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PROCEEDINGS

AT THE

THIRD ANNUAL MEETING

OF THE

DOMINION BOARD OF TRADE

HELD AT OTTAWA,

ON 15th, 16th and 17th JANUARY, 1873.

MONTREAL:

GAZETTE PRINTING HOUSE, NEARLY OPPOSITE THE POST OFFICE.

1873.

OFFICE-BEARERS, DOMINION BOARD OF TRADE,
FOR 1873.

President:

HENRY FRY, Esq., QUEBEC.

Vice-President:

W. H. HOWLAND, Esq., TORONTO.

Executive Council.

ANDREW ROBERTSON, Esq., MONTREAL.

R. S. DEVEBER, Esq., ST. JOHN, N. B.

WILLIAM PENNOCK, Esq., OTTAWA.

WILLIAM HARTY, Esq., KINGSTON.

JOHN WALKER, Esq., LONDON.

ANDREW T. WOOD, Esq., HAMILTON.

CATHCART THOMSON, Esq., HALIFAX, N. S.

H. LABELLE, Esq., MONTREAL.

Treasurer:

C. H. GOULD, Esq., MONTREAL.

Secretary:

WM. J. PATTERSON, MONTREAL.

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PARLIAMENT BUILDINGS,

OTTAWA, Wednesday, 15th January, 1873.

The Representatives of the Dominion Board of Trade met at 10 o'clock A. M.

WM. MCGIVERIN, Esq., President, stated that a large number of members were present, but that the Toronto delegation and several others, would be present on arrival of the Noon train from the west. It would be a question for them to decide whether the Board should proceed to the regular business, or await the arrival of the Western Delegates. In the meantime he would request those present to hand their credentials to the Secretary, to enable him to make up the roll.

The list of Delegates was then read, in so far as it had been completed.

The PRESIDENT read a letter from Hon. Frederick Fraley, President of the National Board of Trade of the United States, introducing Hon. Richard Hawley, of Detroit, Mich., and also stating that other gentlemen of that Board would probably be in attendance.

HON. JOHN YOUNG, M. P., (Montreal), moved, seconded by Mr. HENRY FRY, (Quebec), and unanimously resolved :

"That all the privileges of this Board be accorded to Hon. Mr. Hawley, and to the other delegates who may hereafter be present from the United States."

THE PRESIDENT said:—I can scarcely find language to express how much we all appreciate the kindness of the National Board, and especially of its President, Mr. Fraley, who has devoted his time and his energies in an extraordinary degree, to the development of the resources of his own country, and who is a man of great and very liberal principles; while we also have in the person of the Hon. Mr. Hawley, a gentleman who, I am sure, is a good representative of the business men of the United States.

Mr. Hawley was then escorted by Messrs. Henry Fry, and M. P. Ryan, M.P., to a seat near the President.

The PRESIDENT further reported that he had much pleasure in announcing the presence of Delegates from the Halifax, N. S., Chamber of Commerce,—a Province which had hitherto been unrepresented in this organization.

At the suggestion of members of the Board, and on the request of the PRESIDENT, the SECRETARY read the following

REPORT OF THE EXECUTIVE COUNCIL.

At the close of their term of office, the Executive Council have much pleasure in laying before the Third Annual Meeting, a brief summary of proceedings since the meetings held here in January, 1872.

Immediately after the adjournment, copies of all the resolutions and recommendations adopted, were transmitted to each of the constituent organizations, and no time was lost in complying with the instructions of the Board, in that all the Petitions, Memorials, and Resolutions, ordered to be presented to His Excellency the Governor-General in Council, and to Parliament, were duly transmitted, and acknowledgements thereof received.

ADDRESS OF CONGRATULATION TO HER MAJESTY THE QUEEN.

Towards the close of last Annual Meeting, an address of congratulation to Her Majesty the Queen on the recovery of His Royal Highness the Prince of Wales, was adopted by acclamation, and Messrs. McGiverin, Young, Read, Cameron, Skead, and Morin, were appointed a deputation to wait upon His Excellency the Governor-General, and request him to forward it to Her Majesty. This was accordingly done. The following replies were subsequently received:—

[COPY.]

GOVERNOR-GENERAL'S OFFICE,
OTTAWA, *March 19th*, 1872.

SIR:

I am directed by His Excellency the Governor-General, to transmit to you the enclosed copy of a despatch from the Secretary of State for the Colonies, in reply to the address to the Queen from the Board of Trade of the Dominion of Canada.

I have the honor to be,

Sir,

Your most obedient humble servant,

(Signed) F. TURVILLE.
Governor's Secretary.

THE PRESIDENT,
DOMINION BOARD OF TRADE,
&c., &c., &c.

[COPY.]

*The Secretary of State for the Colonies
To the Governor-General—*

DOWNING STREET, *29th February*, 1872.

[Canada, No. 41.]

MY LORD:

I have the honor to acknowledge the receipt of your Despatch No. 24 of the 7th inst., enclosing an address to the Queen, from the Board of Trade of the Dominion of Canada, congratulating Her Majesty on the recovery of H. R. H. the Prince of Wales.

I am commanded to instruct you to convey to the President and Members of the Board, the Queen's thanks for their kind expression of sympathy, and to assure them that Her Majesty warmly appreciates the spirit of loyalty and of attachment to the Person and Family of the Sovereign, which is displayed in their address.

I have, &c.,

GOVERNOR-GENERAL,
THE RT. HONBLE. LORD LISGAR,
G.C.B., G.C.M.G., &c., &c.

(Signed) KIMBERLEY.

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CIRCULATION OF ANNUAL REPORT.

Following the plan usually carried out after each Annual Meeting, the Secretary of the Board published a full report of the proceedings of the various sessions, extending over four days,—and a sufficient number of copies were sent to each Board or Chamber represented on the occasion, to admit of one being given to each member of the respective organizations. Copies were also transmitted by mail to every commercial body in the United Kingdom the address of which could be obtained; also to each of the Boards and Chambers in the United States. The Council feel justified in repeating the hope expressed in the report of their predecessors, that the document will be preserved by members, as to all intents and purposes (in addition to the Secretary's Minutes) the official record of the Board.

CONFERENCES WITH U. S. NATIONAL BOARD OF TRADE.

A resolution was adopted at last Annual Meeting, suggesting the desirability of sending representatives to a conference with the Executive Council of the U. S. National Board of Trade at Washington, D. C., in the month of February. While disapproving of the scheme of a Zollverein, as proposed by the U. S. Board at St. Louis in December, 1871, this Board expressed a willingness to consider the question of entering into commercial relations with the neighboring Republic, on a more favorable and acceptable basis. This important subject was considered by your Council before separating on the last day of the Annual Meeting, when they determined that the President should communicate with the President of the U. S. Board, acquainting him that a delegation would willingly proceed to Washington, on receiving the assurance that some more equitable plan than that of a Zollverein would be submitted for consideration. A brief correspondence ensued, but owing to the severe indisposition of the President, and others of the Ontario members, it was deemed inexpedient to have anything short of a *full* representation at the American Capital.

In October last, the Executive Council received a communication from the Council of the U. S. National Board, inviting them to be present at the Fifth Annual Meeting of that body, to be held in the city of New York on 15th and following days of that month. The lateness of the invitation did not admit of a preliminary meeting of your Council being held in Canada; the members were therefore requested to assemble in New York, on Monday, 14th October, for conference on questions likely to come up for their consideration. At the appointed time there were present:—Hon. John Young, M.P., and L. E. Morin, Esq., (Montreal), the former acting as alternate for Thomas Rimmer, Esq.; T. H. Grant, Esq., (Quebec), as alternate for Henry Fry, Esq., and the Assistant-Secretary, (Mr. Wm. J. B. Patterson). Subsequently the President, Wm. McGiverin, Esq., and A. T. Wood Esq., of Hamilton, arrived, the latter acting as alternate for James Watson, Esq. The meeting resolved itself into one of a conversational character, touching the questions of transportation of merchandize from the West to the sea-board through Canada, by its various channels of water and rail transport, and also as to best means of bringing about more intimate and reciprocal trade relations with the United States.

An exceedingly cordial welcome was extended to your representatives, and a committee was appointed by the U. S. Board to confer with them, consisting of S. L. Taylor, Esq., Cincinnati, O., Convener; R. Hawley, Esq., Detroit, Mich.; C. B. Fisk, Esq., St. Louis, Mo.; N. K. Fairbanks, Esq., Chicago, Ill.; J. P. Wetherill, Esq., Philadelphia, Pa.; J. W. Candler, Esq., Boston, Mass.; W. S. Young, Esq., Baltimore, Md.

RESOLUTION IN FAVOR OF RECIPROCAL TRADE.

As the result of the conference, the National Board discussed and finally adopted by a very large majority the following preamble and resolution:—

"Whereas it has been represented to us by the Delegates from the Board of Trade of the Dominion of Canada, that, in their opinion, the people and government of Canada would cheerfully assent to a reciprocal Treaty of trade that would be mutually advantageous to their country and our own, by the free interchange of necessary commodities, and the cheapening of the transportation of grain, and other exports to the sea-board; and

"Whereas, it is the duty of the National Board of Trade to exert its legitimate influence in promoting all measures calculated to increase the trade of the country, and its industrial and commercial prosperity; therefore be it

"Resolved: That the Executive Council be instructed to memorialize Congress to make an appropriation for the appointment of a Commission to act in conjunction with the State Department, in negotiating a treaty with Great Britain for reciprocal trade with the Dominion of Canada, on a broad, comprehensive, and liberal basis, which shall also include the enlargement of the Canadian Canals by the Government of Canada, and the right of American vessels to navigate the said Canals under the same conditions as are imposed upon Canadian vessels."

As might be expected, diversity of opinion was expressed by members of the National Board in discussing the question of trade with the Dominion. Your Delegates, however, only participated in so far as was necessary for explanation.

An Amendment to the above Resolution had been proposed as follows:—"To insert after the word 'basis,' the words, 'based upon absolute free trade in the products and manufactures of each country, and the use of the means of transportation in either country by the citizens of the other, on the same terms as to the citizens of the country where the means of transport are situated.'"

VIEWS OF CANADIAN REPRESENTATIVES.

In consequence of remarks which fell from speakers during the discussion, members of the Canadian Delegation endeavored to remove seeming misconceptions, by stating that they were not present on that occasion for the purpose of soliciting the re-establishment of the Reciprocity Treaty,—but were simply there on the invitation of the Council of the National Board, to confer upon the question in the interest of both countries. Although they regarded a fair treaty as a matter of great importance to Canada, they wished it to be distinctly understood that the prosperity of the Dominion did not depend upon it. It was not the fault of Canada that the Treaty had been abrogated; the people of the Dominion regarded it as being in the interests of the United States as well as of Canada. They still had the same opinion, and were quite willing to sit down and discuss the whole question with their American friends; they believed that the interchange of sentiments between the merchants of the two countries, must be advantageous in promoting a better understanding. As to the amendment proposed, nothing could be more positively calculated to defeat Reciprocity than its adoption. It should not be forgotten that Canada was a Colony of Great Britain, and that differential duties in favor of the United States were impossible. It had been suggested that a number of articles of manufacture might be included; that was quite possible; but the preamble and resolution, as reported from the Committee, covered the whole ground, leaving the details to the Commission.

Before leaving New York, your representatives, through their President, extended an invitation to the Council of the U. S. Board, to attend the present (Third) Annual Meeting of this Board,—while the same was subsequently done by official letters from the President and Secretary.

PROPOSED ACTION OF THE DOMINION BOARD OF TRADE.

Reciprocating the cordiality of the President, Council, and Members, of the U. S. National Board, as so agreeably exemplified in personal intercourse, and as officially expressed in the foregoing Preamble and Resolution, your Council have inscribed a

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resolution for your consideration and adoption. Without discussing any of the disputed points which have arisen in connection with the Washington Treaty, and especially with reference to the Canadian clauses of it, it may be remarked that the relations between Great Britain and the United States have been relieved from the pressure of questions which were not calculated to promote friendliness of feeling or action;—subjects relating to commercial intercourse between the two countries, can now be considered without embarrassment;—and the action of this Board in the past, is a guarantee that the question, as it now presents itself, will be discussed frankly and intelligently. If, happily, any mutual arrangement can hereafter be agreed upon, whereby the commercial relations between Canada and the United States may be enlarged, it will be found that, while the Dominion is not the sole gainer, the United States is not the sole contributor of valuable conditions to the agreement. This much may be safely affirmed: whatever be the result, the conferences which have taken place have tended very greatly to remove misconceptions, and to promote cordiality of feeling and effort between the members of the two leading commercial organizations.

IMPORTANT SUBJECTS INSCRIBED ON OFFICIAL PROGRAMME.

As affording evidence of the importance of this Third Annual Meeting, the Executive Council refer to the various subjects in the Official Programme. In a few instances, where precisely similar notices were forwarded to the Secretary from different bodies, only one has been inserted,—and in some cases where a notice was not sufficiently explicit, it has been omitted, or returned for correction to the Board whence it emanated. It is believed, however, that notwithstanding the late date at which several subjects were received, all questions for discussion are comprehended in the Programme as now submitted,—the Secretary having grouped them for facility of reference. Besides the question of Trade Relations with the United States, the general topics announced for consideration include,—Revision of Customs and Excise Duties,—Public Works and Internal Commerce,—Maritime Commerce,—Insolvency Law,—Banking, &c., &c. The time that can be allotted for discussing each of these important questions must necessarily be restricted; the experience of preceding annual meetings, however, warrants the Council in looking forward to a conciseness of debate, which will not only economize the valuable time of the Board, but give clearness and force to the discussions.

This hint is all the more necessary, that the subjects to be considered are not only numerous, but of pressing importance,—demanding the serious attention of the representatives. Without presuming to attach too much importance to the meetings and discussions of this Board, your Council believe they may fairly say, that these annual assemblages are looked forward to with interest by all classes, and that the local and general Governments are not unobservant of what is said and done during the sessions,—for this organization has unquestionably supplied a lack in Canada, viz.: an efficient medium through which, to a large extent, the requirements of Commerce, Agriculture, and Manufactures, can be expressed to the Government and the country. Thus far, its attention has been carefully limited to practical questions, and its subsequent usefulness will depend entirely upon this course being continued in the future. The scope of this Board's operations is, as thus limited, amply prolific of subjects for consideration and elucidation.

PUBLIC WORKS—CANAL IMPROVEMENTS—RAILWAYS.

The great Public Works of the Dominion have heretofore been under consideration,—and the Dominion Board of Trade has given no uncertain sound on the subject of Canal extension,—while that most important section of it, the enlargement of the Welland Canal, your Council are happy to say, has at length been commenced. This

work is the key to the situation, as regards the question of transportation between the Great West and the sea-board,—and the Government will, without doubt, carry forward to completion this important part of their policy. Your Council, however, recommend that expression be again given to the views of this Board on the subject,—one of vital importance to the internal commerce of the Dominion,—by resolution, memorial, or deputation, earnestly pressing upon Government to see that every energy be employed to secure a speedy completion of the contemplated improvements and new works.

Now that the Dominion extends from the Atlantic Ocean to the Pacific, (including the immense North-Western Territory,—all destined, perhaps within a lifetime, to be organized into Provinces,) the necessity is imperatively urgent, that communication between the older Provinces and the interior be opened up, to facilitate mail communication, and afford convenience of ingress to the population that may be incited to come and occupy the vacant lands. The railway system of the Dominion is expanding, and stretching Westward,—Provincial Governments are making liberal money and land grants,—while Municipalities, especially in Ontario, are promptly subscribing to promote the various schemes. All this indicates a general earnestness and determination that should also lead to an expression, on the part of this Board, in favor of a policy which, along with the magnificent internal water communication of the Dominion, will lay open the interior to settlement and commerce.

CANADIAN PACIFIC RAILWAY.

At the time when this Report was submitted for the consideration and approval of your Council, nothing reliable was known respecting the progress of arrangements for building the Canadian Pacific Railway. The only definite information yet published as to the route, is that given by Sanford Fleming, Esq., Engineer-in-Chief of the road, in his "Progress Report on the Canadian Pacific Railway Exploratory Survey," addressed to the Honorable the Minister of Public Works for the Dominion, under date 10th April, 1872. Mr. Fleming says:

Assuming that certain difficulties experienced in the rear of the rugged belt along Lake Superior will be obviated, "it may be claimed that the practicability and the "general direction of the Railway Line from Ottawa to Fort Garry, thence across the "great Plains and the Rocky Mountains to Tête Jaune Cache has approximately "been determined, and that from the last named point at least one line to the waters of "the Pacific Ocean has been found practicable."

He further says:—"The Union Pacific Railway (embracing "the Central Pacific "Railway"), extending from Omaha to San Francisco, runs, for 1,300 miles or three-fourths of its entire length, at a higher level than the Yellow Head Pass, and that this "point, the *great summit* of the Canadian Pacific Railway line, is less than half the "elevation attained at several points on the line now being operated across the "Continent."

Mr. Fleming gives a table of distances, in connection with which he makes statements as to length of route from Montreal and Toronto to principal points in the North-west, and to the Pacific, *via* Sault Ste. Marie, Duluth and Pembina, also *via* Chicago and St. Paul, as compared with the route of the Canadian Pacific Railway, showing the distances to be greatly in favor of the latter road.

MEETING OF "ASSOCIATED CHAMBERS OF COMMERCE OF THE UNITED KINGDOM."—INFORMATION ABOUT CANADA REQUIRED.

Your Secretary (Mr. Patterson), having last summer intimated his intention to visit Great Britain, the President authorized him, if convenient, to attend the Special Meeting of the "Associated Chambers of Commerce of the United Kingdom," usually held in the Autumn. On returning home, he reported that the Meeting had been held at Southampton, on 24th and 25th September,—that as representing the Dominion Board of Trade he had been most cordially received and welcomed by the President, S. S.

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Lloyd, Esq. and by the Members generally,—and that, at a Banquet given to the Delegates by Geo. Dunlop, Esq., President of the Southampton Chamber of Commerce, he had an opportunity of speaking on behalf of Canada, and communicating information as to the extent, resources, commerce, &c., of the Dominion. It is understood that the results of the Secretary's investigations respecting Statistics, Emigration, Agricultural Education, &c., will be communicated to the Honorable the Minister of Agriculture for the Dominion. The Secretary states that there is a very great amount of misconception and ignorance prevailing in the United Kingdom, as well as upon the Continent of Europe, relative to Canada and its capabilities for settlement; and upon this point he is of opinion, that Canadians themselves are very greatly to blame for not making proper exertions to remove the misconception, and dispel the ignorance. The people of all ranks in the United Kingdom are willing to be enlightened; your Council therefore recommend that some action be taken on the subject, and that their successors in office communicate with the Boards and Chambers in Great Britain. A concise exposition of the varied resources of Canada, particularizing the great public works to be immediately entered upon, as inducements to the working classes,—brought to the special notice of these bodies, would go far to counteract the misconception. It can hardly be doubted, that any policy, which will promote the increase of population by the immigration of the industrial classes, as well as men of skill and capital, will also tend to enlarge the commerce and promote the general prosperity of the Dominion. But further: While the great mineral wealth of the Dominion, and its other resources and natural advantages, are well enough appreciated, at least in the northern part of the United States, there are portions of the Republic where Canada is only known or spoken of as an immense forest, whence may be drawn limitless supplies of Pine lumber; any action you may resolve upon regarding information about the Dominion, ought to be of a sufficiently general character, to meet the necessity which is believed to exist on this as well as the other side of the Atlantic, for showing that, as a people, Canadians have a great destiny before them.

NEW ORGANIZATIONS BECOMING AFFILIATED.

Your Council have pleasure in noticing from the Secretary's correspondence, that there is a prospect of a number of new organizations being affiliated with the Dominion Board of Trade. The object of the Board is to have at its meetings, annual and special, representatives from every Province in the Dominion,—and they look forward to a time not far off, when the annual gatherings of the Board will furnish an exposition of the commercial views of the entire business community.

ADDRESS OF WELCOME TO THE GOVERNOR-GENERAL.

In addition to the usual Standing Committees on Finance and By-Laws, your Council suggest the appointment of a Committee on Resolutions, whose duty will be to report from time to time during the sessions of the Board, respecting business not entered upon the programme. Also, that a Special Committee be appointed to prepare and present an Address of Welcome to His Excellency Earl Dufferin, Governor-General.

TREASURER'S STATEMENT.

The Treasurer, C. H. Gould, Esq., has submitted a statement of Accounts for the past year, by which it appears that a balance of \$14.21 is due to him,—there being besides unliquidated obligations to the extent of about \$300. It is hoped that the increase of revenue during 1873, arising from the affiliation of additional organizations, will admit of this small debt being extinguished before the end of the year.

[Signed,]

WM. MCGIVERIN,

OTTAWA, 15th January, 1873.

President.

OFFICIAL PROGRAMME of Recommendations and Resolutions to be presented at the Third Annual Meeting of the Dominion Board of Trade, to be held in Ottawa, on Wednesday, 15th January, 1873, and following days.

Notices of Subjects for consideration were given as follows, at the Second Annual Meeting held in January, 1872.

Subjects.	Board or Chamber Proposing.	Recommendations and Resolutions.
I. REVISION OF SOURCES OF REVENUE.	TORONTO, ONT.	<p>That this Board, having fully considered the mode by which the Revenue of this country is levied, believes that the time has come when a revision of the sources of our revenue should be considered: this Board earnestly recommends to the Government and the various branches of the Legislature, that such modifications be made of the duties on articles that enter into the daily food and clothing consumption of the people, as will reduce the cost of living to our laboring manufacturing population, and on the raw material of manufacturing, thereby encouraging and protecting our native industries; and that a revenue of at least one mill on the dollar be levied on the improved estates of the country, in consideration of their protection and increase in value; also that a small tax be levied on the sawn lumber exported to the United States, such being derived from our perishable virgin forests, and also that an increased excise duty be levied on proof spirits and tobacco.</p>
II. REVISION OF TARIFF.	ST. HYACINTHE, QUE.	<p>That the principle of moderate incidental protection to home manufactures is a sound one, being in its operation calculated to meet revenue requirements, while stimulating industry generally and furnishing diversity of employment to the people, and is especially adapted to the circumstances of a new country like Canada:</p> <p>That the Customs tariff of the year 1859 was, in a general way, well adapted to the country's circumstances, and that it is for the public interest that the 20 per cent. list of that tariff be restored, with other alterations calculated to promote such manufactures as can be beneficially carried on in Canada:</p> <p>That it is desirable to balance the increase of duties on manufactured goods by reducing largely the duties on tea, coffee, sugar, spices, and such like natural products of tropical or distant countries, which do not come into competition with any productions of our own, and which are every day necessities of life to our whole people.</p>
III. A PROTECTIVE TARIFF.	ST. JOHNS, QUE.	<p>1st. Free Trade is possible and profitable, only when a nation is <i>above competition</i>, as Holland was in the 17th century, and as Britain is to-day:</p> <p>2nd. Where competition is <i>restrictive</i> or even ruinous, as in the case of Canada <i>vs.</i> the United States, — <i>Protection</i> is a necessity:</p> <p>3rd. We do not ask a <i>Revenue Tariff</i> for Canada, to pay our debts, which are almost <i>nil</i>. The United States and France need a revenue tariff to pay their debts. All we want is a <i>protective tariff</i> to protect our manufacturing, commercial and industrial arts:</p> <p>4th. A Zollverein, or Customs union, with the United States, is, under present circumstances, impossible, on political and financial considerations:—</p> <p>(a). <i>Political</i>—because it would practically lead to the absorption of Canada by the United States.</p> <p>(b). <i>Financial</i>—because the taxes and other monetary burdens of the United States would have to be borne by the lightest-taxed people on earth. A Zollverein would require a compromise, or some abatement of burdens of the United States; these the United States will not hear of. Therefore—</p> <p>5th. Canada must then have a protective tariff of her own, not discriminative or retaliatory, but simply <i>protective</i> of her manufactures and commerce:</p> <p>6th. That tariff should be set down for a term of years, —not changed annually,—except for grave and urgent reasons:</p> <p>7th. This great principle of political economy should ever be borne in mind:—<i>that no nation can be said to prosper whose imports exceed her exports.</i></p>

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Notices of Subjects received in reply to Circular [No. 14] of 21st November, 1872.

I.—Reciprocal Trade Relations.

Subjects.	Board or Chamber Proposing.	Recommendations and Resolutions.
IV. RECIPROCAL COMMERCIAL RELATIONS.	EXECUTIVE COUNCIL.	That it is the duty of the Dominion Board of Trade to exert its influence in favor of all measures calculated to promote the industrial and commercial prosperity of Canada;—and that a Memorial be presented to His Excellency the Governor General in Council, in favor of a Treaty for Reciprocal Trade with the United States, upon a broad, comprehensive, and liberal basis.
V. NAVIGATION OF AMERICAN CANALS, &c.	QUEBEC, QUE.	The desirability of securing the same privilege for Canadian barges on American rivers and canals, as is given to American barges on Canadian rivers and canals.

II.—Revision of Customs and Excise Duties.

VI. TARIFF DUTIES.	KINGSTON, ONT.	That, in the opinion of this Board, the present Tariff of Fifteen (15) per cent. duty is as high a rate as ought to be imposed by the Government;—that rate being considered sufficient for Protection, as well as Revenue purposes.
VII. PETROLEUM OIL.	PETROLIA, ONT.	That the question of Excise and Customs Duties upon Petroleum Oil be considered;—also, the Duties upon articles used in its production and manufacture;— That in the event of this Board recommending Reciprocity with the United States in any articles, that Petroleum Oil be included in the list.
VIII. THE TARIFF.	ST. JOHNS, QUE.	That the present tariff be so modified, as to produce a revenue sufficient to meet the requirements of the Public Service, and at the same time afford a fair and reasonable protection to home industry, without crippling our external commerce. That until such time as the Government of the United States may be disposed to agree to a fair measure of reciprocity, a duty equal to that imposed on our produce entering the United States be imposed on all similar produce of the United States on entering our ports, allowing every possible facility for importing, manufacturing, and exporting in bond.
IX. EXCISE DUTIES.	ST. JOHNS, QUE.	That the excise duty on Coal Oil be repealed.

III.—Questions relating to Public Works.

X. CANAL ENLARGEMENT.	TORONTO, ONT.	That this Board again consider the question of Enlargement of the Canals of the Dominion.
XI. HARBOR IMPROVEMENT.	KINGSTON, ONT.	That the deepening and protecting of the Kingston Harbor shall be considered part of the general plan for improving the highway from the West to the Ocean.
XII. RIVER RICHELIEU.	ST. JOHNS, QUE.	That as the tonnage employed in the trade with the United States by the Richelieu River is now nearly 300,000 tons each way annually, it is very important that the contemplated enlargement of the Chambly Canal, and improvement of the navigation of the River Richelieu, be carried into effect as early a period as possible.
XIII. RIVER RICHELIEU.	SOREL, QUE.	Necessity for improving the navigation of the River Richelieu below Chambly, and raising the St. Ours Dam.

IV.—Questions relating to Internal Commerce.

XIV. CARRYING TRADE.	QUEBEC, QUE.	That the subject of the Carrying Trade between the Far West and the Sea-Board, be considered by this Board;—also the best mode of cheapening Transportation via the River St. Lawrence.
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IV.—Questions relating to Internal Commerce.—Continued.

<i>Subjects.</i>	<i>Board or Chamber Proposing.</i>	<i>Recommendations and Resolutions.</i>
XV. CANADA PACIFIC RAILWAY.	MONTREAL, QUE.	That this Board consider the question of Route of the Canada Pacific Railway, as it may affect the Internal Commerce of the Dominion, &c.
XVI. COMMON CARRIERS.	TORONTO, ONT.	That, in the opinion of this Board, a law should be enacted to compel Common Carriers to grant receipts for goods, definitely, and not "more or less" as at present; and making them responsible for full delivery at destination, according to original Bill of Lading.

V.—Notices relating to Maritime Commerce.

XVII. PILOTS AND PILOTAGE.	QUEBEC, QUE.	That this Board deeply regrets that the Government has, as yet, taken no measures towards an amelioration of the system of Pilotage now prevailing in the Lower St. Lawrence, a system which this Board has at previous Annual Meetings declared to be "based upon unsound principles, and leads to serious evils." That this Board is of opinion, that, with a view to encouraging the direct trade with the West Indies and with Newfoundland, it is highly desirable that the exemptions from compulsory Pilotage should be extended to steamships engaged in these trades, and to all vessels not exceeding three hundred (300) tons register, and earnestly calls upon the Government so to amend the law during the coming session of Parliament.
XVIII. REGISTRATION OF VESSELS.	KINGSTON, ONT.	That the propriety of having one Act only for the proper registration of vessels in the inland waters of Canada, be considered.
XIX. LOADING VESSELS.	QUEBEC, QUE.	To consider the propriety of prohibiting by Statute the carrying of Deck-loads after a certain date;—also, the strict prohibition of loading vessels deeper than is considered advisable by the Port Wardens of Quebec and Montreal.
XX. SEAMEN.	QUEBEC, QUE.	To consider what means should be adopted to prevent the desertion of Seamen, and what stricter measures should be enforced for the shipping of Seamen through the proper office.
XXI. AVERAGE ADJUSTERS.	MONTREAL, QUE.	That it is desirable that the Boards of Trade of St. John, N. B., Halifax, N. S., Quebec and Montreal, Que., Toronto and Hamilton, Ont., be empowered by Parliament to appoint Average Adjusters for these ports.
XXII. ADMIRALTY COURT.	MONTREAL, QUE.	That the large and increasing Shipping Trade renders it necessary than an Admiralty Court be established in the City of Montreal;—or, that admiralty jurisdiction be extended to the.....Court.

VI.—Banking—Stamps—Insurance, &c.

XXIII. BANK ACT.	KINGSTON, ONT.	That the existing Act, by which Banking and Currency are regulated, be considered, with a view to its amendment.
XXIV. STAMP ACT.	TORONTO, ONT.	To consider the Bill and Note Stamp Act.
XXV. BILL-STAMPS.	ST. JOHNS, QUE.	That the Duty on Bill-Stamps be repealed.
XXVI. INSURANCE POLICIES.	TORONTO, ONT.	That this Board consider the propriety of Legislative action to require entire conformity in conditions of all Policies of Insurance.
XXVII. MERCANTILE AGENCIES.	QUEBEC, QUE.	An inquiry as to the operations of Mercantile Agencies, —and as to the desirability of causing the several Companies in the Dominion to give security, as is now done by Life and Fire Insurance Companies.

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VII.—*Insolvency Law.*

<i>Subjects.</i>	<i>Board or Chamber Proposing.</i>	<i>Recommendations and Resolutions.</i>
XXVIII. INSOLVENT ACT.	MONTREAL, QUE.	That the question of amending and continuing the Insolvent Act of 1869 be considered by the Dominion Board of Trade.
XXIX. INSOLVENCY.	TORONTO, ONT.	That this Board discuss the Insolvent Debtor's Act.
XXX. INSOLVENT ACT.	ST. JOHNS, QUE.	The renewal of the Insolvent Act of 1869, with such amendments as may be likely to improve its practical operation, without affecting the principle of the Law.

VIII.—*Unclassed Subjects.*

XXXI. GENERAL INSPECTION LAW.	QUEBEC, QUE.	That this Board urge upon Government the necessity for the speedy enactment by Parliament of a general Inspection Law;—and recommend that the Inspection of Butter, Fish and Fish-Oils of all kinds, Petroleum, Leather and Hides, Ashes, and Provisions, including Pork and Beef, should be compulsory, but that the inspection of Flour, Meal, Lard, Cheese, and Grain of all kinds, should not be compulsory.
XXXII. POSTAL DELIVERY.	TORONTO, ONT.	That the Dominion Government be again petitioned in favor of postal delivery in cities and towns, without additional charge to the requisite postage upon letters, newspapers, &c.
XXXIII. SUITS AGAINST GOVERNMENT.	ST. JOHN, N. B.	Necessity for the appointment by Government of parties to defend suits brought against Government with respect to claims against Public Works.
XXXIV. MUNICIPAL ASSESSMENT.	TORONTO, ONT.	That the basis of municipal assessment in towns and cities be considered.
XXXV. PREVENTION OF FIRES.	TORONTO, ONT.	That it is necessary to procure the enactment of a General Law for the prevention of Fires in towns, cities and forests.
XXXVI. OFFICIAL GAZETTES.	ST. JOHNS, QUE.	A resolution objecting to the exclusive privilege accorded to the Official Gazette, in the insertion therein alone of advertisements of Land Sales and other matters of special local interest, and that in future such advertisements be also published in the local newspapers issued in or nearest to the localities where such property is situated.
XXXVII. WEATHER REPORTS.	ST. JOHN, N. B.	The necessity which exists for a more extensive system of Weather Reports.

[Signed]

WM. J. PATTERSON,

Secretary Dominion Board of Trade.

MONTREAL, 9th January, 1873.

On motion of Mr. JOHN CARRUTHERS (Kingston), seconded by Mr. HENRY FRY (Quebec), the meeting was adjourned until 2 o'clock P. M.

AFTERNOON SESSION.

WEDNESDAY, 15th January, 2 o'clock, P. M.

WM. MCGIVERIN, Esq., President of the Board, took the chair, and having reminded the Delegates that all credentials should be handed to the Secretary, called upon that officer to read a list of the Boards, and their representatives, from whom credentials had been received, and which indicated 22 Boards to be represented by 54 Delegates, the aggregate number of members so represented being 2,104, against 15 Boards and 41 Delegates representing 1578 members, at Second Annual Meeting.

LIST OF BOARDS AND DELEGATES.

PLACE.	ORGANIZATION.	No. OF MEMBERS.	NAMES OF DELEGATES.
Belleville, Ont...	Board of Trade.....	15	Hon. Robert Read.
Brantford, Ont...	Do	40	{ George H. Wilkes. W. J. Imlach.
Chatham, Ont...	Do	80	{ John Ash. Rufus Stephenson, M. P.
Halifax, N. S....	Chamber of Commerce....	200	{ Cathcart Thomson. Jno. T. Wyde. Wm. McGiverin.
Hamilton, Ont...	Board of Trade.....	150	{ S. E. Gregory. A. T. Wood. James Watson.
Kingston, Ont....	Do	101	{ Jno. Carruthers. W. B. Simpson. William Harty.
Levis, Que.....	Do	38	{ J. H. Simmons. John Walker.
London, Ont.....	Do	72	{ Thos. Thompson. Hugh McLennan. Hon. John Young.
Montreal, Que....	Do	253	{ John Kerry. Andrew Robertson. L. E. Morin. M. P. Ryan, M. P.
Do	Corn Exchange Association.	277	{ W. W. Ogilvie. Thos. White, Jr. Robert Spratt. Hospice Labelle. Ed. McGillivray.
Ottawa, Ont.....	Board of Trade.....	150	{ Hon. James Skead. F. Clemow. Wm. Pennock.
Petrolia, Ont....	Do	46	{ E. D. Kirby. H. Cooley. R. R. Dobell.
Quebec, Que.....	Do	171	{ Henry Fry. A. Fraser. John Roche.

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List of Boards and Delegates.—Continued.

PLACE.	ORGANIZATION.	NO. OF MEMBERS.	NAMES OF DELEGATES.
St. Hyacinthe, Que.	Board of Trade.....	45	{ Antoine Maynard. Louis Coté.
St. Johns, Que ...	Do	42	{ Chas. Langelier. Jas. McPherson. Hon. T. R. Jones.
St. John, N. B....	Do	92	{ Jas. A. Harding. R. S. DeVeber. R. S. Chalmers.
Sarnia, Ont.....	Do	60	{ W. J. Keays. G. H. Bramley.
Sorel, Que.....	Do	44	T. M. Daley.
Stratford, Ont....	Do	19	James McDougall.
Three Rivers, Que.	Do	37	{ Robert Wilkes, M. P. W. H. Howland. John Morison. Thos. Lee.
Toronto, Ont.....	Do	150	James Dougall.
Windsor, Ont....	Do	22	

The PRESIDENT then addressed the Board as follows: Before you proceed to the adoption of the report and the election of office-bearers, I have to resign into your hands the very important position to which you elected me, and which I feel is one of the highest in the country. Representing, as I have done for the past year, such a very influential and intelligent body of men, who represent the largest commercial wealth and enterprise of the Dominion of Canada, I think that the position, object and aim of this institution—the Dominion Board of Trade—cannot be overrated; and I am much pleased to see evidences of the appreciation in which it is held, in the very largely increased attendance on the present occasion. There are twenty-two Boards represented here, and fifty-four delegates. When we consider that this is only the third Annual Meeting, and reflect on the difficulties that necessarily attend the creation and fostering of an interest therein on the part of the people, we have reason to congratulate ourselves upon its extraordinary success.

Having taken a deep interest in the affairs of this Dominion Board of Trade, believing that it must necessarily increase in numbers and importance, I am satisfied that it will have an influence upon the legislation of this country, not with a view of dictating to Government the measures it should pass, but of laying before it the wishes of the mercantile community, who, though not able to devote their time to legislation and enter Parliament, could materially assist and advise the Government and Parliament in reference to commercial legislation. I believe this to be the object and aim of this institution, and that it is so considered and appreciated by the people, as well as by the Government of the country. I am much pleased to see the Government represented here to-day; we have reason to thank the members of the ministry for their courtesy and kindness to us at all our previous meetings, as well as for their presence at these sessions.

In regard to the future, I would suggest for your consideration, that we should make an application to Parliament for a general law incorporating Boards of Trade throughout the country. There is no question that a measure of this nature would properly relieve Boards from the expenditure of some hundreds of dollars, in obtaining private Acts of incorporation. Another subject to which I wish to call your attention is, that our Dominion Board of Trade has not a corporate existence. It was thought expedient at the time of its establishment, by its early promoters, to defer application for an act of incorporation until it could be seen what success might attend it, and that in due time the application might be made. I would merely suggest, that in the coming session the Dominion Board should apply for a Charter. Since we last met, a delegation from the Council of this Board has visited New York, where they were received in the most courteous manner by the President and members of the National Board of Trade of the United States. Your delegates were much pleased and gratified to observe the extraordinary change of sentiment and feeling expressed at that meeting, in regard to improved commercial relations between the United States and this country; and, as you have no doubt observed, an almost unanimous resolution in favor of reciprocal trade between the two countries, upon an equitable and just basis, was passed, and will be maintained and advocated by the National Board. I believe that I am expressing the sentiment of nearly all classes of the people of this country, when I speak in favor of extending our trade relations with the United States. Whilst we, as Canadians, entertain and hold to our political principles, whilst we have our own views—which I believe we desire to continue—and our own political status, still we have no fear of entering into competition with the people of the United States in regard to trade. I am sure this is the unanimous feeling. Although there may be, around this Board, differences of opinion in respect to Protection on the one hand, and Free Trade on the other, yet upon the question of establishing, on a fair basis, trade relations with our republican neighbours, I think we are absolutely a unit. There are many points in regard to reciprocal trade worthy of our attention, and I would merely refer to one or two of these. The first has reference to the difficulty of navigating the Western Lakes. Since the recent American war, for some reason or other, the shipping trade of this country has been seriously obstructed by vessels being compelled, under all circumstances, to stop at Duncan City, in the Straits of Macinac, which is a very serious difficulty, and one of which this Board of Trade should certainly take notice, and endeavor to have speedily removed. The revision of the Tariff, and the Navigation Laws, will, I have no doubt, occupy your serious attention at this meeting, in both of which changes are probably desirable.

There is another point which has been suggested, and to which I may refer. It is thought that instead of meeting on Wednesday, as has been hitherto done, it would be better to meet on Tuesday, in order to afford more time to enable the Board to despatch its business. I make the suggestion for your consideration, as I think it could be

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carried out with very little difficulty. I have much pleasure in bringing before you the exertions of our worthy Secretary, Mr. Patterson, during his visit to England. I said to him, in the interests of Canada and of the Dominion Board of Trade, that he should bring himself into contact with the Chambers of Commerce, and with the business men of England; and the statements he may be able to make will no doubt deserve the consideration of this Board and the Government. I only regret that we have not more men of his stamp in Great Britain to represent the true position of the great and important resources of Canada. When we consider the great and rapid progress made in material wealth, the increase in population, and the extension of railways throughout the country,—when we consider how this country now extends from the Atlantic to the Pacific, giving to us an immense territory, as a people we have reason to feel proud. We have here, for the first time, representatives from Nova Scotia, whom I am delighted to welcome, and a representative from British Columbia, in Mr. Nathan. When we look around this Board and see the extent of the commercial and monetary interests, the great practical intelligence, the men who are not only making and creating the country, but making its history, and whose names in connection with this Board and the great enterprises of the Dominion will live long after they have passed away,—I cherish a feeling of exultation in my fellow Canadians, who are thus devoting their abilities to developing the resources of a country that is unequalled in the world. We have not the same variety of climate that our American cousins can boast of; but if we direct rightly our commercial as well as our public affairs, if we make up our minds to sacrifice a little for the general good, as we are now doing, we have resources which, if properly developed, will make us one of the most important, one of the greatest, and one of the wealthiest nations of the world. I believe we are at present, if not the happiest, certainly one of the happiest peoples on the face of the earth. It may be said, our climate is severe. I admit that that is so; but we make up in physique and mental resources far beyond those of luxurious countries that may be thought more agreeable. Although I am retiring from the Presidency of this Board, and from a position which I consider second to none in Canada, and one which any man may feel proud to occupy, yet in my sympathies and feelings I shall always, so far as I can, lend a helping hand to promote this great and important organization. I consider that the very fact of so many representative men from the various parts of the country meeting together and interchanging ideas, is of itself a matter of surpassing moment. But it is not that alone. We gain information; our ideas become expanded as we meet together and come in contact with men who themselves have liberal and extended ideas. We have a country stretching from Ocean to Ocean, and most of us will probably live to see a line of Railway through Canadian territory, connecting the Atlantic and the Pacific,—and a fleet of magnificent Canadian Steamships forming a weekly line between British Columbia and China and Japan. When we look at the immense rich and fertile district lying between Fort Garry and the Rocky Mountains, destined

to produce crops to sustain millions of people, the rapid growth and immense development of manufacturing interests in the different Provinces of Canada, there will arise an inland marine equal, if not superior, to that of our neighbors; when we reflect on all these resources, I say, that if we stand shoulder to shoulder, and take an enlarged and patriotic view of the glorious resources that Nature has provided for us, we can, and undoubtedly will, become a great and powerful people. One of the means by which we can do this is to unite commercially with our American cousins, who are represented here. I am sorry that not more of them are with us to know our sentiments; that we are a progressive and intelligent people, and desirous of creating on this continent a bond of union that will year by year be cemented and fostered in such a manner as to be mutually beneficial; whilst at the same time we are ready to say to them, "You prefer your political institutions, we prefer ours." I am convinced that the American people have not understood this. I believe that a Reciprocity Treaty is equally as important to the United States as to Canada; and I think we are satisfied of this, that while we are prepared to meet them on business principles, we are not prepared to annex ourselves for some time to come,—if at any period. I believe that I am expressing the feelings of Canada in this regard; but there is no man on this floor who will not agree with me in expressing sentiments of kindness and cordiality towards our neighbors, and our wish to increase our trade and social relations with them as far as possible. I would say, as a humble member of this great institution, which will grow and increase and expand year by year, that if we make up our minds to carry it forward on the principles on which it was first established,—which are that no political views should ever be introduced, but that we should simply act as business men, carrying on an organization on business principles,—it must every year become a greater power and exert more influence for good in this country without at all interfering with the Government of the day, whatever it may be. If we so act, this Dominion Board of Trade will become in importance hardly second to the Government of the country.

The Hon. PETER MITCHELL, Minister of Marine and Fisheries, being present, was invited to a seat near the President, in response to which he expressed the pleasure it afforded him to be in attendance at the meeting.

On motion of Mr. WM. PENNOCK (Ottawa), seconded by Mr. JAMES DOUGALL (Windsor), the report of the Executive Council, which had been read at the forenoon session, was received and adopted.

ELECTION OF OFFICE-BEARERS.

The PRESIDENT announced the first business now in order to be the election of Office-bearers, and requested Messrs. A. T. WOOD (Hamilton), and L. E. MORIN (Montreal), to act as Scrutineers.

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The various ballots having been taken, the Scrutineers reported the result to be as follows:—

President :

HENRY FRY, Esq., Quebec.

Vice-President :

W. H. HOWLAND, Esq., Toronto.

Executive Council :

ANDREW ROBERTSON, Esq., Montreal.

R. S. DEVEBER, Esq., St. John, N.B.

WM. PENNOCK, Esq., Ottawa.

WM. HARTY, Esq., Kingston.

JOHN WALKER, Esq., London.

A. T. WOOD, Esq., Hamilton.

CATHCART THOMSON, Esq., Halifax, N.S.

H. LABELLE, Esq., Montreal.

The PRESIDENT on being conducted to the chair, briefly addressed the Board as follows:—I thank you most sincerely for the distinguished honor you have conferred upon me, as well as on the City of Quebec, of which I am a humble representative, in placing me in the position of President of this Board. I am quite conscious that there are many gentlemen among us who are more competent to occupy the chair. I can only promise to fulfil my duty faithfully and with the utmost impartiality. I hope, with your kind co-operation, that we shall get through the programme of this meeting with satisfaction and promptitude.

MR. WILKES (Toronto): On behalf of MR. HOWLAND I beg to return thanks for the election of my honored *confrère* from Toronto. I regret his non-attendance, but expect him to-night.

REPRESENTATIVE FROM BRITISH COLUMBIA.

Mr. HENRY NATHAN, Jun., M.P. (British Columbia), was here introduced by Mr. WM. MCGIVERIN (Hamilton), who moved, seconded by Mr. THOMAS THOMPSON (London):

"That all the privileges of the Board be accorded to Mr. Nathan as a corresponding member."

Motion carried.

STANDING COMMITTEES.

Moved by Mr. M. P. RYAN, M.P. (Montreal), seconded by Mr. F. CLEMOW (Ottawa), and resolved:

"That Messrs. Hugh McLennan, Thomas White, Jun., Robert Wilkes, M. P., John Walker, Alexander Fraser, Hon. James Skead, and R. S. DeVeber, be appointed a Committee on Resolutions."

On motion resolved:

"That Messrs. W. W. Ogilvie, John Carruthers, and Edward McGillivray, be a Committee on Finance."

On motion resolved:

"That Messrs. John Morison, James Watson, and Hon. Robert Read, be a Committee on By-Laws."

On motion resolved :

"That the Hon. John Young, Messrs. Thomas White, Jun., W. J. Imlach, Cathcart Thomson, and the President, be a Special Committee to prepare an address of welcome to His Excellency the Governor-General."

REVISION OF THE TARIFF.

The PRESIDENT then announced the first order to be the subject of the Tariff, and suggested that numbers one, two, three, six, and eight on the programme should be grouped, and discussed as a whole. With regard to the notice of motion from St. Johns, P.Q., it was desirable to keep clear of abstract principles in debate; the seven problems therein contained might lead to a long discussion which would be of no practical importance.

Mr. JOHN KERRY (Montreal), desired to call attention to the first notice on the programme, from the Toronto Board of Trade, which began by stating "That the time has come when a revision of the sources of our revenue should be considered." He thought that ought to be proven before going into the details of their resolutions.

Mr. L. E. MORIN (Montreal), then read a paper on the subject, as follows :

If we are to take the words of Sir John A. MacDonald during the last electoral campaign, as an indication of the policy the government intends pursuing, we may expect a revision of the tariff at the next meeting of Parliament; while we can also learn from his speech at Hamilton, in what direction the changes will probably be effected. As some of the gentlemen here may have forgotten his words, it is perhaps well to repeat them :

"Sir Francis had said he was theoretically a free-trader; he (Sir John) had no objection to that so long as, like himself, his practice was to favor the protection of home industries. A revenue had to be raised, and he said the tariff would be so re-adjusted as to afford incidental protection to manufacturers."

To the compiler of commercial statistics, or to any one who has followed the movements of trade and navigation, for the last two fiscal years, ending 30th June, 1870, and 1871, this declaration was not necessary, particularly after the acts of the session of 1872 repealing the duties on a certain number of articles. I maintain that a revision of the tariff is not only necessary but imperative.

At the last meeting of Parliament, the Minister of Finance submitted a report highly satisfactory to the country, owing to its prosperity for the twelve months then elapsed. The report was so satisfactory that the Government decided to proceed on a much larger scale than for years past with public improvements. The construction of the Pacific Railway, the enlargement of our Canals, and several other important improvements requiring large sums of money, were decided upon; and latterly another important work was spoken of, which will require a very considerable sum of money,—I mean the construction of the Bay Verte Canal. Let us see if our receipts are adequate to the expenditure these vast enterprises will require. It is from the statistics of trade and navigation for the year ending 30th June, 1871, (the last published up to this day) that I shall prove the revision of the tariff to be imperative.

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The sums collected from Customs' duties under different rates for the year ending 30th June, 1871, form a total of \$11,791,267, divided as follows :—

Goods paying specific duty	\$1,616,245
Do do specific and <i>ad valorem</i>	3,149,652
Do do 25 per cent "	243,557
Do do 15 per cent	6,149,529
Do do 10 per cent	79,673
Do do 5 per cent	159,941
5 per cent. additional duty to 16th March, 1871	392,670
Total	\$11,791,267

It is very likely that the next report on trade and navigation will show a larger importation than that last published; but it must be borne in mind that a very large amount of that importation will have consisted of iron and metal which pay no duty. The revenue will not, probably, show a very large increase. Let us now look at what will have to be deducted from the receipts of the year 1871 by the acts of the session 1872. From this sum of \$11,791,267 will have to be deducted 5 per cent additional on duties abolished 16th March

Duty on coffee repealed	\$ 392,670
“ on tea	51,851
“ on coal and coke, abolished 1st April, 1871	1,157,315
“ on salt	121,133
“ on wheat	3,732
“ on other grain	26,701
“ on flour of wheat and rye	35,532
“ on flour and meal of other kinds	55,409
	2,495

Probable total of reduction for year 1872..... \$ 1,846,838

Admitting an increase in the importations owing to the progress of the country, you are still at least a million and a half short of the receipts for the year ending 30th June, 1871. I am only speaking of the revenue through the Customs, leaving aside the receipts through the Excise department. Is it not now evident, that with an increase of the expenditure, such as will be required by the enlargement of the Canals, the construction of the Pacific Railway, the opening of our new territories, with a decrease in our Custom revenues, that our Customs' tariff requires revision? It now remains to be seen how this gap can be filled up with the greatest advantage to all parties concerned, and in order to do that I must dissect the tables of our imports. Before proceeding I will anticipate the answer to a question which will naturally be put to me, viz: What amount of money will be required to make the two ends meet? As I am not in the secrets of the Government, and the Blue Books have not yet been made public, I cannot state the exact figure; but if, with our present tariff, with the abolition of the duties I have above mentioned, with no extraordinary improvements going on, we had about enough to make the two ends meet, then with the contemplated improvements, it is more important to keep the receipts up to what they would have been before this abolition of duties, which leaves the amount about a million and a half less than they were at the last official reports. I now proceed to show how this difference could be made up, keeping in view the encouragement which ought to be given to our native industries and the further development of our manufactures. Of goods paying specific duties, cigars were imported to the amount of 254,629 lbs., value \$248,653, paying a duty of 45 cents per lb., giving \$143,580. This being entirely an article of luxury ought to be made to bear a heavier duty. In the United States the duty is \$2.50 per lb. and 25 per cent. An increase on the actual duty of 15 cents per lb. would give an increase in the revenue of \$41,194; and, admitting that the consumption would slightly decrease, it

would be amply made up by the impulse which the manufacture in Canada would receive, as a large quantity of low grade cigars imported from Germany would then be manufactured here. Hops are imported to the extent of 203,509 lbs., value \$32,252, paying specific duty 5c. per lb. This article can easily bear an addition of 5c. per lb., and add to the treasury \$10,196 without the consumption of Beer being in any way lessened. The importation of Spirits for the year ending 30th June, 1871, was as follows:

	Gallons.
Brandy	540,966
Gin	911,430
Whiskey	290,455
Alcohol	174,577
Spirits and strong water.....	269

Paying 80c. per gallon, proof.....1,917,697

These spirits are principally consumed by a class of people that can easily pay an additional duty of 20c. per gallon; and I venture to say, that such an addition would not in any way interfere with the consumption, and would give an additional revenue of \$383,539. Admitting that the consumption would slightly decrease, what a blessing teetotallers would bestow on the advocates of the dollar duty! The duty on imported ale, beer and porter ought to be doubled, and made to swell the revenue by a sum of about \$30,000. These articles pay now a specific duty of 5c. per gallon in casks, and 7c. per gallon in bottles. In the United States they pay 35c. per gallon when in bottles, and 20c. per gallon when otherwise than in bottles. The present tax on wines of all kinds is now 25 per cent. ad valorem, and 10c. per gallon specific. There is not one article in the whole tariff which, according to my opinion, requires revision as much as that item of wine; and if we aim at having an immigration from the conquered provinces of France, we must give cheap wines to those immigrants, for whom it is an article of prime necessity. A cheap bottle of wine will tell more in favor of the country than considerations of much higher value, which may be only of secondary importance relatively to the article of prime necessity. I would then suggest the taking off of the specific duty on that class of wine commonly known under the name of low grade Bordeaux wines or clarets, and alter the tariff so as to raise a revenue of \$50,000 more on the higher qualities. The next article that comes in the *specific* duty and *ad valorem* list is one which the governments of Europe have always had considerable difficulty in dealing with, and which will probably before long usher in a new era in the history of this country—I mean sugar. The cultivation of beet root sugar, which I understand is to be introduced ere long, may require special legislation, and it is claimed that a continuance of the present tariff would ensure the success of this new enterprise. I am not now disposed to enter into the discussion of the advisability of changing the present tariff, inasmuch as a line of steamers is to be by-and-by established between the sugar-producing islands and Quebec, which may require the erection of new sugar refineries; and as a change in the present tariff would perhaps have the effect of delaying as well as interfering with the contemplated line of steamers which is to benefit the whole country, I for the present would leave it as it is. I now come to a long list of goods paying 15 per cent. ad valorem, imported to the amount of \$41,555,102. In looking over that list I find a few articles which the country could afford to put on the free list with benefit to the people at large, such for instance as maps, charts and atlases. In this list of goods paying 15 per cent. duty, there is a large quantity of articles of luxury. I would suggest the revision of the whole list, and by an additional duty of 5 per cent. bring into the Government chest an amount of about \$200,000.

Let us now glance over a few articles of free goods, and see if the policy of incidental protection which our present tariff aims at has been attained.

We are often told to follow the example of England. Allow me to advocate it here. It is idle to revert to the fact that "Protection" has been the making of English commerce; it has placed Britons in the position of being to-day free-traders, for so thoroughly have they outstripped all competition, that now free trade is with them the highest protection. To the reader of English history, the protection at all times offered to the foreign merchant is well known. By the 30th. Cap. of Magna Charta he is allowed free ingress into England and guaranteed protection. This was confirmed by Henry III., by the 25th Edward I., known as the *confirmatio cartarum*; the great charter was declared the common law of England, embodying, as it did, the protection of the foreign merchant; and between this reign and Hen. IV., thirty-two statutes were passed corroborating the principles involved in the previous reigns. I will refer to some of the more marked instances, as by the 27th Edw. III., where merchant strangers were encouraged. The same liberal policy marked the reign of Elizabeth. By the 7th Queen Anne, Cap. 5, the coming into the Realm of foreigners, is sanctioned as a means of advancing the prosperity of the nation. In the more troubled times of England, where Sovereigns were called upon to exercise their prerogative of expelling foreigners, an exception was always made by the ruling power in favor of the merchants. Thus in the infancy of English trade, protection was given to her own people; and that same idea has prevailed in England down to our own times. The doctrine of England has always been a *centralizing* one, and every attempt is made to protect English manufactures at all hazards. Gee, the great authority on trade, wrote more than a century ago, "that manufactures in American colonies should be discouraged—prohibited." This doctrine was reiterated by Henry, late Lord Brougham, in 1815, who said, "England could afford to incur some loss on the export of English goods for the purpose of destroying foreign manufactures in the cradle." Joseph Hume, ten years later, said, "that the manufacturers of the continent should be strangled in the cradle." There is here manifested the idea of protection to English manufacturers which has always prevailed in England; and now that that protection has placed them out of the reach of being interfered with, they establish the doctrine of free trade, which, by crippling the resources and manufactures of other countries, becomes the highest protection to English trade. Relatively to England free trade is protection, which has ever been their policy; but what other country has ever succeeded with it, or adopted it in the beginnings of trade? An isolated example is picked out here and there by the free trader, of some small place having succeeded by free trade principles; but, if closely looked at, it will be found in the examples, that such places are the *entrepots* between the two great commercial countries, and that the free trade principle, besides being the condition upon which alone the place could get any trade, is the guarantee that their vessels may become the carriers. Everywhere success in such cases will be found to be grounded on the principles of protection, which are the only principles upon which a trade can really be fostered.

Has anything been done for the development of our immense mineral wealth? Whilst we have mountains of ore, we import our metals from England, and go to our neighbors for the construction of the iron bridges for the Intercolonial Railway, produced from ore brought, very probably, from the shores of Lake Superior. Our mineral deposits remain untouched, and British merchants are offering, in the Pittsburg market, iron ore from Algeria, at a lower price than our American cousins can bring it from the shores of Lake Superior. I do not think that, in the present condition of our country, it would be wise to tax the iron we require; but I think that a great majority

in Canada would see with satisfaction, the granting of a bonus for every ton of pig-iron which would be manufactured from our ores in this country.

The present high price of iron may retard the development of our mines, inasmuch as there does not seem to be much confidence in the maintenance of this appreciation in value, particularly in the face of the building of numerous new furnaces in England and Pennsylvania, the re-building of old ones which had been abandoned, without mentioning those erected in Belgium and France; but were a bonus to be offered on every ton of ore smelted in the Dominion, we would learn to be self-dependent before long, to a certain extent, as far as the same qualities as those we import are concerned. It would be an inducement for the investing of outside capital in this new enterprise, as it would be a guarantee against foreign competition. For such articles as this country cannot furnish I claim no protection.

I was very much struck when attending the meeting of the National Board of Trade in New York, at the ignorance which exists in regard to the resources of Canada. Once you have left the bordering States, it is seldom you meet any person who knows anything about Canada, except as to its having a terribly cold climate, and a very thickly wooded country. I have seen, in circles where much better ought to have been known, as much ignorance as I found in a Parisian, who asked me if in summer we cast off our fur garments. This is not to be wondered at when you see on the globes for the use of the public schools in France, a small spot in America, representing Canada, on which is inscribed "Canada, Pays des Iroquois."

Now, do you think that if the iron masters of Pennsylvania knew of the immense quantities of iron ore we possess in Canada, they would not turn their attention towards the erection of furnaces in this country, for the purpose of smelting ore much nearer the spot where the iron with which they make the bridges of the Intercolonial Railway is required, instead of bringing their ore probably from Lake Superior, building the bridges at great expense, owing to the high price of labor in the U.S., pay high freight to send the product of their manufacture into the Dominion; and beat John Bull in one of his colonies, from the moment they got the contract? If that enterprising British merchant who offers Algerian ore on the Pittsburg market, knew of what we possessed in Canada, do you think he would not turn his attention to supplying our neighbors from districts much nearer home, than he could by bringing ore from Africa? Let us now pass to another question, and see how the incidental protective policy has been exercised, and whether it is worthy of the name. In order to do that I shall read a letter which has been addressed to me, and where a manufacturer exposes his grievances. He says:

"I am a manufacturer of cordage, and have been one for the past fifty years. Under the existing tariff I have ostensibly a protection of 15 per cent.; but when framing the tariff, a clause was inserted in order to encourage ship building, that rope for new ships being built should be admitted free of duty. Afterwards, through some strong influence, the tariff was altered so as to read that 'cordage should be admitted free of duty for vessels' use.' This clause now covers all for which a rope is generally used, as even a tow line for an old barge is for 'vessels' use,' and therefore rope is virtually admitted free of duty.

"I have time and again remonstrated with the Government on the injustice of this clause in the tariff. I have been told it was not their intention that any such clause should be inserted; that there was some mistake, and they have frequently promised me that when revising the tariff this matter should receive their attention, and on the strength of these promises I have been induced from time to time to extend my works, and invest more capital; but unfortunately, every time the tariff was revised, the promises made were forgotten. And now, believing the country generally is in favor of moderate protection to home manufactures, and that the present Government is more or less pledged thereto, and having strong faith in the justice of my demand,

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"I have this winter expended upwards of \$40,000 in putting up new buildings and buying new machinery, in order that I may, when the opportunity arrives, be in a position to supply my share of the wants of the trade."

I do not deem it necessary to go into the question of the necessity of protecting home industry to a moderate and fair extent, and the reasons why we cannot always compete successfully with the surplus production of other countries sent here to find a market at any price. But I will only state that if the ship building interest here is a great one, and that it also must be encouraged and protected, let it be done in the manner of other countries, by allowing a bounty or drawback of all the duties paid for each different material used in the construction of the ship, when she is completely finished and ready either to be sold or to sail, and let other rope be subject to a duty (without exception and without drawback) and thus encourage and help each industry.

Having said this much in regard to cordage, let us examine into the article of sail-canvas, and see if the sail makers have also a right to grumble. Sail cloth or canvas from No. 1 to 6 is imported free when used for ships or vessels *only*. Under this name of sail cloth, large quantities of canvas are imported, and sold for all purposes besides the use of ships or vessels, and pay no duty, so that the case of the rope manufacturer and that of the sail maker have a good deal of analogy. In these two cases there is no doubt that the object of the law has not been attained.

Let me give you another example, to show how much better would be the system of drawback for the encouragement of manufactures. There is, in the Province of Ontario, a rivet manufactory which with our limited market is sufficient to supply the requirements of the Dominion. In order to protect that manufacture, wire is imported free of duty. No doubt that manufacture employs a large quantity of the wire imported; but how much more is employed that pays no duty otherwise than for rivet manufacturing? Is it not bad policy in order to protect one manufacture to allow an article which is not in the raw state to be free of duty? If it be the aim of the Government to have a revenue tariff, is not the drawback system the best to adopt for the protection of our manufactures?

At the last quarterly general meeting of the Montreal Board of Trade, on the subject of the revision of the tariff, a member of the Board spoke of the article of ready-made clothing, remarking that—

"The duty was at present 15 per cent., whilst that on the raw material stood at the same figure. Clothing from England and also from Germany was being imported, and within the last three or four years it had assumed proportions rather alarming to our people. He desired to encourage immigration. But in the ready-made clothing trade, with which he was connected, none of the ordinary workmen, or board hands and women, ever remained here upwards of two months, for they left for the States on the inducement of receiving higher wages. There was only one class who would work steadily at that trade, and that was the French Canadian population, who settled down to work in a certain district. The house of which he was the head employed between five and six hundred hands inside and outside their establishment, and it was to the advantage of those poor people that they should be employed, though he regretted that the trade could not afford to pay them the prices they would wish. If he were to name the prices, the Board would be astonished, because people generally, by going to first-class tailors and paying large prices, understood that clothing was dear. Though the prices were small, yet the trade was paying as high rates as possible in the face of the cheap labor of England and Germany. It was not generally known that any quantity of ready-made clothing was imported. There was a time when there was an import duty of 25 per cent., or 10 per cent. over the duty on the raw material. The trade wished, however, that the 15 per cent. import duty on the raw material should be continued in order to protect the Canadian manufacturer. The following statistics showed the growth of the trade. In the year ending June, 1868, there was only \$128,000 worth of ready-made clothing imported into Canada; in 1869, \$138,325; in 1870, it almost doubled, being \$218,556; in 1871 it doubled again, being \$432,373, and the returns for 1872 would no doubt show similar

progress. He therefore, contended that if there was a branch or trade which required protection it was that of ready-made clothing." In answer to an observation that he had already a protective tariff of 15 per cent., he remarked "that he wanted to retain the 15 per cent. on the raw material in order to protect the Canadian manufacturer; but it was on the made up articles of clothing he wished for an increased duty, in order to pay better wages to retain the foreign labor in this country."

To show what the system I advocate would effect, I again make another extract from the Rope Manufacturer's letter, of which I read a part a moment ago:

"For your information I may state a few facts in connection with my factory. The land on which the buildings are erected measures 230,000 square feet. I employ about 150 hands, and should I receive protection, and then be able to sell more of what I can manufacture, I would employ about 300 hands. My present wages expenditure is about \$35,000 per annum, and in the above event might be at least doubled. The money invested in buildings, machinery, &c., &c., is about \$200,000. I can turn out in the 24 hours about 13 tons of Manilla Cordage, besides a large quantity of other descriptions, such as Jute, Russia and New Zealand, &c. There is no monopoly in my manufacture; quite the contrary, as there are as many factories in nearly every city of any extent in the Dominion of Canada. *Ab uno disce omnes.*"

One more example: Canada has the reputation of supplying the world with furs, and it is a matter of surprise to many to be informed that we import more furs than we export. The importation of manufactured furs for the year ending 30th June, 1871, amounted to \$216,058, and of unmanufactured, \$137,491. We exported for the same period to the value of \$291,898, so that it appears we have imported above our exports to the extent of \$61,651. Does this sum not represent wages and other charges for manufacturing abroad?

Were I simply to ask the question, "Which is the more profitable, for a new country to import laborers or labor, produce or the producer,"—the most devoted free-trader would not hesitate to pronounce in favor of the laborer. Such being the case, I cannot see the evil of merely changing the sphere of the laborers' utility. Protected here, he is a gain to us in every respect, for his energy can only really benefit us in the measure in which he develops our country; as a laborer working in the country, he benefits us, but as a mere foreign machine his labor is a drain upon our wealth, which impoverishes our country. Far better to induce the laborer to come into our midst, than to purchase his work from abroad. The secret of success is population; it is the only wealth of a nation, and that system which draws it into a country by protecting the manufacturing interest, is clearly the policy for a country whose resources are second to none, and which only requires people to make her undeveloped mines of wealth a source of benefit to mankind.

I am in favor of free trade in regard to articles required as raw material for manufactures, or articles considered necessary for consumption by all classes of the people—especially those that cannot be produced in this country—imposing no duty on them, and encouraging in every way their importation. Whatever revenue is derived from the tariff on imports should be obtained by duties on articles of luxury, embracing articles for ornament or consumption mostly used by the wealthier classes of the community, and on articles which compete with the products of the labor of this country.

In recapitulating the whole of the changes suggested, I find that the increase in the revenue would amount to about \$2,500,000, divided as follows:

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Increase on Cigars	\$41,194
“ Hops	10,195
“ Imported Spirits.....	383,539
“ Ale, Beer and Porter	30,000
Wines	50,000
15 per cent. list	2,000,000
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	\$2,514,928

If this amount be above what would be required for the necessities of the public service, I would advocate the abolition of postage on newspapers, larger appropriations for attracting immigration into Canada, free delivery of postage matter in towns and cities, the printing and circulating of information of all descriptions on Canada in Europe and the United States; and with these objects in view, I now propose the following resolution, seconded by Mr. S. E. GREGORY (Hamilton):

1st. “That in all projects of a revision of the tariff, Parliament will admit free all articles of prime necessity, and raw materials for manufactures. 2nd. That a higher duty be imposed on articles of luxury, and on those which come into competition with our own manufactures. 3rd. That if such an increase of tariff be necessary, the impost be not above what will be required for the wants of the public service.”

The PRESIDENT stated that as the foregoing paper and resolution had not been submitted in due form, nor the usual preliminary notice given, it could only be received by permission of the Board.

Mr. ROBERT WILKES, M.P. (Toronto), rose to propose the first motion noted on the official programme, which read as follows:—

“That this Board, having fully considered the mode by which the revenue of this country is levied, believes that the time has come when a revision of the sources of our revenue should be considered. This Board earnestly recommends to the Government and the various branches of the Legislature, that such modifications be made of the duties on articles that enter into the daily food and clothing consumption of the people, as will reduce the cost of living to our laboring manufacturing population, and on the raw material of manufacturing, thereby encouraging and protecting our native industries; and that a revenue of at least one mill on the dollar be levied on the improved estates of the country, in consideration of their protection and increase in value; also that a small tax be levied on the sawn lumber exported to the United States, such being derived from our perishable virgin forests; and also that an increased excise duty be levied on proof spirits and tobacco.”

[A discussion here arose on a point of order, Mr. MORIN holding that his resolution was an amendment to that of Mr. Wilkes; the latter had, however, obtained the consent of the Board to omit all the words after “native industries,” and the President ruled that it could only now be considered as a substantive motion,—that any further resolutions on the Tariff question must be submitted as amendments, and that owing to the alteration, Mr. Morin’s motion was not now properly an amendment.]

Mr. WILKES then remarked:—

With some embarrassment I rise to move a resolution based on a paper which is not before the meeting. The subject having been presented at our last Session, of course the whole facts were then before the Board; and now the resolution comes without the facts. I presume I may crave your

indulgence to the extent of submitting the figures which were contained in the paper read twelve months ago, in order that the resolution may appear intelligible. The first clause of my resolution reads :

"That this Board, having fully considered the mode by which the revenue of this country is levied, believes that the time has come when a revision of the sources of our revenue should be considered ; this Board earnestly recommends to the Government and the various branches of the Legislature, that such modifications be made of the duties on articles that enter into the daily food and clothing consumption of the people, as will reduce the cost of living to our laboring manufacturing population, and on the raw material of manufacturing, thereby encouraging and protecting our native industries."

This is, in other words, the very motion suggested by Mr. Morin ; indeed, I look upon them as essentially the same. The paper I had the honor to submit at the last meeting of the Board, undertook to review the sources from which we derive our revenue. It stated that the total imports of the Dominion in 1870 were \$74,814,000, of which \$26,000,000 were free, and nearly \$49,000,000 dutiable. If duty had been levied upon the whole importations of the year, the revenue collected would have amounted to $12\frac{3}{4}$ per cent., but on the dutiable imports only, the average rate amounted to $19\frac{3}{8}$ per cent. That was one of the first points. Then a comparison was entered into, between the mode of levying duties and the sources from which we derive our revenue, and the mode adopted by Great Britain. The comparison led to such a calculation as this :—that the proportion of revenue derived in England from Customs was $33\frac{1}{4}$ per cent., whilst the proportion derived in Canada was 61 per cent., or nearly double. The average of duty on total imports in England was $9\frac{3}{4}$ per cent., in Canada $12\frac{3}{4}$; the proportion of revenue derived from excise in England was 26 per cent., in Canada $23\frac{1}{2}$ per cent. ; the revenue derived from land or property tax in England was $17\frac{1}{2}$ per cent., whilst in Canada it was *nil*. I then referred to an estimate made in a former year, in which this mode of deriving revenue was shewn to bear inequitably on the various classes of the population ; and the poorer classes being the larger proportion of the population, it pressed most heavily upon them. That calculation was to this effect :—that the working classes paid a tax of from 3 to $4\frac{1}{2}$ per cent. on their yearly incomes, whilst the wealthy or capitalist classes only paid from $\frac{1}{3}$ to $\frac{1}{2}$ of 1 per cent. I asked the special attention of the Board to this fact, because a duty on consumable commodities presses onerously upon those who are in the first stage of settlement. I next stated that the duty derived from those food requisites, including tea, coffee, sugar, &c., amounted, for the fiscal year 1869, to \$2,447,000, being a rate of $37\frac{1}{2}$ per cent. duty on the whole importation of these staples, which amounted to \$6,567,000. The tax on these articles constituted 16 per cent. of the total revenue of the year. Next in importance to the food element is the clothing of the people, consisting chiefly of the two great staples of cottons and woollens. These, including linens, amounted in that year to \$14,806,000, paying a 15 per cent. duty, amounting to \$2,221,000, or about $14\frac{1}{2}$ per cent. of the whole revenue of the country. I will afterwards submit the amounts for the later period. This part of the paper concluded in something after this manner :—"A true 'national policy' seems certainly to

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indicate from these facts a considerable reduction of customs' duties on these necessary staples. With the large expected increase of revenue for the current year, the duty paid on these classes of goods will probably exceed \$6,000,000. If a reduction of one half were allowed on the food items of Tea, Sugar, and Coffee, the loss to the revenue would amount to one and a half millions of dollars. If a reduction of 5 per cent. were allowed on Cottons and Woollens, the loss of revenue would probably be one million of dollars. If a further reduction of $2\frac{1}{2}$ per cent. were granted on the 15 per cent. list generally, it would probably amount to another half million of dollars; making in all say three millions of dollars." The paper then went on to show sources from which this loss of revenue of \$3,000,000 might be fairly and equitably derived, and it named, as some of these sources, a small land tax upon the improved estates of the country, an export duty upon lumber, an increase of duty upon spirits, high wines and tobacco, and a transfer of land tax.

Now I think it would possibly be better, at the present stage of the subject, not to discuss these alternatives, but to examine the question from the general standpoint of the tariff itself, and the various modes by which the revenue may be met. I have said that the proportion of revenue derived from Customs amounted to 61 per cent. in 1869; in 1870 it amounted to $61\frac{1}{3}$; the average of duty on the total imports which amounted in 1869 to $12\frac{3}{4}$ per cent., was in 1870, 13.62 per cent.; the proportion of revenue from Excise which was in 1869, $23\frac{1}{2}$, was in 1870, $22\frac{1}{4}$; the total imports of the food staples, tea, &c., from which in 1869, a duty of \$6,567,000 was derived, furnished, in 1870, \$8,531,000, or something like an increase of $33\frac{1}{2}$ per cent. The importations of cottons and woollens, which in the former year amounted to \$14,806,000, reached, in 1870, \$15,698,000; the duty derived in the former year was \$2,221,000; in 1870 it was \$2,345,000, or $12\frac{1}{2}$ per cent. of the whole revenue of the country. It is not my purpose to enter upon the broad question of so-called Free Trade and Protection. I think that this question, stripped of a good deal of its surroundings, might be looked upon with much less prejudice than is commonly done, and without indulging in language which is sometimes used on both sides by politicians. No member of the Board will consider that Free Trade, pure and simple, is a question before us. It is one of the impracticable questions from our present standpoint. We have no country that will interchange with us on any fair terms, and consequently free trade is something that no one is prepared to advocate. But the question is not Free Trade and Protection in the abstract; for I may say, on behalf of the gentlemen who take the protective view, that no class of manufactures should have a protective duty laid upon them, apart from the necessities of the revenue of the country; that there are few even of them, prepared to advocate any large increase in that direction. The views held by most of those in the country, who have studied the question, seem to be of a somewhat moderate character. There may be some who hold extreme notions, but they are comparatively few in number. I presume, therefore, in discussing this question, it will not be Free Trade or Protection in the

abstract, but as to what ought to be, under the circumstances, an equitable mode of levying duties. It is important that the opinion of the Board should be conveyed to the Government of the day. We are not prepared to dictate to them what the rate of duties should be, but merely to suggest, in view of the inequalities of the mode in which those various duties have been levied in the past, that it is desirable that such relief should be given to the working or consuming classes (generally of the poorer sort) as is reasonable and fair. At the same time we should make it possible for them to embark profitably in the various manufacturing enterprises in which we are engaged. This thought is brought out more particularly in this proposition: that if the cost of living be made cheaper to those engaged in manufacturing industries, the same end is secured as if an advance of wages were given. There is this further advantage, that by cheapening the cost of living to these producing classes, we render it possible for them to compete in the markets of the world with their various manufactures. I suppose every one is aware, however great the future of the Dominion may be, that it has not, at all events, reached a point when it is reasonable to suppose that it can consume very largely of its own manufacturing products; and that, therefore, all persons engaged in manufactures have continually before them the necessity of securing not only the markets of Canada, but an export market. The tendency is more and more in this direction. Our manufacturers are looking abroad; and instead of being wholly dependent on a local market, they are endeavoring to compete elsewhere, and thus secure the true basis of competition, or else manufacturers would compete with each other until manufactures became impossible. Without entering into the general question, I will take the liberty of stating a few facts in regard to the modes by which other nations raise their revenues. Although the circumstances of our new country are exceptional, the lessons of older, and possibly wiser countries, should not be altogether excluded from our calculations as to raising revenues, and equitably taxing all classes of the people. I presume, further, it will not be disputed, that the first resort of the statesman seeking a revenue, is to lay his hand on the thing most readily within his reach, and that is the imports of the country. The consumer is unaware of the tax he pays; therefore it is not to be expected that any nation, in Europe or America, should forget to impose that tax. The imposition of high duties produced a public demoralization in our home land of England in the eighteenth century. I need not refer to Spain—a country in which the exercise of the system of heavy taxation on imports prevailed more largely than in any other; she held an important place in former history, and relied principally on her colonial trade, and to tax the revenue arising from the commodities brought from the colonies. As a result, Spain has been placed in the position of being the most commercially demoralized nation in the world. I have heard the statement made in France, that no one sending invoices to Spain would be so foolish as to make out reasonable prices, as the duties were exorbitant. The demoralization of the public service was such, that whereas the tax was fixed at

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50 per cent., any one could succeed in getting goods passed at from 15 to 20 per cent., which I need not say never reached the public exchequer. I desire to submit the following:—

STATEMENT of proportion of Revenues derived from Customs' duties in various countries; also the receipts from Land Tax, and the statement of total trade, with the proportion *per capita*.

	CUSTOMS.	LAND TAX.	GROSS TRADE.		
			1859.	1868.	Per head of pop'l'n. 1868.
	per cent.	per cent.	£	£	£ s. d.
Germany	3½	7½	22,000,000	40,250,000	1 1 0
France	5½	11½	(to Great Britain alone.)	252,000,000	6 12 6
Turkey	13	27	....	38,500,000	....
Spain	27	18½	....	32,000,000	2 0 0
Great Britain.....	30½	12½	335,000,000	522,000,000	18 0 0
Switzerland	42	Nil.	....	....	....
Russia	48	29½	....	63,000,000	....
United States.....	52¾	1	130,000,000	123,000,000	4 0 0
Canada	61	(probably) Nil.	11,750,000	24,000,000	6 10 0
Mexico	75	18	1871, £23,250,000	10,250,000	1 6 0

The facts I have submitted go to show the wisdom of the course I propose in the resolution; and I am glad to find that a gentleman whom I understood at a former meeting of the Board, to have represented rather strong protection views—Mr. Morin—and some of our friends from St. Johns and St. Hyacinthe, who also took strong protection views, have through their patriotism and good sense, been brought from their protectionist principles to a resolution that they might have been disposed to regard as the result of free trade ideas. It should be brought fairly before the Legislature, that the cheapening of the necessaries of the people, is the most effectual way, not only to encourage manufactures, but to develop them to the very largest possible limit—namely, by making it possible for manufacturers to have their people cheaply fed and clothed, and thus enable them to send their products to the various countries of the world, to compete with foreign manufacturers. I have great faith in the manufacturing powers of this country, because I believe, that without any material assistance, and without attempting anything more than a reasonable and revenue tariff, we have made vast strides in our manufacturing industries. We stand to day, fairly before the world as a people who are doing a moderate amount of export trade in manufactured articles. I am glad to find a gentleman now engaged in certain iron manufactures in St. John, N.B., not

only prepared to compete with foreign manufactures, but carrying the war into the enemy's camp, and exporting largely the products of the iron mines of that Province. I may also instance the case of Hamilton and other enterprising towns where, only a few years ago, the article of sewing machines was largely imported from our American neighbors, and whence we are now supplying very largely our home consumption, and exporting that article to the very fullest extent. I am glad to say, for the information of manufacturers in that department, that they would export three times the amount they are now able to produce, if they had sufficient capital; but they do not anticipate suspending their operations until they have supplied a very much larger field than is to be found in Canada.

In conclusion, Mr. Wilkes explained that he sought to increase that description of business, by enabling our manufacturers to pay their work people good wages, and yet compete successfully, not with the "pauper labor of Europe," as was sometimes said, but with the *well-paid* labor of Europe. He had been to Europe, and had seen that labor was well remunerated, and that if, in England especially, laboring men were not better off, it was because they were not so thrifty as our own workmen who sought for comfort and luxury before sailing for this country.

Mr. THOMAS WHITE, Jr., (Montreal), moved, seconded by Hon. ROBT. READ, (Belleville), in amendment to Mr. Wilkes' motion :—

"That without offering any opinion upon some of the details of the present Custom's tariff, or upon the anomalies which are inevitable in all tariffs, this Board is of opinion that no change should be made in it unless the exigencies of the public service demand larger revenues; and that in such case, any increase to be made should be in accordance with the principle of the present Custom's tariff, which, while not interfering with the commerce of the Dominion, affords incidental protection to its manufactures.

"That this Board is further of opinion, that permanence in the fiscal policy of the country is most important, alike to its commerce and manufactures, and that no changes should be made in the Tariff not demanded by the absolute necessities of the Revenue."

Mr. WM. MCGIVERIN (Hamilton), said: If we desire a change in the tariff we should state with some definiteness the articles in which alteration is required; but I have failed yet to learn from the resolution what the proposed change really is. If we adopt Mr. Wilkes' motion, we are just as wise as we were before; whilst on handing the resolution to the Government, they will inquire, "What do you want; an increase or a decrease?" I must confess I have failed to understand what Mr. Wilkes has been aiming at. Part of the time I thought he was a free-trader, and part of the time I thought him a protectionist. If the country requires a change in the tariff, no body of men is more capable of expressing the wants of the trade than is this Board. Let us, then, be explicit in stating what we require; but this resolution certainly is not definite enough.

Mr. WILKES: The resolution asks "that such modifications be made of the duties on articles that enter into the daily food and clothing consumption of the people as will reduce the cost of living." I submit that this is absolutely distinct. The present Customs' duties are too high, and Government has anticipated my proposal by abolishing them on some articles. I do not think we should suggest any specific reduction, but that it should be in the direction of cheapening the cost of living.

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Mr. HUGH McLENNAN (Montreal): The question is,—Does the majority of the Board deem it necessary to enter into a consideration of the system by which our revenue is raised, or are we satisfied with the present basis of our tariff? I do not raise the question with any disposition to suppress discussion; but if it is found that a majority decide it should be considered, it can be discussed. If there is a majority, it is a simple matter to defeat the amendment, and then come to a discussion on the different propositions already submitted.

Mr. JAMES WATSON (Hamilton): There is one great difficulty which the protectionists feel, as to what they should vote for. The resolution of Mr. Wilkes is protection, but he talks free-trade. His speech, indeed, is very different from his resolution.

Mr. JOHN CARRUTHERS (Kingston): As a representative body, we should put our views before the public. The Kingston Board state that they do not want any change made, and that the tariff should be allowed to remain five or ten years without alteration. I would like to see the Board pass a resolution establishing that the tariff should not be raised within a certain time.

Mr. JOHN WALKER (London): Would the Kingston Board have any objection to add to their declaration in favor of a 15 per cent. tariff, the words, “unless the revenue requires an alteration?”

Mr. CARRUTHERS: If we go into details we will bring in a scheme how the 15 per cent. should be increased.

Mr. JAMES McPHERSON (St. John's, Que.):—I am inclined to support Mr. White's amendment, because he mentioned “incidental protection,” which is the very thing we desire.

Hon. JOHN YOUNG (Montreal): I am of opinion that Mr. Wilkes' resolution affirms a distinct principle, and that nothing could be more definite and comprehensive. It is the very foundation of all our manufacturing prosperity. The amendment on the other hand, seems quite indefinite. It commences by stating, “without offering any opinion upon details of the tariff,” and then goes on to say that in the opinion of the Board “no change should be made, unless the exigencies of the public service demand larger revenues.” But that is not the way in which the Board should deal with such an important question. We should express an opinion on the principle involved, and not send a document like the amendment before the Legislature. With reference to this question of free trade and protection, I concur in a great many of the remarks of Mr. Wilkes,—and in regard to the result of the action taken by England and other countries. We notice what the result of a counter-action has been in the United States. We see their commercial marine driven from the ocean; they cannot build a ship there, as they will not allow any article entering into the construction of vessels to come in without the imposition of heavy duties. Again, there is the question of the cheapening of food in every possible form. I am not sure that we should urge, for instance, the abolition of the duties on Tea and Sugar. This matter belongs to the

Finance Minister, who must come down with his Budget, and, with the knowledge he must possess of the increased expenditure, tell us what should be done. But if we affirm the principle, that in a change of the tariff there must be an alteration on certain principles, then the Legislature can discuss the question upon that basis. But to say that it should not be changed unless the exigencies of the revenue demand it, seems to me to indicate an intention of not dealing with that point at all. The principal part of the duties now collected is under the 15 per cent. list,—a very small amount being collected under the 5 and 10 per cent. list. That 15 per cent. is "incidental protection." In view of the building of the Intercolonial Railway, and the Pacific Railway and other public works, there must be an increase in the revenue; and the question is to increase it on the principle enunciated in the resolution, and in which I heartily concur.

Mr. W. J. IMLACH (Brantford): There is little use in disguising the fact that the time has come for this subject to be faced, as it ought to be. I remember that on similar occasions the question was avoided, in almost the same way, as that now being attempted by the amendment. The earlier sections of this year's programme comprise subjects which appeared last year, but from some evasion of this kind they were laid aside. Is it proper to put this subject off from year to year, instead of facing it like business men? I do not hesitate to say that I am a moderate protectionist, and the Board I represent has instructed me to advocate this policy. But if Mr. White's amendment is adopted, I am cut off from saying one word, and I shall have to go back and tell my Board that I had no opportunity of discussing it. I must, therefore, of necessity, move as an amendment to the amendment, seconded by Mr. L. COTÉ (St. Hyacinthe, Que.):

"That the principle of moderate incidental protection to home manufactures is a sound one, being in its operation calculated to meet revenue requirements, while stimulating industry generally and furnishing diversity of employment to the people, and is especially adapted to the circumstances of a new country like Canada:

"That the Customs' tariff of the year 1859 was, in a general way, well adapted to the country's circumstances, and that it is for the public interest that the 20 per cent. list of that tariff be restored, with other alterations calculated to promote such manufactures as can be beneficially carried on in Canada."

Mr. L. COTÉ (St. Hyacinthe):—I am aware that in the article of clothing, we have not augmented, but reduced the price under the present tariff; and a like remark applies to the boot and shoe business. Owing to a protective tariff we can produce articles cheaper than formerly. Mr. Wilkes has mentioned some industries, of which we are proud, and argues that we can go abroad, and compete with similar manufactures. All these industries, however, have been the result of protection. In Sewing Machines I am told that the same goods offered for sale here, can be taken to England and sold there, which could not be done, but through protection. The present tariff is good; but it is not sufficient to start new industries. I would therefore raise it, in accordance with the resolution proposed by the St. Hyacinthe Board at last annual meeting, and which I have now the honor of seconding, in order to afford protection sufficient to give an

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impetus to these new manufactures, as they can be very easily continued in Canada after they have been first established. There are many such industries, which would give employment to our workmen instead of allowing them to emigrate to the United States. Our people are going to that country by thousands, notwithstanding that everything is dearer there; and I have travelled on a train carrying 700 Canadians, who were going to work in the United States. If we adopt the wise policy of the American people, we will make our people happy; and (laying aside all statistics) that is just what we want.

The PRESIDENT observed that the Board appeared to be divided into two elements,—the Free Traders and the Protectionists. As there seemed to be such diversity of opinion, he suggested that the Committee on Resolutions should meet and arrange the order of the propositions, and report to the evening session.

On motion the Board adjourned until 7.30 o'clock, p.m.

EVENING SESSION.

WEDNESDAY, 15th January, 7.30 o'clock, P.M.

HENRY FRY, Esq., President, took the chair, and read the following telegram, which had been received from the St. Catherines Board of Trade:

"Regret our Delegates cannot leave home; too late to appoint others. Our best wishes for the success of the meeting."

(Signed)

W. D. BALFOUR.

Secretary St. C. B. of T.

The PRESIDENT stated that the question of Tariff Revision was now in order for a continuation of the discussion; but in order to avoid a repetition of the confusion into which members had fallen at the previous session, the Committee on Resolutions recommended: That the debate be pursued on Mr. Wilkes' motion, and that he have the right to reply; that a vote be taken on Mr. Imlach's amendment to the amendment, and if that should be defeated, upon any other amendment to the amendment; if these be negatived, that a vote be then taken on Mr. White's amendment; if that should be carried, there the discussion would end; if not, then the vote would be taken on Mr. Wilkes' original motion, when he would ask the consent of the Board to explain the whole of his resolution, and move the several clauses *seriatim*.

Mr. RUFUS STEPHENSON, M.P., (Chatham): I think Mr. Imlach's amendment to the amendment, expresses pretty fairly the opinion of the Chatham Board, which declared itself strongly in favor of Protection. If it had gone even a little further, I should have supported it more warmly. I look upon the main motion as very unsatisfactory. The gentleman in

one part of his speech, speaks in favor of Free Trade, and in another of Protection; in fact, he talks upon both sides, and does not seem to know what ground to occupy. Mr. White's amendment is equally unsatisfactory, perhaps more so. Our object should be to make some practical suggestion, and it then remains for Parliament to act on any propositions which might be considered worthy of legislative action. I think it is the duty of this Board to show that it desires some decided step, when taken, in one way or the other. The question is being largely debated by the different trades, and the feeling throughout the country is strongly in favor of Protection. In the section to which I belong, manufactures are gradually increasing, and the farming community support us in our endeavors, for they will benefit by a home market being provided. They say that if we are to have Reciprocity, we must have it on fair terms; they believe that by fostering new branches of industry, they will have a market in their own district, where they can dispose both of their wheat and pork. In supporting Mr. Imlach's motion, I do so on behalf both of the farming and mercantile community of towns and cities, and I hope and trust it will be carried. There is another question in regard to the export trade: there is a strong feeling in favor of placing an export duty on logs of all kinds, because the Americans are coming in and denuding our forests of all sorts of timber, transporting it to Cleveland, and manufacturing it there. It is our interest to foster the manufacture of it here. The shoe trade is also growing to great proportions in this country. It ought to be the object of this Board to find employment for the people throughout the whole year. Instead of having men going to the United States, we must furnish them with steady occupation here; this can only be done by giving protection to new industries, and by fostering and building up our manufactures at our own doors. If that is done, instead of our men going to the United States they will remain here, and when they visit across the lines they will say: "Canada is my home; I made my money there; it shall be the home of my children." Whatever we can do to build up manufactures, and give a market to the farmers as near their own doors as possible, should be done; and in doing that we will be meeting the wishes of the whole country.

Mr. JOHN WALKER (London): I am one of those who will vote against Mr. Imlach's motion, because the manufactures of Canada have thriven well under the protection they have at present. I shall be prepared, at the proper time, to move another amendment, affirming the principle of an incidental protection of 15 per cent. It is on this ground alone that I shall vote against the amendment to the amendment.

Mr. ANDREW ROBERTSON (Montreal) said: three-fourths of the duty referred to by Mr. Wilkes, comes from the dry-goods trade, with which I am connected. That trade paid 15 per cent. duty on the import of goods, which in 1871 were valued at \$28,600,000, and it is rather too much to place 5 per cent more duty thereon. I do not here argue for this particular trade, for I happen to have interests in Canada, both as a manufacturer and as a merchant. But after the resolution, passed two years ago, to the effect

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that "it is the opinion of this Board that instead of adding to the present tariff the duties be gradually reduced," I should be sorry to advocate a higher scale of duties, much less to mention what the increased scale should be. Having been in England during the last eighteen months, I find on my return, that public opinion has changed considerably. From what I can gather, manufacturers would like a tariff established and permanent, which is an important point. But the importing interest should also be considered; and I believe that it will be found, that a higher duty will exclude a great many articles that are now imported. It seems to be thought that the Government will want more money; but there is no reason why they should not have enough at present, from the large importation in 1872; the dry goods alone imported to Montreal were \$3,000,000 in value more than in 1871. As to the remarks of Mr. Morin on the special case of manufactured clothing, he seems to forget that the manufacturers have already 15 per cent. protection upon the labor bestowed on the cloth; and that by adding 10 per cent. they would thus have 25 per cent. on their labor, and 10 per cent. extra upon the cloth, which would be an enormous advance. It seems, however, that everybody comes here with an axe to grind. Thus, when I built a mill, I had to pay 20 per cent. on machinery. I found at the time that a person in Galt was commencing to make looms and machinery, expecting the duty would be continued. Very soon afterwards, however, I found manufacturers were getting their machinery in free, although the manufacturers of machinery had actually to pay 10 per cent. upon the iron to make machinery which comes in free! The shoe trade, also, made special demands on the Government, and they got Prunella, and other such articles passed free. This was done for shoemakers; but why should not tailors share the same advantage? What is the difference between Prunella, suitable for a boot, and suitable for the lining of a coat? I find by an order in Council that Felt, and various other articles for gloves and mits are to come in free. If we are to have a regular tariff, it seems impossible that, having all these anomalies cropping up, it can be satisfactory to the general public. The plan to adopt should be to protect all alike, and have everything pay duty, if there is to be protection at all; and I am willing to have all raw material admitted duty free. I believe a higher rate than 15 per cent. would furnish less duty on articles of luxury, such as silk and gloves. If a resolution were passed in favor of maintaining the tariff at 15 per cent., I would feel satisfied under the circumstances to agree to it, and I hope some such conclusion will be arrived at.

Mr. GEORGE H. WILKES (Brantford): To my mind, our present prosperity is really due to Protection. The American war, and the rise in the price of labor, placed the Americans somewhat at a disadvantage with us in manufactures. The time seems to be approaching, however, when they are determined to undermine our manufacturing industry, by sending more and more goods into Canada, and offering them at prices from 20 to 30 per cent. less than they would accept in their home market. We are liable to that overplus of manufactures which is detrimental to all countries.

If a manufacturer can keep up the price of goods in the home market, it will pay him to send his surplus stock to a neighboring country to be sold for whatever rate it may bring. That, however, is not fair and legitimate competition. Every one knows that in our business of manufacturing engines and machinery we need no protection; but it has taken us twenty years to reach this point. All new manufactures, I agree with my friend from St. Hyacinthe, need to be protected at the start, for we do not want them to take 20 years to come up to the standard, which has been attained by some businesses. Under the existing tariff, mill machinery is being brought in free; and indeed anything may be admitted free by an Order in Council; and the Cornwall Manufacturing Company have brought almost everything connected with their mill free into the country, including iron shafting, and material of that kind. Then, again, many persons are inclined to think that a protective tariff would increase the cost of goods to the consumer, but I think that the necessary competition will always prevent that.

Mr. WM. PENNOCK (Ottawa): An export duty on saw logs exists at the present time, and also on shingle-bolts; cedar trees can be cut down and taken away as described. The country has grown in manufacturing industry under the present tariff, and 15 per cent. is all the protection that any branch of industry should have; any manufacture that cannot exist upon that ought to be abandoned at once. A 15 per cent. tariff is ample. Further than that I should not be inclined to go, and shall, therefore, vote against the motion submitted by Mr. Imlach.

Mr. CATHCART THOMPSON (Halifax): Nova Scotia is pretty much in favor of free trade; but, at the same time, her people are quite willing that some manufactures should have a certain amount of protection. Manufactures may be fostered, which it is in the nature of the country to make successful, and consequently may create a large amount of revenue. I look upon 15 per cent., however, as ample. If the revenue requires the tariff to be raised to 17 or 20 per cent., there is no help for it; but if we go upon the principle of protection, we increase the cost of living, for thereby you raise the price of every article.

Mr. W. J. IMLACH (Brantford): I am quite aware that the subject of Protection *versus* Free Trade is one of those vexed questions that has disturbed many other countries besides this Dominion. In Canada we are very apt to quote our mother country as a precedent; but I think her practice is hardly applicable to us in our present position. I now beg to submit to the Board a paper on the subject of

PROTECTION *versus* FREE TRADE.

Protection to native Industry is not a question of sentiment or theory, but of fact and common sense. England is the only country in the world that does not, in some shape or another, protect native industry, and preserve a preferential market for its own operatives.

The advocates of free trade with us, are in the habit of quoting England as an example, although the case of England and Canada cannot be analogous,—the one an old

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and successful manufacturing country, the other young, and in the position that the older country was in years past, when her policy was a careful protection to her native industries. If the mother country through protection in her earlier days has been so successful, why should the same rule not apply to Canada during her commercial infancy ?

Before considering the effect of a one-sided free trade, or a too liberal tariff for Canada, I propose to touch upon a few indisputable facts connected with the trade of Great Britain since the inauguration of her free trade policy.

Free traders do not attribute the increased trade of the world in general, and of England as part of it, to its true causes, viz. : the vast increase of the circulating medium, and the general application of steam, as increasing the facilities of communication both by land and sea,—but always to what they choose to call Free Trade.

The English Free Traders point with triumph to the Board of Trade returns of their exports and imports, and claim this as their doing; but at the same time ignore the fact that the Board of Trade returns of France, Switzerland, Prussia, Belgium, Austria, and America, show results far more satisfactory, in a proportionate increase of trade greatly exceeding that of England:—showing most clearly, whatever blessings may be attributed to Free Trade, that sound progress is not incompatible with the strictest protection. The whole of Europe and America have acted on the very opposite principles from Free Trade. They have strictly preserved a preferential labor market for their own industrial populations; they have nursed, fostered, and protected their native industries, and have religiously excluded equal competition in every shape.

The whole producing world is looking on with surprise, at the sight of the greatest manufacturing nation in the world, wilfully committing suicide. Not one single nation is attempting to follow England's example; on the contrary they take warning by it. Now which is most probable;—that all the world is wrong, or that a small school of English Political Economists is right ?

In reviewing the effect of Free Trade on England, I shall confine myself to her trade with France, as being her nearest neighbor adopting a protective Policy. This I do on account of our position with the United States as our nearest neighbors, who, like France, adopt a protective policy, and thus, although perhaps to a minor extent, place us in a similar position to that of England with France. First I examine the cotton and woollen trade. It was commonly considered England had a monopoly of the French cotton supply; and that nothing could affect it; but it now turns out from late trade returns, that there is hardly an article of which the French do not send more to the English than the latter do to the former. For instance, in grey and bleached calicoes, France takes in value about £760,000, and sends in return £380,000; in prints £24,000, and sends back £120,000; in dyed goods £6,400 and returns £40,000.

The French Minister of Agriculture and Commerce recently stated in the Chambers, in answer to some questions relative to the trade of England with France, that while England sent them in tissues, £72,000, they sent England £1,000,000. But it is not only in cotton that France is supplying England's wants; for of the 27½ million francs worth of merinoes exported by France in 1868, England took 20½ million francs worth.

In woollen goods France sent to England, 61½ million francs; England to France 32½ millions, leaving an excess in favor of France of nearly 20 millions in worsted goods alone. A comparison of the whole manufactured goods imported and exported by France from and to England—(as taken from a statement by the Bradford Chamber of Commerce) shows a balance in favor of France of £23,233,593.

As a proof that the increased woollen trade of France is owing to having the English

ports open to them—as at Boubaix—where in 1862 the number of spindles employed were 1,300,000, and in 1867—1,750,000, the exports of woollen yarns, have increased 250 per cent., and some of the largest establishments at that place work exclusively for the English market.

Instance again the imports of French silks. This trade has increased to 9,000,000 of francs in the last ten years. It is sometimes supposed that the English are consuming more silk, than ten years ago; but it is not so. In the same time the exports from England have fallen off 1,000,000 of francs, and the home consumption has dwindled to nothing—thus the demand is for French goods of this class instead of English. Every year more French silks, ribbons, velvets, clocks, watches, shoes, boots, gloves, and many other articles are consumed in England, and less of English goods of the same kind,—thus English goods are being shoved out of her own market. These facts are now opening the eyes of the English operatives—to show them that the goods they make are not admitted into any country without heavy duties; but the same class of goods are allowed to come into England without restriction. This is what Mr. Disraeli calls “one-sided reciprocity.” Many other cases of unfair competition could be adduced to show the relative position of two nations, the one adopting Free Trade, the other Protection; and although on enumerating many of the articles of competition between France and England they might not apply to Canada, yet the same principle would apply to us in such manufactures as come into competition between the United States and Canada.

In Canada, the object of our Government should be so to adjust all the special interests of the several classes of the community, not favoring one too much, and avoiding any policy that can be construed by any class as an injury to their interests, and so to strive by moderate customs' duties to secure to our workmen a certain preferential interest in the home market, and thus enable them to find profitable employment at home, and to take their share of the taxation of their own country, instead of adding to the skill and wealth of another. The manufacturing interests of Canada are now demanding the exceptional consideration of the State, claiming that assistance can be given by granting a moderate protective tariff, without injuring any other class in the community, and by this course secure the capital and labor already expended in existing manufactures, and open a field in Canada for new enterprises which would result in the flow of capital and skilled labor into the country.

“Unfair competition” is a term strictly applicable to many of our trades in Canada, as the American manufacturer with his market closely protected and our market almost free, is enabled to push his trade to the utmost both at home and in this country. I would illustrate this by supposing that the American and Canadian manufacturers both produce an article that must be sold for an average of 2d. per pound or 2d. per yard to give a fair profit, the Canadian markets being almost free. The American has his own and our markets to work in, whilst the Canadian manufacturer—prohibited or heavily taxed in the American market, is confined to his own. The American extends his production to the utmost, and being protected at home he easily arranges with other manufacturers to maintain a price of 2½d. a yard or pound in his market. But 2d. is the paying price; therefore if he can sell half his make at home, he can afford to sell the other half in Canada at 1½d., and still keep his average at the 2d. Now the Canadian manufacturer being excluded from the American market where the price is 2½d., and having only his own market open, is compelled to sell his whole product at the 1½d. the price at which our *Legislation* enables the American to dispose of a part of his make in this country. Now this applies to almost every article of American manufacture that is sold in this country; there is hardly one that is not often sold lower in Canada than where it was manufactured. When their home demand is good, they of

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course sell more in their dear market than in our cheap one; but just as soon as their demand slackens, their surplus goods are turned into our market to be sold at almost any price they will fetch. The Canadian manufacturer does not share in the slightest degree with any improvement of trade in the United States. He is not admitted to it. But the American producer shares equally with our own in any rise that may take place in this market; besides, the power he has at any moment to swamp our markets, must act very injuriously to the Canadian manufacturer, all of which would be obviated by a moderate protective tariff. One of the axioms of Free Trade is "Buy in the cheapest, sell in the dearest market;" but this is impossible for the Canadian manufacturer, for he has only his own to sell in, and even in that he has to meet the American on his own terms.

Home consumption of home manufactures should be the test of prosperity of any country. As a proof of what protection is doing in the United States, President Grant in his message to Congress in 1869, says:—"American manufactures are now increasing with great rapidity; under the encouragement they receive manufactures are being diffused all over the country." Our skilled artisan leaves Canada for America where his skill and labor are protected. If protection to labor is necessary, let us bring it to him here instead of obliging him to go and find it.

I conceive the great duty of a Government to be, to secure to the people they govern the cheapest and most plentiful supply of all articles necessary for their comfort and progress, and to the development of their industries; to foster and protect in every possible way the demand for home labor and the consumption of home industries.

Now with a moderate protective tariff for Canada, and set down for a term of years, would not manufactures be established amongst us, and we be consuming home manufactured goods instead of those produced in a foreign country? The consumer would be paying no more for his goods under a moderate tariff, than he does now; for this very protection would result in increased manufactures, producing more competition,—thus always keeping the price at a fair remunerative profit, while our goods would supply our home market.

I do not advocate a retaliatory policy as against the United States, but simply as a protection to home manufactures.

Mr. THOMAS WHITE (Montreal): I wish to adduce some reasons for voting against the resolution which has been proposed by Mr. Wilkes, and why I think the Board ought to accept the amendment I have placed in your hands. I have no hesitation in saying that I am a Protectionist to this extent;—I believe it is possible for the government, by the adoption of a fiscal policy, to nurture, protect and promote the industries of the country. The Free Trade principle, on the contrary, is that the Government should not in any way interfere to this end, and that just in proportion as it does interfere it injures rather than benefits the manufacturing interests. From this doctrine I entirely dissent. It is quite possible for the Government to promote the manufacturing interests of a country; and especially in a new country like this, where there is not much accumulated wealth, where manufactures must be started on a very small scale, and where the market is limited, it is the duty of the Government to do what it can to promote them, by the adoption of a fiscal policy on the principle of incidental protection. My friend, Mr. Young, as seconder of the resolution, was kind enough to say that the amendment I have moved is indefinite in

its terms, and that for this reason the Board ought not to be called upon to adopt it. I confess that, to my mind, nothing could be more definite than this amendment. Had I taken the tariff as it stands to-day, and included every single item of it in my resolution, it would have been considered sufficiently definite for everybody to understand. Yet that is substantially what I have done. I declare in this amendment that permanence in the tariff is what is most needed, that those engaged in the commerce and manufacturing industry of the Dominion should know what is likely to be for some time to come the fiscal policy of the country, so that when men invest their capital in any industry, they should have fair assurance that the customs' tariff affecting it is to continue for a considerable period. Now what is the fact in regard to the resolution we are asked to adopt because the amendment is so indefinite in its character? The main resolution, on which this whole discussion has risen, declares that the time has come for a revision of the tariff, and it proceeds in terms which will scarcely be called definite to state what direction that revision should take. We are told that the tariff should be modified, so as to reduce the duty on articles entering into the daily food and clothing consumption of the people, in order "to reduce the cost of living to our laboring manufacturing population, and on the raw material of manufacturing, thereby encouraging and protecting our native industries." I confess that I was somewhat astonished to find a gentleman, whom I know to be a strong protectionist,—who has submitted to this Board a most interesting and elaborate paper in favor of a protective policy, and who proposed to move resolutions in the same sense,—actually caught by the phraseology of Mr. Wilkes' free trade resolution into believing that it meant protection. Why, sir, anything more destructive to our manufacturing industries than the policy foreshadowed in this resolution, could hardly be imagined. Many of our principal manufacturers are at this moment engaged in the production of articles that enter into the clothing consumption of the people. Look for a moment at some of them. Ordinary tweeds:—is not the manufacture of these an important industry, built up chiefly by the incidental protection of the past, and requiring the same policy for its continued prosperity? Boots and shoes:—is not that an important industry, employing a large number of people, and which ought to be protected? Ready-made clothing and underclothing:—are not these important industries, which likewise employ a large number of hands? And yet we are asked, in order to encourage manufactures, to reduce the tariff upon them all; in fact to destroy these industries, in order to allow the cheap products of foreign countries to come into competition with them. Yet we have gentlemen professedly in favor of protection caught by the wording of the resolution into an apparent acceptance of so suicidal a policy. Then the resolution proceeds to propose that the duty must be taken off "raw material." It does seem strange that the seconder of this resolution should charge me with indefiniteness in proposing the continuance of the existing tariff, while at the same time he deals with terms so vague as are contained in this resolution. What is "raw material"? In regard to the manufacturer of ready-made clothing, it is tweeds and cottons; and yet tweeds and cottons are important articles

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of manufacture in the country. To the manufacturer of boots and shoes, it is leather; and yet to the tanner, leather is a manufactured article. And so I might go through the entire list, and show that what is in many cases the raw material for one manufacture, is the manufactured product of another. And this really constitutes one of the difficulties in attempting to deal with this question by such generalizations as are contained in this so-called definite resolution. And how is it proposed, under the terms of the resolution, to encourage and protect our native industries? By reducing the cost of living to the "laboring manufacturing population." No one can doubt the value of cheap living to the people, but I think it will be found that what the workmen want is high wages rather than cheap living. If both could be had, all the better; but if only one, they would infinitely prefer the former. And that the mover of this resolution does not contemplate that both shall be had is manifest, from the fact that he expects the cheap living to produce low wages, and consequently economical manufacturing. Look at the facts. What is it that constitutes the inducement to so many of our mechanics to go to the United States? Simply the high wages. It is undoubted that the steady mechanic in Canada, counting up the results of his year's operations with his brother workman on the other side of the line, will find the balance considerably in his favor. But the idea of high wages has so great an attraction, as to induce many to leave. So, too, in small towns, living is very much less than in large cities; and yet mechanics infinitely prefer the latter, because of the more steady employment and higher wages. You will not necessarily build up manufactures in the country by any principle of merely reducing the cost of living, and seeking to induce the population to remain here; because if they will count up their surplus earnings at the end of the year, they will find themselves better off than they would be in other countries where they might receive a larger amount of wages. The resolution, therefore, whilst professing to be in the interest of native industry, is really an extreme free trade resolution, put forward by the advocates of free trade in terms which they hope may catch the votes of the Protectionists on the Board, with clap-trap phrases about the cost of living, at the very time when, by its general policy, it seeks to cut off protection from the largest industries of the country. It does seem to me, therefore, that it did not come well from the gentleman who seconded the resolution, to make a charge that the amendment that I proposed was inadmissible, on the ground that it was "indefinite." It is rather unfair for the Board to be called upon to vote upon the first portion of Mr. Wilkes' resolution without the last. We are asked in the first part, on the abstract propositions contained in it, to take off the duties on a large number of articles; but we are not informed how the deficiency in the revenue is going to be made up. If we had the whole proposition before us we could discuss it. In regard to the proposed tax on land, how is the poor man of the country going to be advantaged? This tax must of course be based upon the assessment rolls, and any one who goes into the townships of Upper Canada can ascertain how grossly unequal and unfair the assessment is. I know farms that are worth \$30,000 that are only assessed at \$3,000; I know farms farther back where

the land is scarcely sufficient to maintain the family, and yet in the very nature of things they are always assessed up to nearly the full amount. Thus you would find the poor man compelled to pay the full value of the land, in order that this fancy tariff should be carried out, while the rich man escaped at one-fourth or one-fifth; and yet we are asked to believe that all this would be done in the interest, forsooth, of the poor man of the country! Then, as to the other source of revenue which is to be used to make up for the reductions proposed in this resolution, that of an export duty on lumber,—what are we doing at this moment? We have upon our programme, and will probably adopt it unanimously, a resolution in favor of reciprocal free trade with the United States. Why do we want reciprocity? That we may have the American market for the natural products of the country, including among them sawed lumber. And yet, at the very moment that we are seeking this larger market, we are asked to hamper the trade by putting an export duty on lumber, and thus aggravate the evils arising from the absence of a reciprocity treaty. I repeat that I think it scarcely fair to ask this Board to adopt the first part of this resolution, involving serious reductions in the revenue, unless at the same time we may discuss the proposals by which that loss is to be made up. If we could have a 20 per cent. tariff, and the assurance that it must be permanent, I would go in for it. But to my view if we got that twenty per cent. tariff, strong opposition would arise on the ground of too high taxation. If such a tariff were imposed and afterwards reduced, it would inflict much more harm on our manufactures than if it had never been imposed. What is wanted is permanence. The fifteen per cent. protection gives us fair assurance of that, and under it our manufactures have prospered in the past. It has placed our manufacturing industries in a position of which we may well feel proud. It is a tariff not likely to be lowered in accordance with the views of a fancy financier like Mr. Wilkes, and therefore it may be looked upon as a fair permanent tariff, and as a permanent tariff which ensures to every man engaged in manufacturing industry, adequate protection for all reasonable time to come. A fifteen per cent. tariff means more than fifteen per cent. protection to manufactures. There is the cost of transport of goods from the other side of the water, which amounts on an average to at least five per cent., so that there is now a protection equal to twenty per cent. That ought to be sufficient for any industry suited to the country; and as to others it would be unwise to attempt to sustain them by fiscal props. I warn my protectionist friends against provoking the controversies to which a twenty per cent. tariff would give rise. The very discussion of it, the very attacks which it would provoke, would do more to unsettle manufacturing industry and drive capital from being invested in it, than any good results that could flow from it. I hope, therefore, that in the interests of the manufactures of the country, as well as in the interests of its commerce generally, the Board will not allow itself to be induced into recommending any general increase in the tariff; and certainly not into voting for the fancy financial scheme embodied in the original resolution in the hands of the President.

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Mr. ROBERT WILKES, M.P. (Toronto), said he had listened with interest to the able remarks of Mr. White. At first, when that gentleman found his amendment received with some favor, he left it to its fate; but now, when its fallacies have been exposed, he warms in its advocacy, and in his own classic press-style describes the advocates of moderate protection, based on sound trade principles, as "Fancy financiers!" The end of all such systems, as Mr. White advocates, is "protection all round." One man wants *his* "raw material" free of duty; but his raw material is the "manufactured article" of some other person;—therefore, there *must* be protection all round. The farming class, which numbers 92 per cent. of our population, has no protection,—and therefore must, as the consumer, bear the injustice of the protective "rings." He showed that a "revenue tariff" cannot be protective at the same time; for, if it develops the home-made article to the exclusion of the foreign, it cannot yield a revenue as well. The misfortune of every man who starts a small factory in some locality is, that he expects the whole importation of the country to be taxed exclusively in order to protect his production of 5 or 10 per cent. of the total consumption. What Canada wanted was, not protection in excess of a fair revenue tariff, but a larger market. Many of our manufacturers at present ship their goods to England and the United States; they could do so more largely to the latter country, if the duty were the same on both sides of the lines. A country adapted to manufactures, as Canada is, need have no fear of being crushed if her policy be sound. Switzerland manufactures watches and cottons; yet she admits these articles from France and other countries at a small tax per hundred, (*kiloes weight*), not *ad valorem*. Germany is a great manufacturing country; yet she admits all the world with its wares to the fair of Leipzig, at a nominal tax on the weight also. It had been stated in this debate that England has the balance-of-trade with France against her. It is quite true that she only sends to France about ten millions sterling, instead of two millions twenty years ago—and that she receives from France over thirty millions sterling;—but British trade returns tell the tale. The bulk is re-exported, from Great Britain, and she gains her commission on the traffic, while she finds employment for her merchant marine, the keels of which plough every sea on the face of the globe. He concluded by expressing the hope that the amendments proposed by Mr. White and Mr. Imlach would be voted down; and that if we could not recommend a material reduction of duties that now press unequally on consumers, this Board would not recommend an advance of duties, even to meet the demands of a necessitous Minister of Finance.

A vote was then taken on the amendment to the amendment, which was not agreed to by the following division:

Ayes—Messrs. Ash, Bramley, Coté, Gregory, Imlach, Kirby, Langelier, Maynard, McDougall, McPherson, Morin, Ryan, Stephenson, Watson, Wilkes (George H.), Wood.—16.

Nays—Messrs. Carruthers, Chalmers, Clemow, Cooley, Daley,

DeVeber, Dobell, Dougall, Fraser, Harding, Harty, Keays, Kerry, Labelle, Lee, McGillivray, McGiverin, McLennan, Morison, Ogilvie, Pennock, Robertson, Roche, Simmons, Skead, Spratt, Thomson, Thompson, Walker, White, Wilkes (Robt.), Wylde, Young.—33.

Mr. JOHN WALKER (London), then moved in amendment to the amendment, seconded by Mr. JOHN CARRUTHERS (Kingston):

"That this Board approves of an incidental protection to Home Manufactures, of fifteen (15) per cent. *ad valorem*, and are of opinion that in the event of any increase of revenue being required, it should be raised by increase of duties on articles that are 'luxuries' and not 'necessaries' of life; and

"That this Board is further of opinion that permanence in the fiscal policy of the country is most important alike to its commerce and manufactures."

Mr. WALKER, in supporting his amendment, said:—I am in favor of protection to home manufactures, but regret that I must differ from my friends in the West, as to the amount of protection required. From my experience, 15 per cent. is sufficient to give us a fair protection against foreign manufactured goods. A 15 per cent. duty, in addition to the protection we have from freight and other charges, which have to be paid before foreign goods arrive in the market, is as much as we are fairly entitled to, and as much as we can hope an intelligent people and a young population like that of Canada will allow us to receive. One of the considerations we should most constantly keep in view is, that if we are over-protected it is virtually bad for us; it is apt to make us neglectful in employing every improvement in machinery that we can obtain, and we would be too apt to look to protection and not to our own energies for livelihood and success. We should give our adhesion to the decision that a 15 per cent. tariff is sufficient for protective purposes. I have not yet been able to see, either from his paper or his address, whether Mr. Wilkes is in favor of Protection or Free Trade.

Mr. WILKES—Both.

Mr. WALKER—He is not a free trader, but an unfettered trader. I only wish Mr. Wilkes had reconsidered his calculations. For instance, the revenue from one of the articles of large consumption is calculated as if the duty upon it still existed, whereas it was removed last year; and yet his calculations are based on the Customs, with that very large amount of duty included. I have also to take issue with him on another point. He said that our working people and our artisans are not a class that save much money. I know that in the town where I reside, which is essentially an industrial town, and dependent upon manufactures for the large increase that yearly takes place, having a population of only 20,000, yet at this moment there are deposited in the Savings' Banks of that town upwards of \$1,000,000. If in a town of that size there is an amount of over \$1,000,000 in the Savings' Banks, it is cause for congratulation, and evidence that ought to prevent us from implying that that class of the people do not, in this particular, act as they should do. Mr. Wilkes' comparison between Mexico and Canada is not a happy one. In imposing a tax of one mill in the dollar on the improved estates of the

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countries, there is no comparison. In Canada it would be impracticable ; but I will leave it to you to say where the tax-gatherer in Mexico would collect that one mill, and whether it would not be likely to lead to a very serious " mill " in that country ! I hope that my amendment will meet with the support of the majority of this Board.

Mr. JOHN CARRUTHERS (Kingston) : I think that the amendment to the amendment will meet the views of manufacturers generally. The great question they want settled is permanence in the tariff for a period of at least five or ten years. The views of the majority of the manufacturers are in favor of the Government leaving the tariff alone ; and the more settled it can remain, the better it will be. The present tariff is about a 20 per cent. protection ; and I am sure if the manufacturers have only patience they will succeed very well under it. The agriculturalists and manufacturers must try each to help the other, and not to go on too fast. I am sure we would all regret if we should advise 20 per cent. protection, and perhaps after two years feel compelled to ask its reduction to 15 per cent. I think we had better endeavor to build up our manufacturing industries under the present 15 per cent. tariff.

Mr. E. MCGILLIVRAY (Ottawa) : It appears very clear that Mr. Wilkes considered that he was speaking in the interests of the poor of the country. I hold that we have no poor ; at all events, any who may be so considered, have only themselves to blame. If, instead of advocating for the poor a reduction of the taxes of the country, he should propose to raise the tax on intoxicating liquors, he would be representing the interests of the poor far more effectually than by seeking to reduce the taxes on imports.

Mr. WILKES : That is just what I do advocate.

Mr. MCGILLIVRAY : It is necessary we should be definite in stating what we require ; but in the resolution I fail to discover what really is proposed. If we were before the Government, we could not tell them, from the resolution, what we desire. Last year we passed a resolution for the enlargement of the canals, and now that the Government have commenced their construction, we are recommended to urge the Government to reduce the tariff. They want as much money as can be obtained through the means already placed at their disposal, and I do not think the tariff on any of these articles, with the exception of sugar and rice, is too high ; or that we should ask for any reduction. It is our duty to say, before asking for any reduction, what we actually want. I feel satisfied that if we can show Government some grounds for asking its reduction, and give them the means to accomplish it, they will be perfectly willing to meet us on a fair basis ; but unless we can indicate in a business-like manner the direction in which we wish to have the tariff altered, it is useless for us to waste time in considering any such resolution as the main motion now before us.

Mr. THOMAS WHITE, Jr., (Montreal) explained that he could not withdraw his amendment on account of the absence of his seconder ; but as he could accept Mr. Walker's amendment, he would ask the Board to support it.

A vote was then taken on the amendment to Mr. White's amendment, and carried on the following division :

Ayes—Messrs. Ash, Bramley, Carruthers, Chalmers, Clemow, Cooley, Coté, Daley, DeVeber, Dobell, Gregory, Harding, Harty, Imlach, Keays, Kerry, Kirby, Labelle, Langelier, McDougall, McGillivray, McGiverin, McLennan, McPherson, Maynard, Morin, Ogilvie, Robertson, Roche, Ryan, Simmons, Skead, Spratt, Stephenson, Thompson, Walker, Watson, White, Wilkes (George H.), Wood.—40.

Nays—Messrs. Dougall, Fraser, Lee, Morison, Pennock, Thomson, Wilkes (Robt.), Wylde, Young.—9.

Mr. Walker's amendment was next put, as against Mr. Wilkes' motion, and carried on the following division :

Ayes—Messrs. Ash, Bramley, Carruthers, Chalmers, Clemow, Cooley, Coté, Daley, Dobell, Gregory, Harty, Imlach, Keays, Kerry, Kirby, Labelle, Langelier, McDougall, McGillivray, McGiverin, McLennan, McPherson, Maynard, Morin, Ogilvie, Robertson, Roche, Ryan, Simmons, Skead, Spratt, Stephenson, Thompson, Walker, Watson, White, Wilkes, (Geo. H.), Wood.—38.

Nays—Messrs. DeVeber, Dougall, Fraser, Harding, Lee, Morison, Thomson, Wilkes (Robt.), Wylde, Young.—10.

The PRESIDENT thereafter announced that the original motion as amended was carried on the same division.

APPLICATION FOR AN ACT TO INCORPORATE BOARDS OF TRADE.

Moved by Mr. WM. MCGIVERIN (Hamilton), seconded by Mr. JOHN CARRUTHERS (Kingston) :

"That application be made to the Dominion Parliament for a General Act, under which Local Boards may be organized."

Motion carried.

ACT OF INCORPORATION FOR THE DOMINION BOARD.

Moved by Mr. WM. MCGIVERIN, seconded by Mr. R. S. DEVEBER (St. John, N.B.),

"That application be made for a charter to incorporate the Dominion Board of Trade."

Motion carried.

INCONVENIENT U. S. REGULATION.

Moved by Mr. HUGH MCLENNAN (Montreal), seconded by Mr. W. W. OGILVIE (Montreal) :

"Whereas, The Customs Regulations of the United States, requiring all Canadian Vessels bound for Lake Michigan Ports to call at Duncan City and obtain permit to proceed to destination, causes much inconvenience and delay to the vessel interests of Canada, be it therefore

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Resolved,—That the Council be instructed to bring the subject to the attention of the Governor-General in Council, with the view of obtaining such modification of the instructions from the Secretary of the Treasury Department of the United States, as will remove the inconvenience complained of."

The resolution was carried; after which

Hon. MR. HAWLEY (Detroit, Mich.), said: The matter submitted in the resolution, is to me entirely new; and I trust and believe that it is of a nature which will be changed, as contemplated by the action of this Board, when brought to the attention of the proper department. I have not the slightest doubt that there is a disposition to do everything that is necessary to facilitate Canadian commerce on Lake Michigan.

CIRCULATION OF INFORMATION RELATING TO CANADA.

Moved by Mr. WM. PENNOCK (Ottawa), seconded by Mr. M. P. Ryan, M.P., (Montreal):—

"That it be, and hereby is, an instruction to the Executive Council of this Board, to procure the publication of suitable information relating to the varied resources of Canada,—including trade, commerce, internal navigation, &c.,—for general free circulation in the United Kingdom and elsewhere; and

That the Executive Council also enter into correspondence with the Associated Chambers of Commerce, and other commercial organizations in the United Kingdom, for the purpose of assisting in drawing attention to Canada, not only commercially, but also as a desirable future home for the emigrating classes."

Mr. PENNOCK: I am very much pleased to hear from the Council's report, of the action taken by our Secretary when in England last year; and no doubt most beneficial results will flow from the adoption of the course suggested.

Mr. E. D. KIRBY, (Petrolia):—I wish to know where the funds are to come from, as before we give instructions for a large amount of useful information, we should provide the ways and means for paying the necessary expenses.

The subject was referred to the Finance Committee.

On motion the Board adjourned until ten o'clock on the following morning.

SECOND DAY'S PROCEEDINGS.

MORNING SESSION.

THURSDAY, 16th January, 10 o'clock, A.M.

HENRY FRY, Esq., President, in the chair.

The SECRETARY called the roll of members, and thereafter read the minutes of proceedings of previous day, which were confirmed.

The PRESIDENT suggested that, with consent of the Board, the question of Reciprocal Trade between the United States and the Dominion, might with propriety be deferred until the arrival of the other Delegates from the U. S. National Board of Trade; this was agreed to.

The Board then proceeded to consider the subject of

EXCISE AND CUSTOMS DUTIES UPON PETROLEUM OIL.

Mr. E. D. KIRBY (Petrolia), rose to introduce the question of which his Board gave notice. He said, that last year he had the honor of expressing his views on this question, and explained then what the oil men believed they were entitled to; and he thought the recommendation of the Board to the Government, that in place of the Excise duty there should be a duty of \$1 per barrel placed on all oil consumed in the country, was a fair one. The Government had, however, refused to entertain that proposition. He might state at the outset, that the Petroleum interest was a very large one, particularly in the Western portion of Canada. He knew that there was a feeling in the country, at the present time, against Petroleum, principally on account of its high price in the Dominion, the Association of Refiners having placed it at a higher price in Canada than it can be sold for in the United States. For the information of the Board, and those who had not given the matter great consideration, or heard his remarks last year, he might say, that the oil districts had an Association called the "Crude Oil Association." It was a regular partnership of producers, who sign articles of co-partnership, which are registered in the same way as any other business firm; they appoint a Chairman and Secretary, and all sales of Crude Petroleum are made through that board,—the rate at which it is sold being regulated by the price of Refined Oil in New York. He would give them an illustration. Suppose Refined Oil is worth 24 cents in New York, and that the price of the Oil should be fixed by the Association at \$1.40 or \$1.30; for every half cent advance in Refined Oil in New York, an additional five or ten cents will be put on Crude Petroleum in Canada,—the price

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being regulated, on the 1st and 15th of each month. To show the quantity sold through the Association,—and in speaking of that body he did not mean to say that all the producers were connected with it, although nineteen-twentieths of them are,—he would give them in detail the amount of Crude Oil sold in each month during the past year, the value it brought, and the average per barrel:—

1872.	Quantities sold. Barrels.	Amount Paid.	Average Price per Barrel.
January	46,668	\$64,310	\$1.37
February	38,217	45,860	1.25
March	32,663	39,165	1.15
April	11,796	14,155	1.15
May	43,857	49,408	1.12
June	32,749	37,038	1.13
July	23,751	24,121	1.01
August	37,660	40,443	1.08
September	59,020	77,185	1.30
October	63,326	97,881	1.54
November	83,397	153,218	1.86
December	57,238	103,925	1.81
	530,342	\$746,769	

The total quantity sold by the Association was 530,342 barrels, producing \$746,769. In addition to this, there is an arrangement between the Crude Oil producers and the Refiners' Association, by which one half of the profits upon refined Oil are to be divided amongst the Crude Oil men. They would see by these figures that the Oil interest was no very small one. But there was also a considerable proportion of Oil sold outside the Association. The total amount of Refined Oil exported, via the Suspension Bridge, in 1870, was 6,904,081 gallons, which, at 20 cents per gallon, amounts to \$1,380,816. The Excise duty levied, is not felt to be a hardship upon the refiners themselves; they do not complain of the duty of 5 cents per gallon, because they don't pay it; the consumer had it to pay. But the great difficulty which the refiners had to contend with was, the supervision of their refineries by revenue officers. It was true that the Government had not introduced any special act, referring to the manufacture of Crude Petroleum; but they had made the law which related to distilleries and breweries, apply to the oil refineries. Nevertheless, he contended that there was no analogy between the two businesses. The consequence of that act of the Government, was to cause those engaged in the business a great deal of inconvenience; they were compelled to have all kinds of signs put up in their establishments, which was felt to be very annoying. The refiners were more desirous of having these regulations abolished, than of having the duty removed. In speaking to that question he was laying himself open to the charge of asking the Government to do away with a large amount of revenue, without suggesting any means by which it could be replaced from

another source ; while it was evident that the Government required all the revenue it possessed. That was all fair enough ; but the duty on Refined Oil was imposed at a time when the refining trade was in a very depressed condition, and when large stocks were held by speculators. The supporters of the resolution, claimed that it was contrary to the general interests of the country, that any of the natural products should be hampered by a government inspection during its manufacture. It was true that the Oil business was increasing ; but it did not follow that the 5 per cent. Excise duty was just. They claimed that the business should not be burdened any more than was necessary for the safety of the country ; and if it was agreed that inspection was necessary, they were prepared to support any motion that would cause Refined Oil to be inspected as to quality, fire test, and quantity in package ; but they thought that the Excise duty ought to be removed. He would therefore move, seconded by Mr. H. COOLEY (Petrolia) :

“ That in the opinion of this Board, the Excise Duty upon Refined Petroleum Oil should be removed ; and that the duty upon Sulphuric Acid should also be repealed.”

As to the latter part of the resolution, relating to Sulphuric Acid, he said that this article came largely into consumption for oil refining. At the present time refiners were paying 3 cents per pound for sulphuric acid in Canada ; whereas, in the United States, the price was only $1\frac{3}{4}$ cents per pound. There was a duty of $\frac{1}{2}$ a cent per pound levied by our Government, and as the article came in glass packages, the freight was the highest charged by the railway companies. They claimed that as sulphuric acid entered largely into the manufacture of refined petroleum, and as oil was taxed by the Government, the articles used in its manufacture should be free. That was a proposition which would meet the support of almost every one, and they accordingly claimed that sulphuric acid should be so admitted. A duty of $\frac{1}{2}$ a cent per pound was equal to a 30 per cent. duty, and the refined oil exported came into competition with the American oil treated by sulphuric acid purchased at $1\frac{3}{4}$ cents per pound ; thus the Canadian manufacturer was placed at a great disadvantage compared with the manufacturer of the United States.

Hon. JOHN YOUNG (Montreal), supposed that there was no duty charged on oil exported.

Mr. KIRBY replied that there was a drawback allowed, and the duty fell entirely upon the consumer in Canada.

Mr. JOHN KERRY (Montreal), did not consider that the mover of the resolution had made out any claim for the repeal of the excise duty ; but the question of the duty on the acid brought up one of the anomalies of protection. This was clearly a raw material in his business, and it had now come to be manufactured in this country. Why the $\frac{1}{2}$ cent. duty was put on it he could never understand, because when the manufactory at Point Levis was first established, its proprietors informed him that they were able to make and sell sulphuric acid at 2 cents per pound, deriving therefrom a handsome profit. He would, therefore, be able to vote for one

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part of the resolution, but not for the other; and he hoped that it would be divided.

This course was adopted by consent of the Board.

Hon. JOHN YOUNG (Montreal), remarked, that a company had recently been formed in Scotland, to work the copper mines of the Eastern Townships of Quebec, and he had no doubt that if these works were successful, they would be able to produce sulphuric acid in this country as cheaply as anywhere else. He rather thought that it would become an article of export, because the operations would be carried on upon a very large scale.

Mr. JOHN CARRUTHERS (Kingston), asked when the works would be commenced.

Hon. JOHN YOUNG replied that there were 150 men at work in the mines, and machinery was being brought there.

Mr. JOHN WALKER (London), regretted to differ from the mover of the resolution in regard to the expediency of repealing, at the present time, the Excise duty on petroleum. Representing, as he did, the largest oil refining interest in Canada, he had not found the inconvenience which Mr. Kirby had described. He was authorised by a large meeting of the oil refiners—a meeting not only of a majority of the producers, but of a majority in number of the oil refiners—to attend the Board, and state that they had now got accustomed to these restrictions, and the setting up of those signs and other inconveniences that had been alluded to, and they were willing, if it was in the interests of the country, that the excise duty should be continued,—to do their part toward promoting the general good, by submitting to the inconvenience attending its enforcement. He was authorised to say that much on their behalf, and to leave the question to be dealt with by this Board, as one between the consumers and the Government of the country. If they considered the tax on the consumer unnecessary, or that it was levied upon an article that might be termed a necessary of life, the refiners would not object to be relieved of the trouble that was caused to them by the restrictions and regulations of the excise; but they did not press the question of the removal of the excise duty, for this year at least. The statistics produced, showed conclusively that the trade was in a highly prosperous condition; the monthly sales indicated a steady increase in the quantities sold, and an increase in the price realized,—the rate in February being \$1.25 a barrel, and in December \$1.81. They could not come before the Board with a fair case as a struggling community, with such a record as those statistics presented; and under those circumstances, the oil men felt that it would be unwise to ask to be relieved from the trouble and annoyance the excise duty gave them, inasmuch as they were reaping, in conjunction with the rest of the country, so very large and profitable a return for their investment and labor. He would therefore move “the previous question.”

Mr. E. MCGILLIVRAY (Ottawa), reminded the Board, that some years ago, a number of gentlemen attended at Ottawa, for the purpose of

asking Government to place an excise duty on Petroleum, taking the ground that there was no article used by the people at large which could bear a tax more easily than petroleum. Their suggestion was adopted. At the next session of Parliament a deputation attended, with the object of getting the duty removed, or placed at a nominal sum. According to the theory of Mr. Wilkes, that the article of tea, being used by rich and poor, should bear duty,—the article of petroleum, being used by thousands in the land, can bear duty also, for in 1870 we find that it yielded a revenue of \$200,000; in 1871, \$247,000; and in 1872, \$320,000. Now, in view of the large expenditure asked from the Government for improvements, throughout the Dominion, he questioned whether they were prepared to yield that amount of revenue. It was admitted that the consumer was now paying the duty; and yet they were asked to recommend the taking off of that duty, in order to prevent any petroleum coming from the United States. His opinion was, that instead of rescinding the duty, if money was required, an extra amount should be levied on the article.

Mr. H. COOLEY (Petrolia), contended that the assertion that the oil men were all wealthy was erroneous, and, as an oil man of eight years' experience stated, that five out of every ten did not succeed. The tax pressed most heavily upon small manufacturers; in fact, the imposition of the tax had been the work of a "ring" of thirteen men in the Refiners' Association, who profited to the extent of thousands of dollars by it, because they had large stocks of oil on hand; whilst the others who were in short supply, and had to fill large contracts, lost heavily. There was no trade in the country upon which the Excise duty bore more heavily than that of Petroleum; and it ought to be abolished. He complained of the regulations made by the Internal Revenue Department, and declared that they opened the door to admit of very great injury being done to a manufacturer by a spiteful neighbor.

Mr. R. S. CHALMERS (Sarnia), as one engaged in the Petroleum business, was in a position to state that the trade had passed through many phases; and to-day it was questionable whether, if an account were made up of the total gains and losses, there would be any large amount to the credit side. As to the refining branch of it, he mentioned that whereas at first it was perfectly free, there was now a tax of 5 cents per gallon. The refining interest did not, however, feel this so much a burden, as the regulations of the Department of the Government in connection with the business. For instance, if one of the signs in the establishment happened to fall down, or a barrel was found upon which the inspection brand had not been rubbed out, the refinery was liable to be seized, and all the inconveniences arising from a seizure would occur. It was true that the tax did not come out of the pockets of the refiner, but from the general public; nevertheless the oil men had to pay it in the meantime, and it was not always convenient at the end of every fifteen days, when the Excise officer came round, to raise one thousand or fifteen hundred dollars, especially when the stock was yet in hand. It was also true that the oil could be bonded; but after it was placed in the warehouse, especially in summer, the

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leakage amounted to from 10 to 20 per cent., and the producer had not only to lose that percentage, but also the duty which would accrue on it, because every gallon was noted by the Government, and payment had to be made on the quantity put in bond. So there were inconveniences on every side from which they viewed the question, arising from those regulations. It was not, therefore, the amount of duty, but the regulations of the Department that required amendment; and if there could be any method of doing away with them, no doubt the refiners would be willing to pay the money in any other shape.

Mr. JAMES DOUGALL (Windsor), failed to see that the oil refiners had anything to lose by the tax, for it was the consumers who paid it all; indeed the refiners charged their profits on the 5 per cent. duty, in addition to the cost of the article. He thought that the Excise duty on petroleum, an article found in the country, was just as indiscreet as to place a tax on every bushel of wheat raised by the farmer. It was an inconsistent way of raising a revenue, and was at the instance of a "ring," interested in putting the difference into their own pockets. Under those circumstances, if the Government could raise the amount now realized from the Excise duty in any other way, it would be much more consistent. He did not complain as a consumer of the few cents extra per gallon that he paid, because he no more felt it than he would a duty of half a cent a bushel on wheat. But if they could do away with the expensive system of Excise supervision, and lay a tax on each barrel of crude oil, it would be much better.

Mr. M. P. RYAN, M.P. (Montreal), said that when this matter came up last year, he suggested relieving the refiners from the inconvenience under which they labored, by taking off the 5 per cent. tax, and imposing a duty of say \$2 a barrel. Had the suggestion been carried out, it would doubtless have removed all difficulties. When the proposition was made, however, it was rejected, and he had then learnt that nothing but the removal of the duty altogether would satisfy the malcontents. But was there a case made out for the removal of the tax? What were the facts? They found that despite this tax, the Oil trade had prospered and increased as no other interest in the world had flourished; that within a short period it had grown to such an extent, that in the last fiscal year it paid to the Government a revenue of \$247,000; while it had gone on increasing so largely, that he had no doubt it would this year reach \$300,000. It had been admitted by some of the speakers during the debate, that the refiners did not pay the tax, but that it came out of the pockets of the consumers. Now, he had heard no one complain that the price of oil was excessive, nor were there any petitions before Parliament asking that the tax should be repealed; therefore he thought they should be exceedingly chary of suggesting the removal of so important a source of revenue. On those grounds he opposed the motion last year; but he was still prepared to meet their views in regard to the mode in which the duty was collected, by recommending the imposition of a tax of \$2 per barrel. As the motion now stood, however, he was bound to oppose it, and maintain his position of last year.

Mr. JAMES MCPHERSON (St. Johns, P.Q.), showed that on the south-east border of Quebec a great deal of smuggling was carried on, and that the dishonest trader was able to bring in oil from the United States at a less price than our refiners would sell it for, and thus the honest trader could not make a profit. If the five cent duty were removed, the refiners would be enabled to sell it at 33 cents a gallon, instead of from 36 to 38 cents. He had no objection to the Government levying a tax on it at so much per barrel, say \$1.00; for the people would prefer to pay that sum, have the oil inspected, and the fire-test applied, rather than have it pass through the country liable to explode.

Mr. JAMES DOUGALL (Windsor), remarked that he had never heard of a gallon of oil being brought across the line from Detroit to Windsor.

Mr. MCPHERSON said that was explained by Windsor being so near to the oil district; and he must also remember that from \$90 to \$100 was charged per car-load, for transporting oil from London to St. Johns.

Mr. JOHN WALKER (London), wished distinctly to disclaim having had any connection with any "ring," when the duty was imposed. He was not in favor of the imposition of the duty. He supposed that in Petrolia the information had not been received, or Mr. Cooley would have known something about the proposed tax. But seeing that revenue was required for the country, that the trade was not injured by it, and that manufacturers had become somewhat accustomed to the restrictions,—and knowing as he did that they were about to obtain relief from some of the most vexatious inconveniences of the system, he was content that the tax should be continued for another year at least. One benefit which had been conferred upon the country by the tax, was that the public got a better grade of oil, and that they also received the benefit and security of the fire-test. There had also been an indirect benefit conferred upon the oil refiners by this excise duty. Their system of book-keeping at that time was like the natural petroleum itself, "very crude;" but the new regulations compelled them to keep a rigid account of their business, the result being that at the end of every month they knew exactly how their affairs stood. The refiners would not at present ask relief from this tax, unless the public thought fit, on their part, to petition for its removal. With the permission of the Board he would alter his proposition from "the previous question," so as to read:

"That no change be recommended by this Board, during the present year, in the Excise duty on refined Petroleum."

Which being duly seconded,—

Mr. E. D. KIRBY (Petrolia), explained that the refiners of Ontario had formed themselves into a Refiners' Joint Stock Association; they had obtained a lease of all the refineries in Canada,—both live and dead ones. "Dead refineries" was the name given to refineries that were not in operation, and the proprietors of these were paid a certain price per month to have them remain idle. The Association then made an arrangement with the crude oil producers, by which they furnished the petroleum at a price fixed by

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the Association, and shared in the refiners' profits. The reason why the refiners to-day were anxious to keep the excise duty on the oil was, that it was the only way they had of keeping one another honest. He did not propose to mince matters; he would state facts. If any one member of the Refiners' Association were to retire at any time, and would not continue in the "ring," it would so seriously cripple the Association, that it would not stand one day; they would come down to Ottawa at once, and ask the Government to remove the excise duty. With regard to petitioning for the abolition of the tax, he remembered that a deputation was sent from Petrolia and London, to confer with the Government, whilst Parliament was in session; and it was then remarked by members, as an extraordinary thing, that so many petitions were coming in at the same time that the deputation was there, for there was scarcely a municipality in Ontario that did not present one. He also explained that all the best oil manufactured was sent out of the country, and only the inferior qualities were retained for home consumption.

Hon. JAMES SKEAD (Ottawa), thought that when an opportunity occurred for helping the poor man, they should avail themselves of it. During his long residence in Canada, he had seen the fat of pork used instead of oil, with little bits torn from cotton shirts for a wick, giving a wretched glimmering light, in the cottages of the poor. If the Government could afford to allow the oil to go free, they should do so. He was a free trader; so far as practicable, he would advocate the removal of any duty that would lessen the cost of light to those in reduced circumstances. One half of the revenue of the country was swallowed up in an unwise manner, and he would support the abolition of duties as far as possible.

Mr. WALKER'S amendment was then put, and carried on the following division:

Ayes—Messrs. Ash, Carruthers, Clemow, Daley, DeVeber, Fraser, Harding, Harty, Howland, Jones, Kerry, Labelle, Lee, McDougall, McGillivray, McLennan, Morin, Ogilvie, Pennock, Read, Robertson, Roche, Ryan, Simmons, Simpson, Spratt, Stephenson, Thomson, Thompson, Walker, White, Wylde, Young—33.

Nays—Messrs. Bramley, Chalmers, Cooley, Coté, Dobell, Dougall, Imlach, Keays, Kirby, Langelier, McPherson, Maynard, Morison, Skead, Watson, Wilkes (Geo. H.), Wilkes (Robt.), Wood—18.

Mr. KIRBY then moved the second part of his resolution, which he had previously withdrawn, as follows:—

"That in the opinion of this Board the duty on Sulphuric Acid should be repealed."

Mr. JOHN WALKER (London), opposed the resolution, and pointed out that we had new manufactories of Sulphuric Acid, fusing a large amount of copper ore and iron pyrites which were found in very considerable quantities in our own country. This industry had as much right to be protected as any other; and manufacturers of Petroleum would not stultify themselves by voting that the protection should be taken off Sulphuric Acid, when their own product was one of the most largely protected in the country.

Mr. ROBERT WILKES (Toronto), asked Mr. Walker to explain how it occurred, that in the United States, manufacturers were able to sell Sulphuric Acid at a much cheaper rate than our manufacturers.

Mr. WALKER replied that the manufacturers in the United States used Brimstone as the basis of their Acid, which was brought from the Mediterranean as ballast by vessels carrying fruit to New York, Baltimore and other ports, and was consequently a cheaper material than that used by our manufacturers. The Americans had also the advantage of a more extended market than that enjoyed by Canadian manufacturers.

The motion on being submitted was negatived, only eight members voting in its favor.

Mr. KIRBY, then moved, seconded by Mr. COOLEY:—

“That in the event of this Board recommending Reciprocity with the United States, in any articles, Petroleum Oil be included in the list.”

Motion carried unanimously.

AN ADDRESS OF WELCOME TO THE GOVERNOR-GENERAL.

The Committee on special address of welcome to His Excellency the Governor General, reported by their chairman, the Hon. John Young,—that they had agreed upon the draft of an address, which was read as follows:—

May it Please Your Excellency:

We, the President and Members of the Dominion Board of Trade, respectfully approach your Excellency, to offer our sincere and dutiful welcome on your assuming the important duties of Governor-General of the Dominion of Canada; and to assure you of our loyal attachment to the throne of Her Majesty our gracious Queen.

As an organization concerned in the commercial interests of the Dominion, we would beg to direct your Excellency's attention to the great natural resources of our country.

Situated as we are geographically, there devolved on the people of Canada the duty of turning to the utmost account whatever natural advantages they possessed, under the penalty of being wholly distanced in the race of American progress and prosperity.

Under this conviction, an extensive canal and railway system has been inaugurated, our rivers have been deepened, ocean steamers have been established, and other means have been taken, and are still being prosecuted, to make the River St. Lawrence the great natural outlet of the continent for its ever increasing Western trade.

The surveys which have already been made, show that the route to the Pacific Ocean, through Canada, from the Atlantic, will be the shortest, not only for the transit of that immense Eastern commerce which now seeks for circuitous channels or through foreign territory, but will also connect the Ocean ports on the St. Lawrence with the North-Western United States by a route shorter in distance than any now existing, to American ports on the Atlantic.

Trusting that these matters, so essential to the commercial progress of Canada, will be found worthy of your Excellency's consideration, and with the assurance of our warm welcome, in the assumption of your important duties, and of our prayer for the health and happiness of yourself and Her Excellency the Countess Dufferin.

Signed on behalf, &c., &c.,

On motion, the report was received and adopted, and the President, in concert with such of the Eastern Delegates as might be in Montreal at the time appointed, were delegated to present it to His Excellency.

THE ENLARGEMENT OF THE CANALS.

Mr. W. H. HOWLAND (Toronto), said that there had been no question so thoroughly discussed by the Board as that of Canal Enlargement, and the Board was a unit in its favor as soon as the funds of the country would admit. The point he wished to raise on this occasion was, that while the Government were seemingly very active about commencing work with the Welland Canal, they made no progress with the St. Lawrence Canals, a matter which was of interest to Ontario, Quebec, and the Lower Provinces alike. The St. Lawrence Canals required enlargement much more than the Welland, for they had all heard of the difficulties which vessels of comparatively small tonnage had in getting through them. He knew that there were times when there had been only seven or eight feet, and even as low as six-and-a-half feet of water in those canals, while they were said to be nine feet deep; and there was at least sufficient evidence that the works on the St. Lawrence Canals should certainly be advanced as rapidly as those of the Welland. He therefore moved, seconded by Mr. L. E. MORIN, (Montreal):

"That this Board trusts that the Government will proceed simultaneously in enlarging the canals, the interests of the country requiring that as much progress be made as is practicable each year in the improvement of the St. Lawrence, as well as the Welland Canals."

Mr. S. E. GREGORY (Hamilton), stated that as soon as possible the Morrisburg Canal should be deepened, because the shipping interest of Upper Canada loudly complained of the want of sufficient water there. It was not more than $8\frac{1}{2}$ feet deep—sometimes less—and the ship-owners were obliged to send their vessels down, only partially loaded. If the Government could at once attend to this point, the shipping trade of the west would be materially benefitted.

Mr. A. T. WOOD (Hamilton), learned that a large and influential meeting of the vessel-owners had been held yesterday in Hamilton, and they had telegraphed him to urge upon the Board the enlargement of the Morrisburg Canal at once. It was well known to the vessel-owners of Upper Canada particularly, that they could now bring more produce in vessels through the Welland Canal than through the St. Lawrence Canals; and he thought that the idea of the Government commencing with the Welland Canal, was like beginning at the wrong end. If the Government confined itself to the deepening of the Welland Canal, it would be fairly doing away with the through traffic, which they wished to encourage between the east and west country. It would simply be making Kingston a lighterage port, where a large class of vessels would have to stop for lighterage, unless the St. Lawrence Canals were deepened at once. The better plan would have been to have begun with the St. Lawrence Canals, and have worked west-

ward. The idea of commencing to enlarge what was already large enough to accommodate the largest vessels that could be brought through the St. Lawrence canals was clearly beginning at the wrong end. He was sure he would meet with the hearty approbation of all the Western representatives in what he was saying. One ship in Hamilton actually lost over \$7,000 owing to the low water—not more than 6½ feet in the St. Lawrence Canals—which forced her to take only half cargo. It was of no use, in his opinion, to enlarge the Welland Canal until the other canals were enlarged in their proper proportion.

Mr. HUGH McLENNAN (Montreal), stated that at a former meeting of this Board, when the subject of increased facilities for the encouragement of commerce *via* the St. Lawrence, was under consideration, the enlargement of the Welland Canal was urged as of the first necessity. The delegates from Montreal on that occasion expressed the opinion that the obstacles to an increased trade were—first, the lack of sufficient accommodation in the harbor of Montreal; and, next, the insufficient depth of water in some of the St. Lawrence Canals, as compared with the rest of the route. The resolution before us confirms the latter view, and will carry to the Government the present opinions of this Board. The particular locality that should first be operated upon is a matter of detail, that may safely be left with the Government and its efficient engineering department. Last year the Montreal delegation were compelled to acknowledge the inadequacy of their harbor accommodation compared with the trade already forced upon it; but they looked forward to an early remedying of the evil, without any appeal for Government financial aid. They contended, however, that the further improvement of the channel between Montreal and Quebec should be undertaken as a public work, but the vote of this Board was in the negative upon that question. This year the Montreal delegation have no humiliating acknowledgement or complaint to make, and no project requiring aid to present. To the 16,000 feet of wharfage front now existing in the harbor, there will be an addition of 2,000 feet completed in July, and a further addition of 4,000 feet before close of navigation in 1873, while plans are in course of preparation for a further addition of 11,000 feet. Thus it will be seen that in two years the harbor accommodation will be doubled, and kept sufficiently in advance of traffic requirements to invite any trade the improved canals may encourage in this direction. Besides providing for the expenditure upon the Harbor, he hoped the funds of the Harbor Trust would admit of some expenditure in deepening the channel to Quebec, and that powers for that purpose would be asked for. Their city would not ask for public funds. They accepted fully the opinion expressed by this Board, that no such expenditure should be made where work had any approach to being a local advantage. He believed that they could effect the necessary channel improvements themselves. He was glad to learn that the Government intended providing a much-needed increase to the wharfage on the Lachine Canal, practically forming part of the Harbor, but within the Government control. He was informed, that in addition to two slips already under contract, tenders would shortly be

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called for, for about 4,000 feet fronting upon slips of 18 feet depth of water, and for another lock for entering the canal, capable of admitting vessels of the same draft of water. Montreal was not only desirous of being independent, but liberal. It would promote the improvement of all the channels, both above and below the city. Those of their Western friends who desired to go to the Maritime Provinces direct, Montreal would help to do it; and in the same way would facilitate the attempts of their friends at Quebec to communicate directly with Western Canada. For these reasons he cordially supported any resolution offered in respect to the importance of proceeding with the enlargement of the St. Lawrence Canals as rapidly as possible. The Welland Canal was now under contract and fairly in hand.

Hon. JAMES SKEAD (Ottawa), desired that attention should be given to the improvement of the Grenville Canal, for last Fall there was a depth of only some three or four feet of water in it, in consequence of which millions on millions of feet of lumber had been kept back from market. He desired at the same time that all Canadian Canals should be enlarged. He mentioned that the Government were ready to do a little for the Ottawa Canal; but he complained that it was left out of the resolution.

Mr. W. H. HOWLAND explained that the reason that Canal was not mentioned in the resolution was, that the Government were doing something for it.

Mr. RUFUS STEPHENSON, M.P. (Chatham), said that the shipping interests in the west were increasing very rapidly. Three new sailing vessels were on the stocks in the port where he resided, five propellers of 400 tons each were now running, and two new ones being built. The owners of all these craft complained very much of the low water in the St. Lawrence canals, for they could not take full cargoes through them. When they reached Kingston, they had to engage lighters to take a part of the cargoes through to Montreal; and on their return from that city, they could only bring a portion of their cargo up to Kingston. The chief wish of the people of the west, so far as he knew, was in favor of their enlargement without delay. The western people had gone on constructing vessels of over 940 tons; and whilst they wanted the Welland canal deepened, so as to allow these vessels to pass through, yet in the meantime they wanted the St. Lawrence Canals deepened, so as to allow vessels drawing ten feet to navigate them. They desired to load their ships at western ports, and send them through to tide-water, without the transshipment which it was now necessary to make.

Hon. JOHN YOUNG, M.P. (Montreal), said the Board had been perfectly consistent in its action as regarded the enlargement of the St. Lawrence and Welland Canals. A memorial was passed last year to this effect:—"That the Dominion Government be memorialized relative to the immediate enlargement of the Welland, St. Lawrence, and existing Ottawa Canals." But in commencing the enlargement of the Welland, and not taking similar action in reference to the St. Lawrence Canals, the Government

had not responded to the memorial that was presented to them last year.

Mr. A. T. WOOD (Hamilton), congratulated the Montreal delegation on the independent stand they had taken, and the determination to do their own work themselves. In the matter of improvements he regretted that other cities, such as Kingston and Toronto, should now have come forward to ask the assistance of Government in making similar works. He hoped that they would take a lesson from Montreal, and construct the works necessary to enlarge their trade as the Montreal people were doing.

The motion was then put and carried.

The PRESIDENT informed the Board that Mr. DONALD A. SMITH, M.P., of Manitoba, was present; whereupon it was moved by Mr. JOHN WALKER, seconded by Hon. JAMES SKEAD:

"That all the privileges of a corresponding member be accorded to Mr. DONALD A. SMITH, M.P."

The motion was unanimously adopted, and Mr. Smith invited to a seat near the President.

IMPROVEMENT OF KINGSTON HARBOR.

Mr. W. B. SIMPSON (Kingston), in introducing this subject, said that notwithstanding the remarks of Mr. Wood during the last debate, he would advocate the necessity of a Government grant being given for the improvement of Kingston harbor, not from any local point of view, but from its being required by the great trade of the Dominion. Were it a local object, Kingston would take care of itself; and very rightly so too. It was the opinion of the Kingston Board, that all the works necessary for the improvement of the St. Lawrence, and for the great benefit of the trade of the country, should be undertaken by the Dominion Government.

He would like to submit the following statement from the Board which he had the honor to represent:

That in the opinion of the Kingston Board of Trade, all the works necessary to the amelioration and improvement of the navigation, either of the St. Lawrence or other large navigable rivers of the Dominion, and that are for the general benefit of the commerce and trade of Canada, should be undertaken and defrayed by the Dominion Government.

That in the opinion of said Board, the harbor of Kingston constitutes part of the general highway from the West, by way of the St. Lawrence to the Ocean, as is clearly shown by the following facts:—That the harbor of Kingston is situated at the foot of Lake navigation, and is the only one at the eastern end of Lake Ontario where vessels drawing a depth of water (say 12 feet) corresponding with the Welland Canal, can be moored for the purpose of transshipping their cargo—a circumstance rendered necessary by the shallowness of the water in many parts of the river and canals east of Kingston. That during the year 1872 foreign grain to the extent of 9,063,000 bushels, and of Canadian grain about 1,500,000 bushels, not to mention other produce, were transhipped at Kingston. That no portion of the said grain and produce was for Kingston or

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its vicinity, but was simply brought to that port, because it is the only eligible place for transshipment at the foot of Lake navigation. That the harbor of Kingston is perfectly free to all vessels, no harbor dues of any kind being charged. That for these reasons the Board is of opinion that any necessary improvements made to the harbor of Kingston, for the accommodation and safety of vessels engaged in the general trade of the Dominion, and so transshipping, should be considered as part of the general plan for improving the highway from the West to the Ocean, and should be undertaken by the general Government. That although the harbor of Kingston is considered to be one of the best on the Canadian side of Lake Ontario, it is, nevertheless, subject to two or three defects—namely, that it is obstructed by three shoals, which, as they are of rock, can only be removed by blasting; also, that it is open and unprotected on the southwest side, so that, when the wind blows hard from that quarter, a heavy sea rolls directly into the harbor, rendering it difficult, and in many instances impossible, for vessels to tranship, and in some cases driving them from their moorings and beaching them upon Point Frederick. It is, therefore, with a view of inducing the general Government of the Dominion to remove these shoals, and otherwise improve the harbor of Kingston, so as to render it safe and commodious for Dominion craft, that the Kingston Board submit the question to the Dominion Board of Trade, in order that it may urge upon the Dominion Government the necessity of at once undertaking said improvements.

In that statement, he continued, he had shown clearly and distinctly that it was the lighterage port for the trading craft of the Dominion, and as such it should be looked upon as part of the general highway from the west to the ocean. The United States were perfectly alive to the fact of the immense trade that is going by the St. Lawrence route; and in order to show those facts as concisely as possible, he would give the Board the increase which had taken place during the last four years. In 1860, 47,441,400 bushels of grain were transhipped at Buffalo, 17,334,900 at Oswego, and 6,782,135 at Montreal. In 1871 he found that while the transshipments at Buffalo were 67,529,000 bushels, they had been reduced at Oswego to 14,226,000, whereas they had increased to 16,113,000 at Montreal. Most of the quantity of grain that year sent from Montreal, was first transhipped to Kingston; and necessary as was the enlargement of the canals, it would not be during his lifetime that we would see the St. Lawrence sufficiently deepened below Kingston, to meet the requirements of craft drawing twelve feet, for there were serious obstructions in the way at the entrance to the Beauharnois canal, and at other points. In the meantime the Kingston Board called upon the Dominion Board, to urge upon the Dominion Government the necessity of improving the harbor of Kingston, that vessels could tranship with ease and without danger, and in fact, thereby render it a harbor of refuge to vessels in time of storms on the lakes. He thereupon moved, seconded by Mr. HUGH McLENNAN, (Montreal):

“That the Dominion Board of Trade is of opinion, that deepening and protecting the harbor of Kingston, should, in consequence of its being situated at the foot of lake navigation, and from the important accommodation which it affords to vessels engaged in the general trade of the Dominion, be considered as forming part of the highway from the west to the ocean; and as such, be included by the Dominion Government in the general plan for the improvement of the navigation of the River St. Lawrence.”

Hon. JOHN YOUNG, M.P. (Montreal), said there was a very important

principle involved in the resolution,—as to whether ports were to be protected and improved out of the public funds. If that were done for Kingston, there was no reason why it should not be done for other places. What the Board should do was, to urge upon Government the necessity of improving the River St. Lawrence to its greatest possible capacity. The mover of the resolution had mentioned that it would be very difficult to improve the St. Lawrence between Kingston and Montreal; but Mr. Page, one of the best Canal Engineers, and other authorities, have reported that there would be no difficulty in making a twelve foot channel from Montreal to Kingston, at a cost of a million dollars. That was a large sum; but if the cost were double or treble that amount, it was a mere trifle compared with what should be done in that regard. He would oppose the principle of public funds being given to anything except public objects, and would allow all cities and ports to improve their own positions in the best way they could possibly effect it.

Mr. W. H. HOWLAND (Toronto), said that while he thoroughly sympathized with Mr. Young in the statements he had made, that public funds should not be devoted to the improvement of local harbors, yet they had to face the fact that every year Parliament voted money for improving harbors in different Provinces of the Dominion, which were really local and not public works. That was a manifest injustice to the ports that were not so favored; and as there seemed no likelihood of a change of policy being inaugurated, either by the present or any other Government, the Dominion Board should look at the subject in that light, and see whether they could pass a resolution which would, at all events, be considered by the Government, and lead to the question being fairly discussed in Parliament. It appeared from the Blue Books, that in 1871 twenty-three harbors in Quebec, Nova Scotia and Cape Breton, had either had funds advanced for their improvement, or engineers' reports prepared respecting them, which would be followed by votes of money for the work; whilst in five harbors which had money voted for their improvement, only three could be strictly called harbors of refuge. It might be worth while to state that the Province of Ontario had a larger shipping, taking the inward and outward entries of vessels, than all the Provinces of the Dominion put together, excluding British Columbia. The returns for 1871 showed that the total of vessels visiting the ports of Quebec, New Brunswick, and Nova Scotia, entered inward and outward, numbered 199,282, or 5,115,943 ton; while there visited Ontario ports, during the same period, 234,955 vessels, or 7,310,000 tons, the excess in favor of Ontario being 15,000 vessels and 2,194,000 tons. If the Province of Ontario really was entitled to the largest share of the honor claimed by Canada, of being the third or fourth maritime power in the world,—and if it showed a larger number of entries than nearly all the other Provinces added together,—there should be some sort of reflection cast on the present method of the Government, in giving assistance to twenty-three harbors in other Provinces, with a total tonnage of 5,115,943, while they gave assistance to only five harbors in Ontario, with 7,310,000 tonnage of

vessels trading to and from its ports. If money was to be given for those purposes at all, it should be given on a system that would distribute it among the different Provinces fairly and equitably. He therefore moved, in amendment, seconded by Hon. JAMES SKEAD (Ottawa) :—

“That while this Board is opposed as a principle to the general Government giving aid to construct, improve, or extend Harbors, except such as can strictly be called Harbors of Refuge, in any of the Provinces of the Dominion; yet if the Government of the Dominion continue as heretofore to give aid to construct Harbors, this Board would urge that such aid should be divided equitably and fairly among the different Provinces, the share assigned to each Province being applied according to the necessities and requirements of the different harbors in the Province, as ascertained by reports from the Government Engineers.”

Mr. J. A. HARDING (St. John, N.B.), said that the statement just made enumerated the entries and clearances of shipping at Ontario ports, which, in consequence of the frequency of harbors and the shortness of trips, were constantly repeating themselves; while the ports on the seaboard sent their ships throughout the world, and a vessel of one thousand tons would probably return home only once a-year. He could readily see, however, that for the safety of vessels merely going across the Lakes, harbors of refuge were necessary; and he perfectly agreed in the remark made, that money expended for the purpose of harbor improvements should be, not for harbor improvements where profit would arise to the people who live at that particular port, but for harbors of refuge for the safety of life and property, which would thereby be protected,—and at the same time no profit arise to any section of the people as a consequence. He knew that was the case throughout Nova Scotia. Vessels engaged in the foreign trade, though not owned in the Province, were sometimes obliged, in gales of wind, to seek shelter in their coast ports, which thus became real harbors of refuge and ought to be improved at the public expense. He had heard the statement that at Kingston no harbor dues were levied; but at St. John they imposed anchorage, light, harbor-master's dues, and other imposts necessary for the maintenance of the port. Still, if there was any Western port which required a public grant for effecting improvements for the benefit of the general trade, it ought to be given on the same principle. The great highways of the country ought to be improved for its general business.

Mr. JOHN CARRUTHERS (Kingston), said that the people of Kingston did not advocate the proposed improvement as a private work, but as one for the benefit of the whole Dominion,—and the harbor itself was part of the highway from the West to the Ocean. Mr. Young had sought Government assistance towards the deepening of Lake St. Peter; but they considered that to improve the harbor of Kingston would be as much improving the highway to the ocean as would be the deepening of that Lake. Montreal, which levied harbor dues, had sought Government aid for carrying out its harbor improvements. They at Kingston did not, however, wish to levy any dues to pay for the cost of the works they desired executed. There were certain shoals in the Kingston harbor which prevented vessels leaving their anchorage when south winds blew. What they asked the Board to do under these circumstances, was to recognize their

harbor as part of the chain of the highway from the West to the Ocean, leaving the Government to be the judge. Montreal transhipped last year fourteen million bushels of grain, and of that, no less than eleven millions were transhipped at Kingston. The former port charged the whole country with harbor dues; whereas at Kingston no such dues were levied, though it was doing part of the great work connected with the grain trade quite as much as Montreal. But if the Government could not do the work, the port would have to levy harbor dues, an impost which would be strongly opposed by the captains of Lake vessels. He wished to see the St. Lawrence improved, and other great public works accomplished, such as the enlargement of the canals. But before carrying out these improvements, lesser ones should be effected,—and the work of improving Kingston harbor was one for the benefit of the whole country.

Hon. JOHN YOUNG, M.P., denied that his action regarding the question of improving Kingston harbor was inconsistent with his advocacy, either of the deepening of Lake St. Peter or the improvement of the harbor of Montreal, for there was no similarity between the cases. The deepening of the river between Montreal and Quebec had had the effect of cheapening freight, not to the ocean only, but also to the western portion of the country. He remembered the time when no vessel over 250 tons could come up to Montreal, and when the cost of lighterage of ships from England was frequently greater than the whole freight across the Atlantic. The effect of deepening the river, so as to make that portion between Quebec and Montreal available for vessels up to 3,000 tons burthen, had been to lower rates of freight; and he had no doubt whatever that upwards of 50 per cent. less was now chargeable on goods, inwards and outwards, for ports on the Atlantic Coast and Europe, than were current at the time before that improvement was carried out. By cheapening transportation we cheapened flour twenty-five cents per barrel, which sum went to the farmer. Hence he argued that the improvement of Lake St. Peter, to which public money had been given, is not, and never was, a local improvement. But rather than not see that work carried out, which he still urged was a public improvement, and part of the navigation of the country, he had no doubt there was spirit enough in the people of Montreal to accomplish it themselves. As regarded the harbor of Montreal, he held that it was not a merely local harbor, but the harbor of Ontario, Nova Scotia, and New Brunswick—in fact, of the whole Dominion. Hence, whatever improvement was made, which resulted in cheapening the cost of cargoes to the large ships coming from the Lower Provinces as well as England, was a public improvement, and of public advantage, for all the saving goes to the producers of the country. Kingston harbor did not occupy a similar position to Montreal. If we improved the St. Lawrence below Kingston to a depth of twelve feet, which might be done without much difficulty, and at a paltry cost, vessels would go down the river, and not take the canals, but would only use them in ascending. The Champlain Canal would afford another outlet for the trade of the western portion of Ontario, and the cost of transportation would be greatly cheapened

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thereby; the length of that canal would only be twenty-eight miles, and the lockage into the Lake twenty-five feet. It would be the simplest thing in the world for Kingston to obtain an Act of Parliament to levy small tonnage dues, and issue bonds;—then the port could effect all the improvements deemed necessary, without touching the public purse. He moved in amendment to the amendment, seconded by Mr. A. T. Wood (Hamilton):—

“That in the opinion of this Board, the expenditure of public funds should not be made where the general public interest is not involved, and that the improvement of Kingston harbor is a local and not a public work.”

Mr. JOHN CARRUTHERS (Kingston), asked what difference it would have made to Ontario, if the St. Lawrence and Lake St. Peter had never been deepened? He submitted that the produce would have been carried down to Quebec in barges from Western ports, where it would have gone had not Quebec been asleep, and allowed Montreal to get the trade. It could be done cheaper at that port than at Montreal. Those improvements had been no benefit to Ontario, and he hoped that contention would be dropped once and for ever. He held that it would injuriously affect the trade of the country to levy a tax on goods passing through Kingston, when goods had been transhipped there for twenty years without such tax being imposed. The port had thereby been the means of doing much good service to the Dominion.

Hon. JOHN YOUNG, M.P., thought when he had last spoken, he had demonstrated that freight could be carried cheaper in large than in small vessels. His friend's argument was, that supposing Lake St. Peter had never been deepened, and the cargoes had been carried down to Quebec, and there transhipped, it could have been done at lower rates; and that from the deepening of the Lake, the public had really derived no benefit. There was this well-known principle to consider: that the further you could carry goods by water, the cheaper would be the freight. If you could now bring vessels of from 3,000 to 4,000 tons to Montreal, which formerly would have been compelled to remain at Quebec, freights to the Upper Lakes would be reduced. Then, again, our season is a very short one, having only seven months' navigation. The vessels navigating the canals would always be inferior to the size of the ships coming from the ocean under the improved system of ship-building. There are vessels now coming to New York of 5,000 tons burthen, and it is doubtful whether the maximum has been reached. Take the 350 ton vessels that at present go through the Welland Canal,—it was highly important that they should make as many trips in the season as possible,—and if they could meet the ocean ships at Montreal instead of going to Quebec, 180 miles distance would be saved. As regarded Quebec, there is no place on this Continent of which he held a higher opinion as a port, and there is no one which could be more easily and thoroughly improved. Of course they knew how slow Quebec had been in making any improvements; but he thought that the increase of the trade of the country in the next twenty years, would require for its accommodation all the vessels visiting Quebec

and Montreal, as well as all the railways that could be built. There was not the slightest room for any jealousy between the two ports. Although the proposed Kingston improvement was a small matter, yet when the Board passed a resolution of that description, and had to go with it before the Legislature, it must be done upon some general principle; and he would always oppose the expenditure of any money out of the public purse, unless for the general interest of the country.

Mr. JOHN CARRUTHERS (Kingston), said that if the same energy had been displayed in Quebec as there had been at Montreal, the conducting of the trade at the former port would have been an advantage to Ontario.

Mr. R. R. DOBELL (Quebec), admitted that, like Rip Van Winkle, Quebec had been asleep for 25 years; but the people there desired to wake up and be more energetic for the future. He approved of every port carrying out its own improvements; at the same time he had heard that the Government had been petitioned to deepen Lake St. Peter out of the public purse, against which he protested. If Kingston could show that she was on the great highway of the Dominion, her harbor should be improved; but before the country was burdened with taxation to take trade out of its natural course, he would ask the Government to see what could be done at Quebec, without forcing trade 180 miles up the river. He differed from Mr. Young as to the advantages of transhipment at Montreal,—remarking that wheat could be carried from the West to Quebec for one cent a bushel more than to Montreal, and from Quebec to Europe for three cents a bushel cheaper than from Montreal, so that there was a saving on shipments from Quebec of two cents. He expressed a desire to move an amendment.

The PRESIDENT ruled that an amendment to the amendment to the amendment was not in order.

Mr. W. H. HOWLAND (Toronto) at this point said that, as he would have to vote for Mr. Young's amendment, he would withdraw his own, with consent of the Board.

Consent to the withdrawal of Mr. Howland's amendment having been obtained,

Mr. DOBELL thereupon moved, in amendment to the amendment of Hon. Mr. Young, seconded by Hon. JAMES SKEAD (Ottawa):

"That this Board would urge the Government to lose no time in carrying out the improving of the highway from the West to the Ocean; and that it is also desirable, before it is committed to any scheme for deepening Lake St. Peter, to consider whether the harbor of Quebec could not be utilized and made capable, at a comparatively small outlay, to accommodate and tranship the commodities from Europe to our Western towns, and also the grain and produce of the West to Europe, at a less cost and with greater economy than by an extensive and costly work, such as deepening Lake St. Peter."

The PRESIDENT ruled Mr. Dobell's amendment to the amendment out of order, it being rather a substantive proposition on a different point.

Mr. A. T. WOOD (Hamilton), said that the people in Western Canada complained very much of the amount expended on the various harbors in

the Lower St. Lawrence; and the proper course for the Board to adopt would be, to say that all local improvements should be done by the ports themselves. Kingston undoubtedly was a harbor on the highway of the St. Lawrence, but vessels did not necessarily go through Kingston harbor; and indeed, by deepening the St. Lawrence itself, there would be no necessity for vessels calling there at all. If they wanted to deepen the harbor for their special benefit, they should be called upon to raise the funds to do it, and not seek to make the people generally pay for a local improvement. If that request were granted, Toronto would want assistance to prevent the island being washed away entirely. Montreal, too, wanted Lake St. Peter deepened, a work which, in his opinion, must be done by the city itself. In the same way in regard to other cities. If Quebec wanted the trade, let it offer proper facilities, and the trade would be drawn down to it; but the trade must not be impaired because that city is asleep.

Mr. HUGH McLENNAN (Montreal), begged leave to correct the gentlemen from Quebec and Hamilton; he (Mr. McLennan) had already stated on this floor, that Montreal did not now desire to have any public money spent for the purpose of deepening Lake St. Peter. In respect to the resolution, he explained that he had seconded it, because, as Kingston was not in the position of Montreal, he did not wish to force the Montreal plan upon them. He believed that, as a matter of fact, there was an obstruction to the navigation at Kingston, which could be better removed by a simple government grant, than by permanent harbor dues. He looked upon this question as one of general improvement, and therefore would vote for it. As to Quebec and Montreal, the latter had the grain trade because her merchants went to the West and bought the grain; and if Quebec would wake up, it could go and buy grain also, as there was plenty for all. He thought the trade of the country would be materially benefitted, if a little money were spent at Kingston, to improve her harbor. As one who had considerable experience in the trade of the country, he was satisfied that Kingston was the proper place for vessels to tranship cargo. When that must be the case, to all appearance for a long time to come, why should not the Board recommend that money be expended on improvements there, which would tend to draw a large trade to this country, and through our waters? Every one acquainted with the transportation of grain was aware, that in the summer time transshipment was necessary; that the grain was better for it, and that the expense of transshipment from vessels into lighters, was more than counterbalanced by the improved condition of the grain. Kingston would remain the port of transshipment for the grain-carrying trade; and as it had facilities, and was increasing, the Board could not do better, in the interest both of our foreign and our home trade, than to give its support to a money grant being given to Kingston for the special purpose.

Mr. JAMES DOUGALL (Windsor), remarked that the Western men strongly supported the improvement of the canals, so as to be able to send large vessels down to Montreal and Quebec, and take return cargoes of

heavy goods, thereby cheapening the freight both ways. To effect this, improvements in Kingston harbor would be useless. They did not want to be compelled to lighten their vessels at Kingston.

Mr. W. HARTY (Kingston), said that if the harbor of Montreal was not merely for Montreal, but also for Ontario and the Dominion, then the harbor of Kingston was also a harbor for the Dominion,—for of the sixteen million bushels of grain which went through Montreal, ten millions passed through Kingston; and if members were willing to grant public money for harbors of refuge, they should support the grant, as it was the only such harbor on Lake Ontario.

Mr. M. P. RYAN, M.P. (Montreal), quite concurred with the views of the amendment. Every harbor was, to a greater or less extent, an accommodation to the trade of the country; and he could see no necessity for transshipping grain at Kingston, when the desire of the whole people of the country was to deepen the entire navigation. In Montreal, from a million to a million and a half of dollars, of the local funds, were to be spent on the harbor, which certainly would not be without benefit to the whole country; for then a Western vessel, instead of being detained two or three days, would be detained only a few hours, and thus make the farmers worth so much more money. He was sorry that the people of Quebec had to acknowledge their past sleepiness, and hoped that they would wake up, and attract the business of the West. Then, whether Lake St. Peter were deepened or not, the trade of Quebec would increase, for the commerce of Montreal had depended upon the enterprise of its inhabitants, and was not always so profitable as the trade which had been almost monopolised at Quebec. Last year, the question of the deepening of Lake St. Peter was before this Board, but it was not now, and he hoped would never be again. Although he believed that that improvement was really a Dominion work, he felt convinced that if it had to be deepened to twenty-five or thirty feet, the energy and enterprise of Montreal would do it.

Mr. JOHN ROCHE (Quebec), asked whether Montreal would tax its property to deepen Lake St. Peter, for if not, she would tax the shipping of the country, and deserve no credit for what was being done. At the same time he was proud of Montreal, and knew that but for her merchants, the trade done in that city would have gone to New York.

Hon. JOHN YOUNG M.P. (Montreal), stated that the tax on shipping for deepening Lake St. Peter, would be a tax in favor of Quebec,—since vessels would not be bound to pay it unless the improvement was such as to make it worth their while. There was, therefore, no tax on any one.

Mr. ROBERT SPRATT (Montreal), opposed the resolution, and stated, as a Western man, though now living in Montreal, that no one who did not live there could conceive the vast importance of that port to the Western country. Notwithstanding all that was being done there, there was not yet accommodation for the vast trade that was being poured down upon the city; and he held that if the Western people knew their own interests, they

would urge on the Government the expenditure of money to increase that part of the accommodation of the port which belonged to the Government, viz., the locks and other portions of the Lachine Canal.

Mr. W. B. SIMPSON (Kingston), stated that he was willing to withdraw his motion, on the understanding that no other outlays should be recommended for local purposes.

A vote was then taken on the amendment of the Hon. Mr. Young, with the following result:—

Ayes—Messrs. Bramley, Chalmers, Cooley, Côté, Clemow, Daley, DeVeber, Dougall, Howland, Imlach, Keays, Kirby, Labelle, Langelier, Lee, McDougall, McPherson, Maynard, Morin, Morison, Pennock, Robertson, Ryan, Simmons, Stephenson, Spratt, Thomson, Thompson, Walker, Watson, Wilkes (Geo. H.), Wilkes (Robt.), Wood, Wylde, Young—35.

Nays—Messrs. Ash, Carruthers, Dobell, Fraser, Harty, McLennan, Ogilvie, Read, Roche, Simpson, Skead, White—12.

The original motion, as thus amended, was adopted, on a similar division.

The Board thereafter adjourned at 2.15 o'clock, to re-assemble at 3.30 o'clock P.M.

AFTERNOON SESSION.

THURSDAY, 16th January, 3.30 o'clock, P.M.

HENRY FRY, Esq., President, in the chair.

The Committee on Resolutions, by the Chairman, Mr. Hugh McLennan, reported as follows:—

"That Hon. Mr. Young, of Montreal, be allowed to move a resolution in favor of encouragement to an Ocean Telegraph Line, *via* the River St. Lawrence. That the order for Friday morning be the Insolvent Act,—or, if yielding to the question of Reciprocal Trade, for session of Friday afternoon."

On motion, the report was received and adopted.

GRENVILLE CANAL ENLARGEMENT.

Moved by Hon. JAMES SKEAD (Ottawa), seconded by Mr. W. H. HOWLAND (Toronto):

"That in the opinion of this Board, it is very desirable that the Government push forward, as rapidly as possible, the enlargement of the Grenville Canal, and Carillon improvements—their present capacity being so deficient that the trade dependent thereon is seriously crippled and retarded."

Motion carried unanimously, without discussion.

CHAMBLY CANAL AND RICHELIEU RIVER IMPROVEMENTS.

Moved by Mr. G. H. BRAMLEY (Sorel, Que.), seconded by Mr. JAMES MCPHERSON (St. Johns, Que.):

"That it is the opinion of this Board, that as the tonnage employed in the trade with the United States by way of the River Richelieu, is now nearly 300,000 tons each way annually, it is very important that the enlargement of the Chambly Canal and improvement of the River Richelieu, by increasing the depth of water—either by raising the St. Ours' Dam, or by dredging the flats,—be carried into effect at as early a day as possible."

Mr. BRAMLEY, said that he submitted the resolution because it was absolutely necessary for the trade, particularly from Ottawa and below Montreal, that the Chambly Canal and the River Richelieu should be of sufficient capacity to accommodate craft of the same dimensions as would pass through the Grenville Canal. Allow the Grenville Canal to be finished, with the Chambly Canal not improved, and the insignificant increase in the size of the vessels that could go through to the States, would be practically useless, and only of advantage to the small proportion of trade that came from Montreal, which was only two-tenths of the whole. But by the enlargement of the Chambly Canal, and the contemplated improvement of the Grenville, forwarders would have larger craft passed through the locks, and the trade would not be hampered in transportation as at the present moment. The reason for the enormous pile of lumber to be found at Ottawa, was to be seen in the fact that the lock capacity was too small; and if they did not have improvements on the Chambly, similar to those on the Grenville, they would be in nearly the same position as they had been before. The increase proposed would not be sufficient, because the great body of the trade from the Ottawa Valley and below Montreal, with the United States, went through that canal. The Government, it was true, contemplated some improvements on the River Richelieu, which were now in progress; but they were not sufficient, and a grant of only \$6,000 was voted for the purpose. He complained that there had been very few improvements made in that river, compared with some of the streams in other parts of the country. Craft were frequently grounded, causing great detention to vessels. This showed the necessity that existed for an enlargement of the canal.

Mr. L. E. MORIN (Montreal), said that without the improvements asked for in the motion, the alterations in the Grenville and Carillon Canals would be of no material benefit. The main object of the improvement was, to facilitate the exportation of lumber from Ottawa to the States. Suppose the improvements proposed in the motion were not carried out; the point of obstruction would simply be transferred from Grenville to the Richelieu River, and the same difficulty as that now experienced by the Ottawa people, would be repeated elsewhere. It was not a local improvement, but entirely a public one, while it would also benefit Ottawa to a very considerable extent.

Hon. JOHN YOUNG, M.P. (Montreal), said that the Government had not now the power of dealing with the Richelieu River. A charter had

been granted to a private company to construct the Caughnawaga Canal, based upon a survey made by several engineers some eighteen years ago, as well as to make the changes now asked for in the motion, Government being at the time unwilling to carry it out. The Caughnawaga Canal would connect Lake Champlain with the St. Lawrence. That charter was renewed several years ago; and those parties had the right of not only making the Chambly Canal for six miles, but also the power of carrying out everything asked for in connection with the improvement of the Richelieu River,—also opening up a direct route to Quebec in that way. The company possessed those powers at the present time, and they would terminate in one year from May next. If the company did not within that period find capital to carry out the works, the powers would revert to the Government; but until the expiry of the charter, the Government had no power to do the works that were absolutely necessary. The proposed Caughnawaga Canal had been very much opposed, in consequence of its position on the St. Lawrence, especially by the people of Montreal. They held that being seven miles above Montreal, it would not give the advantages which the city ought to have. The engineers, however, found it impossible to place it anywhere else than above the Lachine Rapids, so as to make the lockage, either from Ottawa or from the West, of the least possible amount. The lockage down from Lake Champlain to that point would be only 25 feet. He had no doubt, however, that the works would be commenced within a year, and carried out on a scale commensurate with the size of the St. Lawrence Canals; at all events it would be useless for this Board to petition Government to do that which it had no power to do, until the expiration of the private company's charter. That canal would enter seven miles below St. John's; while the Chambly Canal would have to be enlarged. He would only further say, with reference to the importance of these works to which he had been referring, that they were necessary for the commerce from the Ottawa Valley to the Eastern States; all parts of the Ottawa Valley had done their best to carry the project forward, and it was believed that it would cheapen the freight on lumber to the extent of one dollar per thousand. It would, moreover, bring the large grain trade which now went to New York by way of Oswego, by this route into Lake Champlain, and thence to Boston and New York, instead of by the Erie Canal.

Hon. JAMES SKEAD (Ottawa), said the improvement of the Grenville Canal would be of the greatest importance, even if nothing were done to the Chambly Canal. Whilst fully estimating the importance of the Chambly route, he preferred the project of the Lake Champlain Canal. If it were possible for Ottawa to do the work alone, the trade in the commonest kind of lumber would pay for the cost in ten years, if a direct route were opened to the United States. He also thought it would greatly benefit Montreal, although they differed in that view; while at the same time it would benefit the people of Ontario, by giving them a direct route into Lake Champlain. No doubt, if the locks on the Chambly were enlarged, it would benefit the trade; but if they obtained the Champlain Canal, it

would be much more advantageous. If they could not have the latter canal constructed, then he advised the Board to recommend to the Government the enlargement of the locks on the Chambly River and Canal. The quantity of lumber supplied last year, chiefly to the United States, was 882 millions of feet; of which, however, some went to the South.

Mr. G. H. BRAMLEY (Sorel), said that out of the whole quantity of lumber, about 600,000,000 feet went to Albany, and all that trade would suffer as much after the enlargement of the Grenville Canal as it did now. There were millions of feet of lumber which ought to have been sold that were now in Ottawa. No doubt if the Caughnawaga Canal were built, a great deal of timber might be passed through it; but he did not believe it ever could be built, and if it were, it would never pay. In the meantime the Richelieu River was comparatively useless; but if the improvements now asked for were made, there would be so much done for the Canal. Besides, the trade below Montreal, which was very extensive, not only in lumber, but in grain and hay, must not be neglected.

Hon. JOHN YOUNG, in reply, said that five of the most eminent engineers on this continent had reported very favorably on the Caughnawaga Canal, and he feared that Mr. Bramley had not read any one of their reports. He had the opinion of practical men in Ottawa as to its pecuniary success, for there was more timber rotting every year in the Ottawa Valley than would pay for the Canal twice over. He explained that instead of a route of 144 miles, which had now to be gone through from Montreal to Lake Champlain, the Caughnawaga Canal would supply a route of only 28 miles, with but 25 feet of lockage.

Mr. W. H. HOWLAND (Toronto), admired Mr. Bramley's business-like statement, and was glad to hear of the importance of the trade that passed through the Chambly Canal. He thought, however, that at the present time, the Board should confine itself to the policy it had already recommended with regard to the Dominion canals.

Mr. JAMES MCPHERSON (St. Johns, Que.), differed from his colleague from Sorel as to the value of the Caughnawaga Canal, which he had long expected to see accomplished for the advantage of the trade of St. Johns. With respect to the present canals:—until the Ottawa Canals were enlarged, the Chambly Canal was sufficient for the business. The great hindrance to navigation lay in the river between Chambly and St. Ours, where there were certain flats; but the Government were now preparing scows and dredges to carry out improvements there, and were also going to erect lights at necessary points.

The motion was then withdrawn.

THE PORT OF QUEBEC.

Moved by Mr. R. R. DOBELL (Quebec), seconded by Hon. JAMES SKEAD (Ottawa):

“That this Board, although urging the Government to lose no time in carrying out the improving of the highway from the West to the Ocean, considers that it is desir-

able, before it is committed to any scheme for deepening Lake St. Peter, to consider whether the Harbor of Quebec could not be utilized and made capable of accommodating and transhipping the commodities from Europe to our western towns, and also the grain and produce of the West to Europe, at a less cost and greater economy, than by an extensive and costly work such as deepening Lake St. Peter."

Mr. DOBELL said that Quebec was about to take the advice of the Montreal delegates, and depend more upon her own efforts. She proposes to make docks for 100 sea-going ships for the purpose of co-operating with the western trade; and he hoped that the same energy which had made them so successful as hewers of wood and drawers of water, would enable them to develop their trade. He desired to know what was to be done with Lake St. Peter. If that Lake was to be deepened at the expense of Montreal, he should have nothing to say; but if it was to be done at the expense of the country, he thought that before beginning it, they should ascertain whether the same end could not be attained in a cheaper way. If not, then he would favor the deepening of Lake St. Peter, because he believed it was absolutely necessary to make a complete channel between the West and the Ocean.

Hon. JAS. SKEAD testified to the enterprising character of the Quebec merchants in former years, and said that he found his younger Quebec friends of the present day, quite equal to any of their rivals. Quebec, indeed, was now looking up. Its position for some years past was the result of exceptional circumstances; but the merchants were getting rich; some of them did not know what to do with their money, and were therefore coming West and trying to draw down the Western trade to their city. He believed that Western grain could be taken to Quebec in lake vessels, and transhipped to England cheaper than by breaking bulk in Montreal. He thought, therefore, that Lake St. Peter should be deepened by private enterprise. Moreover, he was convinced that the deepening of Lake St. Peter would not maintain for Montreal the amount of trade which she was at present doing, for every foot of water that the Lake was deepened, of course drew down the water in the harbor of Montreal. He was, therefore, of opinion that the Government ought to leave Montreal to deepen Lake St. Peter herself. If that were not done, and it was found that the harbor of Montreal afterwards required deepening, the result would be that the Government would next be called on to deepen the harbor, and so there would be no end to the requests.

Mr. THOS. WHITE, Jr. (Montreal), discountenanced the idea of asking the Government to deepen the channel through Lake St. Peter, and said if the Government would grant them the power, the people of Montreal would do it themselves. Let the Quebec people afford the facilities for doing the Western trade, and they would get it; and if they outstripped Montreal in the competition they would deserve their reward; but they ought not to come to this Board, and ask support in a movement which was the same in principle, as that they had denounced when asked by others. Why should they ask Government to survey the harbor of Quebec, unless they were to improve it? Why not let Quebec survey her own harbor just as Montreal did?

Mr. HUGH McLENNAN (Montreal), said Montreal was willing to work for herself. Last year this Board determined not to sanction an application to the Government for deepening Lake St. Peter; at this meeting it was not even hinted at by Montreal. There was, therefore, no reason why a motion should be based upon a contingency which was not even thought of.

Mr. JOHN CARRUTHERS (Kingston), asked the mover to withdraw the resolution, being of opinion that the determination of the Board that morning should be decisive. At the same time, he adverted to the natural advantages possessed by Quebec for carrying on the grain trade, urging that small vessels could be taken down to Quebec at cheaper rates than large ships could be brought to Montreal.

Mr. A. FRASER (Quebec), also thought the motion should be withdrawn, as attention had been called to the great capabilities of the harbor of Quebec, and had thus, to some extent, served their purpose.

Mr. JOHN ROCHE (Quebec), concurred in this view, and thought the object of the mover had been gained, which was merely to obtain an expression of opinion from the Board, that Lake St. Peter ought not to be deepened at the public expense. They did not want any money for the improvement of the harbor of Quebec, as they intended to pay for it in the same manner as that followed by Montreal. At the same time, however, they were very jealous of any money being spent on the deepening of Lake St. Peter. Whilst he considered that it was right forty years ago, to deepen the channel between Montreal and Quebec from eleven to fourteen feet, now that the channel was twenty feet, accommodating vessels of 3,000 tons burthen, he thought it was carrying it too far now to want it deepened to twenty-four feet. But it was just possible that the twenty-four feet could not be obtained, and therefore, if public money were to be devoted to that work, which would involve a heavy expenditure, it would be unjust to Quebec, where accommodation could be had for vessels as large as the Great Eastern.

The motion was then by consent withdrawn.

COMMON CARRIERS.

Mr. W. H. HOWLAND (Toronto), moved, seconded by Mr. M. P. RYAN, M.P. (Montreal):

"That in the opinion of this Board, a law should be enacted to compel Common Carriers to grant receipts for goods, definitely, and not "more or less," as at present; and making them responsible for full delivery at destination, according to original Bill of Lading."

Mr. HOWLAND explained that much trouble arose, especially with railway companies, in recovering the loss on grain, which occurred between the time that grain was put on board cars or vessels and the time of its delivery. These Carriers now signed for a certain quantity "more or less;" but he thought that this mode of escaping responsibility ought not to be allowed. The absence of this responsibility, of course, encouraged

theft; and, moreover, when there was not theft it did away with any desire on the part of the captain, or other persons in charge of the cargo, to deliver the exact quantity.

Mr. W. J. KEAYS (Sarnia), opposed the application of this rule to vessels, and said that in his experience, a captain who signed for a certain number of bushels of wheat had to pay "shortage," if the cargo was short. He feared that if this responsibility was thrown upon the railway companies, they would hesitate to receive grain;—and it was even now too difficult to get cars to transport it.

Mr. J. A. HARDING (St. John, N.B.), remarked that in the Maritime Provinces the Government owned the railways, and were the common carriers, and under these circumstances it was very difficult to make the Government account for "shortage." He suggested that the Committee on Resolutions should report a resolution to cover the whole subject.

Mr. W. W. OGILVIE (Montreal), said that the custom of the trade now was that ships pay for "shortage;" but it was not so in respect to railways for goods loaded in bond, except by special contract. He had had considerable experience, and had not suffered much by railways,—not more than on the voyage between Montreal and Liverpool. The difficulty in the resolution was the expense, and the effect would be that where there were three men to work a station now, four men would be required, and this would greatly add to the cost of freight.

Hon. ROBERT READ (Belleville), remarked that all along the Grand Trunk line, any one could see grain scattered about, and the present system afforded opportunities for waste and theft.

Mr. OGILVIE observed that the Grand Trunk always paid "shortage," when there was an apparent break of the car load, and consequent loss.

Mr. M. P. RYAN M.P. (Montreal): What is the average loss by shortage?

Mr. OGILVIE: One per cent.

Mr. RYAN: Well, sometimes it was five or ten per cent., and there was no redress whatever. As to vessels, he said that he had a cargo delivered short, and the best advice he could get, was to the effect that he could not recover. On the other hand, he had a cargo that overran, and he had to pay for the surplus.

Hon. JOHN YOUNG (Montreal), said that there was a general loss, let the percentage be what it might, and the railway would at once raise its rates to cover this percentage. The change, both with regard to rail and water shipment, was a radical one, and it looked like passing a law to make secure on the one hand what would simply be obstructed by advanced rates on the other.

Mr. R. S. CHALMERS (Sarnia), said that the resolution met the case fairly, and carriers should be compelled to give a definite receipt. It

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was not a question with this body, whether the carrier was put to inconvenience, or whether he saved himself by an addition to his tariff rates. The principle to be observed was, that a carrier should be fully responsible for that which he undertook to carry and deliver.

Mr. JOHN ROCHE (Quebec), said that in the transportation of staves in vessels, though the captain signed a bill of lading, yet they were often delivered short, and he found that there was no redress.

Mr. W. H. HOWLAND, in reply to a question, said that he intended the resolution to apply to both the domestic and foreign trades.

Mr. H. McLENNAN (Montreal), was of opinion that the law might have been a very good one originally, it having arisen when goods were mainly shipped for the person to whom they were delivered. But by the alteration in the character of trade, it now often happened that cargoes changed hands by bill of lading, and thus persons found themselves deprived of part of their property, without any act or knowledge of their own. In the United States, during a time when shipowners found they could do as they pleased, they determined that they would not sign bills of lading for quantity; the consequence was that the merchants decided to ship only upon bills determining quantity. Ever since that time all grain coming from Chicago was accompanied by a bill of lading, acknowledging the quantity by special agreement; but now, it was proposed not to make the carriers deliver the quantity they acknowledged, but to make them acknowledge the quantity they had received. He could not see how that could be done, for the carriers might refuse to contract outright on these terms. It would be just as effective to pass a law to make the railways furnish cars, which they did not do now as readily as required.

Mr. W. J. IMLACH (Brantford), regarded this as a question of very great importance, as difficulties often arose between the shipper and the receiver in consequence of shortage. He did not apprehend much in the objection, that a drawback to the traffic would result from the carrier being called on to give definite receipts; but in cases where there was more shipped than appeared in the bill of lading, the railway companies very quickly discovered the fact. A very little more vigilance would enable them to weigh and measure, so as to be able to give a definite receipt. He should prefer paying the one per cent. which a delegate from Montreal had referred to, if the system of definite receipts were introduced, so as to save unpleasantness between shippers and receivers.

Mr. A. T. WOOD (Hamilton), supported the resolution, because it applied to general shipping, and in his transactions in iron, he found the grievance of shortage very serious. In the iron trade, when the carrier signed the bill of lading for a given number of bars, he should be obliged to deliver, not only the number of bars, but the weight also,—which was not now the case. He thought the principle that applied so suitably to that article, should be observed with reference to all merchandise subject to carriage.

Mr. A. FRASER (Quebec), thought the matter should be regarded from the shipowner's point of view. There were cargoes that materially diminished in quantity,—such as fish, which fell off from 10 to 20 per cent.,—and this law would compel the shipowner to account for that deficiency. The same thing was also true of salt. Coals were largely shipped between Quebec and Montreal, in barges owned by men too poor to pay shortage; they were without means of weighing, and he could not understand how the barge owner could be made responsible under these circumstances for precise weight.

The PRESIDENT (at the desire of the Board), expressed his views, and said that as a shipowner, leaving aside railways, the proposition would, he thought, be contrary to the law in England, where it was laid down by the judges that even with a definite bill of lading there was no responsibility. The bill of lading was only like a receipt for money, which might be disproved by evidence. He instanced cases of loading cargoes of grain and coal, and said that as it was impossible for shipowners to know what quantities were received, it would be very unjust to make them responsible; and if the ship delivered all that was put on board, that was all that could be expected from it.

Mr. R. STEPHENSON, M.P. (Chatham), said that the resolution met with the support of the Chatham Board, whose merchants shipped largely to Montreal, and who were frequent sufferers. He considered that where carriers, of whatever class, received payment for carrying a given quantity of freight, they ought to be compelled to deliver the whole amount.

The discussion was here interrupted by a motion to adjourn until 10 o'clock to-morrow morning, which was carried.

THIRD DAY'S PROCEEDINGS:

MORNING SESSION.

FRIDAY, 17th January, 10 o'clock, A.M.

HENRY FRY, Esq., President, in the chair.

The SECRETARY called the roll of members, and read the minutes of proceedings of the previous day, which were confirmed.

The PRESIDENT stated that Mr. HAMILTON A. HILL, of Boston, Secretary to the National Board of Trade of the United States, and Mr. C. A. HENDERSON, British Consul at Boston, were present, and invited them to all the privileges accorded to members of this Board. The announcement was received with much enthusiasm.

COMMON CARRIERS (*continued.*)

The discussion having been resumed on Mr. Howland's motion respecting obligations of common carriers, it was moved in amendment by Mr. ANDREW ROBERTSON, seconded by Mr. W. W. OGILVIE :

Whereas,—There seems to be a very great diversity of opinion in the Board, as to the resolution on the subject of common carriers, as proposed by Mr. Howland, therefore be it

Resolved,—That it be referred to a committee, consisting of the mover and seconder of the main motion, and three members to be named by the Chairman, to consider the subject and report to the Executive Council."

Before putting the question from the chair, Mr. Howland requested permission to add the following words to his resolution, viz: "except in cases of special contract."

A division on the amendment resulted as follows :—

Ayes—Messrs. Bramley, Carruthers, DeVeber, Dobell, Dougall, Fraser, Keays, Kerry, Labelle, McDougall, McLennan, McPherson, Maynard, Morin, Ogilvie, Pennock, Robertson, Simpson, Skead, White, Wilkes (Robert), Young.—22.

Nays—Messrs. Chalmers, Cooley, Coté, Gregory, Harty, Howland, Imlach, Kirby, Langelier, Lee, Morison, Ryan, Simmons, Spratt, Thompson, Watson, Wood, Wylde.—18.

The PRESIDENT announced that the special order would now be the consideration of the question of

RECIPROCAL TRADE WITH THE UNITED STATES.

Hon. JOHN YOUNG, M.P. (Montreal), moved, seconded by Mr. R. S. DEVEBER (St. John, N.B.):—

Whereas, The National Board of Trade of the United States, both at the meeting held at St. Louis, and lately at New York, resolved to exert its legitimate influence to promote a measure for Reciprocal Trade with the Dominion of Canada, on a broad, comprehensive, and liberal basis; and

Whereas, The Executive Council of that Board were instructed to memorialize Congress in favor of the appointment of a Commission, to act in conjunction with the State Department, to negotiate such a Treaty; and,

Whereas, It is the opinion of this Board, that more extended commercial relations with the United States would be highly advantageous to both countries; therefore be it

Resolved,—That the Executive Council be instructed to memorialize the [Government*] of the Dominion in favor of the appointment of a Commission to act with that of the United States, should one be named, or to take such other means, as shall best respond to any action on their part, to carry out a Treaty of Reciprocity in trade with the United States."

Hon. Mr. YOUNG then spoke as follows:—This question of Reciprocity is so well understood, that it is unnecessary for me to say much upon it. I would remark, simply, in reference to our reciprocal relations with the United States, that anything that has tended to improve the trade between the two countries, has always been responded to in a spirit of liberality by the United States. Before the year 1839 we had no postal arrangement with the United States, and could not send letters through that country to England; it then became a subject of consideration with the Imperial Government, resulting in the establishment of the Cunard steamers running to Halifax. It will doubtless be remembered that the "Unicorn" ran from Halifax to Quebec in the summer, and that the mails were brought up to Quebec from Halifax, and were sent thence throughout Canada. As a consequence of this we now have the present postal arrangements with that country. Again, in 1849, the late Hon. Daniel Webster brought in what was called the Bonding or Warehousing Bill of the United States. Previous to that time, we in Canada could not bring any merchandise through the United States in bond as we can do now;—everything went by the River St. Lawrence;—and the result, no doubt, was highly beneficial to the commerce of the United States and the people of Canada. About the same time the subject of Reciprocity began to be urged by Mr. Merritt and others. In 1852, Messrs. Lafontaine and Baldwin asked me to go to the United States, to see what could be done on the subject. The Treaty of 1854 was the result of a great deal of negotiation, carried out by Lord Elgin and the Government of that day. I think it cannot be denied that that Treaty was highly beneficial to both countries up to 1865-'66, when unfortunately it was abrogated. About two years ago, the National Board of Trade did us the honor of inviting this Board to meet them at Boston, to confer together in regard to our commercial relations. Some of our mem-

* The word "Government" was afterwards substituted for the words "the three branches of the Legislature" as originally proposed.

bers of Council went there. The meeting was a very pleasant one; and the impression left on the minds of those present was, that there was a great desire on the part of the United States to meet the mercantile views of this country in respect to this subject. Again, there was another meeting, at St. Louis, where the same spirit was evinced; and although some little difference of opinion was manifested in regard to the character of the proposed treaty, there was no difference respecting the necessity of a large and comprehensive measure being carried out. Again, the subject was brought up at New York, this last year, when we were invited to go there. The able Secretary of that Board refers to the subject in his Report. After giving the history of what occurred at the different meetings, he says:

"Canada stands third in the list of countries and colonies, with which the United States have dealings. Great Britain is first, and our transactions with it amount to 51 per cent. of our entire foreign trade. The West Indies come next, the proportion of our foreign trade carried on with them being about 9 $\frac{3}{4}$ per cent. Then follows the Dominion of Canada, with which our transactions are equal to 6 per cent., (66 $\frac{1}{2}$ millions of dollars in 1871,) of the total of our foreign commerce. Germany, France, Brazil, China and Mexico are all lower in the table."

At that meeting the subject was referred to a committee, whose chairman states that the treaty was repealed in a moment of indignation, for political reasons growing out of the war. Then he says:

"We were in bad humor at the time, and probably made a commercial mistake. We have now got into a better temper, and we can look at this thing in its true light. Now our Canadian friends come before us, and say that they are prepared to enlarge the provisions of a treaty. The old Treaty was confined to the free interchange of the products of the soil, the forest, the ocean, and the mine. They say that they think their Government would be prepared to admit a variety of American manufactures,—perhaps not the finer textile fabrics, but some of the coarser manufactures,—and that the treaty would have a much wider scope than the one which prevailed for ten or eleven years, and which was advantageous to both countries."

In the course of the debate on the question at New York, the feeling evinced was a very fine one indeed, and everything was done to make us feel that the mercantile body would do whatever it possibly could to carry out such a measure. In any new treaty a much more comprehensive policy is necessary than was embodied in the old one. There are a great many matters to be considered in such a treaty. The registration of Dominion-built ships in the United States, would be a great boon to the trade. The Washington Treaty gives the navigation of the St. Lawrence to the American Government; and though we admit American vessels to the privileges of our canals, they have not yet passed any measure by which our vessels can go through their canals. Then in respect to Lake Michigan in the Western States, we have only the right of going there for ten years. Now, that is a very important matter, in my opinion. I remember sending the first vessel from Montreal to Chicago to be laden with grain in the year 1850, through Lake Michigan. It never occurred to me that that was not our own territory,

and the vessel was seized ; I had to go to Washington with Mr. Lafontaine, to see Hon. R. J. Walker, who at once gave up the vessel. Now at that time, there were no differential duties in Canada. Most of the commercial men of Lower Canada, who have millions of bushels of grain coming from Lake Michigan, are aware of the great importance of our having free access to that lake, we having given free access to the St. Lawrence to the people of the United States. I merely hint at this matter, because I think that it is of very great importance. We have this great honor in Canada—that since the Reciprocity Treaty was repealed, we may say we have never ceased to admit American products under the old tariff, on the same terms that existed before that period. We have done that because we thought that it was to our advantage to have a carrying trade. The only article on which any export duty was charged was saw-logs. With these few remarks, I beg to submit the resolution I have read, and to express a hope that it will be unanimously passed by this Board. I believe if this measure is approached in a large and generous spirit it will be accomplished.

Mr. THOMAS WHITE, Jr., (Montreal) : Before the motion is carried, I desire publicly, as one who was present at the meetings of the National Board of Trade on two occasions, to express our cordial thanks to the President and the members of that Board for the great kindness and courtesy with which they received us. I am sure that at the meetings, both at St. Louis and New York, there was a strong feeling expressed in favor of improved commercial relations between the two countries. There was, however, a very marked distinction in the tone of the discussion at the two places. At St. Louis the resolution was passed unanimously, but there did not appear to be so much earnestness on the question, as was manifested at New York. At the latter place, the discussion was really an earnest one. The gentlemen who took part in it, believed the issue to be a live one,—one in which they were all deeply interested. I am quite sure that it must be a matter of sincere congratulation to every one, to know that better feelings are developing between these two great kindred communities. I rise, however, simply to suggest a verbal alteration in the resolution moved by Mr. Young. The proposal is, that the Executive Council memorialize the “three branches of the Legislature” for the appointment of a commission ; but the Legislature does not appoint commissions. It is a legislative body, and its functions will come into operation after the commission has been appointed, and determine as to the basis of the treaty. It is the part of the Executive Government, and not of the Parliament, to appoint a commission ; and I therefore propose to alter the resolution so as to memorialize the Government. It is quite true that the Parliament could pass an abstract resolution in favor of a commission being appointed, but the three branches of the Legislature could not pass such a motion ; and for that reason it would be better to make the resolution in favor of memorializing the Government.

Hon. JOHN YOUNG : I think Mr. White is quite right, and I will readily agree to the resolution being altered, so as to read, “to memo-

rialize the Government," instead of "the three branches of the Legislature."

Mr. R. S. DEVEBER (St. John, N.B.) : In seconding the resolution, I feel it to be a high honor to stand before this Board, as coming from the Eastern portion of the Dominion, where our sympathies in regard to improved trade with the United States, are the same as those of other portions of the Dominion. Of course, we do not dictate what means the Government should adopt in making these arrangements with our neighbors ; but we trust that our Government will comprehend that we desire a better understanding to be arrived at for the benefit of the country, and that they will make such arrangements as will tend to that object. In making a treaty with the United States, it will require great discernment and judgment, to secure an equal and fair Reciprocity Treaty ; one that will be equally beneficial to that country and the Dominion. I come from a Province where ship-building is one of our principal enterprises ; and of course we naturally desire to have free trade in the building of ships. Then we would like to have a fair share of the coasting trade ; we have a large seaboard, and our trade is increasing day by day, and year after year, and we should like to have a reasonable share of all that business. The article of manufactured lumber, which we have in large quantities—I am speaking of the Port of St. John—forms an important trade. To show you the increase, particularly in timber, on the exports from that port, I may give you the following figures :—In 1865 we exported to the United Kingdom to the value of \$1,641,000 ; in 1872, seven years afterwards, the amount was \$1,532,000. The great excess in 1865 I may explain, was owing to the fact, that in that year we shipped a very large quantity of square timber. That trade, however, is falling off, because we have very little timber now to export. By the Ashburton Treaty, a portion of the Province of New Brunswick was taken away, and particularly the timber districts. We shipped to the United States to the value of \$449,000 in 1865, and in 1872 to the value of \$928,000 ; to the British West Indies, in 1865, \$16,000, and in 1872, \$550,000 ; to the Spanish West Indies \$269,000 in 1865, and \$822,000 in 1872 ; to South America \$18,000 in 1865, and \$127,000 in 1872 ; to the Canary Islands, nothing in 1865, and \$34,000 in 1872. This statement was handed to me by the President of the Board of Trade of St. John, and it shows that even in our end of the Dominion, the trade is increasing without a Reciprocity Treaty. But we consider that if we had such a treaty, it would be increased tenfold in many other articles than timber. With our large fields of coal, and mineral wealth, and building stones, which the United States could take in much greater quantities, large additions would be made to our exports ;—but it is hardly necessary to enter into details on this subject.

Hon. RICHARD HAWLEY (Detroit, Mich.), addressed the Board as follows :—After thanking you warmly for the kind reception which you have given to Mr. Hill and myself, both for ourselves and on behalf of the National Board of Trade, as whose representatives we have the gratification of attending this meeting, I shall with much pleasure occupy your time for

a short period upon this most interesting topic. Let me say, that while we are very glad to be with you, we regret that our worthy President has found it impossible to attend. He has, however, expressed his earnest wish for, and continued sympathy with, these fraternal conferences between the National and the Dominion Boards. I also have to regret that Mr. Wright of Chicago, Mr. Cushing of Philadelphia, and Mr. Fisk of St. Louis, who were also appointed, have not arrived. We may be assured, from our knowledge of them, and their earnest sympathy with the great measure of a Reciprocal Treaty, that nothing but some unavoidable cause has detained them. The resolution which was adopted with such unanimity at New York, calls upon the Executive Council of the National Board, to present this matter to the attention of the National Government at Washington. In a letter received from Mr. Fraley, dated the 9th December, after stating his earnest sympathy with this movement, and his full appreciation of the advantages to be derived by both countries from an enlarged treaty, he remarks that he had even then called the attention of the President and the Secretary of State to this question; and he concludes by stating, "I hope something may be done, by opening negotiations with Great Britain for a new Treaty of Reciprocity." In his last letter he calls attention to the fact, that in the ensuing month of February, the Executive Council of the National Board will hold a session at Washington, and at that time this matter will be further presented to the Government of the United States. Now I honestly accord with the President of the National Board in the opinion, that in due time this desired treaty will become an accomplished fact. The local Boards, so far as we are aware, who sent delegates to the National Board, have expressed, through their representatives, their sympathy with this movement, which has received such unanimous support from New York State. We have not been in the way of hearing from many of these Boards; but so far as we have heard, the expression of opinion has been in every instance of a favorable character. In regard to our own Board (Detroit), the delegates to the National Board made a report at their meeting, in which they called very favorable attention to this feature in the New York proceedings. Their report was accepted and adopted without opposition. I have much pleasure in calling your attention to the very encouraging view, presented by the delegates from the Providence Board of Trade. They say:—

"The delegates, with great satisfaction, call your attention to the resolution un-animously passed, urging upon the Government of the United States, the importance of establishing relations for reciprocity in trade, and increased facilities for river and canal navigation with the Dominion of Canada. A large and influential body of representatives sent from the Dominion Board of Trade, were present by invitation, and took their seats in the Convention, and participated in the debate. Since their return they have memorialized the Governor-General in Council, to appoint a Commission on behalf of the Dominion, to meet a Commission on the part of the United States, which it is hoped will be appointed by the Government at Washington, for the negotiation of a treaty of reciprocity between our neighbors and ourselves."

These, we have reason to believe, expressed the feeling of the local

Boards that sent their delegates to New York in October last ; and those who had the pleasure of being present, and who had taken an interest in the matter of a Reciprocal Treaty with Canada, were exceedingly gratified to see the anxiety which prevailed to obtain it. New Haven, Boston and Providence, on the part of New England, were unanimous, as were also the Boards from the Western and Middle States, including the great city of Philadelphia. I notice that the Providence Board states that the resolution had been passed unanimously. I believe that that was entirely the case ; and I think, if you will consult the proceedings of the National Board of Trade,—the official report of which, I am informed, is to be found in the Parliamentary library in this building,—you will find that every speaker who participated, sympathised with the resolution. It is true that in relation to one point, that of recommending the Government of Canada to enlarge their canals, there was a party of gentlemen from the State of New York, who tested the propriety of referring this matter ; but so overwhelming was the sentiment in favor of referring it in connection with the new treaty, that it could not be left out, and with almost an unanimous vote it was adopted as originally presented by the committee. Since we arrived here, we have had the pleasure of noticing the remarks of Governor Dix in his recent message to the Legislature of the State of New York ; and in this connection I desire again,—though I understand your attention has been already directed to it,—to lay these remarks before you. They are, to my mind, so enlightened, so kind, so generous withal, that I am sure they will have the full weight to which they are entitled, in view of the eminent source from which they come. He says :—

“ Our neighbors in Canada are making arrangements to enlarge the Welland and St. Lawrence Canals, so as to admit of the passage of steam propellers of 800 to 1,000 tons from the Upper Lakes to the Gulf of St. Lawrence without transshipment. It is not the sole object of this improvement to turn into a new channel the trade of the West, seeking an outlet to the ocean ; but it contemplates also a freer intercourse between their own people upon the great lakes and the City of New York as the most convenient, and, during a portion of the year, the only sea-port where their products can meet foreign merchandise for the purpose of exchange. With this view a project is on foot to construct a ship canal from the River St. Lawrence into Lake Champlain, so that vessels of the same class may reach Whitehall without unloading. The further hope is no doubt entertained that the Champlain Canal may at some future day be enlarged so as to constitute a continuous line of transportation by steam propellers from Duluth, at the western extremity of Lake Superior, to the City of New York. We need not fear that any new facilities which may be afforded to transportation to and from the West will dispense with, or seriously impair, any existing line of communication. The rapid growth of the Western States, and the constantly increased demand for additional supplies of agricultural products, on the one hand, and manufactures on the other, will tax to the utmost capacity all the channels which can be opened for this extending traffic.”

It was with much pleasure that I was present yesterday, when the Lake Champlain Canal project was incidentally considered by this body, and argued with so much force and ability ; and it was all the more interesting when coupled with the remarks of General Dix in regard to the prospect of

such great works, and the fostering of the trade between the two countries being in due time accomplished. This matter of the reciprocal treaty, we have every confidence will be brought about. As the old treaty came when there seemed to be a necessity for it, so now, when there is a still greater necessity, we have no doubt that the two Governments will agree on a new treaty,—one which, in terms of the resolution, will be broad, comprehensive and liberal, and equally beneficial to both countries. The works of reciprocity,—if I may so speak of them,—the international works, are rapidly being extended. They were previously few in number; but they are now being increased, which must be a matter of satisfaction. We have an international bridge in course of construction, and we have the one previously existing,—I mean the tubular bridge at Montreal, which by means of the extension of the Grand Trunk line to Portland, and its connecting link towards New York, has become of an international character. We have another in contemplation, besides which we have international ferries at Port Huron and Detroit; and thus it seems that these works which promote transportation, also promote trade and the business interests of the country, multiplying and creating a necessity for reciprocal legislation. There can be no doubt, that, with a joint commission of gentlemen appointed by each country, best fitted for the consideration and adjustment of this matter, the desired end can be easily arrived at. It would take a great length of time to reach the necessary reciprocal legislation by the ordinary channel of events; but I am glad to know it is, in the meantime, tending in that direction. It is being done item by item; but that is a slow process. During the last year we have had some articles, which are articles of exchange, placed upon the free list; raw goods, exported from the Dominion of Canada, as also salt, were placed on that list. We are fully entitled to believe that the two countries will have a reciprocal treaty before very long. We are warranted in putting forth, with renewed confidence, every effort which would be likely to facilitate and make sure of that,—and, so far as may be, aid in the accomplishment of that desirable object. With regard to the old treaty, you will allow me to say, that I agree with Hon. Mr. Young, that it worked most advantageously for both countries, and that its abrogation has ever since been very generally deplored on our side of the line. But there were a number of causes for its abrogation. There was not only the influence of politicians, who thought, perhaps sincerely, that for some reasons it would be well to give notice of its expiration; but there were the causes referred to by Mr. Lester Taylor, in his speech at New York,—that we were vexed, and in a measure irritated, because the cloud which hovered over the Mother Country and the United States extended to Canada. Another reason, referred to by Mr. Ames in his speech at New York was, that owing to the burdensome expenses incident to the great Civil War, from which we had just emerged, it was considered indispensable that the Government of the United States should have absolute and entire control over the revenues of the country from all sources, and that it should not make any exception in connection with the Reciprocity Treaty. In looking back upon this matter, it is but proper and just that those

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reasons should be duly considered and have their proper weight. But all these things have happily passed away, and everything now betokens a different state of affairs, a better state of feeling, and promises a happy result. We, on one side of the line, recognize this felicitous change, and desire to do honor to one of the most loyal and steadfast friends of Reciprocity in the United States,—a gentleman who is also eminent and well-known; he contributed important services to the initiation of the first treaty, and expresses himself as being desirous that a new one may be negotiated. I am sure that in reading a private note, I shall have the approbation and concurrence of the writer,—I refer to the Hon. Gerrit Smith, of Peterborough, New York. After returning to Detroit, we had in some of our newspapers, a very good synopsis of many of the speeches made in New York on this subject. I clipped them out and sent them to Mr. Smith, knowing how very interesting they would be to him. In his reply, he says:—

“I thank you cordially for your letter, and slip of the newspaper in it. I have read with much pleasure your own and the other speeches. Your idea in regard to Grain, which you have marked for my special attention, is welcome indeed. I gave prominence to it when I was in Congress, when this subject and the subject of Reciprocity came up. I hope, with all my heart, that Reciprocity with Canada may be renewed, though I am now too old to contribute towards its accomplishment.

“Very respectfully yours,

“GERRIT SMITH.”

I am sorry that Mr. Smith underrates his influence; for I am sure that his known convictions upon this subject, steadfast and abiding, will have their weight with the increasing number of those, who earnestly desire that everything tending to liberalize and extend the material relations of the two countries should be effected. Before resuming my seat, permit me to intimate that a delegation from your Board will be most welcome at the annual meeting of the National, to be held at Chicago in October next. I am sure they will be received in the same cordial manner as you have welcomed here, on two occasions, the delegates from the National Board. We thank you, not only for the courtesy extended to us in connection with your debates, but also for all the manifestations of your cordial kindness that we have received. I have felt it a great pleasure to be here, and will carry away with me, the same warm and friendly feeling the same happy and pleasant reminiscences, as I have carried away when attending other meetings of this character in my own country. To me these meetings have always been pleasant. The first one I had the privilege of attending was at Richmond, in the “Old Dominion,” soon after the termination of the Civil War. There were gathered representatives connected with the business interests of all parts of the Republic, and I trust that meeting had great influence in restoring that oneness of feeling and cordiality which ought to prevail. I thank the Board of Trade of Ottawa for their contribution to the pleasantness and enjoyment of this gathering, and on behalf of my co-delegate I can assure you we have thoroughly enjoyed the time we have spent with you. We have listened with great

pleasure to the very able discussions that have taken place on the tariff and other subjects; and have been delighted with the clearness, power, and range of information which were exhibited. In every possible regard we have been pleasantly gratified, and have added materially to our stock of information upon some of the interesting topics of business and trade, that equally concern the two countries with which we are connected.

Mr. HAMILTON A. HILL (Boston, Mass.), the Secretary of the National Board of Trade, then addressed the Board:—It is not necessary to add many words to what has been so well said by my colleague on the subject now before the Board. I desire, however, to say that I do heartily and cordially concur in everything of a friendly character that he has said. I desire also to acknowledge for myself, as he has done for both of us, the hearty appreciation which I feel of the great kindness and cordiality of the welcome extended to us on this occasion. I desire to say now, what I ought to have said at the Banquet last night, when I had the honor of speaking in reply to the toast of the National Board of Trade, that I heartily appreciate the kindness of the Ottawa Board in extending its hospitality so graciously and so elegantly to its American guests. What my colleague has said in regard to your sending a delegation to Chicago next October, will, I am quite sure, be most cordially assented to by the members of the National Board. On three occasions, we have had the very great pleasure of receiving deputations from your Board,—while this is the second occasion, on which the delegates from the National Board have been at Ottawa. It looks to me very much as if we find a precedent fully established, that when an annual meeting of either Board takes place, a deputation from the other will, almost as a matter of course, be present, participating in the discussion of all questions in which we are mutually interested, and renewing from time to time expressions of good will. Just as amongst friends there should not only be good will in the heart, but at all proper times the hearty expression of that which exists,—so it should be between communities, and especially between two nations, situated as are Canada and the United States. It should not merely be taken for granted that we feel kindly towards each other, and that friendship exists on both sides; but it is very proper that every opportunity should be embraced to give utterance to those feelings, in order that it may be seen what the real sentiments of both sides are,—for it is by openly avowing our mutual esteem, that the ties of friendship are very much strengthened and increased. The action of the National Board of Trade, in regard to the question of a reciprocal treaty, has been referred to by the Hon. Mr. Young, and by my friend from Detroit. The matter, so far as our Board is concerned, is pretty fully understood. It may be, we are not thoroughly agreed amongst ourselves, at present, as to the form the new treaty should take; there may be differences of opinion on that point, and as to its width and scope. But we are fully agreed that the time has come to prepare the way for a treaty of some kind; a treaty of reciprocity, one which will encourage trade between the two countries, and which will knit them more closely together than they have ever been up to this time. It is quite remarkable that, notwithstand-

ing the abrogation of the treaty in 1865-'66, the trade between the two countries, which under the working of that treaty had increased year by year, should still go on increasing; that the impetus given by its existence for ten or eleven years was so great, that the increase has since grown, and the growth of business continued, notwithstanding the sudden termination of the treaty stipulations. That has been a matter of conversation on more than one occasion; and my friend from Boston, the British Consul, who takes great interest in the promotion of intimate trade relations between British North America and the United States,—and who has come up here, for the purpose of obtaining all the information he can in regard to this subject,—has talked with me on this point: that notwithstanding the treaty was abolished, the business between the two countries has since gone on increasing. It might be said, “Is not that an argument in favor of allowing things to remain as they are?” “Are we not doing well enough without a treaty?” “Why not leave well alone, and let the business develop itself in its own way?” The answer is, that if under existing circumstances the trade is still going on increasing, would it not be much more largely increased, had every proper opportunity been given for the employment and freer flow of the volume of trade across the frontier in one direction, and in the other? If amidst the discouragements of the present state of things, the relations are so close that commercial men must do business with each other, it is a great question whether, if we will only permit the flow of trade, it will not be very much larger than it is now. No one can look on the map of North America and observe how the two countries are situated, without seeing that it was intended, if we may judge by such intimations of the will of Providence, that the peoples living on this area of territory, should sustain the most friendly relations and intercourse, each with the other, and conduct their transactions of daily life with each other, with the utmost friendliness and freedom. There is no natural boundary for a very considerable distance; and when we go to a certain point in the St. Lawrence, we find that that river flows between the two countries; but even that is not a boundary that separates,—it is a boundary that really unites the two countries. On the river yesterday, as we crossed on the ice from Ogdensburg to Prescott in a sleigh, there was no break in our transportation from one country to the other; the road was free and open, and the way we crossed made me think that after all, for all commercial purposes it was one country, and there should be in them broad freedom. As far as possible it is desirable that there should be the utmost freedom of passage for the products of both countries. The question of transportation is a most important one in this relation, and the manner in which we use each other's highways in going from East to West, is most striking. We must all feel that the remarks of Governor Dix on this subject, in regard to the use of the waterways which lay wholly or in part in Canada, are most enlightened, and give promise of what we believe to be the public sentiment of the State of New York on the subject. The fact is, that the Western country is so large, and so extraordinary in the wealth of its resources, that as they are

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developing year by year, its promise is so great, that all the thoroughfares and canals, and outlets from the interior, will be required in order to accommodate, what will be, at no distant date, the products of those fertile fields and prairies. I speak certainly for Boston and that part of the country, and I think I am speaking also for a part of New York State in this respect, when I say that we know nothing of any fear in regard to any amount of traffic that may pass down the River St. Lawrence to the sea. We rejoice at every stimulus given to open the ways, and make use of every path, from the prairies of the West to the sea; and whether they pass through American territory, or through that of the Dominion, as to a part of the route, is a question of very small importance. What the course of our Government will be in regard to this subject, it is impossible for us, at present, to predict. It has been said, as was stated in the letter from our President, an extract from which has been read on the subject, that the matter has been laid before the Department of State; and now that a new Administration is about to go into office, and matters are to be settled for another term, whether the Secretary at present in office will continue,—as is probably the case,—or whether a new one shall be appointed after the 4th of March, things will take a new start for the next four years. We hope and believe that after that date, it will be easy to urge the prosecution of the matter, and prepare the way for the negotiation of that which all of us desire so much to see carried through. In regard to the negotiations, it is highly important that those appointed on the Commission should be business men, who have a practical knowledge of all the questions involved, who understand the commercial wants of both countries, and who will come together as business men, without prejudice or passion, simply anxious to know what is for the best interests of the two countries, and to accomplish it, having a hearty desire to negotiate a treaty which will be comprehensive, fair, and just to both countries, and under which the prosperity of both will be increased and improved.

Mr. C. A. HENDERSON (British Consul at Boston, Mass.), said: I thank you for your kindness in admitting me to this interesting and highly important meeting. My object in coming here was not to make a speech; in fact I do not consider myself as authorized to say anything officially on the subject. I came here principally with the object of endeavoring to obtain some information, in order to enable me to make a report to my Government, a report which I hope and trust will tend to some extent, to assist you in the object which you have in view. Since my arrival in Boston, I have felt that the trade of that section of the country with Canada required developing. I saw a great many difficulties in the way, and since that time have always considered it my duty to do all I possibly could to assist in having them removed. Since then I have been getting more special information, and becoming better acquainted with the objects sought, and the modes in which they may be attained. I sympathize thoroughly with the project which is before the two Boards,—and anything to assist them that lays in my power, I will do most willingly. I

don't think that anything further is needed from me, after the able addresses of my friends Mr. Hawley and Mr. Hill, which, I am sure, will leave a favorable impression upon every one.

Mr. ROBERT WILKES, M.P. (Toronto) : I confess, that it is to my mind a pleasing feature, as compared with last year, that this question does not seem to arouse the same intensity of feeling amongst us,—the cause of this abatement being the nearer prospect of its realization. I need hardly say that the circumstances are considerably altered since our last discussion. Then, the remnant of ill-feeling, and the unsettled issues that have more than once been referred to, still remained ; but now, circumstances are changed. This is not the time or place to discuss the Washington Treaty, which has settled, I hope for ever, all the questions in dispute between the two great nations, in such a manner that they may now be considered fairly on their merits, and receive, on both sides of the line, full and free consideration. I do not think it necessary to refer here to any of the statistics of the past, more than just to remind our friends of the National Board, and especially its Secretary, who has pointed out that notwithstanding the termination of the Treaty, abrogated in 1865-'66, the trade between the two countries has continued to flow on, that there is one point which must not escape their notice :—that though the volume of trade has somewhat increased, although hampered with tariffs and incumbrances, yet the conditions are somewhat altered, and remarkably so as regards the United States itself. I notice that in the aggregate, the trade between Canada and the United States during the ten years of Reciprocity was probably 400 millions of dollars ; but the proportion of exports and imports showed a difference of about 36 per cent. in favor of Canada,—that is, that we exported 36 per cent. more to the United States than we received from them. But the following five years showed a somewhat altered proportion,—for instead of 36 per cent. being the disproportion of the exports from Canada to the United States, over the imports, this amount had increased to 65 per cent. I make these calculations roughly, but they are approximately correct, so that our American friends must not fail to notice,—and I hope they, being clever, shrewd men, will not fail,—that the bulk of the articles received from Canada are prime necessities, the necessaries of life, articles which enter into their daily consumption. From our frontier Provinces they receive coal for their manufactures, and as all great enterprises are propelled by steam, so it may be looked upon not only as a raw material, but also as a very valuable motive power. It is much more than a raw material, because it is the very breath of life to manufactures. A hostile tariff imposed on it might as well be imposed on the air we breathe, or the water we use, for one is but a motive power the same as the other ; consequently they tax their own manufactures to that extent. What are the vast lumber forests, the product of which forms such a large proportion of the trade from Canada to the United States, and upon which a hostile tariff is now charged ? The question I asked my honorable friends on a former occasion, was, whether if an export tax were levied on sawn lumber, going from this country to the United States,

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they would leave it in our docks, and seek to obtain it from our competitors? They answered that they could do no such thing, because there were no competitors with the Canadian lumber; and none could be found. No matter what duty they charge on the importation of our lumber, the United States must pay the whole of the tax, with all expenses incidental thereto. An article such as lumber being the very essential raw material of the whole building trade, it is an article upon which the tax cannot be continued. I need not remind the gentlemen of the Board, that some of the conditions upon which we contracted reciprocity have changed: we receive reciprocal trade in part consideration for the use of the fisheries of the Dominion. I am not going to enter into any elaborate consideration of these points. But I put it to the intelligent commercial classes of the United States, whether a prohibitory policy, under the circumstances, can be reasonably and fairly indulged in by them, when they have received from us a concession very important in our eyes, and which they evidently regard in the same light? They should now come forward boldly and inaugurate, as far as they are concerned, a liberal trade concession,—not only to establish reciprocal trade in necessaries of life, but to make interchanges, as far as may be possible. There is one point more I wish to refer to: it is sometimes said that we are only willing to trade our natural products; that what we want to export is our cattle, coal, and lumber, and are not willing to trade on any other conditions. I am informed by gentlemen engaged in certain enterprises which have markets in the United States, that they are willing, so far as they are concerned, to compete with them in the articles which they manufacture. I will take one article,—that of tweed cloth, in which, I am informed, our manufacturers would not fear competition with the United States. In the article of boots and shoes they are also open to meet them on equal terms. In sewing machines, patented by our American friends, they may come into the market with their "Howe's" and "Singer's," and any other kind of "music" they like, and we would be willing to compete with them. A manufacturer of musical instruments said to me, in speaking on the same subject, that whilst he had to compete with the manufacturers of the United States in the article of melodeons, with 15 per cent. duty, he had to pay a very much larger duty in the United States; and if the duty were equalized or abolished, he would be most willing to enter into competition. To these articles, agricultural implements might also be added. It is but right that these sentiments should go forth,—that we are not fearful of competition where there is any chance for our manufacturers at all. If the competition were to be open in all classes of manufactures, that would not suit Canada; but where in any department we have established ourselves to a reasonable extent, we do not fear competition any more than in our natural products. I hope, in conclusion, that a Reciprocity Treaty will be established which will be an honor to both countries.

The preamble and resolution, on being put from the chair, were carried by acclamation, and amidst loud applause.

RECIPROCAL PRIVILEGES IN CANALS AND RIVERS.

Moved by Mr. A. FRASER (Quebec), seconded by Mr. L. COTE (St. Hyacinthe, Q.) :

"That this Board earnestly represent to the Government the desirability of continued and unremitting exertions towards securing for Canadian shipping, privileges in American canals and rivers, similar to those given to United States shipping on the inland waters of Canada."

Carried unanimously.

ROUTE OF CANADIAN PACIFIC RAILWAY.

Hon. JOHN YOUNG, M.P. (Montreal), said that since the last annual meeting of this Board, the subject of a Canadian Pacific Railway had been brought before Parliament, and an Act relating thereto had been passed. As the question was one of vital importance, and one which ought to be brought before this body of mercantile men, he had prepared a paper upon it, which he would now read :—

It is scarcely necessary to allude to the great natural advantages, possessed by Canada, for transporting by water the vast trade between the Eastern and Western United States, and of Eastern and Western Canada. Few require to be informed of our great chain of inland waters, stretching with a few interruptions, from the Atlantic to the Rocky Mountains. They must perform a most important part in the transmission of the products of the interior, and in facilitating commercial exchanges ; for it is by means of cheap transport that a remunerative value can be given to the bulky products of the Western regions, whether in the United States or on the Saskatchewan.

No subject can be more important than this to the statesmen of Canada. Unless transport can be reduced far below its present cost, all the fertile lands, so distant as those on the Saskatchewan and Red River, as well as those on the adjacent lakes, cannot be made profitable to the farmer, nor made attractive for settlement. A proof of this has been made evident this season in the business of the Western United States. The abundance of the Corn crop in Iowa and adjoining States, so increased the rate of freight from Chicago to Buffalo, that while the price ruled at 65 cents per bushel at New York, the price at Chicago went down as low as 31 cts. per 56 lbs. When therefore the farmer of Iowa, Nebraska, &c., has to pay from 15 to 18 cents for transport by railway to Chicago, he only receives from 12 to 14 cts. for raising a bushel of corn ; or in other words, he has to sell five bushels of corn to get the value of one bushel in New York.

When again it is considered that the export of grain from Lake Michigan alone, has increased from seventy-eight bushels in 1838, to upwards of one hundred millions in 1872, and that only a small fraction of the area of these Western States is yet under cultivation, it must be evident to every one, that this question of cheapening transport to and from distant ports in the interior, and increasing the facilities of commerce, is the great subject of the day.

These remarks have been made, with the view of leading to the consideration of the Act passed during last Session of Parliament, for the construction of a Railway to connect the Pacific Ocean in British Columbia, with the River St. Lawrence at Montreal and Quebec through British Territory.

It is scarcely necessary to enter into any argument as to the necessity of such an undertaking, as a Canadian Railway to the Pacific. Improvements either by Canal or Railway, of an extensive character, cannot be accomplished by individual, or even municipal agency ; and when their object is to promote, in the best and most beneficial

manner, the general welfare for the best good of all, such improvements should receive whatever support and aid from the general Government may be necessary for their accomplishment.

The subject of opening up a communication to the Pacific, Japan and China, through the lake regions of Canada, was suggested by Chevalier de Salle as far back as 1679. The Marquis of Beauharnois, Governor of New France, made an attempt to communicate with the Pacific; but Pierre Gauthier de Varennes set out in 1731, and was the first to reach the Rocky Mountains from Canada. Of late years the project has been brought prominently before the public, both in England and in Canada. Lieut. Synge, R.E., and Major Smith, wrote about it in 1848 and 1849. Mr. Wilson, of the Hudson's Bay Company, and Mr. Allan McDonell referred to it in 1850; while in 1854 the writer brought the subject before Parliament by petition, and, with others, asked an Act of Incorporation, pointing out the importance of opening up the interior of British America by a highway from Ocean to Ocean.

The prosecution of such a gigantic enterprise, and the best means and route for doing so, deserve, in the interests of the commerce and people of the Dominion, the most serious and calm consideration of this Board, which it will no doubt receive. A railway such as this, between the Ocean ports of Canada and the Pacific, if completed at the earliest possible period, will absorb an enormous amount of capital; and if finished under the agreement between the Government of the Dominion and British Columbia, and through British territory, the line for many years thereafter cannot be self-sustaining.

Experience has shown that the "local" or "way" traffic, is that upon which the line must mainly depend for revenue. The local traffic of a new territory can only be developed by labor and inhabitants; but until this is done, it is folly to expect sufficient traffic; and, without it, the railway cannot maintain itself.

The route of the Intercolonial Railway, from Quebec to Halifax, was decided on from military considerations. The commercial aspect of the question was not considered. Every offer of the Imperial Government of England, was made contingent on its passing "*through British territory*" from Halifax to Quebec. The late Earl of Elgin and his Government, in 1852, pointed out a different and shorter route from Riviere du Loup to St. John, N. B.; but assistance was refused to it, as being too near the United States, and the despatch from the Imperial Government insisted that aid could only be given to the present route, or Major Robinson's line,—because, "*that both by its distance from the American frontier, and its proximity to the sea, it would be peculiarly available for military purposes.*" Lord Russell said at the same time, in the House of Commons, "*that this railway was an object of primary importance to the interests and to the imperial power of this country, on the continent of America.*"

Since 1852 the Colonial policy of the Empire has been greatly changed. The forts of Quebec, Isle-aux-Noix, and Fort Henry, at Kingston, have been dismantled, the British troops have nearly all been withdrawn, and the Dominion, with its four millions of inhabitants, have now to rely on themselves. These remarks seem necessary, because the Intercolonial Railway having been surveyed, and located for military and not commercial reasons, may fail in local and through traffic, to give a revenue for its working, as the business of the country between Montreal, Quebec, and Halifax, will necessarily pass over the shortest route, even if that passes in part through the United States.

These considerations are adduced with the view of pointing out the error which will be committed by adhering to the Act passed last session, of constructing the whole of the Canadian Pacific Railway on "British Territory." To do this, it must neces-

sarily pass on the north side of Lake Superior, and at a distance from that Lake to the north of from forty to sixty miles. The commercial interests of the country, and especially of the Saskatchewan region, demand that the road should be constructed on the most direct line, and on that best adapted for commerce, even if that line should pass, as is the case with some roads in the Dominion, through a portion of the United States. If the line were carried through the Valley of the Ottawa to Sault Ste. Marie, and connected there by a bridge, with the American lines of railway, in Michigan, Wisconsin, Minnesota, &c., on the south side of Lake Superior, a route would not only be secured somewhat shorter in distance from the East to Fort Garry, and the Pacific, with less cost of transport, but the commerce of the States just mentioned, as well as the more Western States centering at St. Paul, would inevitably be carried over this Canadian railway to Ocean ports on the St. Lawrence, about 350 miles less distant from the head of Lake Superior than to any Atlantic port in the United States.

The safety of Canada, from any attack by the United States, is not dependent either on the location of the Intercolonial Railway, or the proposed construction of the Canadian Pacific on the north side of Lake Superior. The Dominion is no longer a set of disconnected Provinces. These Provinces are now a unit, and with the exception of Newfoundland and Prince Edward Island, have free commercial intercourse with each other. The financial, military and political power have greatly increased since the union; and with four millions of northern people under one general Government, the substantial power and prosperity of the country are greatly on the increase. It is important for the interests of the Dominion, that the most kindly intercourse with the United States should be fostered; and, if the best route for the Canadian Pacific is on the south side of Lake Superior, both for the people of the United States and Canada, no military consideration should outweigh the commercial. American vessels navigate Canadian Canals, and pay the same tolls. They, no doubt, will allow Canadian vessels to navigate their Canals; and why should there not be the same freedom and security, to do the same over Canadian and American railways, especially as the effect would be to cheapen transport by a route from the interior?

The interests of the people of the United States, like their territory, are indissolubly wedded to those of the Dominion; and the natural advantages of neither country can be fully developed, without a complete system of reciprocity of commerce. It is to be hoped that there is a growing opinion in the United States, as to the advantages of such a course of action. The Washington Treaty has done away with all possible disagreements between England and America, and Canada should join and try to promote the same spirit, as to commercial relations.

The distance of the Canadian Railway from Montreal to New Westminster on the Pacific, via Pembroke on the Ottawa, north of Lake Nipissing, north of Lake Superior touching the southern end of Lac Seul, and Fort Garry, would in round numbers be about from 2,600 to 2,750 miles; the estimated cost of this work is \$100,000,000 to 150 millions. When completed, there would then exist, no doubt, a continuous railway from Montreal and Quebec to the Pacific, in British Territory. But there would be no connection with the United States railways, on the south side of Lake Superior. It would pass through a country uninhabited, and its line of route would be 250 miles north of Duluth on Lake Superior. Taking the distance from Montreal to Fort Garry on this route at 1,200 miles, the cost of transporting a bushel of grain, at the low rate of $1\frac{1}{2}$ cents per ton per mile, would be 55 cts. Or take a more westerly point on the Saskatchewan, 1,600 miles from Montreal, the cost of transport would be 72 cts. per bushel. With such a rate of freight, there would be no inducement for farmers and

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emigrants to occupy these distant lands, however rich they may be; for, after paying freight, there would be little surplus in profit for their labor.

If on the other hand, the construction of the proposed road, on the north side of Lake Superior, were for the present abandoned, and a line adopted by which Fort Garry could be reached in the least possible distance from Montreal, whether in the United States or in British Territory, what would be the result of such action? Starting from Montreal, passing through the Valley of the Ottawa direct to Sault Ste. Marie, passing across those straits by a bridge, and proceeding on the south shore to Duluth or Pembina at the head of Lake Superior, a straight line is obtained (as any one can see on the map) equally short, if not shorter, to Fort Garry, than the line by the northern route. On the south shore of Lake Superior, a part of the railway is already constructed, and will be completed as soon as that on the Canadian side to Sault Ste. Marie. The adoption of such a policy, would be a saving in construction of the Canadian Pacific Railway of about \$40,000,000 to 50 million dollars. It would tap the whole system of Western United States railways at Sault Ste. Marie, and open up a route through the Valley of the Ottawa, to an ocean port on the St. Lawrence, 400 miles shorter than to New York by the present route; while it again would be the shorter route for through traffic, either to New York, or any other Atlantic port in the United States. If these statements are correct, serious considerations are involved, because the expense of working a railway on a line in a climate 250 miles north of Duluth, would be very great, as well as the extra cost of construction, in a country where at present there is scarcely a white man.

Under this view of the matter, it would seem to be the best policy to complete the road from Montreal to Sault Ste. Marie, then begin the Canadian road from Pembina to Fort Garry and onward to the Pacific in British territory. Such a line would be the shortest to the Pacific from England, and would form the shortest route possible to Japan, China, &c., and would be the best adapted for the transport of valuable goods from these countries, as well as for mails and passengers.

It is not here assumed that at some future time it may not be necessary to construct a railway on the north side of Lake Superior, and to connect it with the Pacific. Nor is it to be doubted that in time it may be necessary to connect that line with the nearest point of water communication on the Hudson's Bay, a distance of not over 200 miles; but to do so now, and for no better reason than that it must be in British Territory, and on a line as far as possible from that of the United States, does not seem to be the part of wisdom.

This course of action seems the more imperative, because on the parallel railway route on the north side of Lake Superior, which it is proposed to abandon, Canada is in possession of an independent water communication, through Lake Superior and Georgian Bay, navigable for steam propellers of 1,500 tons burthen during seven months of the year. The distance from Duluth to the Eastern end of Georgian Bay is about 650 miles. A propeller of 1,500 tons, would carry 60,000 bushels of grain. If such a vessel could proceed direct from Duluth to the eastern end of Georgian Bay, and if that point were connected by railway to Montreal, a distance of 320 miles, transport could thus be reduced to its lowest possible point. The distance from Fort Garry to Duluth is 350 miles; at the rate of freight before named by railway of $1\frac{1}{2}$ cent per ton per mile, the cost of transport to Duluth would be 12 cents, by the steamer to Georgian Bay, 4 cents, and from thence by rail to Montreal, 12 cents, or 28 cents per bushel in all from Fort Garry, instead of 55 cents by the continuous railway on the north side of Lake Superior.

If, therefore, this idea of utilizing the water route possessed by Canada, which is unequalled in its character, from the head of Lake Superior to the foot of Georgian Bay, were adopted, instead of constructing the railway on the north, Canada would not only possess all the advantages of the railway on the south side, but would be in possession of an independent navigation for vessels of 1,500 tons open for seven months of the year, fitted to transport bulky commodities at the lowest cost of transport: while its auxiliary the railway, would carry mails, passengers and more valuable merchandise. This navigation for the distance named is quite unobstructed, except by a canal of one and one-tenth miles in length at the Sault Ste. Marie. This canal belongs to the United States, but as it will soon be insufficient to accommodate the commerce of the Lakes, no time should be lost in constructing an independent canal on the Canadian side, where a better location exists than on the American shore.

Without indulging in any anticipations of the commercial advantages of such a route by railway and water, as a means of shortening the transit to and from China, &c., it is enough to call attention to its obvious advantages, as a means of aiding the settlement and growth of that portion of the continent on this side of the Rocky Mountains. Nor can there be a doubt, that the head waters of the Mississippi, the Missouri, and the Red River of the north, which drain a vast country in the United States, would find in this route its easiest and most direct course to the ocean ports of the St. Lawrence, or of the Atlantic. The distance would be less by hundreds of miles, than by following the Mississippi and Missouri rivers to their common mouth at New Orleans. But whatever may be the course of trade, there can be little doubt that the plan here advocated of utilizing the navigation of the Lakes to the fullest extent, in a direct and parallel line with the proposed Railway on the north shore, and in using the railway on the south shore in the United States, will confer upon Canada as well as on the people of the Eastern and Western States of the Union a degree of commercial and political importance, beyond what can now be described or conceived.

Mr. L. E. MORIN (Montreal), said that he had had occasion to discuss this question elsewhere, previous to the present gathering, and from the same standpoint as that occupied by the Hon. Mr. Young. The opinions then expressed had been endorsed by parties who were well informed on the subject. He had now much pleasure in submitting the following extract from *Le Metis* of Winnipeg, which might be cited as a good authority in the matters alluded to. It says:—

The fundamental idea is full of truth and good sense; and with a better knowledge of the geographical condition of the North-West, the writer would not weaken his argument, but would evidently make it much stronger. A fact which is acknowledged by everybody, is that the construction of that part of the Pacific Railway between Lake Superior and the Valley of the Red River would be an enterprise of the utmost difficulty. Very little, if any, colonization would be possible with an arctic climate; a vast area of uninterrupted water-courses and magnificent rocks, such as the zone described by Bishop Tachè in his book on the North-West. That great chain of the Canadian Pacific will certainly be the last, if ever constructed. Even supposing it will be constructed at an early day, the maintenance of the line, the cost of the rolling stock, the uncertainty of the traffic would be such that unless subsidized enormously by the Government, it will be impossible for the farmer or trader to pay the rate of freight either in the importation or exportation of merchandize. We pay now from 4 to 4½ cents per pound on ordinary freight shipped from Montreal or Toronto to Fort Garry. The average time

required for such transportation is between five and six weeks, and the merchandize is transferred seven or eight times on the most direct way.

Shipped at Montréal, it passes by Collingwood or Sarnia, is landed at Duluth, thence forwarded by rail to the terminus of the Northern Pacific on the Red River, and placed on board vessels navigating this latter river, and begins a long, hazardous and most precarious navigation, until it reaches Fort Garry. If shipped *via* Milwaukee, the route is still longer, and the cost of transportation often dearer.

However costly the present tariff, and however long the route, notwithstanding the delay in the transportation, it is nothing in comparison to what existed two years ago.

Let us now suppose the Northern Pacific constructed to Pembina, as it will be in the course of a year; supposing the Canadian Pacific to connect there its first links with the net-work of American railways, not only our own North-West would make an immense advance, but the construction of the Canadian Pacific becomes an easy and natural enterprise. From a political enterprise it becomes a fine and good commercial affair. The very first year of its existence, the road begins to realize large profits. Moreover, as the construction advances, it becomes the most powerful instrument of colonization and of progress in the country through which it passes. It will no more be a vast wilderness as Provinces will spring up as the road progresses. We must not lose sight of the fact that it is from the United States, through Duluth and St. Paul, that immigration as well as merchandise comes to us. It is a pity to acknowledge it for our national pride and the Dawson route—still it is a fact. The idea is not only correct and true in theory, but it is also in practice. Moreover, it is not otherwise that we examine that question, with which is linked the prosperity of all the Western portion of the Confederation of the Dominion of Canada. To convince one's self it is required only to look at the Bills for approval at Ottawa, and we will see that a number of the charters asked and obtained for the construction of the railway all have Pembina as the point of departure.

Mr. MORIN concluded by moving, seconded by Mr. A. MAYNARD (St. Hyacinthe, Que.) :

1st. That a connection by railway from the Atlantic at Halifax *via* the St. Lawrence, and through the Ottawa Valley to the Pacific, has become a necessity for the general advancement of the Dominion :

2nd. That in the construction of this work, the great object should be to lessen in every possible way the cost of transporting bulky commodities :

3rd. That for the present it is not necessary, in the interests of commerce, to construct a railway on the North side of Lake Superior :

4th. That the construction of the railway from Montreal to the Sault Ste. Marie, there to connect with the American system of railways, and the construction of the road from Pembina to the Pacific through British territory, would save a large amount of capital, and attract by the best and shortest route to ocean ports on the St. Lawrence, not only the trade of the Pacific, but the trade of the North-Western United States :

5th. That the construction of a new canal at Sault Ste. Marie, of about a mile in length, on the Canadian side, would give an unbroken and independent line of navigation from the head of Lake Superior to the foot of Georgian Bay,—a distance of 650 miles,—and adapted for steam propellers of 1,500 tons burthen :

6th. That the utilization of this Canadian water route, open for seven months of the year, would, in conjunction with the railway, reduce the cost of transport from the Pacific and the interior generally, to the lowest possible rate, and also make the route through Canada to ports on the St. Lawrence, the best for the products and business of the Western United States : therefore be it

Resolved,—That a memorial founded on the foregoing clauses, be prepared and presented to Parliament.

Mr. W. H. HOWLAND (Toronto), said that with the light we had at present on the subject treated of in the paper, there was great doubt as to the possibility and usefulness of a railroad running north of Lake Superior. At the same time we hopefully looked forward to the day when it would be practicable to have a railroad constructed to the Pacific entirely through Canadian territory. In the meantime it was a favorite idea of a great number of gentlemen, that instead of making the road to the Pacific, it would be desirable to run a line from Fort Garry to Sault Ste. Marie, by which means we would obtain access into our own territory, and leave the line north of Lake Superior to be constructed after it had been more completely surveyed. In regard to the Sault Ste. Marie road, there was no question about its being constructed, for it was in a different position to that occupied by the Pacific road proper. It was practically a commercial road, and afforded a short direct route from the North-Western States to the seaboard, as well as from our own territory. As a commercial road, it would no doubt be constructed, for it would be aided by the Government,—but whether it should be the Ontario or the Dominion Government, was not for them to discuss. In regard to this route he wished to indicate the feeling in the West in regard to the construction of the road:—it was, that if it were assisted by Government in any way, it should only be given as far as French River, but no further; and any company desiring to connect Sault Ste. Marie with the Pacific, should construct its own road, without receiving any money from the Government of the country. He was satisfied, from the independent opinions expressed by some of the Montreal representatives, that they were not the men to ask the Dominion Government to help them to build a local road with public money from Montreal to French River. For these reasons, he thought it was not desirable that the Board should take any action in the matter, because the whole question had been carefully considered in Parliament, and, aided by engineers' reports, had been discussed with a much more thorough knowledge of the subject, than the members of this Board possessed.

Mr. JOHN CARRUTHERS (Kingston), said the road to Sault Ste. Marie would no doubt be built, even if it had to be done independently of the Government. In regard to the Pacific road, he really hoped the Government would reflect, and have the route thoroughly surveyed before they commenced work. They ought to take advice, even at this late day. He thought that it would be advisable, however, that the matter should not be pressed at present by the mover of the resolutions.

Mr. THOMAS WHITE Jr. (Montreal), moved in amendment, seconded by Hon. ROBERT READ (Belleville):

That the thanks of this Board are due to the Hon. John Young for his deeply interesting paper on the route of the Canadian Pacific Railway; but, in the absence of reports of complete exploratory surveys, this Board does not feel called upon at this time to express any opinion on the subject raised in that paper.

Mr. HAMILTON A. HILL (Boston), said he had been exceedingly interested in the paper read by the Hon. Mr. Young. The question of the

construction of the Northern Pacific Railroad was considered in Boston a few years ago. The charter that was granted to the Company remained in abeyance for some time, and was revived by the influence of the Boston Board. At that time, when the subject was under discussion, the feeling on the part of all gentlemen interested in the project was, that the road was to be, to a certain extent, an international one. They looked forward to the time when the Canadians would construct a railway to Sault Ste. Marie, and the people in New England felt that the Northern Pacific road would be made most advantageous to them by the construction of that line. They regarded the building of that road as completing the great international route from the Atlantic to the Pacific, and as a route for carrying the trade from the seaboard to and from the Western country. They anticipated a time when the Northern Pacific road and the Canadian Pacific road would be completed, and when those two would form one more international link between Canada and the United States.

Mr. W. J. KEAYS (Sarnia), could scarcely vote for the amendment, although it met his views to a certain extent. He should prefer that the Board expressed its views, and passed a resolution affirming them. He believed the universal feeling in the country was, that Canada must have a Pacific road; and he therefore desired the Board to express its opinion, either approving or dissenting from it. As regarded Hon. Mr. Young's able paper, he desired to point out that an error had been committed as to the cheapening the cost of carrying grain from the Great West to the seaboard. Whilst it was said that grain should be brought in cars to Sault Ste. Marie, then in vessels across the Georgian Bay, and then in cars down the shores of Lake Ontario, his view was, that they should perfect communication at Thunder Bay, there take it on board our own ships, and bring it to Kingston or Montreal, or even to Quebec. This would be the cheapest and only practicable way of ever bringing wheat from the Valley of the Saskatchewan to Montreal or the Eastern States.

Mr. HOWLAND pointed out, that in the first Session of the Dominion Board, the necessity of constructing a Canadian Pacific road had been strongly impressed upon the Government.

Hon. JOHN YOUNG, M.P., said his object would be completely served by adopting the course suggested, as the facts he had submitted would by that means be brought before the public, and Mr. White's suggestion was the best. As regarded the Board expressing a more definite opinion on the subject, they were perhaps not yet in a position to do so, until they had fuller reports.

The amendment was then put, and carried without a division.

At this stage of the proceedings, Mr. HOWLAND, the Vice-President took the chair, to enable the President to introduce the subject of

PILOTS AND PILOTAGE.

Mr. HENRY FRY (Quebec), said that the system of pilotage in the Lower St. Lawrence, remained in precisely the same position as when he read a paper two years ago. The Board would also remember, that they last year passed a resolution, expressing regret that the subject had not yet been taken up by the Government. They had since been in communication with the Administration, and had some reason to hope that during next session a measure would be brought forward, tending to carry out the views of the Board. All he wished to do on the present occasion, was simply to move a resolution, in order to strengthen the hands of Government in dealing with this very important matter. He therefore moved, seconded by Hon. JOHN YOUNG, M.P. (Montreal) :

That this Board deeply regrets that the Government has, as yet, taken no measures towards an amelioration of the system of Pilotage now prevailing in the Lower St. Lawrence, a system which this Board has at previous Annual Meetings declared to be "based upon unsound principles, and leads to serious evils ;"

That this Board is of opinion, that, with a view to encouraging the direct trade with the West Indies and with Newfoundland, it is highly desirable that the exemptions from compulsory Pilotage should be extended to steamships engaged in these trades, and to all vessels not exceeding three hundred (300) tons register, and earnestly calls upon the Government so to amend the law during the coming session of Parliament.

Mr. WM. PENNOCK (Ottawa), thought that if those steamships carried passengers, they should not be exempt from engaging pilots, unless the captains were competent to pass examinations as pilots ; otherwise, they might be trusting the lives of passengers to men, who perhaps did not possess the requisite knowledge of the coast.

Mr. FRY replied that as a matter of fact, the men engaged at present as captains of steamers plying between Quebec and the Maritime Province ports,—for they had not yet steamers running to the West Indies,—were as competent to navigate the coast as any of our pilots. Several of the captains were pilots. It was well known that our system of pilotage, by which all pilots share and share alike, has driven the very best men out of the service ; and many of those men had taken charge of the steamships, which navigate the River and Gulf of St. Lawrence, several of them holding certificates as branch pilots.

Mr. W. J. KEAYS (Sarnia) asked whether our marine law was not similar to that of the United States, where no man could take charge of vessels unless he passed an examination, and received a first, second or third-class certificate. In examining those applicants, they were questioned touching the routes taken by the vessel of which they would be placed in charge. Thus, if our law were the same, it would, no doubt, meet Mr. Pennock's views.

Mr. FRY said that the law recently passed, with the consent of the Home Government, at the instance of the Hon. PETER MITCHELL, Minister of Marine and Fisheries, enabled the Dominion Government to issue

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certificates to captains and masters and mates of Canadian vessels; but the examinations on which such certificates were founded had no reference to what might be regarded as local navigation. The examination went to show that they were competent to act as ship-masters, that they understood the principles of navigation and practical seamanship; but there was no examination of those men to form a sufficient guarantee that they were acquainted with the coasts or particular rivers. It was merely a copy of the English law passed in 1851, called the "Mercantile Marine Act," which established those examinations. Complaints had been made by masters of Canadian vessels, that when they went to Great Britain they could not take charge of other vessels because they had no certificates, and it was not lawful for masters to leave British ports for other places without certificates; hence the new law had been passed.

Mr. WM. PENNOCK (Ottawa) moved in amendment:

"That the words 'provided that captains of steam-ships carrying passengers be compelled to undergo an examination, showing themselves competent to navigate the St. Lawrence without pilots,' be inserted in the motion, after the words 'three hundred tons register.'"

The amendment having been seconded,—

HON. JOHN YOUNG, M.P. (Montreal), said that it was a great and onerous tax upon captains of steam vessels navigating the River St. Lawrence, to compel them to pay pilotage, when they were quite able to do the work themselves.

Mr. R. S. DEVEBER (St. John, N. B.), said that many masters in the coasting trade were fully as competent to manage their vessels as the pilots. Indeed, they frequently knew more about the Lower St. Lawrence, because the pilots only acted in certain localities. He did not see any necessity for these men undergoing an examination; for the same captains could not take a vessel to the British or Spanish West Indies, without a certificate obtained from Captain Scott.

Mr. JNO. T. WYLDE (Halifax, N. S.), thought the resolution would not meet the difficulty; and before he voted in its favor, he must be informed how the pilotage system could be upheld.

Mr. FRY stated that the resolution only applied to the Lower St. Lawrence.

Mr. WYLDE said if they adopted a system favorable to pilots going about to seek employment from vessels, which might be knocking about in the river, and at the same time passed the resolution, vessels might want pilots and not be able to get them. How, therefore, were they going to maintain their pilotage system, if vessels need not take them. The whole system seemed an absurd one.

Mr. FRY, in explanation, said they did not intend to interfere with the system of compulsory pilotage, except as regarded vessels not exceeding

300 tons. As a matter of fact, of 1,000 or 1,100 vessels arriving at Quebec, and 400 or 500 at Montreal last season, there were only 20 ships from Europe of less than 300 tons. The present system bore heavily on the small vessels employed in the trade of all the Maritime Provinces. For instance, a small vessel came from Prince Edward Island with some oysters to exchange for a cargo of flour; the freight from the cargo of oysters amounted to only a few dollars, and the freight of the flour was \$250, while no less than \$56 had to be paid for pilotage. All they desired was to encourage the trade between Quebec, Montreal, Newfoundland, Prince Edward Island, and the West Indies.

Mr. WYLDE stated that he would vote for the motion, after Mr. Fry's explanation.

Mr. PENNOCK'S amendment having been assented to,—

The resolution, as amended, was then put and carried, as follows :—

That this Board deeply regrets that the Government has, as yet, taken no measures towards an amelioration of the system of Pilotage now prevailing in the Lower St. Lawrence, a system which this Board has at previous annual meetings declared to be "based upon unsound principles, and leads to serious evils."

That this Board is of opinion that, with a view to encouraging the direct trade with the West Indies and with Newfoundland, it is highly desirable that the exemptions from compulsory Pilotage should be extended to steamships engaged in these trades, and to all vessels not exceeding three hundred (300) tons register, provided that captains of steamships carrying passengers be compelled to undergo an examination, showing themselves competent to navigate the St. Lawrence without pilots; and earnestly calls upon the Government so to amend the law during the coming session of Parliament.

DECK-LOADS ON SEA-GOING VESSELS.

Mr. HENRY FRY (Quebec), then read the following paper, in reference to deck-loads :—

When I state that during the season of 1872 no less than 62 large sailing ships and 9 iron steam ships, all engaged in the lumber and grain trades between the River St. Lawrence and Great Britain, have been totally lost; that the value of these vessels, their cargoes and freights,—amounts to over four millions of dollars; and above all, that over 250 valuable lives have been sacrificed,—I have said enough to prove that the subject is one demanding the careful attention of this Board and of the Government of the Dominion. Can the loss of any of these ships be traced to preventible causes, and can anything be done by legislation or otherwise to prevent such a lamentable sacrifice of life and property in the future? These are the two questions I propose briefly to discuss in this paper. It is somewhat remarkable that of the 62 sailing ships, only 13 were wrecked on their outward voyage, no less than 49 being homeward-bound; whilst of the 9 steamships, 2 were outward-bound and 7 homeward. I dismiss the outward-bound ships at once, most of them having been lost by ice or fog, and turn to the homeward-bound ships, over which our Government can alone exercise control. Of the 49 sailing ships, 42 were laden with wood, 6 with grain and flour, and one with fish. Primarily, of course, the terrific gales of the 8th, 18th and 28th November will account for the loss of the greater portion of those homeward-bound ships, and for the disproportion between the loss of

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ships on the outward passage as compared with the homeward; but a close acquaintance with the North American trade for the past thirty years has convinced me, that *fully three-fourths of all the losses of wood-laden ships in the North Atlantic in the Fall of the year, may be traced directly or indirectly to the practice of carrying deck-loads*; and the facts I have been able to collect with reference to recent losses confirm me in this opinion. Most of the Quebec ships that reached Great Britain last Fall were those which either wisely took no deck-loads, or lost their deck-loads, either in part or the whole, by throwing them overboard when the ship began to leak, or allowing them to be washed overboard; whilst of the 42 wrecked ships, so far as I have been able to ascertain the facts, *only one left the St. Lawrence without a deck-load*, and thirty-five were abandoned in the Atlantic waterlogged. The harrowing details of these wrecks conclusively show how much deck-loads contributed to the loss, and the various ways in which they bring about the destruction of ships and their crews. Most of the ships engaged in this trade are necessarily second-class ships, many of them having seen their best days, and some of them not too well found. They are, too, peculiarly unfitted for deck-loads, from the fact that most old ships are weak in their upper works from decayed iron fastenings, and defective frames and beam arms. As soon, therefore, as a ship begins to roll in a heavy sea, she strains and leaks, and the deck-load causes her waterways to open; if the pumps are good *and the crew can stand at them*, she may possibly escape; but far more frequently when the pumps are most needed they are least available; a sea breaks on board, the deck-load gets adrift, the sailors get their limbs broken, or they are killed by loose logs in trying to get them overboard; or the pumps are broken off at the deck by loose timber washed about, and thus rendered useless; the ship becomes waterlogged, provisions and fresh water are destroyed, and the unhappy crew take to the rigging or the tops, there, alas! too often to perish, amid the horrors of starvation, cold and delirium. Impressed by these facts, the British Legislature, some 33 years ago, passed an Act prohibiting all vessels clearing at ports in British North America for ports in the United Kingdom from carrying deck-loads after the 1st September or before the 1st May in each year. I venture to say that 99 out of every 100 seamen engaged in the trade hailed the Act as a great boon, and that during its existence it saved the lives of thousands of British seamen. Most unfortunately, as I think, in 1862, by a simple clause in a "Customs Consolidation Act," this beneficent law was summarily repealed, and to this day I have never heard any valid reasons given for its repeal. I know that the British Government have a theory that all such interference with trade, all inspection of ships, &c., is unwise, because it throws the responsibility off the shoulders of those who ought to bear it, and casts it upon the inspectors. This is true within certain limits; but I deny altogether that it is valid where human life is concerned. Mark how carefully the Government insist on the inspection of emigrant ships before they are allowed to sail, and of all steamships before they are permitted to carry any passengers. In various ways all civilized governments seek to protect their subjects from the consequences of the wilful carelessness, neglect, or greed of their employers. The only other reason I have ever heard given, was that some American shipmasters had evaded the law by first clearing without a deck-load at St. John, N. B., and then taking one on board at Eastport, Me., it being brought by lighters from St. John. This, however, could have been easily cured by a penalty imposed at the port of discharge. Ask any intelligent seaman what he thinks about deck-loads, and he will reply—"Ships are not built to carry deck-loads, and it would be a good thing if they were prohibited by law; but if So-and-So carries one, I must do so, or I shall probably lose my situation." But some of my commercial friends may say, "This is not a matter that affects us; it is a matter for the English

ship-owners and underwriters to settle between themselves, and if you must have an Act of Parliament, you should go to the Imperial Parliament for it." Now this is a very mistaken view of the matter. Who will pay these four millions of dollars lost in 1872? Not the underwriters ultimately, for in the average of years most of them make a profit out of the business and not a loss, and they are but a medium for collecting a tax from the fortunate for the benefit of the unfortunate; not the shipowners, for in most cases they are fully insured; no, the loss will be borne either by the producer or consumer of what we have to export, or what we require to import, in the shape of increased premiums of insurance or rates of freight. It is plain enough that if the value of Canadian wheat or Canadian lumber is regulated by its value in the markets of Great Britain, where they have to compete with the products of other countries, then whatever is paid in increased cost of insurance or freight must come out of the pockets of the producer; and thus every Canadian farmer and every Canadian lumberer is interested in the question. Our Fall premiums of insurance do in fact kill a great deal of our Fall business, or render it unprofitable. I do not come here to plead for either shipowners or underwriters; I have no great amount of sympathy with either; the former owe their losses to their own cupidity, and, as I said before, generally protect themselves by insurance; whilst the latter, by a single line inserted in their policies, could prohibit deck-loads altogether. But I plead for this law in the name of humanity; in the name of the thousands of poor sailors who every year flock to our shores, and who are bound by a rigid legal instrument to stick to their ships and do their duty, though death stares them in the face; and who, once having "signed articles," have no right to object to any amount of deck-load that may put a few pounds in the shipowner's pocket, although it may, and often does, increase the sailor's risk tenfold. I plead for it in the name of the hundreds of widows and orphans, who are deprived of their natural supporters, and cast upon the world in poverty and wretchedness for lack of the protection which every sailor has a right to expect in his perilous calling. I trust this Board will pass unanimously, the resolution I have the honor to propose, and that the Dominion Government will, during the approaching session of Parliament, bring in a Bill to prohibit all deck-loads after the 1st September and before 1st May. It is necessary that I should say a few words with reference to the 7 steamships which are believed to have been lost last Fall. One ran ashore in a fog; another capsized near Sydney, C. B., with the loss of 8 lives; a third capsized near St. Paul's with the loss of all her crew save one; the other four have never been heard of, but are believed to have been lost in the same way, and that every soul on board has perished. Neither of these 7 boats belonged to our regular lines; all were loaded with grain in bulk, and all were very deeply laden. They were all boats of small power, but large carrying capacity. The grain being in bulk and loaded very rapidly by elevators, naturally settled at sea, and with a heavy roll it would shift and cause the ship to capsize. This I believe to be the uniform cause of the loss of six out of seven. Now, there is a Port Wardens' Act for Montreal, where these ships were laden, containing excellent provisions for the prevention of such catastrophes, and an excellent officer provided to see them carried out; but, strange to say, the penalty for evading the provisions of the act is just forty dollars! I believe I am correct in saying that all these boats paid the fine, and refused to obey the Port Warden's orders, with the result above stated. English underwriters justly complain that no publicity was given to the fact. The remedy would appear very simple; let the act be so amended as to provide that no grain-laden vessel shall be allowed to clear, without producing to the Collector a certificate from the Port Warden that the law has been complied with; or else increase the penalty so as to make it unprofitable to the shipowner, and in this case let the infraction

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of the law be published so as to give underwriters' agents fair warning. This class of boats is likely to increase in number, and do a large share of the grain business by the St. Lawrence. It is therefore important that the Port Warden should have the necessary power to protect the lives of the crews and passengers, as well as the property of the shippers.

Mr. FRY concluded by moving, seconded by Hon. JOHN YOUNG, M.P. :

That this Board strongly urges upon the Government of the Dominion, the necessity of immediately putting a stop by legislation to the practice of carrying deck-loads [between Canada and Europe,*] after 1st September, and before 1st May, in each year, as being destructive to human life, and materially increasing the cost of insurance.

Mr. HUGH McLENNAN (Montreal), cordially supported the resolution, as being in accordance with the feeling of the Montreal Board of Trade. The Board of Examiners for the Office of Port Warden were acting in the matter, and an endeavor would be made to prevent ship-masters from evading the law as they now do by paying of a fine of \$40. He fully agreed in urging the necessity of the removal of the evils which prevailed to so large an extent.

Mr. JOHN CARRUTHERS (Kingston), asked if deck-loads could not be prohibited altogether,—for a vessel leaving Quebec on the last day of August, would encounter the September gales.

Hon. T. R. JONES (St. John, N.B.), regretted that the British Act had been repealed. In St. John and other ports of New Brunswick, a large export trade in shooks was carried on with Cuba, and in pine lumber with South America. It was done in small vessels with a light draught of water, and built to carry large deck-loads. These shipments were made principally in the autumn, and therefore, should the resolution be carried into effect, the trade would be greatly injured. He suggested that the resolution should only apply to vessels sailing for Europe.

Mr. CATHCART THOMSON (Halifax, N.S.), said that he quite agreed with Mr. Jones, that the trade of New Brunswick and Nova Scotia would be greatly interfered with by the resolution. He pointed out that there was very little difference between shipping in winter and summer for that particular trade, because in two or three days' sail from the coast, vessels were in fine weather.

Mr. HENRY FRY admitted that the change suggested would, to some extent, interfere with the trade of the Maritime Provinces; but he was not aware of any good reason why all the vessels should carry deck-loads. He had known cases of loss of life in that trade, when the ship had carried heavy deck-loads.

Hon. T. R. JONES contended that in the West India trade from the Maritime Provinces, there was less loss of life than in navigating the English Channel at the same season of the year.

* The words "between Canada and Europe" were subsequently inserted after the words "deck loads" in the motion as first read.

Mr. J. A. HARDING (St. John, N.B.), said that if the recommendation in the resolution became law, it would drive the coasting trade into the hands of the Americans, take away the South American trade from the Maritime Provinces, and put them back to where they were fifteen years ago, although they had been building vessels of light draught, to enable them to compete successfully with their neighbors. The people of St. John had quite as much sympathy for the sailor as Quebec merchants could possibly have; but it must be borne in mind, that there was no greater danger in sailing from the ports of the Maritime Provinces to South America in the winter months, than in sailing across the Atlantic from Quebec in the month of July.

Mr. FRY then consented to have his motion amended, so as to make it refer to vessels sailing "between Canada and Europe."

The motion was then carried unanimously.

The Board thereafter adjourned until 2.30 o'clock P.M.

AFTERNOON SESSION.

FRIDAY, 17th January, 2.30 o'clock, P.M.

HENRY FRY, Esq., President, in the chair.

The PRESIDENT informed the members that they were honored by the presence of Hon. Dr. Tupper, and he had much pleasure in introducing him, and welcoming him to a seat at the Board. The honorable gentleman briefly acknowledged the compliment, and took a seat at the President's left.

The PRESIDENT reported from the Executive Council, that they had held a meeting during the recess, and that Mr. Chas. H. Gould, of Montreal, had been re-elected Treasurer, and Mr. Wm. J. Patterson, of Montreal, Secretary. He also announced that the following delegates would form the committee to consider the question of the responsibility of Common Carriers, under the resolution adopted at the forenoon session, viz: Messrs. W. H. Howland, M. P. Ryan, M.P., Hugh McLennan, John Carruthers, and R. S. DeVeber.

REGISTRATION OF INLAND VESSELS.

Mr. W. B. SIMPSON (Kingston) introduced this subject on behalf of the Kingston Board, and read the following statement:—

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That under the existing laws there are no less than three Acts of Registration for vessels in the Provinces of Ontario and Quebec, namely Act 22 Vict. Cap. 41, for the registration of Inland vessels; Act 22 Vict. Cap. 42, for the encouragement of Ship building; and the Imperial Act. 17 and 18 Victoria Chap. 104, known as the Merchants' Shipping Act. As the first two mentioned Acts are very imperfect, and as they all conflict with each other to some extent, it is desirable that a new Act of Registration for vessels navigating the inland waters of the Dominion should be passed by the Legislature, correcting the present mode of registration, and applying more directly to the wants of the sailing community on our inland waters. Among the objections which may be cited against the present registration laws are the following:—By the 22 Vict. Chap 41, no vessels, except those that are British built, are entitled to registration; yet vessels purchased from United States citizens can be registered under the Imperial Shipping Act, and have all the privileges of British vessels, if owned by British subjects. Again, by 22 Vict. Chap 41, no mortgagee is considered as the owner of a vessel, nor can he take out a certificate of Registry as such; yet by Act 22 Vict. Chap. 42, for the encouragement of Ship-building, the mortgagee is entitled to obtain a certificate of Registry from a Collector of Customs, and if necessary sell the vessel and grant a clear title therefor. The fact that all mortgages and hypothecations under the last mentioned Act, require to be registered in the Registry Office of the County or place where the vessel is built, and not in the Custom House, is exceedingly objectionable as before the Collector (where the vessel is to be registered,) can grant a Certificate of ownership, the mortgagee or advancer, or his duly authorized Agent must produce an authentic copy of the contract as registered in the County Office before said Certificate can be granted to him. Another difficulty caused by this same Act is, that when the owner of a new vessel desires to register her at the Custom House, he is obliged to produce a Certificate from the County Registry Office, stating that there is nothing standing against her in the books of said office. In 22 Vict. Chap 41, several of the clauses are indefinite and ambiguous, as for instance clause 18. A further objection to this Act is, that whilst it is necessary, before a certificate of ownership is granted, that a Registry Declaration should be made before the Collector of Customs setting forth that the owner is a British subject, yet the Act does not clearly specify that this declaration is necessary whenever a transfer, either in part or in whole, of the vessel is made; neither does it point out the form by which mortgages shall be released. But the greatest objection to having these three separate Acts of Registration in force at the same time, is the difference in the tonnage which is made in the same vessel by the system of measurement under the "Merchants' Shipping Act," and under that of 22 Vict. Chap 41, which is both unfair to the owners of vessels and the Government of Canada, as Canal tolls and dues are in certain cases evaded by the difference in measurement. For these reasons it is obviously necessary that a change should at once be made in the Registration Laws for vessels navigating the inland waters of the Dominion. And in urging this change, the Kingston Board of Trade would strongly recommend that the Registry Laws of the United States and the Imperial Merchants' Shipping Act, with certain modifications, be adopted as a basis for the Registration Laws of vessels navigating the inland waters of Canada.

Mr. SIMPSON then moved, seconded by Mr. W. W. OGILVIE, (Montreal.)

That in the opinion of this Board a change should at once be made in the laws for the registration of vessels navigating the Inland waters of the Dominion, in the sense of

enacting one Act on the basis of the Registry Laws of the United States and the Imperial Merchants' Shipping Act, with such modifications as may be necessary; and that it be an instruction to the Executive Council to memorialize Parliament for the passage of a new Act.

Motion carried.

The Vice-President (Mr. HOWLAND) then took the chair, in order that the President might present the following paper, on the subject of

THE CRIMPING SYSTEM—DESERTION OF SEAMEN IN QUEBEC.

The desertion of seamen in Quebec, and the terrible evils resulting therefrom, are very old complaints. The Crimps continue to ply their demoralizing traffic almost with impunity; and it will be remembered that during last summer a Danish sailor, who refused to desert, was murdered on board his own ship by one of these ruffians. The murderer has never been caught, and so the lesson is not likely to have much effect upon his confreres. Shortly afterwards a Crimp met his death from an exasperated Captain, who got into a scuffle in endeavoring to prevent one of his crew from deserting. These melancholy occurrences have served to bring the question once more before the public mind, and are sufficient excuse for inviting the action of this Board.

It is hardly necessary to describe the evils of the horrid system. Whilst at sea the law lays its heavy hand upon the sailor, and by night and by day, almost without interruption, he is subject to the severest discipline. Any disobedience of a master's lawful commands is met with heavy punishment, and to conspire to resist his authority is mutiny. Hence, on his arrival in Quebec, Jack longs for a little unbending, and a night's "spree," as he calls it; he is decoyed ashore, poisoned with drugged liquor, and kept in close confinement until he dares not return. Once in the power of the Crimp, he is helpless, and has to submit to his behests. He is hustled on board another ship, (often, in a state of stupefaction) after having gone through the farce of "signing articles" at the shipping office; the Crimp dictates the rate of wages, often £10, £12 and sometimes £15 sterling per month. One half this sum is handed over to the Crimp, and Jack is dismissed with curses on his lips, often to meet with further punishment at home through his unfitness for duty, as a result of the bad whiskey and other compounds he has imbibed ashore. Often, however, the sailor refuses to desert. His clothes are then stolen, or he is forcibly taken out of the ship. Should he resist, the revolver is brought into play, and often used. Even the Captain and officers of ships are frequently overawed and compelled to witness the desertion of their crews.

The system results in a heavy tax upon the trade, and, of course, affects the rates of freight. When seamen desert, laborers have to be employed in their stead, at four times their wages. The wages homewards are usually treble those paid in England. The very large sums amassed by the Crimps are paid by the shipowners, who in turn get it back from the producer or consumer of the lumber.

But the evil sometimes shows itself in another form. In consequence of the high rates of wages, ships often leave Quebec short-handed, and many a wreck, I doubt not, could be traced to this cause. It must be admitted that our Governments have never earnestly and sincerely tried to put down the system. When the attention of Sir E. B. Head was called to it in 1855, he doubted the truth of the statements made, and appointed a Commissioner to take evidence. The evidence fully confirmed the truth of the representations made; it was printed as a parliamentary

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paper, and allowed to end there. When Sir Geo. E. Cartier was pressed by a deputation from the Quebec Board of Trade in 1861, to take steps towards putting it down, he declined, giving it as his opinion that Crimping was simply a dispute between ship-builders and ship-owners, which they ought to arrange.

It has often been stated that ship-building is the real source of desertion, because the new ships make the demand for seamen greater than the supply. This is only partially true; in fact recent experience has shown that Crimping flourishes just as well when there are no new ships fitting out, as it did formerly when they were numerous. The truth is, that the first batch of men which deserts creates a vacuum which has to be filled by stealing sailors from other ships, and so the ball is kept rolling until the close of navigation. The Captains being only visitors, almost unknown to each other, never combine to resist the demands of the Crimps, and are only too glad to get out of a place where they feel they have been plundered. It is stated that some Captains not only wink at desertion, but bargain with the Crimps, and receive money for permitting the seamen to desert. These men should be severely punished; but I believe such cases to be very rare.

The force of police employed by the Government, and paid for by shipowners, is ridiculously small. In a harbor ten miles long and nearly a mile wide, where there may sometimes be seen 250 or 300 ships, not at wharves, but at booms or blocks, or riding at anchor in a strong tideway, just 25 men constitute the whole force! The result is that the law has no terrors for Crimps; most of them make large incomes; they keep out of sight, and if their runners happen to be caught now and then, they can afford to retain the best legal advice, and to pay the very moderate fines imposed. Is it not, however, a disgrace to our civilization that a handful of lawless men should so long have defied the laws, levied a heavy tax upon a most important trade, demoralised a hard-working and deserving class of their fellow-men, and made the very name of "Quebec" a by-word throughout the world? Can the Government put an end to it? I say yes, if they are in earnest. If I could only succeed in waking up the Government to a sense of the importance of the matter, I am satisfied the energetic Minister of Marine and Fisheries would soon find a remedy.

The fact is, that to meet a case of this kind, the ordinary powers of law are of no avail. When Lord Brougham induced Parliament to treat the Slave Trade as Piracy it was put down, but not before; and something analogous will have to be done before this terrible curse is eradicated. Severe measures must be taken, and a little wholesome despotism exercised, if necessary, in dealing with men who obey no law, and hesitate at no crime in the accomplishment of their nefarious ends. As for the British Government, they have succeeded in putting down Crimping to a great extent in their own leading ports; and I have good reason to know that they will cheerfully co-operate with our Government, in concerting necessary measures to put it down throughout Canada. Already they have provided by law, that all wages due to any sailor who is proved to have deserted, shall be forfeited, and may be handed over to the ship-owner who has suffered by his desertion. The Imperial Board of Trade and its officers are unceasing in their efforts to punish Crimping, and to raise the character of British seamen, and they will gladly hail any efforts on our part in the same direction.

I am sometimes told that the true remedy is to pay off all sailors on their arrival at Quebec, in which case the supply would exceed the demand, and Crimping die out. But this is impracticable, for two reasons; first, the British Government would not permit it; and secondly, the fleet could not be manned on such conditions, because re-

spectable sailors will not leave England without providing for the support of their families by means of half pay, which the ship-owner could not grant if the men were paid off on arrival at Quebec. If it were practicable, however, I believe it would only make matters worse; the profits of the Crimps would be vastly increased, and the demoralization of the sailors complete. I trust the Government will at once take the matter up in earnest, and be successful in removing a long standing and crying evil.

In conclusion, Mr. FRY moved, seconded by Mr. R. R. DOBELL, (Quebec):—

That the Crimping system as carried on at Quebec, is a scandal and a disgrace not only to that City, but to the whole Dominion,—that this Board do memorialize the Government to take the most energetic measures for its suppression,—[and that any measure framed by the Government for the suppressing of Crimping be extended to all the important Seaports of the Dominion.]*

Mr. J. A. HARDING, (St. John, N.B.,) endorsed the statements made in the paper; but at the same time felt that while the Government took up this question as applied to Quebec, they should also deal with it as found at St. John, where they suffered greatly from Crimping, though not, perhaps, to so great a degree as at Quebec. He suggested that the resolution should be altered so as to include all parts of the Dominion.

The resolution thus amended was carried unanimously.

FRACTIONAL CURRENCY.

The PRESIDENT having resumed the chair,

Mr. JOHN CARRUTHERS (Kingston) announced that the motion placed on the programme by the Kingston Board upon this subject would be withdrawn by the permission of the Board.

This was agreed to.

THE INSOLVENT ACT OF 1869.

Mr. ANDREW ROBERTSON (Montreal) introduced this subject on behalf of the Montreal Board of Trade. He said: That on the 21st of November last, that Board issued a circular to the various Boards of Trade of the Dominion, asking for such an expression of opinion, as might lead to some united action on the part of the mercantile community in regard to the Insolvent Act of 1869. He would take the liberty of reading the circular alluded to, in order that he might bring the matter fairly and fully before this Board:—

In view of the attempted repeal, during the last session of Parliament, of the Insolvent Act of 1869, this Board has judged it expedient to lay before Parliament, at its next session, an expression of its opinion with regard to that Act; and the Council have deemed it fitting to address to your Board, the substance of its views on the subject, in the hope of eliciting an expression of opinion from your Board, and the other Boards

* Upon the suggestion of the Board, the words "and that any measure framed by the Government for the suppressing of Crimping, be extended to all the important seaports of the Dominion," were added to the motion as originally proposed.

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and commercial organizations of the Dominion, leading to united action on the part of the mercantile community with regard to the Insolvent Law.

It will be remembered, that the existing legislation on the subject of Insolvency, commenced with the Insolvent Act of 1864, which was obviously an attempt, on the part of the Government, to adapt the principles of Bankruptcy which have prevailed in older countries, to the Province of Canada, without ingrafting upon the system the more cumbrous procedure of England and France, or the creation of new tribunals for the purpose of working the law. An experience of five years, and the results of an elaborate enquiry into the working of the Act of 1864, resulted in the introduction of the Act of 1869, which modified in many matters of detail the Act of 1864, and removed, in a great measure, the difficulties which were experienced in working that Act.

Since the passage of the Act of 1869, this Board believes that it has been steadily gaining in public favor. The principles are the same upon which every Bankrupt Law rests, namely, the discharge of the honest debtor on the entire surrender of his estate, and the creation of more stringent remedies in favor of the creditor, as a consideration to him for the involuntary discharge of his debtor. In other words, like every other system of Bankrupt Law, it constitutes a compromise between the debtor and the creditor, giving to the creditor increased facilities for investigating the conduct of his debtor, and for taking possession of his estate: and affording to the debtor a mode of obtaining a discharge from his liabilities, if his conduct stands the test of investigation.

The experience of the working of the Act of 1869, shows that it affords facilities which creditors never before possessed, for obtaining possession of the estate of the debtor, and for investigating his conduct; while, if its provisions were carried out, (and they are now commencing to be carried out as the Act becomes better understood) the debtor is subject to sufficient scrutiny before the granting of his discharge. But in the working of the Act, considerable difficulty is experienced in enforcing due diligence on the part of assignees; and it is believed by some that a still further check upon the discharge of an insolvent should be provided.

With regard to the first of these difficulties, it has been suggested that official inspectors, or an accountant in insolvency, should be appointed at the larger centres of trade, whose duty it should be to supervise the operations of assignees, and insist on their diligent performance of their duty. The objection which is made to this proposition, is that it would be difficult to induce the Government to appoint salaried officers to assist in carrying out the law, the theory of which is the management of assets by the creditors themselves; and that creditors might believe that a tax upon the assets, for the purpose of paying such inspectors, would increase the charges of winding up estates. This is a matter to which we invite your attention.

With regard to additional checks upon the discharge of a bankrupt, it is probable that in theory the principle of the present law is the true one. If a bankrupt is entitled to his discharge at all, it should be simply because he has behaved honestly and has made a full disclosure of his estate to his creditors. But the advocates of further checks suggest, that in practice, the facilities for obtaining a discharge are too great, and they suggest one or two modes of diminishing them, some of which have relation to the going into insolvency—others to the discharge itself. The advocates of the first, propose that an insolvent should not be permitted to make a voluntary assignment; and various modes are proposed for obtaining the opinion of his creditors as to whether he should be permitted to assign or not. These proceedings are open to the grave objection, which was found to be a serious one under the Act of 1864, that there is an interval between the time when the insolvent stops payment, and the time at which his creditors or their agent become vested with his estate, which interval experience has shown has

been frequently used to diminish the estate to the injury of the creditors. If the broad rule be adopted, that an insolvent shall under no circumstances be permitted to assign, but shall await the action of his creditors in forcing him into insolvency, the consequence would appear to be probably still more disastrous. It is plain that it is in the interest of the creditors, that an estate should come into their possession in as short a time as possible after it is certain it cannot pay twenty shillings in the pound,—since every day that it is carried on after that period, involves a direct loss to the general creditors, and an improper advantage to those of them who may enforce payment during the interval. There would appear, therefore, to be a decided advantage to the creditors in encouraging an assignment, as soon as the debtor becomes satisfied that he cannot pay his creditors in full.

The checks which are proposed upon the discharge of the bankrupt are, either that the bankrupt shall in no case receive a discharge without the consent of a large proportion of his creditors; or that he shall not be allowed such discharge by the Judge, unless his assets enable the estate to pay a dividend reaching, or exceeding, a fixed rate. To the first of these propositions it is probable that the mass of debtors would not consent. It is true, that in most cases, creditors can be induced to consent to the discharge of an honest debtor; but even in those cases experience has shown, that one or two more artful or less liberal than their neighbors, by holding out to the last, succeed in getting a larger share of the estate than their fellow creditors; and a measure which would place a debtor in the hands of his creditors as to his discharge, without any recourse to a tribunal that would judge of his conduct impartially, would probably meet with such opposition in Parliament, and in the country, as to fail in its passage.

The other proposition, to require a debtor to pay at least a certain fixed proportion of his indebtedness, in order to entitle him to his discharge at the hands of the Judge, independently of his creditors, is also manifestly open to grave objection. The result of such a rule has been found to be, and would undoubtedly be, that the debtor whose estate has become exhausted either by misfortune or mismanagement, and is insufficient to pay the fixed proportion required by the statute, would seize the opportunity before declaring his insolvency, to purchase goods from other merchants, sufficient to bring up the dividends of his estate to the required point. In this there would be a virtual fraud upon his latest creditors for the benefit of his earlier ones; of which there would be a moral certainty, but which would be extremely difficult to prove in court,—as it would rest entirely upon the intention of the debtor in making the purchase, which of course would lie in his own breast. This latter proposition, however, it is believed, finds most favor with the body of creditors. The opinion of this Board is unfavorable to it, but it is suggested with other propositions for your consideration.

It is plain that if any, or all, of the suggestions which are thus made were adopted, they would involve but a slight alteration in the provisions of the Insolvent Act of 1869 in the parts referred to, and could be embodied in an enactment of a few paragraphs by way of amendment to that Act. But while it is possible that some of these suggestions may find favor with the majority of the mercantile community, this Board considers that their adoption would be of minor importance as compared with the repeal of the Act itself, to which the mercantile community have now become accustomed, and which they regard as highly beneficial to the trade and business of the country. This Board has no doubt, but that the percentage of loss on insolvent estates has diminished since the adoption of the system of insolvency embodied in the later insolvency legislation; and it would regard a return to the former system between debtor and creditor as a public misfortune. This Board is not aware that any other measure was proposed to be adopted by Parliament in lieu of the Insolvent Act of 1869, and it would

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deprecate the abolition of that system and the introduction of an entirely new one for similar purposes, as productive of nearly unmixed evil. As has been already shewn, the principles upon which any insolvency law must rest are invariable. The mode of obtaining possession of the estate of an insolvent, the facilities for investigating his conduct, and the method of procedure generally, which are provided by the Act of 1869, seem to this Board to be suitable for the purposes for which they are intended, and their practical working is not complained of. If the mercantile community desire amendment in those points of detail which have been made the subject of discussion, and they are but very few in number, such amendment can easily be obtained by a short amending act, leaving intact the main body of the existing legislation, to which no objection appears to be made. And this Board is advised that any, or all of the suggestions which may be approved of by commercial men, can be engrafted upon the Act of 1869, without confusion or difficulty.

This Board, therefore, would respectfully suggest the united action of the mercantile community as represented by their Boards of Trade, or Chambers of Commerce, throughout the Dominion, for the continuance of the Insolvent Act of 1869. They also invite from you an expression of opinion as to the points suggested in this communication, or any other points in which it might be considered desirable to amend the details of that Act, and would propose to you to act with this Board in carrying out such course of action with regard to the law of debtor and creditor in commercial matters as may be finally agreed upon.

In this document, many of the objections which have been raised from time to time against the law and the proposal to amend it, are brought out, with the arguments *pro* and *con*, so as to give an idea of how some of these so-called amendments may be looked at from different standpoints. Some have objected to the communication, inasmuch as we proposed no amendments. But the object our Board chiefly had, was not to make objections to the law, as it stands, but to elicit information from others,—our belief being that on close investigation and comparison with the Bankrupt systems of other countries, it would be found, that upon the whole, both as to its proceedings and its results, it is the best system of adjustment of the rights of creditors and their insolvent debtors that has yet been framed in any country.

I understand that no replies were returned to the circular; but it awakened the attention of many of the Boards throughout the country, for I have observed in the newspapers from time to time, that many of these organizations have had the subject under discussion. It is believed that it has brought out a strong and united feeling in favor of the continuance of the present Act, which all who have studied the subject must admit is one of paramount importance to the mercantile community of the Dominion, being in its general terms a fair compromise of what must really always be a compromise,—Insolvency. During the discussion in Parliament, last session, when an attempt was made to abolish the law, one of the chief reasons adduced therefor was, that the debtors were abusing and taking advantage of the law to cheat their creditors, and that the creditors must be protected. Having had the advantage of hearing the debate in the House of Commons when the Bill was up for discussion in 1869, I may state that the tone of the argument then was, that the advantages of the Act would be

too much in favor of the creditors, and that the country store-keepers would be overreached and oppressed by the grasping wholesale dealers of our large commercial cities. It is satisfactory to observe that the law has worked so well, that all the large wholesale centres give their hearty and unqualified approval to its general features; and I hope that this Board will pass such a resolution, as will give with no uncertain sound their approval of the Act, and at the same time authorize a memorial to the Dominion Government to retain the Act on the statute book, without special amendment and without limitation of time.

It will be found from the returns made in England, in reference to the working of the Bankrupt Law there, that the results are divided as follows:

	Total Liabilities.	Total Assets.
Bankruptcies	£3,974,767	£ 654,770
Liquidations by arrangement	5,519,892	2,354,310
Compositions with Creditors	3,634,200	1,198,707
	£13,158,859	£4,207,787

the proportion of assets to the three classes above-named being respectively 2s. 9d., 8s. 10d., and 6s. 7d. on the £ sterling, or, on an average of the whole, 6s. 4½d.

The number of bankrupts were 1,238, of whom 1,043 were traders; and of the estates closed during the year 1871 there were in all 232, with the following result:

93 paid	0s. 0d.
25 " under	1s. 0d.
35 " over 1s. 0d. and under	2s. 6d.
37 " " 2s. 6d. "	5s. 0d.
11 " " 5s. 0d. "	7s. 6d.
19 " " 7s. 6d. "	10s. 0d.
6 " " 10s. 0d. "	15s. 0d.
3 " " 15s. 0d. "	20s. 0d.
3 " "	20s. 0d.

232

The liquidations and compositions were 2,170, as follows:

186 paid under	1s. 0d.
464 paid over 1s. 0d. and under	2s. 6d.
702 " " 2s. 6d. "	5s. 0d.
323 " " 5s. 0d. "	7s. 6d.
313 " " 7s. 6d. "	10s. 0d.
116 " " 10s. 0d. "	15s. 0d.
11 " " 15s. 0d. "	20s. 0d.
55 "	20s. 0d.

2,170

The failures in 1870 were larger than in 1871, while the assets were considerably less,

The total failures having been £17,456,419
 And the assets 3,381,533

or an average of about 3s. 10d. in the £ sterling.

It is unfortunate that we have no reliable data to show the results of the working of the Insolvent Law in the Dominion. I find in the *Monetary Times* a list of the assignments made in 1872 in Ontario, amounting to 427 in all, but no liabilities or assets are recorded.

Through the kindness of Messrs. Dun, Wiman & Co., Mercantile Agency, in Montreal, I have been furnished with a list of the assignments and compositions made in the Province of Quebec, so far as they had been rendered, as follows:

		Liabilities.	Assets.
Assignments in Bankruptcy	104	\$1,356,429	\$523,650
Compositions with Creditors	49	397,800	160,200

showing the assets to be respectively about 7s. 8d. and 8s., or a total average of 7s. 10d., as against that of England in 1870 of 3s. 10d., and of 6s. 4½d. in 1871.* From another source I find that of 33 settlements

made under the Montreal Act, there were—

3	paid		0s. 0d.
1	"	under	1s. 0d.
2	"	over 1s. 0d. and under 2s. 6d.	
7	"	" 2s. 6d.	5s. 0d.
8	"	" 5s. 0d.	7s. 6d.
7	"	" 7s. 6d.	10s. 0d.
5	"	" 10s. 0d.	15s. 0d.

—
33

while of 23 private settlements—

6	were over	5s. 0d. and under	7s. 6d.
8	"	" 7s. 6d.	" 10s. 0d.
9	"	" 10s. 0d.	" 15s. 0d.

It seems to me that the objectors to the law consist chiefly of those who do not know its working, and are therefore ignorant of

* Since the foregoing figures were issued, Messrs. Dun, Wiman & Co. have published a statement for the year 1872, showing the following result:

	Insolvents.	Liabilities.	Assets.
Quebec	232	\$1,754,229	\$ 683,850
Ontario	431	2,326,336	1,556,901
New Brunswick	63	2,373,960	1,104,084
Nova Scotia . . . . .	---	....	.....
	726	\$6,454,525	\$3,344,735

its advantages. What did the law really do? Within about sixteen days after a debtor put his affairs into the hands of an assignee, the creditors could take possession of the estate, and do with it whatever they pleased. If they would not attend to it,—what could they expect? He would tell those who made this objection, that they might at least pay as much attention to getting out of the difficulty, as they had in getting into it. As to fraud, he believed that there was much less of that now than there was fifteen years ago, when debtors who did not get the compromise they wished for, sold off their property and went to the United States. A gentleman had recently told him, that he believed the mass of failures were fraudulent; and he replied that his transactions must have been very unfortunate, for he did not believe that the fraudulent failures amounted to five per cent. On examination, he had found that that was the percentage in his own business. On that head, however, he must say, that insolvents, not having any legal provision made for them during the two months of their insolvency, were now sometimes prompted to take money out of their estates to sustain them during that interval. He believed the country owed thanks to the Senate, for preventing the abrogation of the law last session; and as the lawyers had been blamed for opposition to the law, it was but justice to that body to say, that on the vote they were about equally divided, there being seventeen for sustaining, and eighteen for repealing it. In order, therefore, to bring the matter fairly before the Board for discussion, he begged to move:—

That this Board is of opinion that the Insolvent Act of 1869, and its amendments, have been of great service to the mercantile community, and that a memorial be prepared and presented to the Government, strongly recommending that the Act be continued.

The motion was seconded by Mr. A. T. Wood (Hamilton).

Mr. THOMAS LEE (Toronto), said that the resolution met the views of the Toronto Board of Trade, with the exception that it did not go quite far enough. He would suggest that the words "extended and amended" be added to the resolution. The mercantile community throughout the Province of Ontario, were of opinion that the Act should be continued; but at the same time they felt there were a number of defects in it, and that it should be amended to make it work better for both debtor and creditor.

Mr. ROBERTSON said, in reply, that the difficulty they found was that suggestions in the way of amendment were received from all quarters; and under the circumstances, they thought it better to continue the law in its present shape. Here was a sample of proposed amendments:—"That Sheriffs be made sole assignees to all insolvent estates, and after taking possession of them, that the insolvent and his friends be entitled to re-purchase them at his offer, made to the satisfaction of the creditors; and if this assignment cannot be made, then the Sheriff shall, within the second month, sell the estate either *en bloc* or in detail, as he may think most for the interest of the creditors; and shall in one month after such sale, pay over to the creditors *pro rata*, all such monies derived from the sale of the estate, deducting his fees, expenses, and contingencies." It would be far

better to leave the Act untouched, than to risk having such an amendment engrafted on it.

Mr. LEE moved in amendment, seconded by Mr. ROBERT WILKES, M.P. (Toronto), that the words "and amended" be added to the motion.

Mr. EDWARD MCGILLIVRAY (Ottawa), said that some very important amendments should be made in the law, whilst at the same time, its main feature could remain unchanged. An insolvent in Montreal the other day, refused to answer questions put to him, and it was found that there was no law to compel him to answer *yes* or *no*. If an insolvent refused to reply, he wanted the law so worded that he could be compelled to do so.

Mr. WILLIAM PENNOCK (Ottawa), feared that by accepting amendments, the effect would be that the Bill would be lost on its expiration in September next. There would be so many amendments, conflicting in their character, and so difficult to be dealt with, that the object desired to be attained by the Board would be defeated.

Mr. JOHN MORISON (Toronto), said the present law was such, that one creditor could say that he would not take any settlement, and the trader had to make an assignment to please that gentleman. The law should be such, that three-fourths of the amount of liabilities should settle the question. In other words whenever a trader was not able to pay 20 shillings in the pound, he should call a meeting of his creditors the very next day, and either make a settlement with them, or appoint an assignee, without first having an interim assignee.

Mr. A. T. WOOD (Hamilton), asked,—if the commercial men, who ought to understand the Bill were not satisfied, how could persons be satisfied who did not comprehend it, who were led by a certain class of lawyers to throw estates into their clutches, in order that they might derive benefit from them? He hoped the Board would pass the resolution as framed, leaving their friends in Parliament to propose such amendments as were for the best interests of the law. If they passed the resolution affirming the principle of the Bill as it stood, it would disarm all opposition based on the assumption that the mercantile body were not agreed in what they wanted, and that Parliament had better wipe out the Act from the statute book at once. The country would then have an Insolvency Act, and not be thrown into that chaos, which must ensue if it were abolished without a substitute; for if they were placed in that position, it would demoralize the business community of Canada.

Mr. R. S. CHALMERS (Sarnia), said it was evident there was a feeling in the country against the Act as it now stands, as explained at last session of Parliament. An effort would doubtless again be made by the opponents of the law to have it repealed; but if the Board expressed its opinion, that the principle of the present law was good, and that they wished to have it extended, and have such amendments introduced as Parliament might consider advantageous, then the Board would clearly be expressing its views in that they wanted the Act continued, and made more beneficial to the country.

Hon. T. R. JONES (St. John, N. B.) was sent there by his Board to express their opinion upon the Insolvent Act of 1869. They had not had opportunity to work the Act to any large extent; but still they had found it very beneficial. They had received the circular of the Montreal Board, and a good many suggestions were made by their most prominent business men, in the shape of amendments to the Act. They came to the conclusion, however, that it was best to ask this Board simply to recommend the continuance of the law as it stands, and then ask Parliament to consider the question of improving it; because they must admit that there were commercial men in Parliament as well as on the Dominion Board of Trade, with business ability and legal knowledge sufficient to suggest the amendments necessary to perfect the law, so that it should work well in the whole Dominion. He therefore cordially supported the resolution; for he thought that by putting forward amendments, they would do more to defeat the law in the House of Commons, than by any other course they could take in the matter.

Mr. RUFUS STEPHENSON, M.P., (Chatham), said it was thought by his Board far better to leave the law in its present state, than to run the risk of losing it altogether. A number of amendments were suggested, and the whole was considered, but they finally recommended the continuance of the law.

Mr. JOHN CARRUTHERS (Kingston), said that a careful examination of the Act, would show it to be a very good one. But, unfortunately, business men do not attend to their own interests; and where there was too much business attempted to be done, cases of bankruptcy must certainly be expected. The Board would find, from the extraordinary number of amendments suggested, that it would be better in the meantime as it is.

The amendment was then submitted, and negatived on the following division:—

Ayes:—Messrs. Bramley, Chalmers, Cooley, Coté, Fraser, Harty, Howland, Keays, Kirby, Lee, Maynard, Morison, McGillivray, Read, Roche, Simmons, Skead, Thomson, Wilkes (Robt.), Wylde—20.

Nays:—Messrs. Ash, Carruthers, Daley, DeVeber, Dougall, Gregory, Harding, Jones, Kerry, Labelle, Langelier, Morin, McDougall, McLennan, McPherson, Ogilvie, Pennock, Robertson, Ryan, Spratt, Stephenson, Thompson, Watson, White, Wood, Young—26.

Mr. Robertson's motion was then put and carried.

It was further moved by Mr. ANDREW ROBERTSON, seconded by Mr. A. T. WOOD, (Hamilton):—

That a Committee from this Board be appointed to prepare a memorial, in accordance with the resolution just passed, and present the same to the Honorable the Minister of Justice, as representing the Government.

Motion carried.

AVERAGE ADJUSTERS.

Mr. HUGH McLENNAN (Montreal), moved, seconded by Mr. ANDREW ROBERTSON (Montreal):—

That it is desirable that the Boards of Trade and Chambers of Commerce, of St. John, N.B., Halifax, N.S.; Quebec and Montreal, Que.; Toronto, Hamilton and Kingston, Ont., be empowered by Parliament to appoint Average Adjusters for these ports.

Mr. McLENNAN explained that the question was discussed at last Annual Meeting, and a resolution adopted; this was simply a renewal of the resolution, as no action had been taken in the matter.

Motion carried.

EXTENSION OF ADMIRALTY JURISDICTION.

Moved by Mr. HUGH McLENNAN, seconded by Mr. S. E. GREGORY (Hamilton):—

That the Shipping trade renders it necessary that a Court in Admiralty be established in Montreal [and Toronto.]

Mr. McLENNAN said, that the proposed Court would be very beneficial in dealing with questions of liability on the part of owners of vessels, and similar matters, which at present had to be tried in the common law courts. He was aware that the question would have to be referred to the Imperial Government; but at the same time he wished to have it brought forward, so that it might be considered.

Mr. GREGORY, as seconding the resolution, said:—The shipping interest of Ontario is very important, and its fleet of vessels sailing in our inland waters very large, and yearly increasing; and the time has now arrived when those most deeply interested in the inland commercial navy, feel that a Court of Admiralty has become a necessity for the Province of Ontario. The law governing the decisions of Courts of Admiralty, sometimes differs materially from common law. For example, in case of a collision between two vessels, if it is proved that the officers in command of each vessel have been equally to blame, although one vessel may have received but very slight damage, while the other was severely injured,—in common law each has to sustain its own loss, and cannot recover damages from the other. On the other hand, the law as administered in a Court of Admiralty, in such cases, I believe, decides that each vessel shall be held responsible for one half the damage sustained by both vessels. This certainly appears much more equitable than the common law decisions in such cases. Disputes in marine insurance, ownership of vessels, charters, sailors' wages, in fact all matters connected with shipping, all come within the jurisdiction of this Court and its special law. In connection with this subject, as it also refers to shipping, the appointment of a Government Inspector is greatly needed for Ontario, to inspect all vessels, steamers and propellers of 100 tons and upwards, and properly classify them. This is at present done by inspectors employed by the several marine insurance companies, and cannot possibly be as satisfactory as if done by some official inspector. Masters and mates should also be examined as to their qualifications, and licenses granted when properly qualified. This would greatly lessen the risk of losses sustained by shippers, vessel owners, and marine insurance companies,—arising sometimes from the incom-

petency of masters and mates, and would also probably tend to lessen the cost of freights and marine insurance. Such an office might be made self-sustaining, and be of great benefit to the country.

Mr. W. J. KEAYS (Sarnia), as representing the marine interests of Sarnia, said that if the resolution were passed, and parties had to go to Toronto or Montreal for justice, the Western men would prefer allowing the law to remain in its present position. What he desired to see was, that jurisdiction should be extended to the County Courts.

Mr. R. STEPHENSON, M.P. (Chatham), concurred in what had been said by Mr. Keays.

Mr. JOHN CARRUTHERS (Kingston), spoke in favor of an Admiralty Court being established at Kingston, as an important shipping port.

Mr. GREGORY said that if each port sought to have a Court of this character, he should put forward the claims of Hamilton.

Mr. McLENNAN pointed out that it was proposed to try the working of these Courts in the large ports first; but in the meantime, no disadvantage would accrue to other cities, for the common law would be open to parties interested in cases which might arise.

The PRESIDENT said that the Court at Quebec was only a Vice-Admiralty-Court. It was possible that the Imperial Government would appoint a Vice-Admiralty-Court at Montreal, seeing that ships from all parts of the world visited that port; but that they would appoint Judges of Admiralty in interior towns and lake ports was very doubtful. He added that the Imperial Government would probably tell us to amend our own laws, and make them applicable to the peculiar circumstances of the country.

Mr. J. A. HARDING (St. John, N.B.), was of opinion, that it would be found that the Admiralty Court and Vice-Admiralty-Court, which might be established in any of the British Colonies, only applied to sea-going vessels, and vessels registered under the Imperial Act. Most of our vessels were registered under the local Act; therefore the establishment of such courts in our interior towns would not be found advantageous.

The resolution was amended by striking out the words "and Toronto," and on being put to the Board was adopted.

BANK ACT.

Mr. CARRUTHERS (Kingston), said he would withdraw No. 23 on the official programme, relating to the Bank Act, as given notice of by the Kingston Board.

REPEAL OF THE STAMP TAX.

Mr. JOHN MORISON (Toronto) moved, seconded by Mr. JAMES McPHERSON (St. Johns, Que.),

That this Board having considered the Stamp Tax on Bills and Notes, respectfully suggests that the said Tax be repealed, and that Parliament be memorialized to that effect.

Mr. MORISON said that the present law probably affected the Western trade, rather than large mercantile centres, inasmuch as their transactions were with very small traders, and the bills which were sent with their accounts generally came back signed but not stamped; they, therefore, had to be stamped by the merchant, and, according to law, ought to have a double stamp, because affixed after the signature. The amount received from the Bill and Note Stamp Tax was very small, being \$119,712 in 1868, \$129,664 in 1869, \$136,276 in 1870, \$183,319 in 1871, and reaching probably \$200,000 in 1872. The present time, when the Treasury had a large surplus, was a very appropriate one in which to move for the abolition of this tax, which pressed unequally upon the community.

Mr. E. MCGILLIVRAY (Ottawa), thought the main trouble was not the tax, but the want of a proper distribution of stamped paper throughout the country; because in many districts it was at times impossible to obtain the required stamps.

Mr. ANDREW ROBERTSON (Montreal), said he would not vote for the abolition of the Stamp Act, but for a change in the direction of having the seller made to pay for the stamp, as was the case in Great Britain.

It was moved in amendment by Mr. WM. PENNOCK (Ottawa), seconded by Hon. JAMES SKEAD (Ottawa):—

That a memorial be presented to the Government, asking that stamped paper be provided, and that it be placed within easy distances of all requiring its use.

Mr. W. H. HOWLAND (Toronto), said it was the unanimous feeling of the Toronto Board that the tax should be repealed, especially because the law created difficulties as to the validity of Bills. The tax was evaded in various ways; so much so, that it fell unequally on certain classes, and did not fall generally on the trade. The banks, instead of taking notes for discount, opened accounts in their ledgers. Transactions with the United States were often done with American cheques, which were taxed with a two cent stamp; and in his trade with the Maritime Provinces, instead of receiving payment by drafts, he now received telegrams stating that the sums due were deposited in some bank to his credit.

Mr. JOHN WALKER (London), thought that the fact of the Stamp Act being evaded was no reason for repealing it. The law should rather be amended. In all civilized countries, income from stamps was considered as a legitimate source of revenue, and no case had been made out why so much revenue as was thus derived should be withdrawn from the Government. He would vote for the amendment.

Mr. A. T. WOOD (Hamilton), supported the resolution, because the continuance of the Stamp Act, in his opinion, made it difficult for merchants to be assured of their collection. Frequently country merchants sent notes without stamping them, and refused to pay when called upon to

do so. He contended that it was a source of great inconvenience among farmers.

Mr. JNO. T. WYLDE (Halifax, N.S.), said the unanimous opinion of the Halifax Board was that the tax should, if possible, be repealed. The revenue derived from it was small, and could easily be raised from some other source. Such a measure as this would be popular, because the tax was a vexatious one, being constantly before the people.

Mr. T. M. DALEY, M.P. (Stratford): This question had been frequently discussed by the Board which he represented, and he had been asked what the Government was likely to do. Of course he replied that he could not say what Government would do, he being an independent member; but he thought the tax was a perfectly legitimate one, and very little felt. Moreover, it yielded a large revenue, and one that could not well be dispensed with. A note or receipt with a stamp on it looked like a good, valuable and secure piece of property. At the same time, however, he was aware that most people liked to get rid of taxes.

The amendment was then withdrawn, and upon the original resolution being put, it was carried on the following division:—

Ayes—Messrs. Chalmers, Cooley, Coté, Daley, Dougall, Gregory, Howland, Imlach, Keays, Kerry, Kirby, Labelle, Langelier, Lee, Maynard, Morison, McDougall, McGillivray, McPherson, Pennock, Read, Roche, Skead, Spratt, Thomson, Thompson, Watson, Wilkes (Geo. H.), Wilkes (Robert), Wood, Wylde.—31.

Nays—Messrs. Bramley, Carruthers, DeVeber, Fraser, Harding, Harty, Jones, Morin, McLennan, Ogilvie, Robertson, Ryan, Simpson, Walker, White, Young.—16.

CONDITIONS OF INSURANCE POLICIES.

Mr. W. H. HOWLAND (Toronto), read a paper on the propriety of legislative action to require uniformity in the conditions of all policies of insurance, written by Mr. WILLIAM ELLIOTT, of Toronto. It was as follows:—

FIRE INSURANCE.

GENERAL REMARKS.

Every thinking person sees at a glance that the matter of Fire Insurance is one of very great importance to every householder, and to every individual interested in any kind of property capable of being destroyed by fire. It is, therefore, of great consequence to the whole community that the business of Insurance should be conducted on fair, just, and well understood principles. On the one hand, the Insurance Companies should be guarded against attempted fraud; and on the other, individuals assured should be protected in their just claims, and feel that they cannot be overborne by a wealthy and powerful corporation, nor by a combination of such. The position of matters, as revealed by our law courts, with respect to the insurer and the insured, seems at present to be very frequently like this:—that unscrupulous persons seek to make

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money out of Insurance Companies, when they have the plea of a fire to do so; while some do even worse, by making a fire intentionally, with the same object in view. On the other hand, an honest man meets with a loss by fire, and he naturally expects that the Company or Companies in which he is insured will examine into his case in a fair and honorable spirit; but often, to his great surprise, after having made out his claim with the utmost care, he is met by an offer of one-half of what he is conscious he has lost, and perhaps coolly told if he does not accept that, he may not get anything. Seeing that a difference exists, he asks the insurance companies for an arbitration, and on the part of, perhaps, seven out of eight companies, that act of justice is peremptorily denied him; and he soon discovers that the heads and agents of insurance companies, believing themselves to be expert players, and their opponent a rascal in the intricacies of insurance law, expect to devour him as a wolf would a lamb.

Now, it is quite apparent that this state of things is fast producing an antagonism between Insurance Companies and the public most undesirable and quite unnecessary. There is no reason why the same harmony should not subsist between insurers and insured as subsists between a merchant and his customers. All that is required is a spirit of fair dealing.

One great means of bringing about this desirable harmony between the two classes in question, would be to get an Act passed requiring all Fire Insurance Companies carrying on business in the Dominion to issue a

UNIFORM POLICY.

The meaning is, that every Company should have the same conditions of insurance; and, also, that none of the conditions should be of an impracticable, frivolous, or vexatious character. Let any gentleman of this Board, if he requires to insure in several Companies, examine his Policies, and he will be sure to find wide variations of conditions in them all; some of them, in case of an accident, impracticable,—some of them utterly frivolous and vexatious,—and some intended, evidently, to entrap the unwary and unskilled in such matters.

Take a few examples:—

Arbitration.—Some Companies make no provision for arbitration at all; others make provision for it if they think proper to require it; others allow it if no charge of fraud is made; and out of some ten policies which the writer has had an opportunity of examining, only one, the "Queen City" of Toronto, places the insurer and the insured on fair and equal terms, by providing that either party may demand this mode of settlement in case of disagreement. All the others have a one-sided proviso, and certainly a very arbitrary one.

Again, as to the limit of time for making a *claim for loss after a fire*. Some policies allow fourteen days, others a month, while others make no limit. Now it is self-evident, that in many cases, such a period as either fourteen or thirty days is utterly inadequate. Gentlemen may suppose in their simplicity, that such a condition when found impracticable would not be taken advantage of; but it has actually occurred, that a company has sought to evade a claim, because such a condition had not been complied with.—Further: Some companies on the occurrence of a fire, no matter what the nature of the stock is, require a detailed list of items destroyed; others taking a reasonable and practical view, require such a statement of loss as the nature of the case admits of. No one who has walked through a city, town or village, with his eyes open, and has noticed the great variety and multitude of items kept in the stock of a store-keeper, or of a merchant, can help being convinced of the impossibility, in numberless cases, to

write out from memory, such a list of articles as the condition referred to requires. And yet, some insurance companies insist on the enforcement of such a condition, the reason for which every gentleman present can frame in his own mind. It is in vain a sufferer may urge, "I took stock at the usual yearly term; I have had my merchandise account kept correctly; I have a faithful record of all I sold since stock-taking; I have a correct inventory of all the goods saved; I can show and prove the amount destroyed." The urbane manager, agent or inspector, quietly points to the condition on his policy, and insists upon it, although he knows well it cannot be done with accuracy or completeness; but he sees his advantage and will not relinquish it.

Most policies require notice of further insurances effected on the same property, but do not state the length of time allowed to elapse before such notice is given. Now, as it happens, not unfrequently, that agents take risks which are disallowed by principals, would it not be reasonable that such notice should not be required, until a policy for such further amount were accepted? It has been, I believe, the universal understanding among business men, that no notice was required when insurances were lessened in amount, the idea being that insurance companies required notice of increase, for the purpose of seeing that no insured person, should, by having an amount larger than the value of the property insured, be under a temptation to burn his own goods. But it has come to my knowledge, that one company requires a notification and endorsement on its policy, when there is a discontinuance of a policy or lessening of the sum insured, which, if not complied with, it seeks to punish by making the assured lose his claim in proportion to the amount lessened. Now I venture to say, that not one insured person in fifty, has the least idea of the existence of any such clause in any policy. As to the object in view in inserting such a clause, each one will form his own opinion.

The matters of notices and affidavits are the last the writer will refer to at present. Some companies require that a notice shall simply be given in writing; others that it must be replied to in writing; others again, in order to its being binding, that the subject of it must be endorsed on the policy. Respecting affidavits connected with a claim, some give no special directions; others direct that they must be made before a notary; others, again, before Justices of the Peace.

The foregoing are samples of the great variety and diversity of the conditions, directions, and specifications found in fire insurance policies, as at present issued in this Dominion. It may be said in reply to one who objects to any given policy,—“If you don't like the conditions, don't insure in that company, or don't insure at all.” A little reflection will suffice to show there is in the most of cases little or no choice in the matter. Take the case of a merchant who requires to insure to the extent of a hundred thousand dollars. As very few companies will take a risk in one spot of more than ten thousand dollars, and many not more than half that sum, he has of necessity to insure with not less than ten companies, which, after deducting some that probably have risks in the same block, uses up all the companies in almost any town or city in the Dominion. Consequently, unless a person is disposed to risk utter ruin, or to inflict injustice on creditors, he is compelled to use existing institutions. Such being the case, is it not imperative on the Government, as the guardian of the rights of the people, to step in and say to wealthy and powerful corporations, which are authorised to exist in a powerful combination, and to carry on a profitable business, “You must do business in a just and reasonable way, towards the public from whom you derive your support.” Whether this can best be done by causing the companies to use a uniform policy, just to both parties, or by enacting a law regulating the relations of both parties, it will be for the Legislature to determine. The latter course will be economical to the companies by saving to them large sums for printing on their policies. There is certainly no

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valid reasons why fire insurance companies should not be conducted on principles profitable to the companies, and just and beneficent to those who have the misfortune to suffer by the great calamity of fire. All parties may rest assured this can only be accomplished by adhering to a course of rectitude.

Since penning the foregoing the writer has had an opportunity of perusing some remarks very pertinent to this subject, delivered by a Judge in the Court of Queen's Bench, a few days ago, in delivering judgment in a case in which the defendant was the same insurance company referred to in the foregoing as originating the remarkable condition requiring notice of a reduction of the amount insured. The following is a copy of the Judge's remarks :

Judge Wilson's remarks appended to Judgment in the case of Smith vs. the Commercial Union Assurance Company.

It would scarcely be right to pass over some notice of the wonderful structure and scope of the fourteenth condition. It has been set out in full, and it numbers (although the numbers are not in the condition itself) thirty-six pre-requisites, which must be complied with before the insured can demand his money.

Besides furnishing an account of the loss in the most precise manner, and verifying the same by books, and vouchers, and oath, giving the names and residences of all persons interested in it, of all incumbrances which affected the property, and getting the special certificate of two magistrates, the assured is to submit to an oral examination, and to answer on oath and subscribe the same if required. And, where practicable, and it would be hard to convince the company, if tempted to abuse the power they have under the conditions that in every case it was not practicable, to verify the statement of loss by the testimony of his domestics, servants, and other persons in his employ. And in case of real property or fixtures, he is to produce his real title deeds and an abstract from the registry office. He is to supply such other voucher, &c., &c., as may reasonably be required, to prove his loss and his right to be paid; and until all that is done, and done in three months' time, being of the essence of the contract, no money is to be paid. Then if in all this there is anything contrary to the 30th, 31st or 32nd branches of the condition, the policy is to be void.

This is a degree of inquisitorial power under the penalty of a forfeiture of the insurance money, which it is vexatious and difficult to comply with, and which is about equal to a forfeiture of itself, and a perfect impunity to the debtors against their ever paying the money. They could, if so disposed, probably cut out work enough for the assured for at least a twelvemonth, before he could be done with his further explanations or servants' testimony, or the other multifarious devices provided for him; if it did take more than three months' time, being of the essence of the contract, so much the worse for the assured. The conduct of companies when rigidly enforcing such conditions, has often been complained of by the courts, by reason of the number and nature and difficulty of the conditions they introduce into their policies: and the time has come when the Legislature should interfere, to stand between them and those they insure, or pretend to insure,—or in other words, the public,—by limiting them to such conditions as the courts shall determine to be reasonable.

That the companies are often imposed upon by wilful fire-raising, and by very fraudulent conduct on the part of the assured, is too well known; but how far the companies may be answerable for some portion of that blame must also be considered, owing to the loose way in which they gather up their risks by agents, who are travelling everywhere in quest of them, and who may look chiefly to the number and extent of them, it being upon the amount taken that they obtain their commissions, instead of making the character of the party, and the value, nature, and situation of the property, the basis of this contract.

However these matters may be, it is quite manifest that the adoption of such conditions and provisions as these is not the proper remedy. They damage the honest man, perhaps more than the dishonest one. The proper cure for common and gross dishonesty, on the part of those who insure is, that the companies shall be more careful in selecting those with whom they wish to deal. The public will be better served: for, with a better class of risks, the rates will be lower, and there will be fewer fraudulent claims made. The fair dealing man will get his money, where he reasonably shews he has a right to it; and the companies will be relieved from the temptation of not paying

under the cover of their embarrassing conditions. As these companies have not adopted, and are not likely to adopt of their own accord, that mode of doing business, the only way is to force it upon them, by the Legislature enabling the courts to prohibit and restrict their conditions; and when that is done, the companies will be obliged to be more careful of the risks which they take. At present it is a mere system of attack and defence. The more fraudulent or felonious the attack, the more numerous and complicated and guarded the defences are. But it seems to be a war calculated only for two very special classes of persons, as the honest people are lost sight of and suffer in the conflict. The object should be to restore this invaluable protection, when honestly administered, to its legitimate and mercantile character; and that it will have to be accomplished, as it can be accomplished by Legislation, is unquestionable.

Mr. HOWLAND then moved, seconded by Mr. W. W. OGILVIE (Montreal):—

That this Board would recommend that the Government should ascertain whether it is practicable to establish entire conformity in the terms of Policies of Fire Insurance, and if they find such action practicable, that an Act be passed to accomplish such result.

Motion carried.

At this stage of the proceedings, propositions from one of the Kingston delegates relating to the repeal of certain duties, &c., involving the consideration of subjects of which prior notice had not been given, were referred to the Committee on Resolutions.

MERCANTILE AGENCIES.

Mr. A. FRASER (Quebec), moved, seconded by Mr. JAMES DOUGALL (Windsor):—

That this Board recommends the Government to require from the several Mercantile Agencies, having offices and carrying on business in the Dominion of Canada, security to meet any claim that may be due from them, as is done in the case of Fire and Life Insurance Companies.

Mr. FRASER in supporting the motion, said the subject dealt with therein had excited considerable discussion in Quebec. The Council were instructed by the Board of Trade to inquire into the operations of mercantile agencies, and as to the desirability of compelling them to give security in the same way as life and fire insurance companies. Those inquiries had been conducted by Mr. Dobell, who had been obliged to leave for home at noon to-day. He had, however, left a memorandum, in which his views were stated. They are as follows:—

“We have no wish to interpose any unnecessary barrier to the working of the agency system, because, from inquiries I have made, their general management seems satisfactory and advantageous to the trading community at large. There is a danger existing, however, which may be productive of great evil, and which, I think, the present resolution, if carried, would remove, without affecting the interests of any responsible company. It would be very injurious to the trading community to have an irresponsible company in our midst, arrogating to themselves the power of defining and publishing the character of traders, and still having nothing at stake in case they should be proved to be guilty of a malfeasance; or in attempting to put on any pressure to obtain subscriptions, which small traders would be most likely to suffer from. I think that it is of the highest importance that this Board should watch well and guard jealously the working of these companies, most particularly on behalf of small traders.”

Mr. A. T. WOOD (Hamilton), inquired if there had been cases of black-mailing at Quebec, upon which the resolution had been founded?

Mr. FRASER:—It was so stated to our Board; but we have no specific information upon that point.

Mr. L. E. MORIN (Montreal), said a black-mailing case had occurred in Montreal, in which a merchant was reported to be insolvent, who was really in very good circumstances; fortunately he had a large amount of money at his command, otherwise he would have become actually insolvent. An action had been instituted, and the plaintiff would doubtless get a judgment; but when he came to collect it, he would find a few old tables and chairs.

Mr. JOHN MORISON (Toronto), had had very little to do with mercantile agencies; he nevertheless believed that it would not be wise to interfere in the way proposed by the motion. These companies were not like insurance companies, for they had small capitals, and would be driven out of the country by such an Act. Moreover, they would perhaps crop up in a different and more dangerous form.

Mr. ANDREW ROBERTSON (Montreal), stated that there was no analogy between commercial agencies and insurance companies, as the latter were incorporated, while the former were acting in a private capacity. They were foreign importations; and as they had been admitted into the country, he did not see how they were to be excluded without doing great injustice.

After some further conversation the resolution was withdrawn.

GENERAL INSPECTION LAW.

Mr. A. FRASER (Quebec), moved, seconded by Mr. L. E. MORIN (Montreal):—

That this Board urge upon the Government the necessity for the speedy enactment by Parliament of a General Inspection Law, and recommend that the Inspection of Butter, Fish and Fish Oils of all kinds, Petroleum, Leather and Hides, Ashes and Provisions, including Pork and Beef, should be compulsory; but, that the inspection of Flour, Meal, Lard, Cheese, and Grain of all kinds, should not be compulsory.

Mr. FRASER remarked that this resolution was an exact copy of one adopted last year, and it had been revived this year to apply to fish, oil and butter. The trade in fish, in the Province of Quebec, was in a state of utter demoralization; and it had come to be the case that a merchant could not buy a barrel of fish, and be sure that he got what he was paying for. This did not arise so much from any desire to commit fraud, as from the careless manner in which the articles were put up at the fishing places. So far had the matter now gone, that respectable men in Montreal and in Quebec would not deal in the article. At present there was an inspection law; but as it was not compulsory it was ineffective.

Mr. MORIN stated that in Montreal, owing to the want of an effective inspection law, the Fish trade was very nearly dead. Last year 60,000 barrels of herrings were imported, which in ordinary years would have brought

from \$4.50 to \$4.75 a barrel, but which last year only brought from \$3.50 to \$3.75. As to Butter, we lost fully five per cent. in the Canadian article owing to the want of inspection; and from this same cause much of it was classed as "grease" in the English market, and could scarcely be sold there. For these reasons he thought that some compulsory legislation was necessary, seeing that the people would not attend to their own interests in the matter.

Hon. ROBERT READ (Belleville), believed that the time had arrived when a compulsory inspection of Butter was necessary, for, as they had already heard, no small quantity of the Canadian article was rejected by English merchants, they not being certain as to the quality. He believed that if the farmers of the country had last year turned their attention to the manufacture of cheese, instead of butter, they would have saved to the country \$2,547,000.

Hon. JOHN YOUNG, M. P. (Montreal), pointed out that there was hardly any use in discussing the question, because the principle had been affirmed last year, and the Government last session prepared a measure, although in the pressure of business it had been left over. Now, however, Mr. Wickstead was preparing a measure under the direction of Sir Francis Hincks. The main difficulty consisted in making inspection compulsory on a man who was ready to make the best article, and put his own brand on it.

Mr. JOHN T. WYLDE (Halifax, N. S.), desired to know why the inspection of flour, lard, &c., should not be compulsory as well as that of the other articles in the list;—if it was our desire to give character abroad to our produce, we should not restrict inspection. He recommended that the question be referred to the Boards which understood it best, to report; and moved in amendment, seconded by Mr. W. H. HOWLAND (Toronto):—

That the motion be amended by adding the following words:—And that, with a view of perfecting a measure intended to meet all the requirements of a "General Inspection Law," the consideration of the regulations desired to be enacted to give effect to the same, be referred to such local Boards of Trade as may hereafter be designated, requesting said Boards to return to the Secretary of the Dominion Board of Trade, as early as possible, a draft of such regulations as may be deemed best adapted to meet the requirements of a law so comprehensive in its character.

Mr. M. P. RYAN, M. P. (Montreal), believed that unless an inspection law were compulsory it was inefficacious. He agreed with what had been said by Mr. Fraser and Mr. Morin; and in regard to butter, pointed out that our export of that commodity was decreasing, doubtless owing to the want of an effective inspection law. This was shown by the fact that whereas in 1871 the shipments from Montreal amounted to 161,643 packages of 80 lbs. each, equalling 12,931,360 lbs.; in 1872 the amount was only 131,429 packages, equalling 10,514,320 lbs., or a decrease of 2,417,040 lbs. He complained of the system pursued in Ontario, of traders purchasing butter from various persons in small quantities, and then packing it indiscriminately, as being highly injurious to the trade. This had led to so inferior a quality of butter being offered for sale, that an enormous loss ensued; and so much had this become the case, that several

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municipalities had made laws of their own on the subject. The detriment to the country arose in this way:—there were about 200,000 packages of butter available for export; each of these contained on a moderate average, 80 lbs.; so that upon an aggregate of 16,000,000 lbs., there was a loss of 7 cents a pound, owing to the inferior quality, or a total of \$1,120,000, which a careful and discriminative system of packing,—with the aid of an inspection law properly enforced at the ports whence shipments are made,—would unquestionably have prevented. Then, as to cheese: before the abrogation of the Reciprocity Treaty, we purchased largely from the United States, but we now exported very extensively. Thus the export of cheese in 1871 from Montreal was 135,609 boxes of 60 lbs. each, or 8,136,540 lbs., whilst in 1872 it had increased to 195,031 boxes or 11,701,861 lbs., being an increase of 3,565,320 lbs. Now if this increase is to go on steadily and profitably, the surest way to maintain it is to subject the article to careful inspection, in the interest of owners of cheese-factories, as well as of shippers and foreign consumers.

Mr. JOHN CARRUTHERS (Kingston), asked how the mere inspection of Butter would improve it, and pointed out that if it and other articles were to be compulsorily inspected, flour also should be. Then he would like to know how such a law as that proposed was to be enforced. He expressed an opinion that the surest way to remedy the evil complained of, was to see that the farmers were properly instructed in the method of packing butter.

A vote was then taken on the amendment, with the following result:—
Ayes, 18; nays, 17.

The motion as amended was then declared to be carried on the same division, and read as follows:

~~Resolved~~ Resolved,—That this Board urge upon the Government the necessity for the speedy enactment by Parliament of a General Inspection Law, and recommend that the Inspection of Butter, Fish and Fish Oils of all kinds, Petroleum, Leather and Hides, Ashes and Provisions, including Pork and Beef, should be compulsory, but, that the inspection of Flour, Meal, Lard, Cheese, and Grain of all kinds, should not be compulsory; and that, with a view of perfecting a measure intended to meet all the requirements of a "General Inspection Law," the consideration of the regulations desired to be enacted to give effect to the same, be referred to such local Boards of Trade as may hereafter be designated, requesting said Boards to return to the Secretary of the Dominion Board of Trade, as early as possible, a draft of such regulations as may be deemed best adapted to meet the requirements of a law so comprehensive in its character.

THANKS TO HON. DR. TUPPER.

On motion of Mr. W. H. HOWLAND (Toronto), it was unanimously resolved:—

That in recognition of the interest taken in the proceedings of this Board by Hon. Dr. Tupper, as evidenced by his attendance at its sessions, a vote of thanks be tendered to him.

COMMITTEE ON INSOLVENCY MEMORIAL.

The PRESIDENT announced that the Committee to prepare a Me-

morial in favor of continuing the Insolvent Act of 1869, would consist of the following Delegates:—Messrs. W. H. Howland, Toronto; Cathcart Thomson, Halifax, N.S.; Wm. Pennock, Ottawa; A. T. Wood, Hamilton; Hugh McLennan, and Andrew Robertson, Montreal; John Carruthers, Kingston; Alex. Fraser, Quebec; T. M. Daley, Stratford; and Hon. T. R. Jones, St. John, N.B.

INVITATION FROM ST. JOHN, N.B.

The PRESIDENT read the following communication, which had been handed to him by the Delegates from St. John, N.B.:—

At a meeting of the St. John Board of Trade, it was moved, seconded, and unanimously *Resolved*,—That the Delegates from that Board use their influence at Ottawa, to bring about a meeting of the Dominion Board of Trade in one of the Maritime Provinces, said meeting to be held in St. John, (being most central) if possible during the summer of 1873. That they convey to the Dominion Board of Trade, a cordial invitation to visit our city, and hold a session at such time as may be found most convenient to the members of our Sister Provinces of Quebec and Ontario.

(Signed)

J. A. HARDING,
T. R. JONES,
R. S. DEVEBER,

} Delegates.

The reading of the communication was received with applause. The document was thereafter referred to the Executive Council.

The Board then adjourned until 7:30 o'clock in the evening.

EVENING SESSION.

FRIDAY, 17th January, 7:30 o'clock, P.M.

HENRY FRY, Esq., President, in the chair.

REPORT FROM COMMITTEE ON RESOLUTIONS.

The Committee on Resolutions reported as follows:—

That the Board of Trade of Halifax, N.S., be allowed to offer a Resolution, recommending the re-weighing, and re-gauging of sugar, &c., from bonded warehouses; also to secure uniformity in legal rate of interest in the Dominion. Also,

That the Board of Trade of Ottawa be permitted to present a resolution on the encouragement of the Iron Trade.

(Signed)

HUGH McLENNAN,

Chairman.

On motion the Report was received and adopted.

SUITS AGAINST GOVERNMENT.

Mr. J. A. HARDING (St. John, N.B.), remarked that the Government of the Dominion had assumed certain railways that were built by the

Government of New Brunswick, and were building other roads. All these railways carried freight, which was subject to damage and loss just as much as when transported by other carriers. But on these Government railways, there was no redress for loss or detriment attributable to the management of the road, as in the case of railway companies. In England the right of the subject to have recourse against the Crown where wrong had been done was acknowledged; and when the Government of New Brunswick owned the lines, the right to obtain redress for damage sustained had been recognized. Complaints had, however, been made to the St. John Board of Trade, that parties were now unable to obtain redress from the Dominion Government, and therefore his Board would be glad to see the following resolution adopted. He moved, seconded by Hon. JAMES SKEAD, (Ottawa) :—

Whereas, The Government have assumed the position, and receive the emoluments as Common Carriers over Public Works owned by the Dominion, it is therefore the opinion of this Board that a law should be enacted legalizing suits to be brought against them for loss or damage of life and property, in the name of the party or parties having jurisdiction over these works, on behalf of the Government; and a judgment against such agents shall be assumed as against themselves.

Mr. JAMES DOUGALL (Windsor), thought that the same principle should be applied to all claims against the Government.

The motion was carried.

POSTAL DELIVERY IN CITIES AND TOWNS.

Mr. ROBERT WILKES, M.P. (Toronto), moved, seconded by Mr. E. MCGILLIVRAY (Ottawa) :—

That the Dominion Government be again petitioned in favor of postal delivery in cities and towns, without additional charge to the requisite postage upon letters, newspapers, &c.

Motion carried.

REDUCTION IN NEWSPAPER POSTAGE.

Moved by Mr. WM. PENNOCK (Ottawa), seconded by Mr. J. H. SIMMONS (Levis, Q.) :—

That the Government be urged to reduce the postal charge upon transient newspapers to one cent each.

Motion carried.

Hon. PETER MITCHELL, Minister of Marine and Fisheries, entered the room at this stage of the proceedings, and was invited to a seat on the President's left, to which he responded in suitable terms.

EXTENSION OF SYSTEM OF WEATHER REPORTS.

Moved by Hon. T. R. JONES (St. John, N.B.) seconded by Mr. J. A. HARDING (St. John, N.B.) :—

That in view of the large extent of sea-board, and amount of capital, and number of persons employed in the shipping trade of this Dominion, this Board memorialize the

Government to furnish meteorological Weather Reports to the principal points represented by Boards of Trade, from the most desirable centre in the Dominion, in connection with the system, or on the principle now established in the United States.

Hon. Mr. JONES remarked, that the Government of the United States furnished weather reports, which were of great advantage to the large shipping interests of America, and he was anxious that the Government of the Dominion should do the same.

Hon. JOHN YOUNG, M.P. (Montreal), hoped the resolution would be adopted unanimously, as it was one of very great importance.

Mr. W. J. KEAYS (Sarnia), stated that he lived on a boisterous shore, and had seen a great many storms, yet although he had read the Detroit papers every day, he was unable to see that they had ever saved a single vessel.

Mr. J. A. HARDING (St. John, N.B.), said that the Board of Trade of St. John had recently obtained weather reports from Toronto; but they had unfortunately been of very little advantage, as the items generally came to St. John a day or two before they reached Toronto. But in Halifax they had frequently been warned of storms from the United States signal-service a day or two before they occurred, and he contended that they had been of great importance as a means of saving life. He believed that the expense of what was proposed would be about \$30,000.

Mr. JAMES DOUGALL (Windsor), stated that he had studied the weather reports of the United States Signal Department, and had never found them materially wrong, save on one occasion, and that was when a storm came from the north-east.

The PRESIDENT, as a shipowner, heartily concurred in the resolution. He believed that in England the signal system had been the means of saving thousands of lives, and in that country the Government contributed some £6,000 for this object to the Royal Humane Society.

Hon. JAMES SKEAD (Ottawa), stated that he would vote for the resolution, because it would be of very great assistance to agriculturists.

Hon. PETER MITCHELL expressed his entire sympathy with the resolution. The subject was one that had long engaged his attention, and he had brought it under the notice of his colleagues; but the cost of these signals here would be very great. In England the work was largely done by unpaid amateurs of science, and where they had but hundreds of miles in England to cover, we had thousands here. In the United States the Government had spent hundreds of thousands of dollars, and had established a very admirable system. He earnestly hoped he might get the necessary funds to enable him to accomplish what appeared to be so desirable, and likely to be productive of incalculable advantage to the shipping and agricultural interests of the Dominion; and if an adequate appropriation were granted by Parliament, this Board might rely upon it that the most effective means would be adopted.

The motion was carried unanimously.

REPORT FROM FINANCE COMMITTEE.

The President read a report of the Finance Committee, which had been submitted as follows:—

The Finance Committee in presenting their first Report, find that at the present meeting of this Board, there are 22 Boards returned, representing 2,104 members of the different Boards of Trade and Chambers of Commerce. The usual assessment of 75 cents each will yield \$1578.00, and your Committee find that this sum will be sufficient to cover all the expenses that may be required for the current year, as far as is now known. They would also recommend that ten (\$10) dollars be paid to Andrew Elliott, who acted as messenger at the present and two preceding sessions of this Board.

All of which is respectfully submitted.

(Signed)

E. MCGILLIVRAY,

Chairman.

OTTAWA, 17th January, 1873.

On motion the Report was received and adopted.

DIRECT TELEGRAPHIC COMMUNICATION WITH EUROPE.

Hon. JOHN YOUNG, M.P., (Montreal) desired to introduce this question by moving, seconded by Mr. A. T. WOOD, (Hamilton) the following series of resolutions:—

1st. That it is of the highest importance, in the interests of the Dominion, that there should exist a means by which there would be independent telegraphic communication between the Dominion, Great Britain, and Europe generally, without the necessity of sending messages through a foreign country, or through companies not under the control of the Dominion.

2nd. That in consequence of the present Ocean Telegraph monopoly possessing the exclusive right, for some forty years, of landing telegraph cables on Newfoundland, and its dependency of Labrador, the people of the Dominion have no other route than the St. Lawrence for attempting to secure direct telegraph communication between Europe and the Dominion.

3rd. That in the possession of the St. Lawrence, the people of the Dominion not only have a great power, in its being the most direct and cheapest route for the trade of the Dominion and the Western United States, but it will be found that it is also the most direct route to Europe for telegraphic communication.

4th. That a Company in England and the Dominion, in conjunction with a Company in Denmark, have obtained the right to lay down cables on the Faroe Island, Iceland or other Danish possession on the Atlantic, and are prepared to make the attempt to obtain the necessary capital for the enterprise, of securing direct communication by telegraph between England and the Dominion, through the Straits of Belle Isle, provided that liberal aid is afforded by the Dominion Government to give encouragement and confidence to those engaged in it.

5th. That a Company (the Great Western) has been organized in England to lay down a cable to the United States, via the Island of Bermuda, which cable is now in course of construction.

6th. That it would be of great importance to the commercial interests of the Dominion, to extend telegraphic communication from Bermuda and the other West India Islands to Halifax, and arrangements can, it is believed, be made, whereby such a connection can be obtained, should the line from the St. Lawrence to the Danish Islands and Great Britain be carried into effect.

7th. That the proposed line will secure to the Dominion prompt and far cheaper telegraphic communication with Europe and the world, not only in quiet times, but also in times of war, or commercial and political disturbances, when such a direct and

independent communication would be of immeasurable importance. It would bring Canada into frequent and intimate relations with the North of Europe, Denmark, Norway, Sweden, Northern Germany and Russia, and be of great assistance in the effort now being made to induce emigration from these countries to the Dominion, and would also lead to the extension of the line inland to British Columbia, and thence to China and Japan.

8th. That the landing of the Cable in the Straits of Belle Isle, or in the Bay of Gaspé, would prove highly advantageous to the shipping interests of the Dominion, and be the means of saving property and life in the case of shipwrecks on the shores and Gulf of the St. Lawrence.

9th. That in the opinion of this Board, the aforesaid enterprise of direct telegraphic communication between Europe and the Dominion, as well as with the West Indies, deserves and ought to receive the immediate attention of the Government of the Dominion, and that such aid and encouragement should be extended to this truly national enterprise, as would tend to give confidence to those proposing to undertake it.

10th. That a memorial founded on the above resolutions be prepared and sent to the three branches of the Legislature.

Hon. Mr. YOUNG said this matter had been agitated for the last sixteen years. A cable had been laid to Newfoundland, but from thence it passed to the United States, whose merchants being the best customers were served first. No Canadian could land a wire on the Island of Newfoundland for fifty years to come, and to overcome the difficulty, it was proposed to adopt the present plan. He had himself been to Copenhagen, to communicate with the Great Northern Telegraph Company, which had lines now extending from England to Norway and Denmark, and thence through Russia to Japan. Very little more would be required to complete the circuit to British Columbia; while nothing would be more effective to put us in communication with Northern Europe, and thus promote colonization from Scandinavia.

Mr. W. J. KEAYS (Sarnia), asked whether the expense would not be very great.

MR. THOMAS WHITE, Jr. (Montreal,) said that during the last session of Parliament he was present at a conference between a large number of members of Parliament, under the lead of Dr. Fortin, who took a great interest in the subject, and the members of the Government. At that conference Sir Francis Hincks, whom they all know to be a man of great ability and of wonderful resources in financial questions, had suggested two or three modes by which the enterprise could be materially aided by the Government, without any serious charge upon the revenue. One of these contemplated the guaranteeing of a certain sum for Government and press service, the Treasury being recouped for the latter, in part at least, by a payment from the newspaper publishers taking the dispatches. Every one, he thought, must admit the importance of our obtaining our news direct. At present the news department was exclusively in the hands of Americans, and was warped to suit American tastes; and the Canadian press had to submit to even this news being again sifted by the agent of the American Associated Press on this side of the water before it reached the Canadian public. Thus matters deeply interesting to Canada, as a portion of the Empire, were either ignored altogether, or so misrepresented as to make the intelligence worse than useless. Sir Francis Hincks, as an old journalist, had referred to this and suggested means by which the Company

could be aided and the people of Canada at the same time furnished with reliable news. There were few subjects of greater importance than this before the Board, and he trusted the enterprise would receive the moral support which must flow from the unanimous adoption of these resolutions.

The PRESIDENT remarked that the Quebec Board were unanimously in favor of this proposal. He had often felt humiliated by the garbled reports which appeared in our newspapers, and thought that it was disgraceful to the Canadian press, that they had no representative in Europe. He hoped the resolution would be passed.

The motion was put and unanimously adopted.

MUNICIPAL ASSESSMENTS.

Mr. ROBERT WILKES, M.P. (Toronto), introduced the question of considering the basis of municipal assessment in towns and cities. After discussion by several members on the impropriety of dealing with merely local or provincial matters,—the question was withdrawn. The subject, "Prevention of Fires," (No 35 on the official programme,) was also withdrawn.

ENCOURAGEMENT OF IRON-MANUFACTURES.

Mr. E. MCGILLIVRAY (Ottawa), read the following printed paper, on the subject of giving material encouragement to iron-manufactures:—
To the President of the Dominion Board of Trade:

SIR,—I consider that the time has now arrived when the resources of this country should receive some encouragement from the Government of the Dominion; and what I wish now more particularly to bring under your notice is the Iron Mines of British North America, and in order to show that in asking any sum of money for the purpose of developing their resources alone, that it would not be establishing a precedent for other purposes which never could be compared with this scheme, which is that giving a bonus for the purposes of opening up the Iron Mines of the Dominion, which are to be found in Ontario, Quebec, Nova Scotia and New Brunswick; and to establish a principle by which the Government should find no difficulty in arriving at a fair conclusion as to which way this should be accomplished, in order that the amount may be fairly distributed between the different Provinces and manufactures thereof, that are now in operation or that may hereafter be put into operation.

That in view of the Great Pacific Railway which is expected in a short time will be put under contract, the Coal and Iron Mines on the Saskatchewan can be utilized, and before this is done the Government should follow the example of the United States Government. When the contract for the Union Pacific Railway was given out, it was made a condition in that contract that the whole of the rails for that Railway should be made of United States iron, thus giving vast encouragement to home manufacture, and greatly assisting in developing the industry of the country.

It is, therefore, to be hoped that the Government should follow their example, if possible, by making it a condition with the contractors of the Pacific Railway that the whole of the iron should be of Canadian manufacture, which will take, at the least calculation, four hundred thousand tons for rails, locomotives, passenger and freight cars,

and all the sidings that may be required, costing, at the lowest calculation, for cast and wrought iron alone, thirty millions of dollars, and, according to the present price of iron in England, it can be manufactured in this country as low as it can be imported.

Now it may be asked are the Canadian mines capable of supplying this quantity of iron as soon as it may be required? This question I have put to several practical men,—that if sufficient encouragement would be offered to Canadian manufacturers to contract for the iron for the Pacific Road, that there is sufficient capital and enterprise in the country to establish furnaces at once and furnish iron equal if not superior to any that can be imported. I have an analysis of the iron mines in Hull, within sight of the place we now occupy, opposite to this city, made by B. Harrington, J. Blodgett Britton, and O. Wurth, of Pittsburgh. U. S., all of whom declare the mines to be very uniform and capable of making the finest Bessemer Pig of unsurpassed purity, and it is said that those mines alone are capable of being made to furnish a great portion of the iron required.

And while the whole annual production of the world is about 13,000,000 tons, and the present demand is more than equal to this supply, Great Britain alone producing annually 6,627,179 tons, and yet she has to import from Sweden and Belgium to meet her requirements.

And with increasing prices of iron all over Europe and scarcity of labour, the prospects therefore seem good of emancipating ourselves from dependence altogether on foreign sources for the production so essential to advancement, as I may say, in the interests of civilization and our material wealth.

And besides these considerations when the quantity of iron manufactured and unmanufactured entered for consumption in the Dominion during the fiscal year ending 30th June, 1871, was \$10,633,821, and during the same year the whole exports of the Dominion for manufactured and unmanufactured iron was only \$556,768, while the year ending 30th June, 1872, shows the amount of imports of the same article to be \$15,460,574 nearly fifty per cent. over the previous year, so that if sufficient encouragement were offered by the Government this source of wealth might be retained in the country instead of sending gold away to England or elsewhere, besides it would encourage immigration and consume a large portion of the produce now shipped from this country to Europe.

In view of all those considerations I think it would be a subject for deliberation for the Dominion Board of Trade as to whether it would not be advisable to address His Excellency the Governor General in Council, praying that a bonus of \$250,000 be given to any party establishing a first-class manufactory for iron in any or each of the Provinces of the Dominion of Canada, the said manufactory to include every appliance for the manufacture of rails, railroad and other engines.

E. MCGILLIVRAY,

OTTAWA, 16th January, 1873.

President Ottawa Board of Trade.

Mr. MCGILLIVRAY made some remarks in support of the views advanced in the paper which had been read, and thereafter moved, seconded by Mr. W. J. IMLACH (Brantford) :—

That the paper now read be submitted to His Excellency the Governor-General and Council, and that the Secretary be authorized to transmit a copy of the same at an early date.

Mr. L. E. MORIN (Montreal), although willing to support the granting of bonuses to the manufacture of iron, objected to so large a sum as \$250,000, being given to one manufacture.

Mr. A. T. WOOD (Hamilton), was surprised at the proposal contained in the document which had been brought under the consideration of this Board by the gentleman from Ottawa. He (Mr. Wood) expressed the hope that the Board would not overlook the fact that the proposal was one of much greater scope and dimensions than appeared at first sight;—it meant not only the granting of a bonus of a quarter of a million of dollars to some Iron Company hereabouts, but a similar amount "to any party establishing a first-class manufactory for iron in any, or each, of the Provinces," &c.,—and that very modest proposal would, if given effect to, make the actual bonus amount to the neat little sum of \$1,500,000,—for there are now six Provinces in the Dominion, with a possibility of two more by-and-by. But both Mr. McGillivray's paper and remarks proved that such an outlay of public money was unnecessary, inasmuch as the prospects of the iron-trade were bright enough to induce capitalists to embark their means in such enterprises with a fair prospect of good returns, by merely going into the project on business principles. He had no doubt as to what would be the fate of the motion.

After further discussion, participated in by several members,—

On motion of Mr. THOS. WHITE, jr., seconded by Mr. M. P. RYAN, M.P., it was resolved that the paper be laid on the table.

DUTY ON TEA AND COFFEE.

By unanimous consent, Mr. WM. HARTY, (Kingston) was permitted to move, seconded by Mr. E. MCGILLIVRAY, (Ottawa.)—

That the duty of ten (10) per cent. on tea and coffee imported into Canada from the United States, recently imposed by order in Council, is unsatisfactory and highly unjust to the large body of dealers in these articles; be it therefore *Resolved*, that this Board petition Government for a removal of said duty at an early date.

Mr. HARTY argued that the imposition of the duty was a retaliatory measure, and only benefitted some half dozen merchants who were direct importers, whilst it was an injury to the jobbers and middlemen who were cut off from the only standard market on this Continent,—New York.

Mr. THOS. WHITE, Jr., (Montreal), opposed the resolution, and pointed out that the Government had done a very generous thing by the trade in repealing the duty at all; it was rather a hard thing now to ask the Government, to discriminate in favor of New York importers against our own importers. He thought that it was a dangerous matter to bring in such important resolutions at so late a stage in the proceedings, when so many of the members of the Board had left for home.

Mr. MORISON (Toronto), supported the resolution:

Mr. M. P. RYAN, M. P., (Montreal), opposed it.

Mr. A. T. WOOD (Hamilton), thought that the Government, with which he did not often agree, had in this case been right, for there were plenty of men in the West who could and did import direct. He moved in

amendment, seconded by Mr. THOS. WHITE, jr., that the motion be laid on the table.

The amendment was carried.

UNIFORMITY IN GAUGING:

Mr. WM. HARTY (Kingston) moved, seconded by Mr. L. E. MORIN (Montreal):—

Whereas, The system of gauging as practised by Distillers is highly unsatisfactory, and in different parts of the country represents different quantities; therefore,

Resolved,—That this Board memorialize Government to enact such legislation as will compel a uniform standard throughout the Dominion, and that in the opinion of this Board, sales by weight [or calliper] would be preferable.

Mr. MORIN suggested that the words "or calliper" be added to the resolution.

This was agreed to.

Mr. McPHERSON (St. John's, Q.) suggested that some improvement should be made with reference to the measurement of Coal Oil, for the barrels received from the West were nearly always short in quantity.

The resolution was carried.

The President read the following:—

REPORT FROM FINANCE COMMITTEE.

Your Finance Committee beg to recommend that effect be given to the resolutions instructing the Executive Council to procure for free general circulation, through the Associated Chambers of Commerce of the United Kingdom, and otherwise, information as to the resources of Canada, and its advantages as a home for emigrants, provided the current expenses of the year do not exceed the income.

(Signed)

E. MCGILLIVRAY,

Chairman.

OTTAWA, 17th January, 1873.

On motion the Report was received and adopted.

ADDITIONAL OCEAN MAIL FACILITIES.

Moved by Mr. ROBERT WILKES, M. P. (Toronto), seconded by Mr. THOMAS LEE (Toronto):—

That this Board memorialize the Government to take such steps as may secure the sending of a Canadian Mail by the Cunard Steamers sailing weekly from New York.

Mr. THOS. WHITE, Jr., stated that he had visited the Post Office Department, and inquired into the matter, and found that the Government had already been in communication with the American Government on the subject. The matter was one of international convention, the control of the outward mails from American ports being in the hands of the United States Post Office Department. He had learned that the Americans refused to allow mails for England shipped at their ports to go by any other steamers than those carrying their own mail matter.

The resolution was carried unanimously.

VOTES OF THANKS.

Mr. WM. PENNOCK (Ottawa), moved, seconded by Mr. M. P. RYAN, M. P. (Montreal) :—

That the Members of this Board cannot separate without expressing the pleasure they have derived from the presence of Messrs. R. Hawley and H. A. Hill, representatives of the National Board of Trade of the United States, and Mr. C. A. Henderson, British Consul at Boston, and their kindness in taking part in the deliberations of this Board.

Carried by acclamation.

Mr. M. P. RYAN, M. P., moved, seconded by Mr. F. CLEWOW (Ottawa) :—

That the thanks of the Dominion Board of Trade be tendered to the Honorable Speaker of the House of Commons, for his courtesy in allowing the Board the use of rooms for its meetings, and to the Sergeant-at-Arms for many acts of kind attention.

Motion carried unanimously.

Mr. THOS. WHITE, jr., (Montreal) moved, seconded by Mr. JOHN CARRUTHERS (Kingston) :—

That the thanks of this Board be tendered to the Ottawa Board of Trade for their courteous attentions to members of this Board during its present sessions.

Motion carried unanimously.

The PRESIDENT thereafter made a few appropriate remarks, and declared the adjournment of the THIRD ANNUAL MEETING of the DOMINION BOARD OF TRADE.

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THE HISTORY OF THE
ROYAL SOCIETY OF LONDON
FROM THE YEAR 1660 TO 1703
BY JOHN VAUGHAN, ESQ.
OF THE MIDDLE TEMPLE
IN TWO VOLUMES
THE SECOND VOLUME
LONDON: Printed and Sold by J. BARNARD, at the Crown and Anchor in St. Dunstons Church-yard, 1727.

APPENDIX.

CONSTITUTION

OF THE

DOMINION BOARD OF TRADE.

PREAMBLE.

In order to promote the efficiency, and extend the usefulness of the various Boards of Trade, Chambers of Commerce or other chartered bodies organized throughout the Dominion, for commercial purposes, and to secure unity and harmony of action, in reference to commercial usages, customs, and laws; and especially that a united opinion should be obtained so as to secure a proper and careful consideration in Parliament of questions pertaining to the Financial, Commercial, and Industrial interests of the country at large, and to all Public Works calculated to cheapen and lessen cost of transport between one part of the Dominion and another:—This Association, on this sixth day of October, one thousand eight hundred and seventy, is hereby formed by Delegates now in session in the City of Montreal, representing the following named Commercial Organizations, to wit: Belleville Board of Trade, Hamilton Board of Trade, Kingston Board of Trade, London Board of Trade, Montreal Board of Trade, Montreal Corn Exchange Association, Ottawa Board of Trade, Quebec Board of Trade, St. John, N.B., Chamber of Commerce, and the following Constitution is adopted.

ARTICLE I.

SEC. 1.—This Association shall be designated the “DOMINION BOARD OF TRADE.”

ARTICLE II.

SEC. 1.—Every local Board of Trade, Chamber of Commerce, or other organized body for general commercial, and not for special or private

purposes, and duly chartered under or by Legislative enactment, shall be entitled to membership in this Association, on the approval of two-thirds of the bodies represented at any meeting of the Association, and shall be accorded the following representation: Each such Association shall be entitled to one delegate; having forty members, two delegates; having eighty members, three delegates; having one hundred and fifty members, four delegates, and for each additional hundred members, one additional delegate.

SEC. 2.—Delegates shall be selected by the local organizations, and in such manner, and for such term, of not less than one year, as each may see fit. At each meeting of the Board, they shall present credentials under seal of the Secretaries of the respective constituencies; these credentials shall certify the number of members, authorized to vote, then connected with the body claiming representation, and which may present or may have a copy of its charter on file in this Board.

ARTICLE III.

SEC. 1.—Each delegate shall be entitled to one vote in person, but no voting by proxy shall be allowed. All votes, except for election of officers, shall be *viva voce*. Any delegate may demand a division of the House, and a call of the Yeas and Nays shall be had and recorded on the call of any two delegates.

ARTICLE IV.

SEC. 1.—The administration of the affairs of this Board shall be vested in a President, Vice-President, and eight other members, who shall be elected by ballot on a majority of votes, and who shall serve until their successors are chosen. Their election shall be the first business in order. They shall be known as an Executive Council, and five of their number shall be a quorum for the transaction of business. In the absence of the President or Vice-President, the Council shall choose one of their own number to preside.

SEC. 2.—It shall be the duty of the Executive Council immediately after their election, to select a Secretary and a Treasurer, (neither of whom shall be of their own number,) who shall hold office for such time, and who shall receive such compensation, as the Council may determine.

SEC. 3.—The offices of the Secretary and Treasurer may be located at such places as the Council shall determine.

SEC. 4.—Special meetings of the Council shall be held on the call of the President or three members thereof, at such place as they may designate, on fifteen days' notice to be given by the Secretary.

SEC. 5.—In case of the removal, resignation, or death, of any member of the Council, his place for the unexpired term shall be promptly filled by the remaining members of the Council.

ARTICLE V.

SEC. 1.—It shall be the duty of the Executive Council :

1st. To provide for full and accurate record of the proceedings of the Board, and of its own meetings.

2nd. To submit to each annual meeting a report of the doings of the Board, and of its own official acts, as well as a statement of what new or unfinished business may require attention.

3rd. To make full statement concerning the finances of the Board to the annual meetings, and to other meetings when called to do so.

4th. To apportion to each constituent body its assessment for the expenses of the Board, as provided in Article VII.

5th. To make such recommendations as it may deem to be necessary for the welfare, and to promote the objects of this Board.

SEC. 2.—The Secretary shall conduct the official correspondence, and shall make and have charge of the records of the Board and of the Executive Council.

SEC. 3.—The Treasurer shall give such security as the Executive Council may require, receive and account for all monies belonging to the Board, and collect assessments and fines ; but he shall pay out money only on a warrant of the Secretary, countersigned by the President.

ARTICLE VI.

SEC. 1.—A meeting of the "DOMINION BOARD OF TRADE" shall be held on the third Wednesday, or following day, should Wednesday be a holiday, in January of each year, at such place as shall have been determined upon at a previous annual meeting on the majority vote of all constituent bodies represented.*

SEC. 2.—Special meetings of the Board shall be held on the call of five members of the Executive Council, or any ten members of the Board, at such place as the Executive Council may designate.

SEC. 3.—The attendance of fifteen delegates shall constitute a quorum.

SEC. 4.—Notice of the annual meeting shall be sent by the Secretary to each constituent body, at least thirty days before the time of assembling ; the notice to state the objects of the meeting and the questions to be considered.

SEC. 5.—A meeting of the Executive Council shall be held on the day preceding the day of any meeting of the Board, and at such other times as may be provided in its By-Laws.

* At the First Annual Meeting of the Dominion Board of Trade, held in the City of Ottawa on 18th January, 1871, and following days,—the question of deciding upon the place at which the next Annual Meeting should be held, being under consideration,—it was on motion unanimously resolved that "the place of meeting should be fixed." Thereafter, moved by Mr. John Walker (London), and seconded by Mr. M. P. Ryan M.P. (Montreal).—"that the City of Ottawa be decided upon as the permanent place of meeting of the Dominion Board of Trade." This motion was adopted.

ARTICLE VII.

SEC. 1.—The expenses of the Board shall be provided for by an assessment to be made by the Executive Council on each constituent body, according to the ratio of its officially reported membership.

ARTICLE VIII.

SEC. 1.—Questions or resolutions, except those which involve points of order, can be submitted by the constituent bodies of the Board; and when any constituent body shall desire to present a subject for the consideration of the Board, it shall do so in a written paper, to be placed in the hands of the Secretary at least forty days previous to the annual meeting at which it is to be considered: provided, however, that any subject not thus submitted, may be introduced by any member, and considered and acted on by consent of delegates present.

ARTICLE IX.

SEC. 1.—Any constituent body charged with a violation of the laws of this board, may, after formal complaint thereof in writing, on a vote of two-thirds of all the delegates of the other bodies represented herein, be expelled; but it shall not be exempted from the payment of assessments levied for the current year.

SEC. 2.—Any constituent body may withdraw from membership in the Board on submitting a formal request to that effect at an annual meeting, and on full payment of all dues.

ARTICLE X.

SEC. 1.—This Constitution may be amended at an annual meeting, on a vote of two-thirds of the delegates present;—notice of the proposed amendment having been first submitted to the Secretary by a constituent body, at least thirty days previous to the meeting at which the same is to be considered, and transmitted by the Secretary in circular copies to each constituent body at least twenty days before said meeting.

ARTICLE XI.

SEC. 1.—The meeting of delegates called in accordance with the circular from the Montreal Board of Trade of 9th June last, shall be regarded as the first meeting of the "DOMINION BOARD OF TRADE," and is hereby empowered to chose officers to serve until their successors shall be elected, and to act upon all papers and resolutions laid before it, the same to be considered as having been submitted in the form and manner required by the Constitution.

BY-LAWS
OF THE
DOMINION BOARD OF TRADE,

As adopted in January, 1871, and amended in January, 1872.

The "DOMINION BOARD OF TRADE" for the Dominion of Canada in Council assembled, do hereby enact that the following shall be the Rules of Order for governing the proceedings of the Board :—

Rule I.—At the appointed time of each meeting, after the President, Vice-President, or Chairman, having called the meeting to order, the Secretary (or if absent, some one to be appointed by the Board to supply his place), shall proceed to call the roll of members, marking all the absentees, and if a quorum is present according to the Constitution, the President, Vice-President, or Chairman, shall announce the fact to the meeting, and business shall be proceeded with in the following order, viz. :—

- 1st. The reading of the minutes of the last meeting, and amendment or approval of the same ;
- 2nd. Presentation of petitions and communications ;
- 3rd. Reports of Standing Committees ;
- 4th. Reports of Select Committees ;
- 5th. Unfinished business of preceding meetings ;
- 6th. New business.

Rule II. If a Chairman is appointed, he shall only preside until the arrival of the President or Vice-President.

Rule III. Unless there be a quorum present, no business can be transacted.

Rule IV.—All questions relative to the priority of business shall be decided without debate.

Rule V.—The President, Vice-President, or Chairman, shall preserve order, and shall decide all questions of order, subject to appeal to the Board.

Rule VI.—The President, Vice-President, or Chairman, may vote with the other members on all questions,—and any question on which there is any equality of votes shall be deemed negatived.

Rule VII.—After the question having been put from the chair, all members present shall vote thereon, unless excused by the Board, or except such as are directly interested, and shall keep their seats until the votes are taken.

Rule VIII.—When two or more members rise at the same time, the President, Vice-President, or Chairman, shall name the member who is first to speak.

Rule IX.—When the President, Vice-President, or Chairman, is called upon to decide a point of order, his decision shall be final, except by appeal to the Board. All questions shall be put in the order in which they are moved. And it shall be the duty of the President, Vice-President, or Chairman, whenever he shall conceive that a motion which he has received and read may be contrary to those rules, to apprise the Board thereof immediately before the question on such motion is put. After the question is finally put from the chair, no member shall speak thereto, nor shall any motion be made until after the result is declared; and the decision of the chair as to whether the question has been finally put shall be conclusive.

Rule X.—A member, being called to order, shall immediately sit down, unless permitted to explain; if there be no appeal, the decision of the chair shall be final; but if the member appeal from the decision of the chair, the Board shall decide the case without debate.

Rule XI.—Any member may of right require the question under discussion to be read for his information at any time during the debate, but not so as to interrupt a member while speaking.

Rule XII.—No member shall speak beside the question in debate, nor shall he in any manner interrupt the proceedings of the Board, or any member who is speaking.

Rule XIII.—No member other than the one proposing a question or motion (who shall be permitted to reply when all the other members choosing to speak shall have spoken), shall speak more than once on the same question without leave of the Board, except in explanation of a material part of his speech, which may have been misconceived; but then he is not to introduce any new matter.

Rule XIV.—Every member previous to his speaking shall rise from his seat, and respectfully address himself to the President, Vice-President, or Chairman; he shall confine himself strictly to the matter under discussion, and shall sit down as soon as he is done speaking.

Rule XV.—No motion shall be put or debated unless the same be seconded; when seconded, it shall be stated by the President, Vice-

President, or Chairman, before debate; and every such motion, except a motion to adjourn, shall be reduced to writing.

Rule XVI.—After a resolution is stated by the President, Vice-President, or Chairman, it shall be deemed in possession of the Board, but may, by permission of the Board, be withdrawn at any time before decision or amendment.

Rule XVII.—When a blank is to be filled up, and different sums or times are proposed, the question shall be taken first on the largest sum or the longest time; and when a question is under debate, the only motions in order shall be—1st, to adjourn; 2nd, the previous question; 3rd, to lay on the table; 4th, to postpone indefinitely; 5th, to adjourn to a certain day; 6th, to refer; 7th, to amend.

Rule XVIII.—A motion to adjourn the Board shall be always in order, except—1st, when a member is in possession of the floor; 2nd, while the Yeas and Nays are being called; 3rd, when the members are voting; 4th, when it has been decided that the previous question shall be taken; and a motion to adjourn simply, cannot be amended, but a motion to adjourn to a given day, may be, and is, open to debate.

Rule XIX.—When the previous question is moved and seconded, it shall be in this form:—Shall the main question be now put? if this be carried, all proposed amendments and all further motions and debates shall be excluded.

Rule XX.—A motion to lay a question on the table simply, is not debateable; but a motion to lay on the table and publish, or any other condition, is subject to amendment and debate.

Rule XXI.—A motion to refer to a Standing Committee shall take precedence of a similar motion for a Special Committee; and a motion for commitment until it is decided, shall preclude all amendments of the main question.

Rule XXII.—A motion to amend an amendment shall be in order, but to amend an amendment to an amendment, shall not be entertained. An amendment modifying the intention of a motion shall be in order, but an amendment relating to a different subject shall not be in order. The paragraph to be amended shall first be read as it stands, then the words proposed to be struck out and those to be inserted, and finally the paragraph as it would stand if so amended.

Rule XXIII.—A question may be re-considered at any time during the same meeting, and when once made and decided in the negative, shall not be received before the next meeting of the Board; and no question shall be re-considered more than once, nor shall a vote to re-consider be re-considered.

Rule XXIV.—The Standing Committees of the Board shall be appointed by the Board annually, on entering on the duties of their office,—

1st, Finance Committee; 2nd, By-Law Committee; 3rd, Printing Committee.

Rule XXV.—The Secretary of the Board shall duly record in a book, all minutes or resolutions, decisions and other proceedings of the Board, entering therein all accepted reports, orders, and resolutions; shall notice reports, memorials, and other papers submitted to the Board only by their titles, or a brief description of their purport; but all accepted reports shall be entered at length.

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