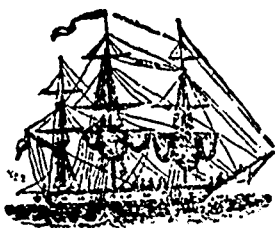


CANADIAN ECONOMIST.



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AND WEEKLY COMMERCIAL NEWS.

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MONTREAL, SATURDAY, 20TH FEBRUARY, 1847.

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THE CANADIAN ECONOMIST.

MONTREAL, SATURDAY, 20TH FEBRUARY, 1847.

THE USURY LAWS.

We resume our remarks upon this grave and interesting topic, and shall endeavor, in the first place, to illustrate the effects of these laws by supposing them to be applied to the necessities of life as well as to money. It must be obvious to every one of plain understanding, that in principle or reason they might as well be applied to the one as to the other. What is the difference we may ask, between restricting a borrower to paying six per cent. per annum to a capitalist, for the use of £100 in money, and to paying a grocer six pounds per annum for the use of £100 worth of sugar?—In other words, why should the dealer in money be debarred from saying to his customer, "You may have £100 for twelve months, provided you agree then to repay me £110 for it,"—any more than the dealer in sugar should be restricted from saying to his customer, "You may have so much sugar for £100 down, or the same quantity for £110 payable in twelve months"? Can any reasonable man see a difference in principle in the above cases, or argue that the one will have injurious effects upon society, while it is known that the other has not? Will any man assert that society is not injured by allowing a dealer in sugar to charge £10 or £20 a year for the loan of £100 worth of sugar, and yet affirm at the same time, that society would be injured by allowing a dealer in money precisely the same liberty? If not, on what grounds of common sense or reason are the Usury Laws to be defended?

There is no outcry more common, in this country, than that we want capital, and that our national as well as individual progress is seriously impeded for the want of it. Moreover, our great progenitor, John Bull, is unmercifully abused for showing so much more regard for our neighbors of the United States, in the way of lending them his money, than he has shown to us, his own kith and kin. He is accused, and perhaps with some reason, of lending them millions, while to us he doles out his favors, comparatively speaking, in shillings. But perhaps the higher rate of interest which our neighbors can, in most cases, pay for capital will account for the fact. The legal rate of New York is 7 per cent. per annum,—of South Carolina, the same,—of Georgia, Alabama, Mississippi and Florida, 8 per cent. per annum,—and of Michigan, Wisconsin and Iowa, 7; while in very many cases, although the legal rate of interest is fixed as above by statute, the law at the same time allow parties, by agreement, to charge as high as ten or twelve per cent. per annum. Now under these circumstances it is to be wondered at that English or European capital in general, finds its way into the United States in pre-

ference to coming to Canada where it is absurdly made penal to take more than six per cent per annum for the use of capital! It would surprise us if any thing else, under the circumstances, were to happen.

Suppose, for the sake of illustration, that our Legislature were, at its next session, to fix the price of tea, settling it at something under the market price of that commodity in New York or London, (whence our supplies are usually obtained,) and making the dealer liable to the penalty of forfeiture on being convicted of charging more than the statute price. Do our readers suppose that such a statute would have the effect of cheapening their tea, or augmenting their supplies? Of course common sense rejects the bare idea as the very height of nonsense,—and yet the laws regulating the price of money, albeit supported by our local legislature and our city representatives, are of precisely the same character,—nevertheless while such absurd laws are suffered to exist, preventing money like everything else from finding its natural level, people wonder why English capital does not flow in upon us with a steadier and fuller current.

Infatuated people! repeal your Usury Laws—allow yourselves to pay for money what it is worth, as you do for your sugar and your tea, your hats and your coats,—and never fear but you will get as much of it as you can profitably make use of. Never fear that you will have to pay more for it than it is worth, or than you can afford to pay for it in the long run; for competition which reduces profits and prices of everything else, in the open market, to their natural level will, unquestionably, have the same influence upon money, which is likewise a mere commodity and subject to the same natural laws as all other marketable commodities.

But let us now see how far the testimony of history supports the doctrines which we have advanced in this and our previous article.

Montesquieu, (*Esprit des Loix*), speaking of the Romans during the period of the Republic says, "The ordinary rate of interest was excessively high. The debtors or plebeians were every now and then threatening to deprive their creditors, who were generally of the patrician order, not only of the interest of their capital, but of the principal itself. Repeated instances occurred to show that these were not mere empty threats, and the patricians were, therefore, obliged to indemnify themselves by means of a corresponding premium for the risks to which they were exposed." "Cela," he continues, "fit que tous les moyens honnêtes de prêter et d'emprunter furent abolis à Rome, et qu'une usure affreuse toujours foudroyée et toujours renaissante, s'y établit. Les Loix extrêmes dans le bien font naître le mal extrême: il fallut payer pour les prêt de l'argent et pour le danger des peines de la loi."

The same author speaking of Mahomedan countries says,— "Notwithstanding the positive prohibition in the Koran, the ordinary rate of interest is at least ten or twenty times as high as its ordinary rate in Europe. L'usure augmenta dans les pays Mahometans à proportion de la severité de la défense: le prêteur s'indemnisait du péril de la contravention."

McPherson, in his History of Commerce, says, "During the middle ages the average rate of profit could not be much higher than at present: but the clamor and persecution raised against those who took interest for the use of money was so violent, that they were obliged to charge it much higher than the natural price, which, if it had been left alone, would have found its level, in order to compensate for the opprobrium and frequently the plunder which they suffered: and hence the usual rate of interest was what we should now call most exorbitant and scandalous usury. The extraordinary risks to which lenders were exposed rendered the premium on all sorts of capital excessively high; for of the fifty and even a hundred per cent., which borrowers then frequently engaged to pay as interest, not more than eight or ten per cent. can properly be said to have been given for the productive services of capital. The rest must be considered as a bonus to compensate the lender for the hazard he encountered of losing the principal itself." Hallam, in his History of the Middle Ages, gives numerous facts which proves the correctness of this statement.

Storch, speaking of France, says, "The rate of interest was fixed at five per cent. as early as 1665; and this, a few short

intervals only excepted, continued to be the legal rate until the Revolution. Laverdy, in 1766, reduced it from five to four per cent. *Instead, however, of the market rate being proportionably reduced, it was raised from five to six per cent.* Previously to the promulgation of the edict, loans might have been obtained, on good security, at five per cent.; but an additional per cent. was now required to cover the risk of illegality. This caused the speedy abandonment of the measure."

The same thing happened in Livonia in 1786, when the Empress Catherine reduced the legal rate of interest from six to five per cent. "Hitherto (says Storck), those who had good security to offer were able to borrow at six per cent.; but henceforth they had to pay seven per cent. or upwards." And such, we think, will be found to have been invariably the case wherever Governments have interfered to reduce the statutory below the market rate of interest.

"From the earliest period of the history of England (says McCulloch), down to the reign of Henry VIII., the taking of interest was absolutely forbidden to all persons within the realm, except Jews and foreigners, who, nevertheless, were frequently plundered for the sake of enriching the Crown, under the miserable pretext of punishing them for what were then called their 'hellish extortions.' The disorders occasioned by this ruinous interference on the part of Government at length became so obvious that notwithstanding the powerful prejudices to the contrary, a statute was passed in 1546, legalizing the taking of interest to the extent of 10 per cent. per annum; and this because, as is recited in the words of the act, the statutes 'prohibiting interest altogether have so little force, that little or no punishment hath ensued to the offenders.' In the reign of Edward VI., the horror against taking interest seems to have revived in full force; for in 1552, the taking of any interest was again prohibited, 'as a vice most odious and detestable,' and 'contrary to the Word of God.' But in spite of this tremendous denunciation the ordinary rate of interest, instead of being reduced immediately, rose to fourteen per cent., and continued at this rate, until, in 1571, an act was passed (13 Eliz. cap. 8) repealing the act of Edward VI., and reviving the act of Henry VI., allowing ten per cent. interest. In the preamble to this act it is stated, 'that the prohibiting act of King Edward VI. had not done so much good as was hoped for; but that rather the vice of usury hath much more exceedingly abounded, to the utter undoing of several gentlemen, merchants, occupiers, and others, and the importable hurt of the commonwealth.'

"In the 21st of James I., the legal rate of interest was reduced to eight per cent. by an act to continue for seven years only, but which was made perpetual in the succeeding reign. During the Commonwealth, the legal rate of interest was reduced to six per cent., a reduction which was afterwards confirmed by the act of Car. II. And finally, in the reign of Queen Anne, a statute was framed, reducing the rate of interest to five per cent., at which it now stands,"—(with the exception, we may add, of mercantile bills, having less than twelve months to run).

"In Scotland, previous to the Reformation, no interest could be legally exacted for money. But this great event, by weakening the force of those religious prejudices which had chiefly dictated the laws prohibiting interest, occasioned the adoption of sounder opinions on the subject, and led to the enactment of the statute of 1587, which legalized the taking of interest to the extent of ten per cent. In 1633, the legal rate was reduced to eight per cent., and in 1661, to six per cent. The statute of Queen Anne, reducing the rate of interest to six per cent., extended to both Kingdoms."

The same author whom we have already quoted so largely, says—for the purpose of showing how prejudicially the Usury Laws affected all classes of borrowers—"During the greater part of the late war, the Usury Laws operated, not to the prejudice of one, but of all classes of borrowers. The extent of the loans, the high rate of interest given by the State, the facility of selling out of the Funds, the regularity with which the dividends were paid, and the temptations arising from the fluctuations in the price of funded property, diverted so large a proportion of the floating capital of the country into the coffers of the Treasury, as to render it impossible for a private individual to borrow at the legal rate of interest, except from the trustees of public companies, or through the influence of circumstances of a very peculiar nature. The proprietors of unencumbered freehold estates, of which they had the absolute disposal, were almost universally obliged to resort to those destructive expedients which had formerly been the resource only of spendthrifts and persons in desperate circumstances. Annuities were not unfrequently granted for the term of several lives, at the rate of twelve, fourteen, fifteen, and even twenty per cent., exclusive of the premium of insurance on the lives of the persons named in the grant of the annuities. Mr. Onslow, in his speech on the Usury Laws, 23rd May, 1816, mentions that he knew the case of a gentleman possessed of a very large estate in fee simple, who had been compelled to grant an annuity for four lives (and the survivor of them), named by the grantee, for eight years' purchase."

But we have, perhaps, far stronger evidence than any yet adduced of the impolicy and pernicious effects of the laws in ques-

tion, in the Report of the Committee on the Usury Laws, laid before the House of Commons in 1818, than anything we have already adduced. We shall, accordingly, quote at some length from it; and trust, from the great importance of the subject, that our readers will not consider us tedious:—

"Mr. Sugden, a gentleman very extensively concerned in the management of landed property (since Lord Chancellor of Ireland), stated, that when the market rate of interest rose above the legal rate, the landed proprietor was obliged to resort to some shift to evade the Usury Laws. For this purpose Mr. Sugden informed the Committee he had 'known annuities granted for three lives, at ten per cent., upon fee simple estates unencumbered, and of great annual value in a register county.' He had also known annuities granted for four lives, and more would have been added but for the danger of equity setting aside the transaction, on account of the inadequacy of the consideration.

"On being asked whether, if there were laws limiting the rate of interest, better terms could or could not have been obtained, Mr. Sugden answered, 'I am of opinion that better terms could have been obtained,—for there is a stigma which attaches to men who lend money upon annuities that actually drives respectable men out of the market: I never knew a man of reputation in my own profession lend money in such a manner, although we have the best means of ascertaining the safest securities and of obtaining the best terms.'

"The laws against usury" (says Mr. Holland, partner of the house of Baring, Brothers and Company, and one of the best informed merchants in the country), "drive men in distress, or in want of money, to much more disastrous modes of raising it than they would adopt if no Usury Laws existed. The landowner requires capital to increase his live stock, or improve his land, or for any other purpose, at a period when the Government is borrowing money at above five per cent.; no one will then lend to the landowner, because his money is worth more to him than the law allows him to take; the landowner must therefore either give up his improvements, or borrow money on annuity interests on much more disadvantageous terms than he could have done if no law existed against usury. The man in trade, in want of money for an unexpected demand, or disappointed in his returns, must fulfil his engagements or forfeit his credit. He might have borrowed money at six per cent., but the law allows no one to lend it to him, and he must sell some of the commodity he holds, at a reduced price, in order to meet his engagements. For example, he holds sugar, which is worth 80s., but he is compelled to sell it immediately for 70s., to a man who will give him cash for it, and thus actually borrows money at twelve and a half per cent., which, had the law allowed him, he might have borrowed from a money-dealer at six per cent. It is known to every merchant that cases of this kind are common occurrences in every commercial town, and more especially in the metropolis. A man in distress for money pays more interest, owing to the Usury Laws, than he would if no such laws existed; because now he is obliged to go to some of the disreputable money-lender to borrow, as he knows the respectable money-lender will not break the laws of his country. The disreputable money-lender knows that he has the ordinary risk of his debtor to incur, in lending his money, and he has further to encounter the penalty of the law, for both of which risks the borrower must pay. If no Usury Laws existed, in common cases, and where a person is respectable, he might obtain a loan from the respectable money-lender, who would then only have to calculate his ordinary risk, and the compensation for the use of his money."

In every part of the appendix to the Report in question, we meet with equally conclusive evidence of the pernicious effects of the laws restraining the rate of interest; but as our article has already extended beyond the usual limits, we must content ourselves, for the present, with adding the two following resolutions, which were agreed to by the Committee, and recommended in the strongest terms for the adoption of the House:—

"1st. That it is the opinion of this Committee that the laws regulating or restraining the rate of interest have been extensively evaded, and have failed of the effect of imposing a maximum on such rate; and that of late years, from the constant excess of the market rate of interest above the rate limited by law, they have added to the expense incurred by borrowers on real security, and that such borrowers have been compelled to resort to the mode of granting annuities on lives; a mode which has been made a cover for obtaining a higher rate of interest than the rate allowed by law, and has further subjected the borrowers to enormous charges, or forced them to make very disadvantageous sales of their estates."

"2nd. That it is the opinion of this Committee that the construction of such laws, as applicable to the transactions of commerce as at present carried on, have been attended by much uncertainty as to the legality of many transactions of frequent occurrence, and, consequently, been productive of much embarrassment and litigation."

We shall continue this subject in our next; meantime, we recommend the foregoing to the best consideration of our readers and the public.

FREE TRADE AND THE 'HAMILTON COMMERCIAL ADVERTISER.'

We have read with care and attention the articles in the *Hamilton Commercial Advertiser* of the 26th and 29th ultimo, on the subject of Free Trade, but cannot see that they shake a single position we assumed in our paper of 16th ultimo, to which they purport to be an answer. Indeed the theoretical difference of opinion between us on the subject of taxation, is contracted to a narrow compass, since we infer the explanation we afforded, that our views in the present circumstances of the country are decidedly in favour of indirect taxation—which also we consider must principally be levied on imports—is viewed by our friend as satisfactory.

The principle which we laid down also, that the object of the Legislature ought to be, "to equalize as nearly as circumstances will admit, the pressure of taxation, so that the burthen may be distributed, in proportion to the capacity of the tax payers,—in other words, in proportion to the revenue [i.e. the income] which they enjoy under the protection of the State," is also not far from being in accordance with the views of the *Hamilton Commercial Advertiser*, "that there is a peculiar propriety in levying duties on all such goods imported from foreign countries as belong in any considerable degree to the class of articles of ostentation." At all events the results would probably be nearly similar, and whether a new fiscal scale of duties were framed on the one or the other principle, a great and salutary revolution in our taxation would be effected.

If the editor of the *Hamilton Commercial Advertiser* will take the trouble to glance over the Table of Customs Duties now in force, he will find that the very contrary of the principle which he invokes has hitherto as yet been the rule:—numerous articles, necessary, useful, or essential, to the comfort of the poor, being subject to far higher imposts than those which contribute to the luxury or ostentation of the rich. For instance, lace, silk, and other manufactures of Great Britain, of those costly fabrics singled out by our friend, are subjected to a duty of only five per cent on the cost at the place of manufacture, whilst Muscovado Sugar, Foreign—the only kind in use—pays a duty of at least 75 per cent, Refined, Foreign 60 per cent, British only 50 per cent, Molasses 75 per cent, Tobacco, unmanufactured 35 per cent, manufactured 40 per cent, Coffee, green 30 per cent, roasted 50 per cent.

This list might be extended; but sufficient is adduced to show the injustice of the present system, and its complete opposition to that advocated by the *Hamilton Commercial Advertiser*: in its reform we therefore look for his assistance.

We believe that the opposition which the Editor of the *Hamilton Commercial Advertiser* has expressed to our views, has in a great degree arisen from misconception; and our *confrère* will observe that our remarks are rather directed to remove that misconception, than to obtain any victory over him on abstract questions in Political Economy. If we can approach to an agreement in the goal to be attained, we shall trouble ourselves very little as to the paths by which we may respectively reach it. On this account we hope we may not be considered as treating his arguments with disrespect, because we pass over very lightly his objections to Political Economy as a science. Notwithstanding his remark, that "all the world, with the exception of Great Britain, act in practical opposition to its principles," we must continue to maintain our belief, that those principles are founded in truth, and susceptible of the most rigid demonstration. Nor can we admit that Great Britain is the only country which is disposed to adopt them; on the contrary, there is not a steamer that crosses the Atlantic, which does not bring tidings of some new victory which the principles of Free Trade have achieved. It is true, true in this, as in every other movement in the onward path to freedom, our own country—we rejoice to be able to state it—has taken the initiative; but surely our contemporary cannot shut his eyes to the fact, that nearly every nation, to a greater or less extent, shows a disposition to follow in her wake. In France, which he specially singles out, the progress towards Free-Trade opinions is uncommonly rapid; and the triumphant reception of Mr. CORDON in that country and Spain, together with that of Sir R. PÆL in Prussia, may be viewed as equally favourable omens; whilst even in the United States, as we had occasion recently to observe, there is evidently a disposition amongst the leading statesmen to relax or diminish the protection which the manufacturers at present experience.

As already stated, we do not consider that our opinions differ so widely from those of the *Hamilton Commercial Advertiser*, as to the taxes on luxuries, as he seems to imagine; but we express our dissent from some of his reasoning. For instance, he draws a distinction between taxes on necessities and those on luxuries in these terms:—

"We believe the common sense of every one will tell them at once that there are two classes of commodities, one valuable for their intrinsic qualities, such as wheat and the other grains, butcher meat, glass, iron, &c.; others, such as the finer fabrics of linen, cotton, silk, &c., which are chiefly valuable as marks of riches. A main error in the defendants

of free trade is their confounding these two classes of commodities, and maintaining that a tax on them does equally take out of the pockets of the community all that the tax-gatherer collects; whereas, we hold that while a tax on the one set does so, a tax on the other merely makes them fit for the purpose of ostentation, and stamps with an indelible impress the marks of riches. A tax on lace, for instance, could it have been collected, would, in our apprehension, have put money in the Treasury, without in any way inconveniencing the parties buying it."

Now there is a looseness and inaccuracy in the terms of this statement, which we cannot permit to pass unnoticed. That a tax on luxuries may frequently be collected to the advantage of the revenue, and without inconvenience to the payer, we apprehend no one can deny, and this, as we have already stated, is a strong argument in favour of the taxation of such commodities; but that such a tax does take just as much wealth from the pocket of the payers, as any tax on necessities, is we think equally clear.

The main objection to the excessive taxation of those articles which conduce solely to luxury or ostentation, is its tendency to defeat its object, by causing diminished consumption. In Great Britain, where wealth is so widely distributed, several instances of the injurious consequences of this exorbitant taxation have occurred. "In 1767, £1,500,000 was borrowed on a duty on ladies' chip hats. The duty was made large, that it might be productive: the consequence was that chip hats were discontinued, and the tax produced nothing."—(See Eden's Letters to the Earl of Carlisle.) A similar result followed from a tax on the use of hair-powder laid in 1797, an article in very general use prior to that time, but nearly totally discontinued since. Legislators commonly err in not marking the distinction between what a man can and what he will pay. In levying duties, the rule should therefore be, to proportion them in a considerable degree to the intrinsic value of the articles, and not to the means of those who it is presumed may be the purchasers: and this is probably as nearly an approximation to a just and advantageous system of taxation as can probably be arrived at.

We do not see, in the fresh case put by the *Hamilton Commercial Advertiser*, that he at all mends his position originally assumed, and from which we believe we drove him. We give his further illustration of his views:—

"Let us, then, suppose that some one community has been in the habit of purchasing from some other a certain commodity, coming within the class of utilities, things valuable solely for their useful qualities. Let us call this commodity iron, and say that the quantity imported amounts annually to the value of £1,000,000. Let us now suppose that a tax of twenty per cent. is levied on the article, and that it has the effect of almost entirely prohibiting its importation. Now, as we cannot suppose any community to act thus without a motive, we shall farther assume, that they are induced so to act from their wish to encourage the domestic manufacture of the commodity, and that it comes to be so produced, though at an increase of cost of nearly twenty per cent. The first question that rises is, will the same quantity be consumed as before? We answer, it is very probable it will. Iron enters so universally into all the operations of art and industry, that the quantity used would probably be but very little diminished by such a tax. The community would therefore pay nearly £200,000 more than they did for the same article, and, apparently, no one would be benefited. For, as admitted by the *Economist*, from the tendency of the profits of stock to equal in themselves, the manufacturer of this commodity would receive no permanent advantage from the proceeding. It would, therefore, seem a very foolish one, and yet might not be quite so much so as at first sight it would seem, for it might be that the encouragement given to the home manufacture would, in a few years, so improve it as that it would furnish the consumers with an article so much cheaper than the former imported commodity, that the operation might, on the whole, be beneficial. It is a proceeding, however, to which we do not refer, and the propriety, or otherwise, of which seems to depend on many points which we have not time to discuss.

Suppose that the imported article is lace, and that the annual quantity so imported is also £1,000,000. Let a duty of twenty per cent. be levied on this, for mere revenue purposes, and then we would ask the question, will the same amount be consumed as before? We are of opinion that it will not. We think the impost would diminish either the quantity or costliness of the articles imported, till the whole amount, tax and all, came to be about what it was before, £1,000,000. Our reasons for this are, that lace was once an article of dress distinctive of rank and riches. It is a fabric of which we do not mean to disparage the beauty, but it is quite apparent that that was not the main charm to the fair wearers of it. For though that beauty has been greatly increased, as the cost has been more than proportionally diminished, it has, we see by Macculloch, in a great measure ceased to be worn by the higher ranks. It being, therefore, an article of ostentation, the quantity of it used will be determined, other things being alike, by its price. Just as the tax laid on gold by the King of Spain took nothing from the pockets of those using it for coin, so would the tax on this commodity take nothing out, or take out a very small amount from the pockets of the consumers of lace. The revenue might gain something like £160,000 without any inconvenience to any one."

Now it is evident that the editor of the *Commercial Advertiser* altogether loses sight of the obvious answer to his illustration, to which we referred in our former article, and which is, that commerce being a system of exchanges, we cannot diminish the import of any article, without in a corresponding degree diminishing the export of some other article; so that in the case put, we should be taxing other classes, nay, actually discouraging those branches of trade which the natural circumstances of the country point out as

most beneficial in order to raise up and foster some other branches, which, as they would not spring up without such artificial stimulus, it is clear are not equally advantageous to the community.

We do not know that it is necessary to pursue the subject further: our object has merely been to set our contemporary, and such of the public as think with him, right as to what we consider the correct principles of taxation on imports. As no particular interest or branch of manufactures existing in Canada, claiming protection on special grounds, has been instanced, our arguments have necessarily been directed to the general principles of Political Economy, but they will, we think, be found applicable to any case that may be put.

We presume, since the editor of the *Hamilton Commercial Advertiser* lays so much stress on the propriety of taxing articles of ostentation and luxury, more heavily than articles of necessity, that he is prepared to give up the duties on agricultural produce; and that as all his arguments in favour of protection to the manufacturers—even if they had force, which we believe it has been shewn they have not—would apply only to manufactures within the colony, he is also in favour of the Repeal of the Differential Duties.

If there be accordance on these points in principles of taxation, we cannot see that there is any material difference of opinion between us.

THE NAVIGATION LAWS.

Well, notwithstanding the oft-repeated assertions of the *Montreal Gazette* (the poor time-serving eccentric, which is now spurned on all sides and left in a state of isolation even upon the question of Responsible Government)—that England would never abandon her Navigation Laws, nor modify them to suit a particular colony till she was prepared to abandon that colony—the last news from England shows that Ministers are determined to relax them.

It is true, the wants and representations of this colony are not the pretext for the conduct of Ministers—but the grounds on which the ministerial determination is founded, are precisely those upon which the demands of the Free Trade Association and the various Boards of Trade throughout Canada, have been based, (always excepting the old-fashioned Board of Trade of Quebec, which we dare say will now feel very much ashamed of itself,) viz., that by such laws trade is hampered and restricted, and the interests of the public at large sacrificed for the benefit of a few selfish, sordid, shipowners. A new era, however, is dawning. The British Minister has declared that these laws operate injuriously, and add to the calamities of the nation. It is true, a suspension only is spoken of, and that for a limited time. But perhaps it is wise in the first instance to speak of a suspension only, for the question is comparatively new, and the press so far has touched it very delicately. But seeing it popular in the highest quarters, this estate is now beginning to allow itself a little more latitude and freedom of expression; in proof of which we may refer to the recent remarks of the *London Globe*, the *Morning Chronicle*, and the *European Times*, all of which denounce these laws as absurd and mischievous.

We may also refer to the speeches which have been made in Parliament, both in the Lords and Commons, upon the Address, in which the speakers in nearly all cases have referred to the Navigation Laws as inconvenient and injurious, and praise Ministers for their determination to suspend them.

We trust this colony will now arouse itself and look after its own interests in the present juncture. Now is the time to press our views upon the mother country as respects these Laws, and also with reference to the Free Navigation of the St. Lawrence.

Now or never! Our fate is in our own hands!

But what concerns us now is this: what will our poor quondam friend of the *Gazette* say on the present occasion? How will he eat up such words as these—“England will never relax her Navigation Laws, nor modify them in favor of any colony till she is prepared to abandon that colony”? Poor time-serving *Gazette*, you sometime since attempted to crow over a fancied similarity between your language and Lord John Russell's—will you exult now?

Oh! unfortunate, ill-judging contemporary, will you allow us to remind you of what we stated on the 14th of November last? We then said, “They who have stigmatized us as traitors for daring to ask for a modification of the British Navigation Laws, can scarcely apply milder epithets to those who in the mother country are contending for a similar object. Perhaps, however, according to their ideas,

“That in a Briton's but a choleric word,
Which in a Colonist is rank blasphemy.”

To us, viewing as we do the modification of the British Navigation Laws as the most important question of the day for this colony, we need hardly say that the attention it is exciting in the mother country is a source of the most heartfelt gratification. The effect, we are convinced, will here be almost miraculous. Those who have hitherto stood aloof from us,—nay, have ranked themselves amongst our opponents,—will ere long be

found on our side: indeed we look for nothing less than the complete conversion and return to our ranks of our distinguished contemporary of the *Gazette*. All the difficulties which the ingenuity of his fertile imagination conjured up, like phantoms, to affright us from our onward course, will we doubt not dissolve like the baseless fabric of a vision, the instant the fiat of the British Minister shall have gone forth, or when the opinion of any powerful party in Britain shall have been pronounced, in our favour. As neophytes are notoriously the most zealous advocates of their recently-espoused opinions, we fully anticipate that we shall have from his pen a glowing eulogium on our Board of Trade, for their promptitude in urging on the attention of the British Government the modification of the British Navigation Laws. Nay, we do not absolutely despair that our humble selves and our exertions in the same cause, may be honoured with the meed of his approbation.

But having already exceeded our limits in referring so particularly to our eccentric contemporary, we conclude with the following extract from a leading article in the *London Morning Chronicle* (the Government organ) of the 18th ultimo:—

“As for the navigation laws—a branch of the question with which the general public have been less acquainted than with the mischievous peculiarities of the ‘scale,’ and the compulsory waste of the breweries—we are daily receiving the most startling rebukes for the enormous national folly committed under a respectable and well-sounding name. While we are so fantastically refusing to be fed except on the exact terms of certain old acts of Parliament, and driving from our shores cargo after cargo of wholesome food, because it comes in illegitimate ‘bottoms’ (during four days alone of this month of January, as we learn from the *Economist*, fifteen grain-laden ships, of 3,700 aggregate tonnage, discharged at the single port of Marseilles cargoes which British navigation laws excluded from London and Liverpool)—while we thus stand on the ceremony of an antiquated and artificial code, necessity and nature are making for us a special navigation law of their own, of a description novel and extraordinary enough to shame the veriest political pedantry out of sticking for maritime precedent. * * * An emergency that requires our *Avenge*, and *Dragons*, and *Scourges*, and *Bulldogs*, and *Blazers*, and *Torches*, and *Tartaruses*, and *Plutos*, and *Acherons*, and *Lucifers*, to unship their guns, and be amiable and Christian, and do the errands of national mercy and loving kindness, is surely emergency enough for any statesman's satisfaction.”

‘COBOURG STAR’ AND AGRICULTURAL PROTECTION.

Ecce iterum Crispinus! The *Cobourg Star* has again taken the field in favour of the 3s. per quarter duty on Wheat, but until he is able to show how it is to be collected, and from whom, he may spare his paper and ink. The news received per *Sarah Sands* must satisfy even the doughty editor, that henceforth we must sell as cheap as our neighbours, or we shall have no export trade. Now as he cannot but admit that we grow more wheat than we require for our consumption, and that we shall consequently have to export the surplus; and as there cannot be two prices for the same articles, in the same market, at the same time, it is clear that the price obtained for the quantity exported, must be the price also for the quantity consumed on the spot; it is we think demonstrated even to the meanest capacity (to wit, that of the editor of the *Cobourg Star*), that our prices cannot be higher—relatively to foreign markets—than those of the United States, whether the duty of 3s. per quarter be retained or not.

The *Cobourg Star* selects a particularly fertile portion of the State of New York and asserts its superiority in natural advantages over the Newcastle District; but is it not obvious that that superiority, supposing it to be the case that it exists, is compensated by the increased rent exacted in the former? Should not the agriculturist of the States of Ohio, Illinois, Michigan, &c., claim protection on similar grounds from the agriculturists placed in more favourable situations? And why should not the agriculturist of Lake Erie in like manner claim protection against the agriculturist of the Newcastle District?

If our taxation be equally heavy with that of the United States, let it be reduced if possible; if taxation press more heavily on the farmer than on other classes, let it be more equitably adjusted; let every means which the Legislature can adopt to facilitate the investment of capital in agricultural enterprise, be used; let every impediment in the way of his sending his goods on the cheapest terms to the most profitable market, be removed; and we firmly believe that his prosperity will at least equal that of his neighbours over the lines.

If the *Cobourg Star*, and those other persons who think with him, would direct their energies to the attainment of these objects, instead of making themselves ridiculous by railing at Free-Traders—Free-booters, the *Cobourg Star*, “whose praise is censure, and whose censure, praise,” styles them—and prophesying the downfall of Great Britain, they would entitle themselves to the appellation, which they are so anxious to assume, of the “Farmers, Friends,” I would daresay render essential service to the community.

TRICKS OF NEWSPAPER WRITERS—GROSS MISREPRESENTATION!

We have on several occasions had to complain of the unscrupulous conduct of the Government organ in its statements respecting the *Economist*, but could not have believed it possible that the editor of that paper would have had the hardihood to attempt the deception which appears in his last number. On referring to that paper, the reader will find an editorial account of the debates which took place in the two Houses of Parliament on the Address in answer to the Queen's Speech, from which the following is an extract:—

"With respect to the Corn Duties,—Mr. Labouchere, who may be understood to speak the sentiments of the Government, said that he would not oppose the repeal of the 4s. duty on foreign corn, though he did not believe it would be any relief to the consumer, but only a loss of revenue, and an addition to the profits of the holders. We may expect, therefore, to see the trade in corn shortly entirely free, probably for ever.

"With respect to the Navigation Laws, the same gentleman said, that he would not refuse a temporary relaxation, but he would oppose all permanent abrogation. If shipping were wanted in the American ports, the employment of eight ships of the line, alone, would supply transit for 80,000 quarters of corn by one voyage each."

The public will, of course, judge from this, that the Government, whose sentiments, as the *Gazette* says, Mr. Labouchere may be understood to speak, are not of opinion that any good is to accrue from a free trade in corn, and that they are totally opposed to a permanent abrogation of the Navigation Laws, from which the country in general expects so much. Strange opinions these, indeed, to come from a Whig Ministry, and little consistent with the declaration which the eminent leader of that party has made on more occasions than one. So we thought when we read the *Gazette*, and so doubtless have thought many others, to whom that article has been shown. But what will those parties think, when we tell them, as we now do, that MR. LABOUCHERE NEVER UTTERED A WORD OF THE KIND! Such, we assert, is actually the case. We defy the editor of the *Gazette* to produce the copy of a London paper in which any such language is put into the hon. gentleman's mouth;—there is no such report to be found—no such sentiments were ever uttered by Mr. Labouchere, or any other members of the Cabinet!

How then did the editor of the *Gazette* get his report? Did he fabricate it? Did he, for his own particular purposes, invent it? Did he dream it? Did he and does he believe it?

It is for the editor of the *Gazette* to explain his own conduct; but we will state one fact, which will not, we fear, improve the matter. Although Mr. Labouchere never uttered, and could not have uttered, such a declaration against Free Trade, Lord Geo. Bentinck, the leader of the Protectionist party in the House of Commons, did, and the editor of the *Gazette* has absolutely taken the speech of this nobleman and published it as that of a member of the Cabinet!!!

Now did the editor of the *Gazette* do this willfully, or through ignorance? We leave him, as we said before, to explain; but in either case, it is bad enough. If it was by design, he has been guilty of a gross act of dishonesty; if by ignorance, he has shown himself to be a very incompetent editor of a newspaper. To mistake the sentiments of the Protectionist leader for those of a Liberal Minister, is such a blunder as would go far to destroy the character of a public man in most communities, and must have its effect in this. It exhibits an ignorance of the opinions of English statesmen, such as is totally inexcusable in a newspaper writer.

What renders the conduct of the editor of the *Gazette* still more suspicious is, that he must have known that the organ of the Ministry—the *Morning Chronicle*—(rather a different kind of organ to the Montreal one) had, just previous to the meeting of Parliament, and in anticipation of that event, come out strongly on the subject of Free Trade, and thereby prepared the public mind for the measures which it is now known the Government are actually about to recommend.

On the whole, we repeat, the conduct of the *Gazette* in this affair is most suspicious, and places the editor on the horns of a dilemma, from which we now invite him to escape, by explaining to his duped readers whether he really meant to cheat them, or does not know better than to take the opinions of Mr. Labouchere, the Whig Free-Trade leader, for those of Lord George Bentinck, the great hero of Protection!

TO THE EDITOR OF THE 'ECONOMIST.'

{ TOWNSHIP OF MILTON, COUNTY OF SHEFFORD, C.E.,
6th February, 1846.

SIR,—The most superficial observer of the signs of the times cannot fail to perceive the rapid progress which the principles of Free Trade are making towards adoption by the civilized world. They are certainly the most natural, liberal, and enlightened principles upon which nations can conduct their intercourse. In the promotion and practical application of these principles, as well as in every thing else which has for its object the benefit of the world and the amelioration of the condition of mankind, Great Britain has taken the lead; and as her example in commercial affairs is generally followed by the rest of the world, we may expect soon to see the principles not only adopted by the Colonies (by virtue of the power lately granted them), but by all commercial nations of any importance. The natural effect of the universal adoption of Free-Trade principles would be, to make the prosperity and advancement of each nation or country entirely dependent upon its own natural and internal resources, and the industry, enterprise, and enlightenment of its own people; rather than upon the unnatural and artificial system of monopolies, high protections, and prohibitory duties,—a system which is utterly incompatible with sound legislation and the genius of this enlightened age. The greatest impediment to the successful and beneficial operation of the Free-Trade system in Lower Canada, is the existence of the Feudal Tenure, as by its most barbarous and oppressive enactments, the very natural resources upon which we shall be entirely dependent when the protection which we have hitherto enjoyed in the British markets is withdrawn, are under the control of, and are completely monopolized by, the Seigniors or Feudal Lords; and as long as these resources are suffered to remain in the hands of a few individuals, who will not or do not develop them, and the advantages to be derived from them remain inaccessible to the body of the people and public enterprise, our past history furnishes sufficient proof that they never will be a source of wealth or benefit to the colony, and that Lower Canada never will make any progress as a manufacturing or an agricultural country. Lower Canada possesses the greatest natural facilities for manufacturing—an abundance of cheap labour, and an infinite number of the finest and most powerful water privileges in the world, and yet on account of the existence of the abominable Feudal Tenure, which places them all in the hands of the Seignior, they are of no advantage whatever to the country. The people are allowed to occupy the seigniorial lands only upon conditions which are the most detestable and degrading to British freemen. They must acknowledge the Seignior to be the "lord and proprietor" of the soil, must pay an annual rent, and upon the sale of any of their lands, the purchaser must pay a sum equal to one twelfth of the purchase money into the hands of the Seignior, who, in the deeds he gives, always reserves to himself all the water privileges, and other great and important advantages, to the great detriment of the unfortunate tenants. The Seignior, on his part, allows the people the enviable privilege of acknowledging themselves to be his "vassals and tenants," and of doing him "fealty and homage," for the lands and tenements he allows them to occupy! Under these circumstances, and labouring under the great disadvantages of this baneful and pernicious system, the country cannot make any advancement in manufactures or agriculture,—those two great branches of industry, and the foundation of all prosperity. It is thus that we are prevented from turning our own great industrial resources to profitable account, and thousands of our poor are deprived of the means of obtaining the necessities and comforts of life. If, under these disadvantages, Free Trade subjects us to the competition of foreign countries in the British markets, then the withdrawal of our protection by Great Britain, and the establishment of Free Trade, will, most assuredly, be followed by consequences the most disastrous to the welfare and prosperity of this province. However, I think that by the abolition of the Feudal Tenure on an equitable basis, with a due regard to the existing rights of all parties interested, which would give us the free use of our own resources, most, of not all, of the disastrous consequences which, under an opposite state of things, we may anticipate as the result of Free Trade to this province, may be completely averted. I would respectfully call the attention of Free-Traders to this question and urge upon them the imperative necessity of immediately endeavouring by all constitutional means to rid the country of the barbarous Feudal Tenure. From the very nature of their principles, which are opposed to monopolies in every shape, they are the party best calculated to effect this desirable object.—I hope to see the leading gentlemen of that party lose no time in setting on foot a well-organized agitation on the subject. It is emphatically a cause of the people: and their cordial support and sympathy might therefore with the more confidence be depended upon. That portion of the press, too, which advocates "free trade and no monopoly," should not remain inactive, but enter the field and win a share of that honour which a grateful people will always bestow upon their benefactors.

Hoping that the above hint may not be without effect,

I remain, Sir, yours truly,

A FRIEND OF CANADA.

TRADE OF THE PROVINCE.

PORT OF TORONTO, FOR THE YEAR ENDING 5TH JANUARY, 1847.

We are indebted to the Hon. Henry Sherwood for a printed table, relating to the trade of the Port of Toronto for the year ending 5th Jan. 1847. It affords gratifying proof of the progress of the Province, and its increasing capability as an exporting country. From it we learn that the total value of imports, including goods paying *ad valorem* duty, was, for the time specified, £168,377, exclusive of free goods and specie, yielding a revenue of £33,629 14s. 8d. The imports during the same time are estimated at £301,000. The increased value of exports over the previous year is £72,968. The following tables will serve to give some idea of the progress and wealth of this fine section of the country:—

List of Steamers, Propellers, and other vessels, owned on Lake Ontario, and employed on the Inland Waters of Canada.

57 Steamers (two of iron).....	value	£350,000
6 Lake Propellers	do	14,000
2 Ships,		
5 Brigantines, } 30 tons and upwards.....	do	150,000
94 Schooners, of		
300 Barges.....	do	80,000
7 River Propellers.....	do	7,000
Small Craft, under 30 tons.....	do	17,000
Total value.....		£616,000

Return of Mills, Foundries, Factories, &c., in the Home District and City of Toronto, showing the estimated value of Machinery, Buildings, &c., connected therewith.

87 Grist Mills.....	value	£160,000
196 Saw Mills.....	do	55,250
12 Oatmeal Mills.....	do	3,300
14 Foundries.....	do	20,000
18 Woollen Factories.....	do	2,000
50 Carding Machines.....	do	3,000
1 Edge-Tool Factory.....	do	2,000
3 Starch Factories	do	2,500
28 Distilleries.....	do	10,825
6 Soap and Candle Factories.....	do	4,200
1 Cabinet and Chair Factory (Steam).....	do	2,400
3 Cabinet and Piano Forte Factories.....	do	1,500
2 Paper Mills.....	do	4,000
36 Tanneries.....	do	15,000
1 Snuff Manufactory.....	do	500
23 Breweries.....	do	13,200
Total value.....		£322,775

Total Export of Flour and Wheat, from the Home District, for the year 1846.

FLOUR.		
From Toronto.....	barrels	194,856
" Oshawa.....	do	34,530
" Windsor.....	do	55,460
" Credit.....	do	11,450
Total number of barrels.....		296,396

WHEAT.		
From Toronto.....	bushels	108,116
" Oshawa.....	do	16,560
" Windsor.....	do	24,300
" Credit.....	do	41,200
Total number of bushels.....		190,176

The total Export being equal to 334,431 barrels of Flour.

HAMILTON.

The following are the gross amounts of revenue collected at the Port of Hamilton for the three past years:—

Gross revenue of 1844.....	£16,999
Do do 1845.....	22,011
Do do 1846.....	20,726

"It will be seen by this," says the *Hamilton Advertiser*, "that there is a falling off in 1846, as compared with 1845, of £1,285. This, however, can be accounted for by a falling off of hardware, imported from England via New York, as a trial of that route compared with Montreal, of £700; on domestic refined sugar, which had also been imported by way of experiment, £460; and on leather, from the duty amounting to nearly a prohibition, of £500, making a total of £1,660. This, we think, shows that the increase of the trade of the port, as exhibited in 1845, is more than maintained in 1846.

"That the amount of imports would have been much greater had the same confidence in the coming season prevailed as in 1845, cannot be doubted; as a proof of which, we have heard that there is not as much in bond as will, in all probability, meet the demands until the opening of navigation. The causes which have led to the extreme caution manifested in the last year's importation, were not only founded on the uncertainty of the wheat demand, rendering it doubtful if the prices would be even remunerative, but a local fear for the bad quality of the crops in this District. We are, therefore, we think, warranted in arriving at the conclusion that there is a steady increase of the trade of this city, and that it would have

kept its relative position with its sister city, had the District been favored, with as good crops as the Home District."

The total value of imports at Hamilton, in 1846, was £106,977 12s. 4d. yielding a revenue of £20,726 8s. 1d.

REPEAL OF THE USURY LAWS.

[EXTRACT FROM AN ARTICLE IN THE "HAMILTON GAZETTE."]

There is still another argument in favor of the repeal of these laws, at least to a certain extent, an argument that will probably prevail with many who reject other reasons, that is, the usury laws have been partially repealed in England, and consequently that unless our laws are repealed to at least the same extent, we can only look for English capital at periods when money is very plentiful—for unless at a very considerable advance on the current rate in Britain, no one will risk his funds so far off. Even when money is plentiful, when double the rate can be got here, to what may be obtained in Britain, persons do not like to invest where money may be locked up at a fixed rate, whereas in Britain although they may have to take 3 per cent. to-day, they may get 8 to-morrow—where at all events they may do what they cannot do in Canada, hope for a rise.

We must follow Great Britain in this, as in other matters, if we do not, we are sure to be left behind; it is useless for us to maintain that the circumstances of Canada are different from those of Britain, and that consequently, the same rule does not obtain; if that is the case, what becomes of "the time-honoured institutions of our ancestors?"—do they apply? The reason usually assigned, that Canada is a poorer country than Great Britain, and therefore wants more money—is the reason why we can afford to give more. The earth does not return to those who cultivate it, per cents. on the capital employed—but hundreds of per cent., nay thousands, when rightly managed; thus whether we pay six or ten per cent., can make but little matter, whilst for want of a small sum for a few weeks, the farmer is compelled to buy goods he does not want, at a high cost, or go without funds, and have his property taken from him.

We should also remember that railroads, and many other investments, pay in Britain, rates that will absorb every portion of available capital there, unless we can offer more—indeed much more, for there is all the difference between a safe investment at home, and a hazardous one a long way off.

It may be asked would we include Banks, and other chartered institutions, among those permitted to get what rate they choose for loans of money.—We reply, decidedly.—They would be but too glad to conform to the current rate, competition both from capitalists in Canada and in Britain, would bring interest down to fair working rates—those who should really want money would get it; those who merely want it for speculation would go without, unless the speculation would afford it. It has been urged that were people allowed to borrow money at what terms they pleased, they would go into speculation. We presume this writer meant unprofitable speculations, for as to profitable ones, it would little matter what the rate was, were the profits good after all. We deny that our intelligent merchants require laws to restrain them from going into any branch of business they think to their advantage. We spurn the idea, that they are not the best judge of their own affairs. We think the total absence of all speculation, as bad for the interest of the country as too much. Why have not the commercial body in Canada profited by the late rise? Because they did not speculate. Why did they not speculate? Because money was scarce. Why was money scarce? Because of the Usury Laws. Speculation? Why we are all speculators. Farming is a speculation, so is the selling of goods on a credit to a general set of customers—a speculation that a repeal of the Usury Laws would do much to put an end to—as people would prefer generally to borrow money and buy for cash; a speculation quite as hazardous as any a man would be tempted to embark in, at whatever rate of interest he might borrow his capital.

In countries where Usury Laws have been unknown, or where the rate has been left free for commercial transactions, we see all the operations of commerce simplified. The merchant, if he has but little capital, borrows what he requires, at rates proportionate to his character and abilities, and the security he may have to offer; he buys for cash, he sells for cash, the parties who buy from him, perhaps, have borrowed money in the same way that he has, but they had to show character and security also. Both he and they know the amount they have to trade on, if he or they want more, they have to shew the necessity for it. On the other hand he has no bad debts, his thoughts are never diverted from the trade he is pursuing, he has not to fill the complicated office of lender of means as well as seller of merchandize—and thus confound the want of funds on the part of his customers with their want of goods—thus, being likely led into speculations, having no foundation in demand and supply. The saying, in such countries, from having no bill transactions except with foreigners, no balance to keep at their bankers, no bills to pay, to be provided for a long time before due, quite makes up for any extra rate of interest incurred.

In Canada, on the other hand when we want money, when speculations would pay, we cannot get it. When money is plentiful, because there are no profitable speculations offering, then we can get this much-coveted capital.

However, prejudice being still against free trade in money, let our Legislature at all events take the course adopted by the Government of the Mother Country, and partially alter the Usury Laws, by permitting any rate of interest to be paid or received upon any promissory note or bill of exchange having less than twelve months to run.

This would not interfere with the farmers or landed proprietors in any way, but would simply affect the mercantile body, who would but too cheerfully acquiesce in the arrangement. We doubt not in time the whole population would be glad enough to have these mischievous laws entirely done away with, for their own benefit and advantage.

WOLFE ISLAND, CAPE VINCENT, AND ROME RAILROAD.—Captain Gildersleeve and Mr. Counter returned from Watertown, on Thursday evening, where they have attended a very numerous meeting of the subscribers, of the Wolfe Island, Cape Vincent, and Rome Railroad. The house was crowded to excess, and the parties highly respectable, several excellent speeches were delivered, shewing the vast advantages of the undertaking. The Company on the American side of the line will be immediately organized, and the work is to commence as soon as the season will allow. The amount of stock required by the charter is subscribed, and there is now, no doubt but that this (to Kingston especially) all important work will proceed with rapidity to its completion. We are fully persuaded that this is the most valuable information which our columns have communicated to the inhabitants of Kingston, and the Midland District for many years, and that the fact of the commencement of the work, will cause an immediate rise in the value of all descriptions of property in the city and its neighborhood.

GREAT TELEGRAPHIC EXPERIMENT.—Mr. Atwill of the Telegraph Station, informs us that New Haven was put in telegraphic communication with Toronto, Upper Canada, last evening, and messages were instantly exchanged between the two cities.

The route is via New York, Albany, Rochester, Buffalo, and then crossing the Niagara River below the Falls, passes round Lake Ontario to Toronto, the entire distance being *nine hundred miles!* The experiment was a most successful one and the distance was overcome with as much apparent ease and promptness as between New Haven and Hartford. It was the longest distance ever traversed by the lightning in a continuous unbroken line.—*New Haven Herald*, 28th Jan.

ENGLISH NEWS.

The news of the usual monthly mail has been partly anticipated by the arrival of the iron steam propeller *Sarah Sands*, which left Liverpool on her first trip on the afternoon of the 20th ultimo, and reached New York harbour on Wednesday afternoon se'nnight. The *Sarah Sands* is built on the screw principle, and the success of her trip is therefore a fact of great importance. She is described as a very beautiful sea-boat, of thirteen hundred tons burthen, carrying engines of two hundred horse power. Her length is two hundred and twenty feet, and she has four masts. With the exception of two or three days, when the wind was favourable and blowing fresh, the screw was used throughout the voyage. With this alone, all her sails being furled, she steamed during twenty-four hours one hundred and thirty-two miles; and with all sails set and with the screw, went two hundred and seventy miles in twenty-four hours—thus demonstrating very clearly the value of the screw as an auxiliary and in propelling ships.

The intelligence brought by the *Sarah Sands*, is important. Parliament was opened on the 19th January, and a speech, delivered by the Queen in person, in which the following significant passages occur:—

“The deficiency of the harvest in France, Germany, and other parts of Europe, has added to the difficulty of obtaining adequate supplies of provisions. It will be your duty to consider what further measures are requisite to obviate the existing distress. I recommend you to take into your serious consideration whether by increasing for a limited period the facilities for importing corn from foreign countries, and by the admission of sugar more freely into breweries and distilleries, the supply of food may not be beneficially augmented.”

In reference to this part of the speech the *European Times* observes:—

“The Ministers are determined to carry out the three great measures which the urgency of the times demand, and which have been forced upon their attention many times these two or three months.—They are determined to suspend the Navigation Laws, so as to allow the vessels of every country to bring provisions to the British shores.—They are determined to repeal the duties of the last session on the importation of grain, which, under the present emergency, have not only been useless, but positively mischievous, by holding out a premium, to the same extent, in favour of France and other countries where corn is wanted.—They have determined to prohibit the use of grain in breweries and distilleries, and permit the use of sugar and molasses, under certain restrictions, so that the great quantity of human food required in the distillation of fermented liquors may be saved to the nation. This arrangement, it is said, will not only serve the public, but also be the means of materially increasing the revenue.—Finally, the whole of the available British navy will be occupied in bringing food from every quarter of the world where it can be had, to avert the starvation of which Ireland is the scene.”

A debate of great length and importance took place in the House of Lords, on Lord Hatherton moving the address in reply. In the course of his speech, the mover dwelt on the present painful position of Ireland, but he only stated that some new measures for the relief of that country would be introduced, without undertaking to say what they would be. Lord Stanley, as leader of the Opposition, replied. He adverted to the Spanish marriage as an affair in which a slight had been put on England, and also referred to the absorption of Cracow as an example of the same kind. In regard to Irish measures, he promised the Government his support if they did not yield to exorbitant demands, but doubted whether the temporary suspension of the 4s. duty would have any good effect.

In the House of Commons, the address was moved by Mr. C. Howard and seconded by Mr. Ricardo. From the tenor of the debate which ensued, it may be inferred that the Opposition will not be very bitter or strenuous.

Since the sailing of the packet of the 5th, the flour market has presented a progressive rise, and prices have now attained an attitude cal-

culated to insure caution on the part of purchasers. The following are the quotations at Liverpool, compared with the figures of January 5th:—

FLOUR AND GRAIN.		January 5.	January 20
United States Red Wheat,	10s 0d a	10s 6d	11s 0d a 11s 3d
" White,	10s 10d a	11s 2d	12s 0d a 12s 6d
Barley,	6s 9d a	7s 0d	7s 6d a 7s 10d
Oats,	6s 3d a	6s 0s	5s 9d a 6s 0d
Meal, brl.,	37s 0d a	38s 0d	43s 0d a 44s 0d
Flour,	68s 0d a	72s 0d	72 0d a 74s 0d
Corn,	68s 0d a	72s 0d	72 0d a 74s 0d

We may observe that something like a check was noticed at Liverpool just before the sailing of the *Sarah Sands*, but whether it was occasioned by the actual state of the market, or by speculators for their own ends, it is difficult to say.

LOCAL, PROVINCIAL, AND GENERAL INTELLIGENCE.

Great efforts are being made throughout the whole of the British Provinces on this continent, in favor of the distressed population of the mother country, and there is no doubt that through these efforts a very large sum of money will be sent home. The joint committee (Scotch and Irish) in Montreal, has issued a pressing appeal to their countrymen to come forward at this crisis.—A grand Festival was given by the Mechanics of Montreal, on Tuesday night, in the halls of the New Market. It is said to have been one of the most splendid things of the kind ever witnessed in Montreal. Lord Elgin was present, and made a speech to the audience, who numbered between 2,000 and 3,000.—Mr. Valliers de St. Real, Chief Justice of Montreal, died on Wednesday evening, at his chambers in Donegana's Hotel. He had been for a long time in a shattered state of health, and his demise was not unexpected. His loss will be much felt, as he was a profound lawyer as well as general scholar.—The Legislative Assemblies of New Brunswick and Nova Scotia have taken up the consideration of the Imperial (Differential) Duties, and referred them to Committees, with a view to a review of their tariffs.

There is no news of importance from the South.

THE MARKETS.

MONTREAL. Friday Evening, 19th Feb

The news per *Sarah Sands* has again raised our market for Flour fully 2s. 6d. per barrel. Some sales during the week both of Flour on the spot and for spring delivery have been made at 35s.

Upper Canada Wheat has been sold at 6s. 10d.; Lower Canada at 6s. to 6s. 6d. Pease are worth 5s. to 5s. 3d.; Barley, 3s. 3d. to 3s. 6d.; Oats, 2s. to 2s. 1d.

Sales of Pork are making at \$19 to \$20; Mess, \$15 to \$16 Prime Mess, and \$13 to \$14 Prime.

Ashes have been sold at 27s. 6d. since, 27s. 6d. has been offered and refused for both Pots and Pearls.

Exchange 7½ per cent 90 days.

Subscribers to the ECONOMIST will please pay the amount of their subscriptions to our Agents, whose names are given in this number of our paper, and whose receipts will be a full discharge. Subscriptions to be paid to the 1st of May, 1847:—

AGENTS FOR THE CANADIAN ECONOMIST.

UPPER CANADA.

- London, - - - Mr. Thomas Craig, Bookseller.
- Woodstock, - - - Mr. James Laycock.
- Brantford, - - - James Wilkes, Esq.
- Hamilton, - - - Messrs. Ramsay & M'Kendrick.
- Port Dover, - - - Mr. Alfred Buckwell.
- Toronto, - - - Mr. James F. Westland.
- Whitby, - - - Mr. Gavin Burns.
- Darlington, - - - Mr. Josiah F. Marsh.
- Port Hope, - - - David Smart, Esq.
- Belleville, - - - John Ross, Esq.
- Cobourg, - - - Mr. Lewis.
- Peterborough, - - - W. S. Conger, Esq.
- Kingston, - - - Messrs. Ramsay, Armour, & Co.
- Brookville, - - - Wm Mathie, Esq.
- Prescott, - - - W. B. Wells, Esq.
- Cornwall, - - - Mr. L. N. Putnam.
- Marlinton, - - - M. John R. Smith.
- Williamstown, - - - Mr. John Wright.
- Kemptville, - - - Joseph Leeming, Esq.

LOWER CANADA.

- St. Johns, - - - Messrs. Mott & Pattee.
- Three Rivers, - - - Mr. Stubbs, Bookseller.
- Quebec, - - - Mr. William Lane.

UNITED IRISH AND SCOTTISH RELIEF FUND.

THE Joint Committee has named as Treasurers Messrs. J. G. MCKENZIE and THOMAS RYAN, who will receive Subscriptions, at their respective Offices, St. Joseph Street, and Gillespie's Buildings, Commissioners' Street; and Subscription Lists are likewise opened at all the Banks in the City.

UNITED IRISH & SCOTCH RELIEF FUND. NOTICE.

THE Public are hereby cautioned against paying Subscription, in aid of this Fund, to any Collector but those authorized by the Joint Committee to receive them.

EDMUND A. MEREDITH, Secretary to the Committee. February 19, 1847.

MONTREAL TELEGRAPH COMPANY.

Notice to Contractors.

TENDER FOR CONTRACTS will be received by this Company for POSTS, 26 feet long, by 5 inches in diameter at its smallest end.

Table with 2 columns: Location, Price. Includes items like 'Between Rigaud and Prescott 1360', 'Between Prescott and Cornwall 980'.

To be delivered on or before the 5th of April next, along the Queen's Highway in parcels of Ten Posts each, at distances of half a mile.

Tenders to be addressed to the Secretary of the Montreal Telegraph Company. None will be received later than the 10th proximo.

By order, FREDK. A. WILLSON, Hon. Secy. Montreal, Jan. 23, 1847.

NOTICE.

OFFICE OF THE ST. LAWRENCE & ATLANTIC RAIL-ROAD CO. Montreal, 24th January, 1847

THE Proprietors of Shares in the Capital Stock of the St. Lawrence and Atlantic Rail Road Company are hereby notified, and requested, to pay to the Treasurer, at the Company's Office, No. 18 Little St. James Street, in this city, the SECOND INSTALLMENT OF FOUR POUNDS SIXTEEN SHILLINGS Currency per Share, on or before the 4th day of February now next ensuing.

By order, THOMAS STEERS, Secretary & Treasurer.

ST. LAWRENCE AND ATLANTIC RAIL-ROAD. NOTICE.

THE STOCKHOLDERS of the St. Lawrence and Atlantic Rail-Road Company, having, at their Special General Meeting, held on the 2nd instant, unanimously resolved upon the immediate commencement of the Rail-Road, whereby the Subscriptions for Shares of Stock conditional upon that resolve (received subsequent to the 30th ultimo) have become absolute, the New Stockholders are requested to PAY the FIRST INSTALLMENT OF £4 16s. Currency per Share, to the Treasurer, at the Company's Office, No. 18, Little St. James Street

By order of the Board, THOMAS STEERS, Secretary. Office of the St. Lawrence and Atlantic Rail-Road Company, Montreal, 25th August, 1846.

FORWARDING NOTICE.

ON the OPENING of the NAVIGATION, next Spring, the Undersigned will charge the following RATES OF FREIGHT between Montreal and Kingston:—

Table with 2 columns: Item, Rate. Includes 'Fig Iron, Brick, Coal, Salted Fish, Pitch, Tar, and Rusin' at 1s. 0d. per cwt.

INSURANCE, extra. MACHPHERSON, CRANE & Co. HOOKER, HOLTON & Co. H. JONES & Co. December 11th, 1846.

NOTICE IS HEREBY GIVEN that application will be made by the COMPANY of PROPRIETORS of the CHAMPLAIN and ST. LAWRENCE RAILROAD, at the next Session of the Provincial Parliament, for an Act to amend and extend certain provisions of the Act 2 Wm. 4th, chapter 58, entitled, "An Act for making a Railroad from Lake Champlain to the River St. Lawrence" and particularly the provisions of the 4th Section of the said Act.

RAIL-ROAD OFFICE. Montreal, November 2, 1846

NOTICE.

WE the Undersigned hereby give notice, that application will be made by us, at the next meeting of the Legislature to obtain a CHARTER for the purpose of CONSTRUCTING A BRIDGE ACROSS THE ST. LAWRENCE, say from the South side of said River to a point on St. Paul's Island (the St. Paul) as 1 fathom said Island to the North bank with a right of way across the said Island, and from the North bank of the River to a convenient terminus on the Canal.

- H. STEPHENS, ANDREW SNAW, JAMES GILLOTT, HUGH ALLAN, WM EDMONSTONE, JASON C. PIERCE, MORSE HAYS, D DAVIDSON, JOSEPH MARRON, WILLIAM DOW, ROBERT MACLAY, JOHN LEEMING, WM. LINDSAY, Wm. LINDSAY, J. B. SMITH, H. JUDAH, J. FROTHINGHAM, H. LAROCQUE, JNO. YOUNG, B. HART, JOHN E. MILLS, JOSEPH BOURRET, L. H. HOLTON, A. M. DELISE, D. L. MACDUGALL, W. REMATINGER, BENJ. LYMAN, W. C. MEREDITH, R. CORSE, JOHN J. DAY, DAVID TORRANCE, GEO. ELDER, Junr. Montreal, September 14, 1846.

NOTICE.

THE Partnership heretofore existing between HARRISON STEPHENS, JOHN YOUNG and ROMEO H. STEPHENS, under the Firm of STEPHENS, YOUNG & CO., was this day DISSOLVED by Mutual consent.

All debts due to and by the said Firm, will be settled by JOHN YOUNG and BENJAMIN HOLMES.

HARRISON STEPHENS, JOHN YOUNG, ROMEO H. STEPHENS. Montreal, 31st August, 1846.

NOTICE.

THE BUSINESS hitherto carried on by Messrs. HARRISON STEPHENS, JOHN YOUNG, and ROMEO H. STEPHENS, will be CONTINUED by the Subscribers, under the Firm of STEPHENS, YOUNG & CO.

JOHN YOUNG, BENJAMIN HOLMES. Montreal, 31st August, 1846

NOW OPENING, AND FOR SALE

ONE Thousand Pieces ALPACA LUSTRES, 2500 Pieces 3-4 and 6-4 Plain and Twilled CASHMERE, 1500 Pieces Black and Colored ORLEANS, 500 Pieces GALA PLAIDS, 1000 Pieces WINTER BONNET REBON. ALISON & CO. August 28.

FOR SALE.

TEAS: Twankay, Young flyson, Gunpowder and Souching, in boxes, Molasses, Heavy, Martel's Cognac Brandy, Sicily Marada Wine, Rotted and Raw Linseed Oils, Olive Oil, English Glue, Plug Tobacco, Pimento, and Pepper. ALRO. Patent Sperm Candles, from the Manufacturer. STEPHENS, YOUNG & CO. 20th August, 1846.

"CANADA" WINDOW GLASS.

THE Subscriber is now prepared to supply Orders for all sizes and qualities of WINDOW GLASS, manufactured at the "Canada Glass Works," St. Johns, C. E., to the extent of 10,000 BOXES.

EDWIN ATWATER, 193, ST. PAUL STREET. May 2nd, 1846.

THE Subscribers have constantly on hand.— FLOUR, INDIAN MEAL, PORK, SALMON, CODFISH, BUTTER, CHEESE, LARD. A few Boxes Patent Hive HONEY, and a Choice Assortment of DRY GROCERIES, for the supply of Families.

D. P. JANES & CO. Corner of St. Paul & St. Gull Streets.

COMMISSION AGENCY.

THE undersigned beg to inform Purchasers in the QUEBEC MARKET that they are prepared to execute ORDERS for FISH, OIL, or WEST INDIA PRODUCE, at a Moderate Commission

ALPURT & GLASS. Quebec, 3rd Sept. 1846.

BIRMINGHAM AGENCY.

THE SUBSCRIBER, AGENT for SAML. A. GUDDARD & CO. is to be found in the Rooms of the FREE TRADE ASSOCIATION, No. 3, St. Sacrament Street. WILLIAM HEDGE. Montreal, 30th May, 1846.

GLOBE INSURANCE CO. OF LONDON

LIFE, FIRE, AND ANNUITIES.

CAPITAL, ONE MILLION STERLING. the whole paid up and invested, thereby affording to the Proprietors security against further calls, and to the Assured an immediate available fund for the payment of the most extensive losses, and therefore no person insured by THIS COMPANY is liable to be called upon to contribute towards the losses of others, as with Societies established on the principle of MUTUAL INSURANCE.

No Entrance Money or Admission Fees required from persons effecting Life Insurances. Officers in the Army or Navy are not charged with any additional Premium, unless called into active service. Policies for the whole term of Life will be purchased on Terms to be agreed on with the parties interested, should they be desirous of surrendering them to the Company.

The undersigned are authorized to insure Fire and Life Risks on very advantageous terms, and to settle Losses without referring them to England. Consulting Physician.—Dr. CRAWFORD, Montreal. RYAN, CHAPMAN & CO. Agents for Canada. 1st May, 1846. MONTREAL

JOHN LEEMING,

AUCTIONEER, BROKER, COMMISSION AND GENERAL AGENT St. Francis Xavier Street, Montreal.

C. J. DUNLOP,

BROKER IN PRODUCE, BILLS OF EXCHANGE, &c. No. 3, St. Sacrament Street.

"THE CANADIAN ECONOMIST,"

A Weekly Newspaper, DEVOTED TO THE INTERESTS OF COMMERCE. PRICE of Subscription, 10s. per Annum— payable in advance.

RATES OF ADVERTISING. Six lines and under, 2s. 6d. first insertion, and 7/2d. each subsequent insertion. Ten lines and under 3s. 9d. first insertion, and 1s. each subsequent insertion. Above ten lines 4d. per line first insertion, and 1d. per line each subsequent insertion. The usual discount is made where parties advertise by the year, or for a considerable time.

Office.—No. 3, St. SACRAMENT STREET, where all Communications are requested to be directed. Montreal, 16th May, 1846.

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