merchant sends his travellers over the country, and finds that his neighbors are selling to men who are classed A 1. He sells them goods also. The notes are dated forward, and nine months elapse before the date of payment comes. Then the debtor sends a renewal note for the full amount. He does not pay any portion of the bill at all, and you are glad to

get anything. He is in for a year's supplies, and when the trader fails the creditor leaves him entirely alone. That is a great failing of the merchants; they expect when an estate becomes insolvent the Government should give them twenty shillings in the pound, and interest! The cause of frequent insolvencies does not lie in the Act, but is the result of over importation, over production, and too much credit. If we had no insolvency law to-morrow, the same insolvencies would occur, and the only difference would be that we would have nothing to fall back upon. We have heard about dishonest creditors. I have here in my hands a statement of a dishonest debtor which I should like to read to you:—

## IN RE. L. N. HENAULT.

Henault entered into negotiation with his creditors in December, 1875, and presented a statement showing:—

Assets.....	\$99,400.00
Liabilities.....	43,341.00
Surplus.....	\$56,059.00

An extension was granted to him, payable 10 per cent. monthly from the first of April. In October, 1876, he called his creditors together, and offered a composition of 10 shillings in the pound secured. He was put into insolvency and his liabilities were these:—

Balance of old claims.....	\$13,633.25
New claims.....	67,852.51
Total.....	\$81,515.76

His stock amounted, according to inventory, to \$59,907.38, which was sold at 70cts. on the dollar, and realized \$42,000 nett. Book debts amounted to \$30,000, which produced \$6,300. Stock to the amount of a little over \$12,000 had been put in the name of his sister, and notes amounting to over \$3,000 transferred to his father-in-law.

The whole was recovered and brought \$8,072.

Henault was arrested on the 23rd of October, on three capiases for over \$20,000, and kept in jail until April, 1877, when he agreed to give up both the stock and notes, and he was liberated.

A sum of over \$5,300 was spent in legal proceedings and lawyer's fees. The realization of the estate, including commission, inspector's fees, and large outlays for secret service, advertising, contestation, &c., cost nearly six thousand dollars. The privileged claims took \$5,500, and notwithstanding those heavy expenditures, the estate netted to the unsecured creditors 51 cents on the dollar,—*more than was offered by the Insolvent.*

The following is a memorandum of cash receipts and disbursements:—

RECEIPTS.	
St. Roch's Stock.....	\$42,000.00
Book debt.....	6,300.00
Upper-town stock and notes.....	8,072.00
Interest from Bank.....	695.20
Total.....	\$57,067.20

DISBURSEMENTS.	
Dividends.....	\$39,221.93
Legal costs.....	5,278.89
Privileged claims.....	5,407.84
Discounts.....	1,038.86
Costs of Liquidation, commission, &c., (about).....	6,000.00
	\$56,947.52
Balance.....	\$119.68

Now, this is the way the insolvency law works in Quebec. You can at once see that a law which will give the creditor possession of an estate as rapidly as that, is very hard upon the debtor. I think Mr. CONGER raises the question of the hardness of creditors upon debtors. In 1864 and 1869 the cry in Parliament was : You are protecting the creditors at the expense of the poor debtors. Mr. CHURCHER puts it that we are all going mad upon the debtor. I opposed the ten shilling clause in the present Act, and I did so on this ground : When a trader fails, and is worth twenty shillings in the pound in goods, it is impossible that he can pay ten shillings. He has, say \$6,000 in stock, and \$6,000 in debts. The creditor cannot, as a rule, realize from those debts more than five shillings, because they are usually scattered among the farmers in small accounts, and the cost of collection becomes very large. After the payment of all expenses it is morally impossible that the creditor can collect ten shillings in the pound ; and I cannot see why a debtor could not be as honest in paying ten cents on the dollar as in paying ninety cents. I think we are going too hard against the debtor. We are told that the debtors rob us, and one gentleman informed us that we were too ready to give credit to persons who were not worthy of it. However, that is not the fault of the law ; it is the fault of the people who sell the goods. Restrict your credits, and you will soon restrict the insolvencies. Even the amendment asks for an insolvency law ! It says : "And this Board recommends the repeal of the Insolvent Act and its Amendments, and the concurrent passing of an Act to prevent the revival of preferential assignments, to take effect at an early date." I do not know what that is, except to give us an Insolvent Act, and that can only be worked through the lawyers and judges. We realize more by advertising sales than we ever did or can by sheriffs' sales. I must confess I am a little mortified at the course pursued by my confrere, Mr. GREENE, and perhaps I owe him an apology. When this report was concluded I, being absent from Montreal, left my name in the hands of Mr. DARLING to be appended to it ; and, when I found the names of my colleagues printed and appended to it, I naturally thought that the gentlemen, whose names were attached to the report, had signed it themselves. It seems to me that Mr. GREENE is satisfied to have this law modified, as proposed, if he can get the amendments, but, failing that, to have it abolished.

Mr. GREENE : Quite the contrary ; if we cannot repeal the Act, then we go for its amendment.

Mr. ROBERTSON : I contend then that you are bound to sustain the report to which your name is attached.

Mr. GREENE: I never signed that report.

Mr. ROBERTSON: Bad as the law has been, the great majority of the banking capital of the country is in favor of it. I have taken special pains to make the enquiry, and I know it. It would be a sorry thing for them if the Insolvent Act were done away with, even as it stands now. Let us amend the Act until we get it right; get rid of the official assignees, and get the best men in each department of business to fill their places.

A vote was then taken on the amendment, which was rejected on the following division:—

*Ayes.*—Messrs. Boivin, Bremner, Carrier, Frazer, Greene, Magee, McKechnie, Noonan, Skead.—9.

*Nays.*—Messrs. Conger, Churcher, Dobson, Elliot, Gault, Kerry, Lukes, McCulloch, Robertson, White.—10.

Mr. J. J. BREMNER (Halifax), moved, in amendment, seconded by Mr. E. K. GREENE (Montreal):

“That this Board recommend the suspension of the Insolvent Act for five years, but that in the meantime an Act be passed making null and void all preferential confessions of judgment and assignments.”

Mr. THOMAS WHITE, M.P. (Montreal): The gentleman cannot have what he declares he wants at the end of his amendment, because the Dominion Parliament cannot pass it. It comes within the jurisdiction of the local Legislatures.

Mr. CHARLES MAGEE, (Ottawa): I notice that Mr. ROBERTSON has treated the result of the vote as a victory. I think most of the gentlemen have noticed that two of the delegates, who had to leave in time to catch the train, would have voted in favor of the amendment if they could have remained.

Mr. McCULLOCH (Hamilton): I could give instances on the other side.

A vote was taken on the amendment which was rejected on the following division:

*Ayes.*—Messrs. Boivin, Bremner, Carrier, Frazer, Greene, Magee, McKechnie, Norman, Skead.—9.

*Nays.*—Messrs. Conger, Churcher, Dobson, Elliot, Gault, Kerry, Lukes, McCulloch, Robertson, White.—10.

The report of Committee was then adopted on the following division:

*Ayes.*—Messrs. Boivin, Bremner, Carrier, Conger, Churcher, Dobson, Elliot, Frazer, Greene, Gault, Kerry, Lukes, McCulloch, McKechnie, Robertson, White.—16

*Nays.*—Messrs. Magee, Noonan, Skead.—3.

BILLS OF SALE IN NOVA SCOTIA AND NEW BRUNSWICK. (No. XXXII).

Mr. E. K. GREENE (Montreal), moved, seconded by Mr. J. J. BREMNER (Halifax) :

"That this Board memorialize the Provincial Governments of Nova Scotia and New Brunswick, to regulate Bills of Sale in those Provinces, so that the rights of general creditors may be more equitably protected ;

"And that the Council of this Board be requested to communicate with those Governments with a view to the adoption of a general law of equal application to the different Provinces, and to report to this Board at the next Annual Meeting."

Mr. GREENE said : There is a law in the Lower Provinces which has been on their statute book for a great many years, and which results in great injustice being done to mercantile men. Suppose I sell goods to a man in these Provinces and take a bill of sale, and a month later another gentleman sells him more goods, my bill of sale will cover his goods as well as my own, and if the debtor should fail I can step in and take the whole of his goods to cover the amount of my indebtedness. I consider that law one of the most unfair that can be placed upon the statute book.

The resolution was adopted.

TRADE WITH AUSTRALIA (No. XI).

Mr. R. W. ELLIOT (Toronto), moved, seconded by Mr. R. McKECHNIE (Dundas) :

"Whereas, the Government of the Colony of New South Wales purposes holding an International Exhibition in the year 1879 at the City of Sydney ; and

"Whereas, the securing of commercial connection in the markets of Australia and New Zealand would be of great benefit to our lumbermen and to many of our manufacturers ; and

"Whereas, the cultivation of this trade, besides the direct advantages accruing from it, would tend to promote direct trade with China and Japan, which at present cannot be profitably prosecuted ;

"Resolved,—That it is the duty and will be to the advantage of the producers and manufacturers of Canada to exhibit largely at the Exhibition, and that this Board urge upon the Dominion Government the advisability of aiding, as far as possible, those who may desire to so exhibit."

Mr. W. H. FRAZER, (Toronto) : The Exhibition will take place next August. I believe it is the intention of the Government to ask, when the House meets, for an appropriation ; but if we wait until that time it will be too late to notify exhibitors what is required, and the goods must be shipped by New York. The importance of the Australian trade has been demonstrated by the Exhibition held in the same city a short time ago. Many orders have been received by Ontario manufacturers in consequence, and it is a question of vital importance not only to Ontario, but to the Province of Quebec also. Why should we

continue to ship our goods to Australia by way of Boston and New York? We have shipped our lumber in large quantities by those routes. The policy that will utilize our own shipping is the policy that is in the interest of the Dominion, but we have to alter our fiscal policy before that can be accomplished. In endeavoring to get freights from Montreal, we found the lowest rate was fifty shillings per ton, while from Boston and New York it was 32s, 6d; and the reason is that the vessels from these ports take assorted cargoes, and take freights of coal from Sydney to Japan. Until we can do something like that the trade will be unprofitable. I trust that this Board, before the Council leaves the city, will call the attention of the Government to the necessity of immediate action in the matter, as goods must be shipped by the first of March.

The motion was adopted.

#### ENCOURAGEMENT OF INTER-PROVINCIAL TRADE.

Mr. J. R. NOONAN (Pictou) moved, seconded by Mr. W. H. FRAZER (Toronto):

"That the Government be asked to take into consideration the best mode of increasing the facilities for the development of Inter-Provincial trade, and that encouragement be given for direct steam communication between the Lake ports and the Maritime Provinces."

Mr. WM. CARRIER (Levis): I quite approve of the object of the motion; but I am afraid it is hardly worth while to approach the Government with it, for the policy of the Government in running the Inter-Colonial Railroad at such cheap rates, has already run two lines of steamers off the river, and it is absurd to ask them to expend the public money to keep up another line.

Mr. R. MCKECHNIE (Dundas): I see no harm in asking the Government to consider the question of opening up trade between the Provinces, but I am not in favor of asking for a subsidy.

Mr. W. H. FRAZER (Toronto): Great Britain and other countries have subsidized vessels for similar purposes. A few years ago we had lines of vessels running to the Gulf Ports. What has become of them?

The PRESIDENT: They have been driven off by the Inter-Colonial Railway.

Mr. FRAZER: Driven off for want of a national policy, and we hope to cultivate inter-Provincial trade under a national policy. Vessels are now being subsidized by the Government of the

United States to carry American goods to Australian ports. I hope the motion will be sanctioned by the Board.

The motion was adopted.

#### COMMUNICATION WITH THE WEST INDIES—(Nos. IX & X.)

Mr. G. H. DOBSON (Sydney), moved, seconded by Mr. D. McCULLOCH (Hamilton):

"That the Government be respectfully and earnestly requested to grant such a subsidy as will procure regular fortnightly steam communication for the conveyance of passengers, mails and freight between Canada and the West Indies; sailing from Montreal and Quebec in the Summer, calling at Sydney, and from Halifax and St. John in the Winter."

Mr. DOBSON said: It is certain we cannot get the command of the West India markets without direct steam communication. The Americans are now doing the trade that we used to carry on with our schooners. They take our fish *via* New York to the West Indies. What we want is a line of steamers subsidized, so that we can send our manufactures, and make up cargoes for the West India trade.

The motion was adopted.

#### TRADE WITH BERMUDA.

Mr. J. J. BREMNER (Halifax) moved, seconded by Mr. E. K. GREENE (Montreal):—

"That the Government be requested to make such Customs regulations as regards exporting in bond, and drawback on the export of duty-paid goods, as will enable trade with Bermuda, or other places, to be prosecuted."

Mr. BREMNER said, that some years ago Halifax enjoyed quite an important trade with Bermuda, but that from the Customs' regulations, since Confederation, it has been withdrawn from us and had gone to New York. Orders from Bermuda, whilst they included many articles of importance, both as to quantity and value, included at same time a variety of other articles which, though small individually, in the aggregate amounted to a great deal. By the present Customs' regulations, goods are not allowed to be shipped in bond, unless the duty on each article amounts to \$20; nor on *duty paid* shipments to Bermuda will a drawback be allowed, although the privilege is granted on shipments to Newfoundland. It can easily be understood that such articles as dry goods, (an assortment being required) it would be impossible to ship in bond. Thus being denied the privilege of shipping many articles in bond, and being refused entirely a drawback on duty paid goods, so much of the orders

had to be executed at duty paid prices that they were gradually withdrawn from Halifax and sent to New York.

The motion was agreed to

#### RESOLUTIONS OF THANKS.

The following votes of thanks were unanimously adopted :—

Mr. E. K. GREENE (Montreal) moved, seconded by Mr. W. M. CARRIER (Levis),

That this Board acknowledges with thanks the kindness of the Mayor and Aldermen of Ottawa, in granting the use of the City Hall for its present session.

Mr. JOHN KERRY (Montreal) moved, seconded by Mr. A. F. GAULT (Montreal),

That the thanks of the Board be given to the Dominion Telegraph Company, for their courtesy in affording to members free access to the market reports at their office during this session.

Mr. ANDREW ROBERTSON (Montreal) moved, seconded by Mr. BREMNER (Halifax),

That the thanks of the Board are due to the Railway Companies which have extended the courtesy of reduced fares to members attending this session, and that the Secretary be instructed to convey the same.

On motion, the Hon. JAMES SKEAD, President-elect, took the chair.

Mr. THOS. WHITE, M.P. (Montreal) moved, seconded by Mr. GUILLAUME BOIVIN (Montreal),

That the most cordial thanks of the Board are due, and are hereby tendered, to the retiring President, Mr. A. JOSEPH, for the dignified and impartial manner in which he has performed the duties of his office.

Carried with applause.

The CHAIRMAN tendered the vote of the Board to Mr. JOSEPH, who replied in appropriate terms. Mr. JOSEPH thereafter resumed the Chair.

The Hon. JAMES SKEAD expressed his thanks for the honor conferred in electing him President for the ensuing year.

The PRESIDENT then declared the Ninth Annual Meeting of the Dominion Board of Trade to be closed.



## INDEX.

	PAGE
Accounts of the Treasurer - - - - -	149
Address to His Excellency the Governor-General - - - - -	125
Annual Report of Executive Council - - - - -	11
Applications for Affiliation - - - - -	24
Association of Chambers of Commerce of United Kingdom - - - - -	17
Australia, direct trade with - - - - -	178
Ayes and Nays on Questions :—	
Compulsory Inspection - - - - -	59,60
Insolvency Legislation - - - - -	177
Question of Evening Session - - - - -	104
Sugar Duties - - - - -	113
Weights and Measures Act - - - - -	148
Bermuda, trade with - - - - -	180
Bills of Sale in Maritime Provinces - - - - -	178
Board of Trade, United States National - - - - -	13
Boards in Affiliation—List of - - - - -	4
Boivin, Guillaume, remarks on :—	
Coal Trade - - - - -	124
Bowell, Hon. Mackenzie, Introduction of - - - - -	80
Bremner, J. J., Remarks on :—	
Coal and Iron Interest - - - - -	120
Compulsory Inspection - - - - -	57
Duty on Lobster Cans - - - - -	158
Halifax the Winter Port of the Dominion - - - - -	60, 65, 66, 71
Insolvent Act - - - - -	177
Stamp Act - - - - -	150, 151
Sugar Duties - - - - -	104, 110, 112
Tariff - - - - -	92
Trade with Bermuda - - - - -	180
British Colonial Trade with Foreign Countries - - - - -	19
British and Colonial Boards of Trade, Proposed Confederation of - - - - -	23
Business, Order of, Committee's Report on - - - - -	36, 166
Butter, Compulsory Inspection of - - - - -	53
By-Laws, Committee on - - - - -	11
Canada in the International Postal Union - - - - -	13
Canadian Vessels, French Registry of - - - - -	16, 47
Canals, Enlargement of, and Pacific Railroad - - - - -	127
Canals of U. S. and Canada, Reciprocal use of - - - - -	47
Carrier, Wm., Remarks on :—	
Commercial Statistics - - - - -	42
Insolvent Act - - - - -	167
Inter-Provincial Trade - - - - -	179
Chapman, G. A., remarks on :—	
Coal and Iron Interests - - - - -	120
Compulsory Inspection - - - - -	59
Insolvent Act - - - - -	169
Pacific Railway and Enlargement of Canals - - - - -	130
Tariff - - - - -	79
Under-valuation of Imported Goods - - - - -	157

	PAGE
Churcher, Thomas, remarks on :—	
Compulsory Inspection	57, 58
Insolvent Act	163
Weights and Measures Act	147
Coal and Iron Industries of the Dominion	113
Coal Trade, Memorial of the	100
Commercial Statistics, Defections of	42
Committees appointed	10, 11
Communication with the West Indies	180
Comparison of Canadian Imports and Exports for ten years	81, 82
Comparison of distances between ocean ports in Great Britain, Canada and United States	38-40
Compulsory Inspection	53
Conger, P. D., remarks on :—	
Coal and Iron Interests	113, 125
Insolvent Act	169
Pacific Railway and Enlargement of Canals	131
Stamp Act	151
Weights and Measures Act	143
Credentials, Committee on, and Reports of	11, 37, 53, 148
Customs Appraisements, Uniformity of	152
Delegates appointed to the Dominion Board	4
Delegates from the U. S. National Board of Trade, Reception of	73
Department of Commerce in Canadian Government	24
De Veber, R. S., Report on Extension of Intercolonial Railway	42
Dobson, G. H., remarks on :—	
Coal and Iron Interests	113, 121, 125
Communication with the West Indies	180, 148
Extension of Intercolonial Railway	42
Sugar Duties	111
Telegraphic Communication in the Gulf of St. Lawrence	50
Dominion Grange, Explanation as to Application for Affiliation	148
Duty on Lobster Cans	158
Election of Office-Bearers	150
Elliot, R. W., remarks on :—	
Coal and Iron Interests	118
Commercial Statistics	42
Compulsory Inspection	55
Inland Navigation	138
Insolvent Act	167
Pacific Railway and Enlargement of Canals	128
Postal Regulations	151
Sugar Duties	111
Tariff	87
Trade with Australia	178
Under-valuation of Imported Goods	155
Weights and Measures Act	140, 147
Encouragement of Inter-Provincial Trade	179
Enlargement of St. Lawrence Canals	127
Examples from the two French Tariffs	22
Executive Council, Annual Report of	11
Executive Sub-Committee on Business, and Reports of	11, 36, 166
Explanatory Note on Insolvency Report	36
Exports and Imports of the Dominion for ten years compared	81, 82
Extension of Intercolonial Railway, Special Committees Report on	37-42
Extension of Telegraphic System in the Gulf of St. Lawrence	14
Finance Committee, and Report of	11, 149
Fiscal Policy of the Dominion	73
Flour, &c., exported from Canada to the United States	97
Foreign Countries, British Colonial Trade with	19

INDEX.

185

PAGE		PAGE
57, 58	Foreign Registration of Canadian Vessels - - - - -	47
163	Fraley, Hon. Frederick, President of the U. S. National Board of Trade, Letter	
147	of greeting from - - - - -	123
113	France, Trade with, Secretary's Report on - - - - -	17
100	Frazer, W. H., remarks on :—	
42	Halifax as the Winter Port of the Dominion - - - - -	64
0, 11	Inter-Provincial Trade - - - - -	179
180	Sugar Duties - - - - -	112
1, 82	Trade with Australia - - - - -	178
18-40	Under-valuation of Imported Goods - - - - -	155
53	Freer Commercial Intercourse between Great Britain and her Colonies - - -	23
125	French Registry of Canadian Vessels - - - - -	16
169	French Tariffs, How They Operate against Canada - - - - -	22
131	Great Britain's Commercial Treaty with France,—It Discriminates against	
151	Canada - - - - -	22
143	Greene, E. K., remarks on:—	
148	Bills of Sale in Maritime Provinces - - - - -	178
152	Immigration - - - - -	136
4	Insolvent Act - - - - -	170, 176
73	Inspection of Phosphate - - - - -	45
24	Moves to Limit Time of Discussion - - - - -	123
42	Report of Special Committee on Insolvent Act - - - - -	36
	Stamp Act - - - - -	151
125	Sugar Duties - - - - -	108, 110, 111
148	Tariff - - - - -	73, 78
42	Telegraphic Communication in the Gulf of St. Lawrence - - - - -	51
111	Gulf of St. Lawrence, Extension of Telegraphic System in - - - - -	48
50	Haliburton, R. G., remarks on :—	
148	Address to His Excellency the Governor-General - - - - -	125
158	Halifax the Winter Port of the Dominion - - - - -	64
150	Pacific Railway and Enlargement of Canals - - - - -	130
	Tariff - - - - -	99
118	Halifax, the Winter Port of the Dominion - - - - -	60
42	Harbor of Refuge on Lake Erie - - - - -	138
55	Hill, Hamilton A., Delegate from the United States National Board of Trade,	
38	remarks on :—	
67	Introduction - - - - -	73
28	Tariff - - - - -	101
51	Under-valuation of Imported Goods - - - - -	157
11	His Excellency the Governor-General, Address to - - - - -	125
87	Reply of - - - - -	126
78	Immigration into Canada - - - - -	131
55	Imports and Exports of the Dominion for 10 years compared - - - - -	81-82
47	Imported Goods, Under-valuation of - - - - -	152
79	Inland Navigation, Improvement of - - - - -	138
27	Insolvent Act, Report of Special Committee on - - - - -	25-36
12	"    "    Discussion on - - - - -	158
11	Inspection, Compulsory, Report of Special Committee on - - - - -	149
16	"    "    Discussion on - - - - -	53
36	"    "    of Phosphates - - - - -	44
12	Intercolonial Railway, Report of Special Committee on Extension of - - - - -	37-42
2	International Postal Union, Canada in the - - - - -	13
4	Inter-Provincial Trade, Encouragement of - - - - -	179
9	Iron and Coal Interests of the Dominion - - - - -	113
3	Jarvis, P. R., remarks on :—	
7	Coal and Iron Interests - - - - -	119
9	Joseph, A., (President), Opening Address - - - - -	9

	PAGE
Kerry, John, remarks on :—	
Address to His Excellency the Governor-General	125
Compulsory Inspection	58
Insolvent Act	162
Inspection of Phosphates	45, 46
Sugar Duties	110
Telegraphic Communication in the Gulf of St. Lawrence	50
Weights and Measures Act	146
Lake Erie, Harbor of Refuge on	138
Letter of Greeting from Hon. F. Fraley, President of U. S. National Board of Trade	123
Liquid Measures, Discussion on	140
Lloyd, Sampson S., Correspondence on Colonial Interests in British Commercial Treaties	20, 21
Lobster Cans, Duty on	158
Lukes, Wm., remarks on :—	
Compulsory Inspection	55, 56
Halifax the Winter Port of the Dominion	69
Immigration	132
Sugar Duties	108
Tariff	92, 102
Telegraphic Communication in the Gulf of St. Lawrence	50
Under-valuation of Imported Goods	154
Macdonald, Hon. James, Introduction of	53
Magee, Charles, remarks on :—	
Insolvent Act	159
Inspection of Phosphates	45
Postal Regulations	152
Sugar Duties	112
Weights and Measures Act	146, 147
Measures, Liquid, Discussion on	140
Memorial of the Coal Trade	100
" relating to Trade with the West Indies	14
" " French Registry of Canadian Vessels	16
McCulloch, D., remarks on :—	
Coal and Iron Interests	117
Commercial Statistics	43
Compulsory Inspection	56
Halifax the Winter Port of the Dominion	70
Inland Navigation	138
Immigration	131, 137
Sugar Duties	112
Tariff	83
Under-valuation of Imported Goods	154
Weights and Measures Act	143, 147
McKechnie, R., remarks on :—	
Coal and Iron Interests	116
Commercial Statistics	44
Halifax the Winter Port of the Dominion	67
Insolvent Act	161, 162
Inter-Provincial Trade	179
Pacific Railway and Enlargement of Canals	127
Tariff	76
Under-valuation of Imported Goods	152, 157
National Board of Trade of the United States	13
Navigation Inland, Improvement of	138
Noonan, J. R., remarks on :—	
Coal Interests	124

INDEX.

187

PAGE		PAGE
	Noonon, J. R., remarks on—(Continued) :	
125	Halifax the Winter Port of the Dominion - - - - -	71
58	Inter-Provincial Trade - - - - -	179
162	Nova Scotia and New Brunswick, Bills of Sale in - - - - -	178
5, 46	Obituary Notice—Late Hon. John Young - - - - -	13
110	Office-bearers, Election of - - - - -	150
50	Opening of the Session - - - - -	9
146	Order of Business - - - - -	36, 166
138	Pacific Railroad and Enlargement of Canals - - - - -	127
123	Phosphates, Necessity for Inspection of - - - - -	44
140	Postal Regulations - - - - -	151
	President's Opening Address - - - - -	9
0, 21	Proceedings at Sessions of First Day - - - - -	9-52
158	"    "    Second Day - - - - -	53-122
	"    "    Third Day - - - - -	123-181
5, 56	Question of an Evening Session - - - - -	104
69	Reciprocal Use of Canals - - - - -	47
132	Regulations, Postal - - - - -	151
108	Reply to Address by His Excellency the Governor-General - - - - -	126
102	Reports of Committees :—	
50	Business - - - - -	36, 166
154	Credentials - - - - -	37, 53
53	Compulsory Inspection - - - - -	149
	Finance - - - - -	149
159	Insolvency - - - - -	25, 36
45	Intercolonial Railway - - - - -	37, 42
152	Resolutions of Thanks - - - - -	181
112	Robertson, Andrew, remarks on :—	
147	Compulsory Inspection - - - - -	59
140	Halifax the Winter Port of the Dominion - - - - -	66, 68
100	Insolvent Act - - - - -	36, 158, 170, 173, 177
14	Report of Finance Committee - - - - -	148
16	Sugar Duties - - - - -	108
	Tariff - - - - -	80, 87
117	Telegraphic Communication in the Gulf of St. Lawrence - - - - -	51
43	Under-valuation of Imported Goods - - - - -	156, 157
56	Sanford, W. E., remarks on :—	
70	Credentials - - - - -	37, 148
138	Halifax the Winter Port - - - - -	65, 66, 67
137	Telegraphic Communication in the Gulf of St. Lawrence - - - - -	50
112	Secretary's Report on Trade with France - - - - -	17
83	Skead, Hon. James, remarks on :—	
154	Compulsory Inspection - - - - -	53, 55, 56, 149
147	Insolvent Act - - - - -	172
	Inspection of Phosphates - - - - -	46
16	Reception of U. S. Delegates - - - - -	73
44	Reciprocal Use of Canals - - - - -	47
67	Special Committees, Reports from, on :—	
62	Compulsory Inspection - - - - -	149
79	Extension of Intercolonial Railway - - - - -	37-42
27	Insolvent Act - - - - -	25-36
76	Stamp Act - - - - -	150
57	Statistics Dominion Commerce, Defections of - - - - -	42
13	Stevenson, Wm. H., Paper on Harbor of Refuge on Lake Erie - - - - -	138
38	Subjects considered at last Annual Meeting, Disposal of - - - - -	12
	Sugar Duties, Discussion on - - - - -	104
24	Suggestions on Insolvency Legislation - - - - -	32-36

	PAGE
Tariff, Discussion on - - - - -	73
Telegraphic Communication in the Gulf of St. Lawrence - - - - -	- 13, 48
Thanks, Resolutions of - - - - -	181
Tilley, Hon. S. L., Introduction of - - - - -	75
Trade with Australia - - - - -	178
Trade with Bermuda - - - - -	180
Under-valuation of Imported Goods - - - - -	152
United States, Duty on Lobster Cans - - - - -	158
United States, National Board of Trade Delegates, Reception of - - - - -	73
United States, Statistics showing Flour Trade with Canada - - - - -	97
Waterman, Isaac, remarks on :—	
Halifax the Winter Port of the Dominion - - - - -	65
Insolvent Act - - - - -	162
Tariff - - - - -	86
Weights and Measures Act - - - - -	145
Weights and Measures Act, discussion on - - - - -	140
West India Trade, memorial on - - - - -	14
West Indies, communication with - - - - -	180
White, Thomas, M. P., remarks on :—	
Address to His Excellency the Governor-General - - - - -	125, 126
Affiliation of new bodies - - - - -	36
Commercial Statistics - - - - -	42
Committee on Business - - - - -	36, 166
Compulsory Inspection - - - - -	59
Immigration - - - - -	134
Report as delegate to U. S. National Board - - - - -	13
Stamp Act - - - - -	151
Tariff - - - - -	88
Under-valuation of Imported Goods - - - - -	152
Wilmot, Hon. Mr., Introduction of - - - - -	128
Winter port of Dominion, Halifax the - - - - -	60
Woods, Alex., remarks on :—	
Admission of Canadian Vessels to Foreign Registration - - - - -	47
Coal and Iron Interests - - - - -	118
Compulsory Inspection - - - - -	58
Halifax the Winter Port of the Dominion - - - - -	69
Insolvent Act - - - - -	36
Inspection of Phosphates - - - - -	44, 46
Reciprocal use of Canals - - - - -	47
Sugar duties - - - - -	109
Telegraphic Communication in the Gulf of St. Lawrence - - - - -	48
Young, Hon. John, the late, Obituary Notice - - - - -	13