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FIRST REPORT

OF THE

SELECT COMMITTEE

APPOINTED TO TAKE INTO CONSIDERATION THE

INTERNAL RESOURCES

OF THE

PROVINCE OF UPPER-CANADA,

IN ITS

AGRICULTURE AND EXPORTS,

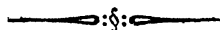
AND THE PRACTICABILITY AND MEANS OF
ENLARGING THEM,

*ALSO TO CONSIDER THE EXPEDIENCY OF GRANTING
ENCOURAGEMENT TO*

DOMESTIC MANUFACTURES.



BY ORDER OF THE HOUSE OF ASSEMBLY.



YORK:

PRINTED AT THE UPPER-CANADA GAZETTE OFFICE.

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1821.

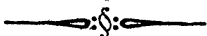
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FIRST REPORT of the Select Committee appointed to take into consideration the internal resources of the Province in its Agriculture and Exports, and the practicability and means of enlarging them, also to consider of the expediency of granting encouragement to Domestic Manufactures.



YOUR Committee fully impressed with the importance of the subject referred to them, have not failed to give it their most mature consideration.

To simplify and facilitate their enquiries, it was deemed expedient to arrange them under separate heads, and your Committee have received great assistance from numerous written communications made to them by intelligent individuals, to whom (from an anxiety to submit to your Honorable House an extensive view of this important enquiry) your Committee had, at an early period after their appointment, written on the subject.

The several heads of enquiry to which your Committee directed their attention were,

1st—As to what may be deemed the internal resources of the Province in its Agriculture and Exports?

2d—The quantity of our Staple articles exported?

3d—The value of such Resources, and whether any, and if any, what material depression has occurred therein, and the causes thereof?

4th—Whether, and if so in what degree, are these affected by the intercourse between the Provinces of Canada and the United States, and between this Province and Lower Canada?

5th—How far these are affected by the restrictive policy of the Mother Country?

6th—Whether any, and if any, what temporary measures can be devised to augment the value of our staples, and to increase as well as facilitate the exportation of them ?

7th—Whether any permanent system can be adopted to secure the safe, easy, expeditious and economical exportation of them to the ports and markets to which we have access ?

8th—Whether any, and if any, what nature of encouragement it is expedient to give to the manufacture of Salt and Iron for Home Consumption ?

I. The Internal Resources of the Province from Agriculture and Exports may be classed as follows :

1. Lumber,
2. Pot and Pearl Ashes,
3. Agricultural Produce,
4. Furs and Peltries.

Under the general name of Lumber, may be comprehended Masts, Spars, Oars, Hand-Spikes, Pine and Oak Timber, Boards, Plank, Shingles, Staves and Heading.

Under the term of Agricultural Produce may be reckoned Wheat, Indian Corn, Rye, Pease, Flour, Indian Meal, and Beef and Pork. to which might (by a proper direction of agricultural labour) be added, Hemp, Flax Seed, Hops, and Tobacco.

The Western and London Districts of this Province are, from soil and climate, peculiarly adapted for the growing of these commodities, some of which, particularly Flax Seed, are articles of ready sale in the British Islands, and large quantities are annually imported into Great Britain and Ireland from the United States, Holland and the Baltic. It is to be presumed that the Flax Seed of the Colonies, if of equal quality, would have a preference in the British market.

Your Committee suggest the propriety of holding out some Legislative encouragement to induce the

Agriculturists of the Province, to turn their attention to this important object.

II. Your Committee have used every endeavour to ascertain the quantity and value of our exports, but have not been able to obtain any very correct information on the subject. In Masts, Spars, Pine and Oak Timber and Staves, it is presumed to have been considerable, but the exportation of Flour has been comparatively small, having never in any one year, as your Committee have reason to believe, exceeded thirty thousand barrels. Of the quantity of Beef and Pork, Pot and Pearl Ashes, and Furs, and Peltries exported, your Committee have not been able to obtain any satisfactory account, they are however aware that, of Furs and Peltries, the exportation has greatly declined.

III. Under the third head of enquiry, viz: the value of our Resources, and whether any, and if any, what material depression has occurred therein and the causes thereof, your Committee have been unable to obtain any very precise information as to the value, as it is fluctuating and liable to be affected by many causes and contingencies.

The staples of this Province, from the long and desolating wars, occasioned by the French Revolution; failure of harvests in Great Britain; and occasional differences with the Northern Powers of Europe; together with the restrictive policy of the American Cabinet, naturally became in great demand, and were in consequence thereof raised to a value which in time of profound peace they could not be expected to maintain. At that time, the numerous fleets and armies, which were kept up by the contending Powers, drew from Agriculture a large portion of its labour, which, being taken from a productive to a destructive employment, increased the demand for provisions while it limited the means of raising them; and this foreign demand, was

increased by blights, by the ravages of the contending forces, and the destruction of property incidental to a state of active warfare, which occasioned a steady demand for every article which the Province could supply.

On the return of Peace, and resumption of domestic habits by a large portion of the armed population, the demand for our staple articles decreased, and consequently they fell in price.

Another cause of the depression in the value of our staple articles, may be found in the deteriorated quality of the article sent to market, for instance Upper Canada Flour, which when it first found its way to Montreal, was greatly esteemed, and much in demand, is latterly (from the greater attention paid to the **manufacturing and packing of that article in the United States* ; from the damage the Flour of Upper Canada very frequently sustains from its exposure to heat and moisture, and from the negligent manner in which it is transported to Montreal) so little sought after in the Lower Canada and other Markets, that it can with difficulty be sold, when that of the United States is brought into competition with it.

Your Committee therefore can have no doubt as to the fact of a very material depression having taken place in the value of our commodities, and have reason to believe that they are now not worth so much by one half as they were before the commencement of the late American war.

IV. It appears to your Committee, that the value of our staple articles is partially affected by the intercourse between the Provinces and the United States, as well as by that between the two Provinces ;

*A complaint has been made, that the Flour of the Upper Province is ground too close, and that it is frequently packed before it is sufficiently cool ; either of which causes will lessen its value in foreign Markets.

but they do not believe in any sensible degree by the first. Experience teaches us, that to create a Market there must be a supply, and that whenever there is a demand for any article, the party wanting it will naturally go to that Market where he is likely to be supplied on the best terms; he certainly will not go to a limited Market, to supply an extensive demand. Under those impressions, it appears to your Committee, a measure recommended by sound policy, to give every facility and encouragement to the admission of American Flour and other provisions, for *exportation*, as the certainty of being supplied with a good article and from a port to which British shipping have unrestricted access, will naturally induce British purchasers, whether for English or West India Markets, to give a preference to their own Colonies, and until such time as the Province can furnish an ample supply, it would, it is presumed, be attended with bad consequences to prohibit, or even to impose duties on American provisions admitted for exportation: with respect to the admission of American provisions for home consumption into Lower Canada, your Committee are not quite so decided; they are however, of opinion, that in all cases whenever the ports of Great Britain are shut against the Corn and Bread stuffs of this country protecting duties should be imposed in Lower Canada, to enable the Flour of Upper Canada to maintain itself in the only Market to which it can be sent; this is a measure however, that ought, in the opinion of your Committee to be submitted to the wisdom of the Imperial Parliament. The Flour of this Province is also affected by the nature of our intercourse with Lower Canada, from the obligation imposed upon the possessor, to have it re-inspected in that Province, and which subjects them to a higher charge than is paid by the inhabitants thereof, on the same articles of domestic growth. Large sums are also annually levied on the trade of

Upper Canada, under Acts imposing duties for improving the navigation of the St. Lawrence, which duties, while they add to the embarrassments of our export trade, give it no additional safety or accommodation; a great part of the money raised from them, remaining at this time in the hands of the Receiver General of Lower Canada unexpended.

V. Your Committee, in giving their opinion on this point of the inquiry, are aware of the difficulty and delicacy of the subject, they are not ignorant of the jealousy with which the Mother Country has viewed every attempt of the Colonial Legislatures to interfere with her commercial regulations; this duty however having been imposed upon your Committee by your Honorable House, they have endeavoured to discharge it fearlessly, and to the best of their ability.

Upper Canada is not a manufacturing country, but depends almost exclusively on its agricultural productions; all the luxuries, and most of the necessaries of life are imported from Great Britain, from which country alone, are we permitted to receive them; to pay for these, we have nothing but Bills drawn on the Government, and the produce of our forests and fields. The produce of Upper Canada is well adapted for the West India Markets, and the Ports of the Islands are at all times open for its reception. Could the West India Merchant depend upon a regular supply, a very beneficial trade might be carried on with those Colonies: the length of winter and interruption to the navigation of the St. Lawrence, are however very unfavorable to a direct intercourse with those Islands, but much of this inconvenience might be avoided by encouraging the trade between Quebec and the other Continental Colonies of Great Britain in America. This trade might be carried on to a considerable extent, provided the duties levied under the 14th Geo. 3d, on

Rum imported from those Colonies, were reduced to the par of the same article imported from Bermuda, and the West Indies; the duty on Rum (by that Act) when imported from the West Indies, is 6d. Sterling per Gallon, when from the other Colonies 9d. Sterling, making a difference of 3d. Sterling per Gallon.

The Wheat of Upper Canada is greatly superior to that grown in our Sister Province, and always commands a higher price; it is better adapted to the European Markets than Flour, and although in exporting the raw material, we lose the advantage of manufacturing it in our own Mills, still as it is more saleable and less perishable than Flour: your Committee are of opinion that it will be found advantageous by the mercantile part of the community to turn their attention towards it.

Great Britain, however, is the only market to which we can look to take off an unlimited quantity of our produce, and it is essentially necessary to the Province that no restraint should be laid upon our mutual trade. Unfortunately the Corn Laws of Great Britain operate very much against us, as we cannot sell either Wheat or Flour, on their arrival in England, provided the average price of Wheat is under sixty-seven shillings, Sterling, per quarter; and it is well ascertained that several cargoes which were shipped from Quebec since the middle of October last, were not admitted to entry for the home markets on their arrival, the average of Wheat being at the time fifty-four shillings Sterling per quarter.

The state of the Lumber Trade has for some years past engaged the serious attention of His Majesty's Cabinet Ministers, and the subject, it is understood, will be again agitated during the present Session of Parliament. For the encouragement of the Trade in Lumber between Great Britain and her Colonies,

her Parliament some years since laid very high protecting duties on Foreign Timber. This last duty the dealers in foreign Timber have been for some time past endeavoring to get done away, or to procure a duty to be laid on Colonial Timber. Should either of these measures be adopted, it will effectually destroy the Lumber Trade with the port of Quebec, a trade which now employs upwards of five hundred sail of large Ships—which gives employment to a great number of persons who consume much of the surplus Provisions which we can raise, and which, independent of the employment given to British Shipping, is almost the only means we have of paying for such articles of necessity or luxury as we import.

To enable your Honorable House thoroughly to understand this subject, your Committee submit certain observations and calculations relative to this Trade, which they received from a most intelligent and respectable Merchant, long and intimately concerned in that particular branch, whom they consulted; these will shew most clearly the complete ruin in which it would be involved, should the contemplated measures of His Majesty's Government in England pass into a Law.

“The state of the Lumber Trade was to be brought before the Imperial Parliament as soon as possible after it assembled in January last; and there is no doubt but it has been decided ere now, whether the foreign duties should be reduced or an additional duty laid on Timber the produce of the British Colonies. When the question was agitated in Parliament last spring, an opinion prevailed, that a reduction of ten shillings and three pence per load of fifty cubic feet, would be made on Foreign Timber which, from the superiority of its quality, and the low rate of freight from the Baltic, would exclude the Canadian Dealer from the Trade. Though



" I believe you are very well acquainted with the
 " consequences of such an alteration, yet in case of
 " the contrary, I will take the liberty of exemplifying
 " them to you.

" Timber shipped from the British Colonies, for
 " naval purposes, is admitted duty free.

" The duty on other Timber from the British Co-
 " lonies is 2s. 4d. 1-2 per Load.

" The Duty on foreign Timber is,

" per Load, £3 8 1

" The freight of Timber from Quebec

" is, per Load, 2 10 0

" Do. from Memel, per Load, 0 18 0

" Freight in favor of the foreign Trade 1 12 0

" The price of Memel Pine is £3 6 0

" Ditto of Canada, do. 4 5 0

" In favor of foreign Pine 2 1 0

" The foreign Trade gains in Sales, £2 1 0

" Ditto in freight 1 12 0

3 13 0

" The foreign duty is £3 8 1

" Less the expected reduct'n. 0 10 3 2 17 10

" In favor of the foreign Trade pr. Load, 0 15 2

" You will perceive by the above, that if the small
 " reduction of 10s. 3d. per load is made from the du-
 " ties on foreign Timber, or if a similar sum is add-
 " ed on our duties, the Baltic Merchants will be a-
 " ble to sell lower than ourselves, even if our Pine
 " cost nothing on Board."

Your Honorable House cannot fail to perceive the

existence of the causes to which we have called your attention as affecting the value of our Staples ; but there are others of not inferior interest, viz : the difficulties occasioned by the dangerous navigation of the River St. Lawrence, the interruption occasioned by the Falls of Niagara, and the heavy charges to which every article of export is subject in transitu to a market, from the numerous agents and persons employed in the transportation of them, and from the accidents which frequently occur from the insecure nature of the communication.

These charges not unfrequently swallow up the entire value of the article exported.

Your Committee cannot omit to mention the peculiar hardship with which these accumulated impediments and restrictions bear upon the inhabitants of the Western Districts of the Province, and which render unavailing the natural advantages which they so eminently possess. With a fertile soil, and mild climate, they are laboring under the most serious evils. Their remote situation exposes them to the multiplied charges on every article which they buy or sell ; while the reduced value of the article Flour, their principal, or indeed only article of export, and the difficulty of getting it to Market, render it almost impossible to export it at all.

Your Committee have to express their regret, that from want of more full information, they are unable to do justice to this important and interesting inquiry. They recommend to the serious consideration of your Honorable House a subject which involves the best interests of the Province, but to which they fear no adequate remedy can be provided by the Provincial Legislature.

Your Committee are unable to devise any temporary measures for augmenting the value of our Staples, or for increasing as well as facilitating the ex-

portation of them, being impressed with the belief that permanent measures can alone save the commerce of Upper Canada from the ruin with which it is menaced.

In reflecting upon the permanent system to be adopted for securing the safe, easy, expeditious and economical exportation of our Staple articles to the Markets to which we have access, your Committee have not been free from difficulty: The limited power and inadequacy of the pecuniary means of the Provincial legislature, almost preclude the possibility of Legislating on the subject: still its importance imperiously demands that every attention should be paid to it.

The measures which your Committee recommend are, 1st. A revision of the Inspection Laws, and prohibiting the exportation of any Flour from the Province, until it has been inspected and branded Upper-Canada, Fine, Superfine, or as the case may be.

2. An application to the Imperial Parliament claiming its interference to protect the Staples of Upper-Canada, against any Acts of our Sister Province, which might otherwise affect the same: also a modification of her Corn Laws, in such a manner as to admit at all times the Bread Stuffs of this Province into the British Markets, subjecting them only to duties when below a certain average; also the reduction of the sterling duty on Rum imported from other British Colonies to the same rate as is by Law imposed on that article coming from the West Indies and Bermuda, and that she will continue her protection to the Canada Lumber Trade.— But the great and indeed only efficient measure by which, in the opinion of your Committee, a permanent relief can be afforded to the commerce of Upper Canada, “*and the safe, easy, expeditious and eco-*

nomical exportation of our Staples to the Markets to which we have access," can be secured, is the improvement of our Inland Navigation.

This is a measure which in the opinion of your Committee claims the earliest and most profound attention of your Honorable House. It is a measure deeply involving the national interests as well as the commercial prosperity of the Province, and one which, if entertained by your Honorable House, should in the opinion of your Committee be undertaken on an extensive scale, a scale commensurate with the increasing power and rapidly accumulating commercial resources of the Province.

That it is perfectly practicable to connect the Lakes Erie and Ontario with Montreal by Canals, of sufficient depth to enable vessels of burthen to sail, without unloading, directly to that Port, cannot be doubted; *the successful enterprize of our jealous neighbours*, sanctions your Committee in forming this opinion, and is an example which ought to excite us to similar exertions; we ought not to allow ourselves to be deterred by the magnitude of the undertaking, from undertaking it at all. Difficulties there are, no doubt, but they are not insuperable, and will be found to be comparatively insignificant when encountered by perseverance and determination.

That the Province is without funds for carrying on a work of this nature, upon even the most moderate scale, your Committee most readily admit, but they are also inclined to believe, that by a proper representation of the subject to His Majesty, (whose gracious intentions have already been communicated to this House,) and to the Imperial Parliament, setting forth the real and substantial advantages, which the opening a Water Communication upon a grand scale from Lake Erie to the Sea, would produce to the interests of the Mother Country and the Colonies, that

His Majesty and His Imperial Parliament would concur in enacting such Laws and in giving such facilities and encouragement to this stupendous undertaking as would insure its success.

To entitle ourselves however to the active aid of the Imperial Government in this great measure, we must evince a disposition to contribute to it to the extent of our means, and even, if it were possible, to go beyond them; for we ought not to expect our Mother Country to expend her resources for our benefit, while we, who will so immediately reap the advantage, are restrained by cold narrow selfish feelings from giving our fullest support to the measures necessary to its success.

By the Report of the American Canal Commissioners in January 1817, it appears—That the great Western Canal, when completed, will be in length 353 miles, 29 1-2 chains, in width on the water surface 40 feet, in width at the bottom 28 feet, and in depth of water 4 feet.

That the length of the Locks is ninety, and their width in the clear twelve feet. That the estimate of the total expense for completing the said Canal, is \$4,881,738; or at the average rate, including the expense of constructing seventy-seven Locks, of about \$13,830, or a little more than three thousand Pounds Sterling per mile. And from subsequent Reports of the same Commissioners, it appears, that hitherto the work has been done at a rate greatly within the Estimate. This then is data for us to go upon, and by which we may be enabled to form a tolerably correct estimate of the sum it would require to complete a work of such vast public utility. Your Committee, in this first Report, do not consider it necessary, neither are they prepared to go into any detail respecting the Canal; they wish merely to draw the attention of the Government and the

House to the subject. The views however of your Committee generally, are, that a work of this description should not be on an exposed frontier, but should be, wherever circumstances will admit of it, inland. Could it be completed on a scale which would enable the Government to bring smaller sized Vessels of War *light* into the lakes, it would prove in the opinion of your Committee, the best barrier against the future hostile attempts of the United States of America that could be formed. Military protection, and Commercial facility, would thus be united; and the Province of Upper Canada, instead of being, as it is at this particular time, a dead weight upon the Government and Commerce of Great Britain, would be one of their most flourishing Colonies.

Your Committee therefore respectfully recommend to your Honorable House to pass a Bill appointing Commissioners:—

First—To devise and adopt such measures as shall be requisite to facilitate and effect a Communication by Canals and Locks between the Lakes Eric and Ontario,—and Lake Ontario and Montreal.

Second—To examine and explore the country, for the purpose of determining the most eligible routes for the contemplated Canals, to cause surveys and levels to be taken, and Maps, Field Books, and Draughts to be made; and to adopt and recommend proper plans for the construction and the formation of the said Canals, and of the locks, dams, embankments, tunnels, and aqueducts; and to cause all necessary plans, models, and draughts thereof, to be executed.

Third—To calculate and estimate the expence of the above operations.

Fourth—To devise and recommend Ways and Means for carrying the above purposes into effect.

Your Committee having given their ideas on this

important subject, recommend them to the consideration of your Honorable House.

With respect to the last head of inquiry, viz:— Whether any, and if any, what nature of encouragement it is expedient to give to the manufacture of Salt, and Iron, for home consumption: Your Committee have to remark, that it is deemed sound policy in every country to protect domestic manufactures, provided it can be done without making too great a sacrifice of other objects.

Domestic Manufactures give a value to our raw materials, and serve to retain within the Province, Capital, of which it must be deprived for the payment of similar articles when imported.

Your Committee however, are not prepared to recommend a system of Bounties, as the Provincial Revenue at this time is not adequate to pay them, even if it were deemed advisable so to do, They are of opinion that the manufacture of the necessary articles of Salt and Iron, should be encouraged by every practicable means; but that until the public Revenues of the Province are freed from their present embarrassment, the only measure which it will be prudent to adopt is, to impose heavy duties on similar articles when imported from the United States.

All which is respectfully submitted.

ROBERT NICHOL,
Chairman.

*Committee-Room, }
March 31st, 1821. }*