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1st Session, 6th Parliament, 22 Victoria, 1858.

REPORT

Of the Select Committee appointed, with power to inquire into the past and present course of Trade between the Lakes and the Sea-board, and between the different Atlantic Ports in America and Great Britain, &c.

Printed by order of the LEGISLATIVE ASSEMBLY.

(Hon. Mr. Merritt.)

TORONTO:

PRINTED BY JOHN LOVELL, YONGE STREET.

REPORT.

To the Honorable the Legislative Assembly of Canada :

The Select Committee appointed, with power to inquire into the past and present course of Trade between the Lakes and the Sea-board, and between the different Atlantic Ports in America and Great Britain,—the comparative amount of traffic passing through the United States and this Province, the cost and time required in transportation, and the general cost of Ocean freights; Also, the practical operation of all existing Treaties, Acts of Parliament, Despatches, Orders in Council, Rules and Regulations, of the respective Governments of Great Britain, the United States, and this Province, and of all Tariffs, duties, and tolls; and the effect already produced and likely hereafter to be produced thereby upon the trade of this Province, as well as upon agricultural, manufacturing, shipping, and general interests; also the effects produced upon the inhabitants of the United States and of Canada; and generally all matters and things relating to the home and foreign trade of this Province; and other references,—beg leave to submit the following Report :

(1. On Postal Subsidies.)

1. Your Committee have examined the official documents and returns, and also all the evidence that could be procured during the short time they have been enabled to give their attention to the various subjects submitted to them.

2. His Excellency the Governor General having, at the opening of the present Session, recommended to the notice of the Legislature the increasing value of the Lake commerce of Canada, and the importance attached to emigration and the employment of Ocean Steamers, Your Committee cannot too strongly urge them on the favorable consideration of the House. The increasing value of the Lake trade is referred to in the reply of the British Consul, J. Edward Wilkins, Esquire, of Chicago, [See App. No. 1. Report of Mr. Wilkins, British Consul, Chicago] who points out the unsatisfactory operation of the coasting trade in British vessels, as well as on the direct Import and Export Trade, between the Western regions and Great Britain, and other transatlantic countries, by way of the River St. Lawrence and the Great Lakes, the restrictions which exist, and at the same time suggests a remedy. This document is entitled to attention.

3. The proportion of the Lake Trade diverted to New York is as six and one-half million tons to about half a million forwarded to Quebec. The relative value and amount of tolls is also given in Appendix No. 2. The comparisons made by Messrs. McAlpine and Kirkwood was as 85 to 15 in favor of New York (as shewn in their Report to the Harbor Commissioners, Montreal), which corresponds very nearly with the above quantities.

4. The imports into Canada by the canals and railways in the United States, in the year 1856 amounted to the sum of \$28,216,180 [See Trade and Navigation Returns, Table 2, p. 134], while the imports into the United States by the St. Lawrence Canals, through Canada, during the same year was only \$13,492 [See said Returns, Table 7, p. 129]. The value of the exports from Western Canada, through the ports of New York and Quebec, are not given in the Trade returns. However, the exports from Canada to the United States amounted to \$17,979,753 [See said Returns, Table 14, p. 188].

See file no. 1715 of 1858
with Provincial Secretary's Office

5. In 1850, the Provincial Government discovering from the comparative amount of toll received on the Erie and St. Lawrence Canals, that the trade of the Lakes was diverted to New York, instituted an investigation, and attributed the cause to the high price of ocean freight from Quebec to Liverpool, [See *Report of Chief Commissioner of Public Works in Journals*, 1851] the large amount paid by the Governments of Great Britain and the United States, as a postal subsidy, to the mail steamers plying between Liverpool and New York, representing at 5 per cent., a capital of £7,000,000 sterling, the effect of which was to force an equal amount of tonnage in packet ships (which were displaced by those steamers) into the emigrant trade, thereby reducing return freights to ballast prices.

6. Emigration at the port of Quebec increased from 20,000 in 1844, to 90,000 in 1847, after which it decreased within three years to 32,292; while emigration at the port of New York had increased from about 80,000 in 1847 to 331,276 in 1851, [See App. A. No. 3. *Return Chief Agent Emigration*]. A more striking instance of the diversion of the ocean trade from Quebec to New York could not be adduced. This diversion does not arise from any defect in the navigation or excess in the prices of freight between Quebec and any ports in the interior. The comparative prices of freight from Chicago to the sea-board average from 25 to 50 per cent. in favor of the St. Lawrence [See App. No. 4. *Letter of Secretary, Board of Trade, Toronto; Letter of K. Tully, Esq., Civil Engineer, Toronto; Letter of Mr. Bundy, Toronto; Opinions of W. Kenighan, Chicago; Letter of Secretary, Board of Trade, Quebec: and see also App. No. 7, Evidence of Captain Pierce before Committee*].

7. As an additional proof of the natural advantages the St. Lawrence possesses, reference is made to the Appendix, which shows the comparative length, dimensions, and capacity of the canals, railways, and natural water communications through Canada, compared with those through the United States. [See App. A. No. 5]. From the above facts it is apparent that the mails, passengers, emigrants, and every description of goods can, at the present moment, be conveyed from Quebec to Chicago or any lake port in the interior, or *vice versa*, at less cost and in less time than from New York, notwithstanding that the high price of freight between Quebec and Liverpool has diverted almost the entire trade of the lakes to and from Europe to New York.

8. To regain this trade it is proposed to establish a daily line of screw steamers of not less than 2,000 tons burden, with a speed of from 10 to 12 miles per hour, between Liverpool and Quebec [See App. No. 6], to connect with another line of steamers of 1,000 tons burden, of the same speed to the Welland Canal and Railway, Toronto or Hamilton, intersecting a line of similar steamers on lakes Erie or Huron to Chicago. By this connection, first class passengers could reach Chicago from Liverpool, over the Grand Trunk Railway, by Quebec in about 12 days; emigrants and light freights, by rail and water combined, in about 15 days; and by steamer throughout, in from 15 to 20 days, thus shortening the passage, as per the log of the "Dean Richmond," from 62 days to 12 or 20, and also lessening the price of transportation from 25 to 50 per cent [See App. No. 7. *Captain Pierce's Evidence*].

9. The proposed line of ocean steamers would not interfere with any existing interest, neither would it give any exclusive privilege, steamers could be placed in the line as required, receiving a share of the subsidy in proportion to their tonnage, until a sufficient number is provided. Those not familiar with the trade of the West are startled at the idea of a daily line, but, when reduced to figures, it will not be found formidable; 2,000 tons per day for 200 days, the length of the season, makes only 400,000 tons. We find the Erie Canal, before its enlargement, with

locks of only $90 \times 15 \times 4$, in 1853, conveyed 4,247,832 tons, valued at \$207,199,570, on which tolls amounting to \$3,204,718 were received. To show that the principal portion of this trade is carried on in the summer season, we find that, out of 3,129,118 barrels of flour conveyed from Buffalo to New York in 1856, only 482,000 barrels were conveyed by railway during the five months the Erie Canal was closed, (as shewn in the Canal Commissioners' Report, 4th February, 1858), proving conclusively that the bulk of the trade of the West comes forward during the period of navigation, which by way of Quebec commences as early, and continues as late as by the Hudson.

10. Owing to the saving in distance by this route (some 500 miles), two days would be gained in the conveyance of the mails to Quebec over New York, and a communication established with a lake coast of double the extent of the seaboard of North America, creating a direct trade between the producer and consumer, which would yield a greater revenue than the amount of the subsidy paid by the Government; and, while attracting a large traffic to the Grand Trunk Railway and the St. Lawrence Canals, which do not now pay the cost of management, would render them productive. The establishment of this trade will be the means of removing restrictions and charges imposed by the Customs regulations in the United States, and all evasions of the Reciprocity Treaty by making England our best market, would cease, as it would be reached at less cost through our canals and by our own vessels, than through the United States. It will also create an identity of feeling with the citizens of the Western States, which cannot fail to produce the most important commercial and political results, and may truly be considered a national object. For these reasons your Committee recommend a joint Address to Her Majesty, praying that Her Majesty may be pleased to recommend to the Imperial Parliament to grant the same amount of postal subsidy to the ocean steamers between Liverpool and Quebec as now paid to the line of steamers between Liverpool and New York, upon condition that a daily line be established between Quebec and Liverpool in summer, and a weekly or a semi-weekly line, as may be required, between Portland and Liverpool in the winter.

(No. 2. On Duties, Tolls, and Public Debt.)

11. Your Committee, having examined into the practical operation of the duties, tolls and public debt of the Government of the State of New York, and of this Province, have given due consideration to its bearing upon the trade of the respective countries. The public debt of Canada has increased from year to year to about fifty millions of dollars, twenty-five millions of which have been created since 1853, principally in the construction of railways yielding no income [See *Public Accounts*, 1857, p. 223]; while that of the State of New York has been reduced to about \$31,000,000, (as shewn in the Comptrollers Report, State New York, same year, p. 63), of which about twenty-five millions have been expended in the construction of her canals, the income from which repays the interest, and, under the provisions of her constitution, will repay the principal within twenty years, leaving thereafter, notwithstanding the reduction of the tolls by one-third, a liberal support for the maintenance of her State Government with the assurance that when the debt shall be paid off tolls may be almost wholly removed. It is therefore imperative, if Canada is to become a successful competitor for the trade of New York, that her public debt be reduced to the same limit within the same time. The trade of Canada has been diverted through other channels; both her imports and revenue have fallen off; available capital cannot be obtained at any reasonable rate of interest; and a general depression prevails throughout the country requiring immediate relief.

Canada, however, still retains the elements of wealth incident to a young and rising country, and only requires time, and the introduction of capital to regain her former prosperity.

12. This capital can be obtained by a loan of Imperial credit, and the strongest possible grounds exist to warrant the expectation of its being granted by the Imperial Government, because this Province was induced to make the loans referred to for the construction of railways on the invitation of Her Majesty's Government, as the following despatches clearly point out:—On the 1st April, 1857, Lord Grey intimated to Lord Elgin "that Her Majesty's servants will not be slow to propose, nor, judging from the opinions generally expressed, would Parliament be slow to sanction the employment of the pecuniary resources of Great Britain in furtherance of the construction of Railways and Canals, for the purpose of promoting immigration and colonization in British North America." On the 14th March, 1851, in a Despatch from Lord Grey to the Earl of Elgin, is enclosed a letter from Mr. Under-Secretary Hawes to Joseph Howe, Esq., dated 10th March, 1851, wherein it is stated "that Her Majesty's Government were prepared to recommend to Parliament to give the guarantee of the Imperial credit to a loan for the construction of the proposed line of Railway from Halifax to Quebec or Montreal, or to advance the funds required out of the British Treasury upon certain stipulated conditions." The Despatch of the Right Hon. Sir J. Packington to the Earl of Elgin, 20th May, 1852, leads to the same encouragement, viz. :—That Her Majesty's Government are anxious to act with the most perfect good faith towards the Legislature and people of the British American Provinces, and to fulfil every just expectation that may have been held out by their predecessors. The Committee, reposing every confidence in the willingness of Her Majesty's Government to fulfil the just expectations held out to Her faithful subjects, entertain no doubt but that the Imperial Parliament will extend the guarantee of the nation to loan this Province her credit, which is about three per cent., for a limited period, upon the express condition that it be used for no other purpose than in reducing the public debt, by purchasing up Provincial and Municipal Debentures bearing six per cent., and, with this difference between Imperial and Provincial credit, creating a Sinking Fund with which the principal of the loan can be paid off within 18 years, which would be effected without the imposition of any tax on Her Majesty's subjects either in England or here. It will be the means of improving public credit, and will enable the Government hereafter to obtain loans at the lowest rates of interest, for the redemption of the remainder of the Provincial debt. Your Committee would therefore recommend to the favorable consideration of the Government the moving of a joint Address to Her Majesty, praying that she may be pleased to propose to Her Imperial Parliament the granting of a loan to the Provincial Government of £5,000,000, payable in twenty years, for the above purpose.

(No. 3. On the Commercial Policy of Great Britain, Canada, and the United States.)

13. Your Committee have examined into the Colonial Commercial Policy of Great Britain and Canada, also the commercial policy of the United States, the treaties and different acts under which that policy is enforced, and the results produced. In 1846, under the provisions of the Imperial Act 9 and 10 Vict., chap. 22, entitled "An Act to amend the Laws relating to the importation of Corn," the productions of the United States were admitted into the markets of Great Britain upon the same terms as those of Canada, while no provision was made by the Imperial Government with the Government of the United States to admit the productions of Canada into their markets upon similar terms. The effect of this law was to depreciate the value of all articles grown or produced in Canada 20 per cent. under the

value of like articles grown or produced in the United States, and this difference in value continued up to the year 1854, a period of nearly nine years. During that year the Imperial Act 9 and 10 Vic., cap. 94, entitled "An Act to enable certain British Possessions to reduce or repeal certain Customs Duties" became law, after nine years of continued application, public attention having been first drawn to the subject in the Legislative Assembly of Canada in 1837. In 1847, in deference to the opinions expressed in the despatch of the 24th May, 1843, under the Act of 1846, 9 and 10 Vic., cap. 94, duties on American manufactures were reduced from $12\frac{1}{2}$ to $7\frac{1}{2}$ per cent., and increased on British manufactures from 5 to $7\frac{1}{2}$ per cent. The effect of this act being to remove all discriminating duties against the United States. In 1849 the Provincial Legislature passed an Act [12 Vic., cap. 3] authorizing the removal of duties on all articles being the growth or production of the United States, upon condition that the United States should pass a similar law. Up to this period the Legislature of Canada carried out the Colonial Commercial Policy of Great Britain to the letter.

14. In 1854 the Reciprocity Treaty (which emanated from an Address of the House of Assembly in 1846) came into operation. By reference to the evidence of Mr. Wilkins, British Consul, Chicago, Mr. Worthington, Inspector of Ports for Upper Canada and others, appended hereto, [See App. Nos. 1 & 8,] it appears that the spirit and intention of the Reciprocity Treaty is being evaded. Under Article *Third* of this treaty the high contracting parties agree that the articles enumerated, being the growth and produce of the Colonies, or the United States, shall be mutually admitted free of duty; grain, flour and breadstuffs of all kinds being the principle articles named. In the Provincial Act of 1849, the words "growth or produce of either country" were inserted, but in the 3rd article of the treaty the word "and" was substituted for "or." This change was doubtless unintentional, but under the Customs regulations of the Treasury of the United States this portion of the treaty is interpreted to exclude flour and breadstuffs ground in Canada, from grain grown in the United States. As an illustration of this construction, although peas as well as grain of all kinds, ground in Canada are admitted free, when split they become liable to duty. [See App. No. 9]. In article fourth, the United States Government engages to urge upon the State Governments to secure to the subjects of Her Britannic Majesty the use of the several State canals on terms of equality with the inhabitants of the United States, proving clearly that unreserved reciprocity in its broadest sense was intended, and that no further restrictions were meant to be imposed on the articles named, or in the vessels carrying them between the two countries, than between separate States of the Union, and in that spirit have all the productions of the United States been received in this Province. That it was so understood by the Treasury of the United States on the 12th February last is manifest from the instructions of the Treasury to the different Officers of Customs. (See Report of British Consul, App. A, page 41.) Your Committee therefore believe that on a clear representation of the facts being made to the Government of the United States, these restrictions will be removed.

15. They also beg to call the attention of the Provincial Government to the operation of the amended Customs Act of 1853. The 6th clause of the Act 12 Vic., cap. 1, enacts—That in all cases where any duty is or shall be imposed on any goods imported into this Province *ad valorem* or according to the value thereof, such value shall be understood to be the actual cash value thereof in the principal markets in the country where the same were purchased, and whence they were exported to this Province. The 3rd clause of the Act 16 Vic. cap. 85 (April, 1853), repeals the above clause, and enacts—That in all cases where any duty is or shall be imposed on any goods, imported into this Province *ad valorem*, or according to

the value of such goods, such value shall be understood to be the fair market value thereof in the principal markets of the country whence the same were exported directly to this Province. Under the operation of the Act of 1849, a brisk trade sprang up between Halifax and Canada; under the operation of the Act of 1853, this trade was abandoned and transferred to New York.

16. On the 13th October, 1854, a committee of twelve members of the Legislative Assembly was appointed to inquire into the commercial intercourse between Canada and Great Britain, North American Colonies, British West India Islands, the United States, and other foreign countries. After a laborious investigation, on the 29th May, 1855, they reported upon the results produced, which your Committee recommend to the careful consideration of the Imperial and Provincial Governments. From a close examination of the effects resulting from the existing commercial policy of Great Britain, Canada, and the United States, since the above report, your Committee find the trade of the Province still remains practically under the control of the Government of the United States.

Your Committee therefore earnestly recommend:—

1st. That the despatch of 1843 be withdrawn, leaving the Legislature to regulate the duties on imports as heretofore under the Act of 1846, without restriction; also, that an Address be presented to Her Majesty, representing the evasion of the reciprocity treaty, and praying that a negotiation with the Government of the United States may be entered into for the removal of all restrictions under the said treaty.

2nd. They also recommend the removal of all duties on the productions of the British possessions in America, so that precisely the same principle as exists in the intercourse between the different States of the American Union may be established in these Colonies.

3rd. That the principle of reciprocity with the United States be extended to manufactures, the registration of Canadian and United States built vessels, and to the shipping and coasting trade, in the same manner as to the productions of the soil.

4th. That the mode of imposing duties on imports, under the Act 12 Vict. cap. 1, sec. 6, be restored, leaving the consumer in the Western States and Canada subject to no greater duty, *via* the St. Lawrence, than by New York, and that the St. Lawrence Canals be immediately deepened, to admit vessels of the same draft of water as those which pass through the Welland Canal.

The whole, nevertheless, humbly submitted.

WM. HAMILTON MERRITT,
Chairman

Committee Room, Legislative Assembly,
27th July, 1858.

APPENDIX A.

No. 1.

To the Hon. W. H. Merritt, M. P. P., Chairman of the Committee to enquire into the Home and Foreign Trade, Legislative Assembly, Toronto, C. W.

BRITISH CONSULATE,
CHICAGO, July 6th, 1858.

SIR,—I have the honor to forward my reply to your request that I should transmit to you—

1. A statement of the course of trade between Chicago and Great Britain, shewing what portion goes to New York and what portion to Quebec.
2. What are the relative advantages in the coasting trade to American and Canadian ships?
3. What are the relative amounts of exports and imports by the canals and railways through the United States and the same through Canada?
4. In what manner the existing Treaties or Acts of the respective countries affect the present trade?
5. What remedies are required to place them on an equal footing?

1. *Course of Trade between Chicago and Great Britain.*

It must be understood that although a large amount of transatlantic merchandise ultimately finds a consuming market in the regions west of Lake Michigan, and the productions of the western States are distinctively quoted in European markets, nevertheless Lake Michigan ports cannot be said to have any direct trade with transatlantic countries.

The direct relations between European merchants and those of the western States of the Union are of a desultory and unimportant character.

Both as regards exports and imports, the direct trade of Lake Michigan is at present with markets to its eastward, through to the Atlantic seaboard, *and no farther.*

As regards the statistics bearing on the trade on the inland lakes, it must be remarked that they are not so exact or so satisfactorily arranged as their importance demands. Mr. Guthrie, the Secretary of the Treasury Department of the United States, in his annual report for the year 1856, says: "We have no data to ascertain the annual number of persons or the annual tons of freight carried in our coasting trade, nor the value thereof."

Regulations to remedy this are from time to time being instituted. The annexed tables are, however, sufficient approximations to warrant the deductions made from them, and as regards the trade from this port with Canada, are substantially correct.

The following tables are annexed :

1. Total imports and exports received and shipped by rail and lake respectively, at port of Chicago, during 1857.
2. Analytical table shewing shipments from Chicago to British Provinces in British and American vessels.
3. Shewing trade in British vessels for four years.

It seems to be generally considered, that the effect of recent legislation of

both countries, and the Reciprocity Treaty of June 5, 1854, has been to divert a great portion both of the import and export trade of Upper Canada across Lakes Ontario and Erie, which previously had its entrance and exit by the St. Lawrence River, to the prejudice of the forwarding and other interests of Lower Canada, and to the benefit of New York State.

On the other hand, cereals and provisions from the United States bordering on Lakes Erie and Michigan now find their way down the St. Lawrence, to Montreal and Quebec. See Table 2.

The only imports to this lake, by way of the St. Lawrence River, worth notice in the proposed comparison, are railway iron and foreign salt. For various reasons, I think that these will never materially increase in quantity, even if they ever again reach the amount of former years.

For the last four years no railway iron³ has reached Chicago in British vessels.

It is in the trade with the western States that the equivalent for the diversion of Upper Canada trade from the St. Lawrence across the lakes should be found.

Whether this equivalent has been found, and under the existing international relations ever would be found, may be judged of by the comparisons and remarks following.

2. *Relative advantages to Canadian and American Vessels.*

Table 1 shews No. of tons shipped by lake from Chicago in 1857 . 507,600 tons.
Table 2. Shipment of same to Canada in British and American vessels :

British	23,454	
American.....	32,855	
		56,309
		451,291

Thus only one-ninth could have been shipped in British vessels; actually less than one-twentieth was. A strong inducement to Canadian purchasers to ship in American vessels is, that cargoes afloat can be ordered either to American or Canadian markets, on arriving at the Welland Canal. Shipments in Canadian vessels must be discharged at a British port, and cannot be reshipped to the United States under the Reciprocity Treaty. (See Appendix A, page 36. Remarks on Navigation Laws and Treasury Circular of 12th February, 1858, requiring Consular certificates of the origin of shipments from Canada to the United States.)

In these remarks Chicago has been made the basis of comparison.

By taking imports and exports from Milwaukie, Racine, and Kenosha, on this lake; although no statistics are before me, my knowledge of the trade warrants the assertion that by including the trade with these points the comparison would be increased in favor of the United States.

IMPORTS.

Table 1 shews receipts by lake during year 1857 1,316,355 tons.
Table 3 shows imports in British vessels, which, reduced to tons,
gives about..... 19,281

1,297,074

As regards Table 1, which for the reason stated above, is scarcely more than an estimate, it must be remarked that of the total receipts 739,000 tons are of

lumber, a very large proportion of which was from the United States shores of St. Clare River, Lakes Huron and Michigan, and 134,000 tons of coal from Cleveland.

Probably some 200,000 tons were carried from Buffalo and points east of the Welland Canal, consisting of general merchandize of home and foreign production.

Table 3, which can be relied on, shows the quantity imported in British vessels in the aggregate, about 19,000 tons.

Carrying trade across lakes Erie and Ontario.

I have no means of estimating the proportion of the carrying trade *across* lakes Ontario and Erie, in Canadian and American vessels.

The impression I find entertained is, that it is largely in favor of American vessels.

The table, p. 204, in the Trade and Navigation Returns (Canada) for 1856, does not determine this, but taking the totals of the entries inwards and outwards given in that table, it appears that the American are $\frac{5}{12}$ of the whole.

The table appears to include the coasting trade, which must be done in British vessels.

This result certainly points to the conclusion, either that the proportion of the coasting trade is very small, or that the larger share of the international trade is done by American vessels. If this be the case, it would seem that by the operation of the existing laws and treaty, the shipping of Canada competes unsuccessfully with that of the United States in the trade across the lakes, and that in the anticipated equivalent to be found in the trade with the Western States (taking this port as a basis), the United States vessels engross all but a trifling portion of the carrying trade westward; and in the eastward trade the one-ninth, which could lawfully be done by British vessels, was last year shared nearly equally by American. The restrictions against American vessels carrying Canadian produce coastwise, so far as regards timber and staves from the St. Clare River and Lake Erie, is, I am informed, evaded by shipping to French Creek (Clayton) and then rafting to Quebec, which would seem to be as much an evasion of the British Navigation Laws and breach of the Reciprocity Treaty as carrying wheat from Chicago to Kingston in a British vessel, and transshipping it to Ogdensburgh or Oswego. See Appendix A, page 36. I have no personal knowledge on this matter, but am told that contracts have this year been made by Americans to carry timber and staves in the way described.

This trade is a very desirable one to British vessels, and several masters of vessels have spoken to me about it. See folio 42.

Again, is any Canadian produce manufactured in the United States and reshipped to Canada, eg. Canadian wheat floured at Oswego to Montreal.

Relative amounts of Exports and Imports by Rail and Canal.

3. *What are the relative amounts of Exports and Imports by the Canals and Railways* through the United States, and the same through Canada. On this point my observations would be of no value.

I beg to refer your Committee to the annexed tables, Nos. 1 and 5, furnished me by J. McAlpine, Esquire, and to that gentleman's reports on the canals of New York for the years 1852 and 1853. I have his permission to state that five years subsequent experience have confirmed him in the conclusions then arrived at.

With regard to the shipments from Chicago by railway eastward, it may be stated that the most of the articles of hog's lard, pork, and flour which constitute

a large portion of the whole are shipped by railway during the close of navigation.

The subject of your inquiry has been further discussed in the report of Messrs. Childe, McAlpine & Kirkwood, C. E., on the trade and navigation of the St. Lawrence, which is probably before your Committee.

In this connexion I would make two remarks :

1st. That in such articles as pork, flour, lard, &c., the trade with Maine, and other Eastern States, during the winter months by the Grand Trunk Railway, cannot, under the present construction of the Reciprocity Treaty, be done, except by sending articles through in bond to the United States line. They cannot be carried to Montreal and resold to enter the United States under the Reciprocity Treaty. See Appendix A, p.

2nd. That until a trade in general merchandize between the Canadian seaboard and the Western States is established, the Grand Trunk traffic for the Western States will be little more than passengers and express parcels.

[See Appendix B. Remarks on United States Tariff Laws, as impeding growth of trade between Montreal and Chicago.]

4. *Manner in which Acts or Treaties of respective countries affect the present trade.*

1st. United States Laws and construction of treaties :

Even if direct commercial relations with Great Britain were established, the following regulations must be complied with to entitle the merchandize passing through Canada in bond to be entered at a United States lake port on the same terms as at New York.

See Appendix B, folio 46.

1. It must appear by the invoice they were intended for a particular port.
2. Their indentity must be traced by affidavit of transhipper.
3. Ownership must not have changed in Canada.
4. The continuity of the voyage must not be broken for an unreasonable time, and

5. The whole amount named in the invoice must be forwarded for entry.

Though in theory these appear simple, yet in practice they all give rise to inconveniences, and would certainly check the growth of a trade which can be done by other channels—free from any restrictions.

2nd. The construction of the United States tariff laws, which prevents merchants at Montreal and Quebec from competing for trade of the Western States in general merchandize of foreign productions and manufacture, whilst New York can compete in various articles with Montreal and Quebec, in Western Canada.

(See Appendix B, p. 46.)

I would respectfully call the attention of your Committee to the decision of the United States Supreme Court, mentioned therein.

Last year I obtained a portion of a consignment of castor oil, imported into Montreal from Calcutta, and offered it for entry here at the value in Great Britain. In the face of that decision, the only objection offered was, that it must be accompanied by an invoice from Montreal, and that if the invoice showed a higher value than the markets of Great Britain, the duty must be assessed on the value of the invoice.

This was not clear however, and the article was entered during my absence at the London price, on the understanding that it was not to be considered a precedent.

If, in the view of your Committee, taking into consideration the yearly increas-

ing connexion between the Provinces and the Western States of the Union, a trade such as is indicated in Appendix B, p. 46, is likely to ensue were these tariff difficulties removed, I beg to suggest that a case be carried to the Supreme Court at Washington for decision there.

This course has the advantage over applying for the action of the United States Federal Legislature in this, that the Western States of the Union would be in favor of opening up a new purchasing market for foreign merchandise, and in the event of the Supreme Court of the United States deciding that the existing laws permit such trade, the rival interests of New York and Boston would find as great difficulties in getting this privilege to the Western States interfered with as Canada and the Western States combined would meet with in obtaining an alteration of existing laws.

The case would have been tested before had the amounts involved been sufficiently large.

3rdly. The construction of the Reciprocity Treaty by which western cereals and provisions shipped to Canada cannot be re-shipped to the United States. See Appendix A, p. 36.

4. *The Navigation Laws of the United States.*

The importance of obtaining an alteration in the policy of the United States Government on these questions as regards the trade of the inland lakes is shewn by the results of the present trade, and as regards the future its significance may be illustrated thus,

In the event of a ship canal connecting the St. Lawrence with Lake Champlain being made, and a route to New York without any transshipment for the produce of the Western States being opened up, all this trade *must be done in American vessels*, so long as the United States laws requires that "No goods shall be imported under penalty of forfeiture thereof from one port in the United States to another port of the United States in a vessel belonging wholly or in part to a subject of any foreign power." Act of Congress, March 3rd, 1817, sec. 4. See appendix A, with Mr. Guthrie's remarks.

The United States laws do not admit foreign built vessels to registry. And further, even where the vessel is American and sold to a British owner will not allow a re-registry as an American vessel. An owner (who also is master) of one of the finest British sail vessels which trades with this Port finding the difficulties his vessel labored under in this trade, expressed his intention of becoming an American citizen and enrolling his vessel under the American flag. He found, however, that although he would have no difficulty in becoming a citizen himself he could not take his vessel with him.

Appendix C, p. 58, *treats of the difference between the laws of Canada and the United States relating to inland shipping*, and the uncertainty existing as to what laws govern the titles of the inland shipping of Canada.

Lastly. *What remedy is required to place the trade on an equal footing?*

In the foregoing remarks my aim has been to shew the *national disadvantages* under which the Province of Canada labors in her trade with the Western States, especially as regards the development of the advantages and position she possesses in her natural water communication with them.

On the extent of these advantages over the other routes to the Atlantic seaboard and Europe I have not touched.

These have been fully discussed in reports of able engineers and in the published remarks of practical merchants.

Indeed it has seemed to me that *these have been too much relied on as alone*

sufficient for the development of the expected trade, whilst the national position and disadvantages *have been too little considered.*

The protective policy of the United States in her tariff and navigation laws, and her construction of the reciprocity treaty, foster the growth of her inland marine and preserve the trade with the Western States of the Union to her own channels, whilst in that portion of the carrying trade open to the Canadian vessel owner he has to meet the American in competition at all points with the exception of the coasting trade of Canada, and even a portion of that appears in practice to be divided. See pp. 16 and 17.

The remedy lies in the action of the United States.

I am aware of the difficulties which presented themselves in former negotiations previous to the conclusion of the Reciprocity Treaty, but it must be recollected that since those negotiations took place the North-western States of the Union have immensely increased in national importance.

They have found a valuable customer in the Province of Canada, and by the use of the Welland Canal established relations with their own Ports in Lake Ontario which could not otherwise exist.

With the exception of the vessel interest, which is very small in comparison with others, I think that the whole of the North-western States would raise their voice for any fair concessions in international intercourse.

My own observations are necessarily local.

I shall be obliged for suggestions directing attention to any points which your Committee may consider of value.

I have the honor to be, Sir,
Your obedient servant,

J. EDWARD WILKINS.

APPENDIX A.

REMARKS on Navigation Laws, and United States Treasury Circular of 12th February, 1858, requiring Consular Certificates of the origin of Shipments from Canada to the United States.

The construction of the Reciprocity Treaty by the United States Government, which appears to have been received with some surprise in Canada, has for two years past been acted on at this point with regard to the article of Lumber.

Pine logs, the growth of the United States, were floated over to the Canadian shores from Michigan, and cut into lumber in such a way that had the logs been the growth of Canada the lumber would have been admitted free under the Reciprocity Treaty.

This was shipped from Canada to Chicago, and on entry here was charged with a duty of thirty per cent., on the ground that it was not entitled to a free entry as it was not the growth of Canada.

As regards the trade between the primary markets of the Western States and the distributing markets of Canada, of which Montreal is the chief, the practice of grinding into flour wheat brought from the western States, in Montreal or St. Catharines, and sending it to the United States for sale, independently of the effect of diminishing the grist to the mills of the United States distributing markets of Buffalo, Rochester, Oswego, and Ogdensburg, is probably considered as tending to

an indirect violation of the 4th section of the Act of Congress of March 3rd, 1817, intituled, "An Act concerning the navigation of the United States," which enacts that "No goods, &c., shall be imported, under penalty of forfeiture thereof, from "one port in the United States to another port in the United States in a vessel belonging wholly or in part to a subject of any foreign power,"—the basis of the system of "Coasting Laws," especially referred to and advocated by Mr. Secretary Guthrie, in his annual report for 1856, as follows :

"The coasting trade of the United States has from the beginning been strictly reserved for vessels built within the United States, to the exclusion of foreign built and foreign owned vessels." * * * * *

In the protection given to our shipping interest there appears to have been but little division of sentiment from the earliest times to the present, whilst the yearly increase of our tonnage proves the wisdom of our laws in this particular.

Ever since the commencement of the trade the restrictions imposed on British vessels by this law have been found to place them at great disadvantage with United States vessels, and various attempts were made to establish the position that if a transshipment of the goods takes place in Canada, the United States law would not be infringed.

In some cases which arose in the autumn of 1856, the Treasury Department decided that this was an infringement of the law, and made seizures of some wheat, belonging to a United States citizen, that had been shipped from Chicago to Ogdensburg in a British vessel, to be transhipped at Kingston, Canada West.—The wheat was released on the ground that no fraud was intended.

During the season of 1857, as these views were well understood, nothing of the kind occurred at this point, and I did not notice any indication of further action on the part of the United States Government, until the issue of a Treasury circular dated 12th February last, requiring all shipments of merchandize claiming to be entitled to free entry under the Reciprocity Treaty to be accompanied by a Consular certificate "that it is the growth or produce of the Province."*

By a Treasury Circular dated May 2nd, 1855, these certificates had been dispensed with to obviate expense and inconvenience in the intercourse between the British Provinces and the United States under the Reciprocity Treaty.

The object of their renewal, by the circular of 12th February last, is undoubtedly to protect the manufacturing interests of the United States and the carrying trade on their coasts to their own vessels and in their own channel of commerce, as well as for statistical purposes.

It rests with the Canadian Government to decide whether it would be advisable to adopt a like course for similar reasons. See folio 16 and 17.

By reference to the tables forwarded herewith, it will be found that nearly one million bushels of wheat were shipped by vessel from this port alone to Kingston and Montreal during the year 1857.

A settlement of this matter is looked for with interest at this point, although I do not think the full effect of the action of the United States Government is generally comprehended, namely, that it will cut off the North-eastern States as markets for all kinds of produce of the Western States, which collect at Montreal, whether manufactured there or not. It is not because it is manufactured in Canada, but because the wheat is not grown there, that the article of flour is excluded from the terms of the treaty.

I have no means of estimating the extent to which the trade between this lake and Montreal will be prejudiced.

* The words of the Treaty are "growth AND produce." In the form adopted by the United States Treasury Circular, the words growth OR produce are used.

I am informed by a merchant engaged in this trade that the shipments of flour alone, for this year, already amount to forty thousand barrels to Montreal.

None of this can be resold to the United States, the supplies for which have been a considerable item in the trade.

In connexion with this subject it may be noted that one of the advantages of position of Montreal as a market for Western produce is contained in the following extracts from the report of Messrs. Childe, McAlpine and Kirkwood, on the trade and navigation of the St. Lawrence :

“The value of such a water power (Montreal) is enhanced by being located in close contiguity to the dense population along the Atlantic, where the offal has the greatest value.

“A considerable portion of the surplus of the West is required for consumption in the manufacturing districts of New England. * * * The interior of New England can be supplied from Montreal cheaper than from any other direction, and the monopoly of this trade may be counted upon as belonging to this route.”

Under this construction, the mills must grind for home consumption and European export, not for the expected markets of Maine and Newhampshire.

J. E. W.

APPENDIX B.

On Tariff Laws of United States as they affect the Import Trade between Chicago and the Canadian Seaboard.

In the short history of this trade the following fact is noticeable, that whilst the produce of the Western States have to a large extent found their ultimate markets in Great Britain, the amount of European productions imported by that route, and entered for duty at Chicago, though small in 1854, is less in 1855, and still less in 1856, shewing the only retrograde movement in the trade, with the exception of a small quantity of pig iron and salt, (partly coarse Liverpool, and partly Mediterranean.) The imports in British vessels are of the Provincial productions of lumber and fish, (see Table 3).

It was confidently hoped that the result as regards the import trade would have been different, but independently of other reasons, the growth of this trade has been materially checked by a lukewarmness produced amongst merchants of both countries from the operation of the United States Tariff laws as enforced by the Customs authorities at this port under the direction of the United States Treasury Department.

No goods, the production of Great Britain or any foreign country, can be entered as direct importations at any United States port on these lakes, (when brought by way of the St. Lawrence River), unless the following regulations are complied with :

- 1st. It must appear they were intended for a particular port.
- 2nd. Their identity must be traced by affidavit of transshipper.
- 3rd. Ownership must not have changed in Canada.
- 4th. The continuity of the voyage must not be broken for an unreasonable time ; and,
- 5th. The whole amount named in the invoice must be forwarded for entry.

If these regulations be not complied with, it is insisted that the “goods are liable to be assessed on their wholesale value in the principal markets in Canada at

the period of their exportation therefrom." Hence a merchant in Cleveland, Cincinnati, Toledo, Detroit, Milwaukee, or Chicago, six cities, with an aggregate population of 400,000, cannot buy any goods in bond in Montreal or other Canadian market without paying duty on the market value of the article in Canada, whereas, in the markets on the United States seaboard, all articles can be purchased in bond, subject to an *ad valorem* duty on their value in the principal markets of the countries whence last imported.

This disadvantage is the more remarked, as the United States markets have of late attracted the trade of Western Canada from its own seaboard.

Were this Tariff prohibition removed, and the Canadian seaboard markets placed on the same footing as those of New York and Boston, it is thought that the wholesale merchants in Canada could successfully cultivate relations with the western cities above named, which would justify them in increasing their yearly stock of imports, and that they could bid for a share of the western trade by cheaper rates of freight and quicker despatch in forwarding the merchandize. The completion of the Grand Trunk Railway perfects the link of railway communication between the Western States and the Canadian seaboard.

I have endeavored to investigate the real state of the United States Tariff Laws on this point, and find that the remarks on the state of these revenue laws by Mr. Secretary Guthrie, in his annual Treasury Report are very pertinent; they are as follows:

"The Revenue Laws consist of various Acts of Congress commencing with the organization of the Government, with so many amending, repealing, and conflicting provisions that it is difficult to ascertain what is in force, consequently what is the law upon any particular point." A case materially bearing on this subject has been recently reported in the Supreme Court of the United States at Washington. By that case, (*Stairs v. Peaselee*, 18 Howard Reports), it was decided that merchandize, a production of the East Indies only, which was shipped and invoiced from Halifax in Nova Scotia to Boston, United States, must be assessed according to its value in the principal markets of the British dominions*. That it was for the merchant appraisers to decide what these markets were, and that they did right in appraising them at their value in London and Liverpool as the principal markets in Great Britain, and not at Halifax, from which they were brought into the United States.

Also, that the word "country" used in this connexion embraces all the possessions of a foreign state, however widely separated, which are subject to the same SUPREME executive and legislative control.

In this case the value at Halifax was less than that in London and Liverpool.

The principle laid down by Chief Justice Taney in his judgment would seem to cover the converse where goods shipped and invoiced to United States from any port within the British provinces have a higher value than in the principal wholesale market of the British dominions.

Now following this construction, the duty on such articles as pig, bar, Railway iron, crockery, hardware, salt, various manufactures, ale, beer, &c., should be assessed on their value in the largest wholesale market within the British dominions, as Glasgow, Staffordshire, Liverpool, Cardiff, Sheffield, Manchester, Leeds, London, and certainly not on their value in the limited markets of Quebec or Montreal.

The western States of the union would favor any measure which would promote commercial intercourse with the British provinces.

Opposition on the other hand would be met with in New York.

It must be borne in mind that the navigation of the Welland Canal (British owned) by American vessels has permitted a very extensive carrying trade between New York and Boston, and the Western States by way of the United States lake

ports of Ogdensburgh and Oswego to be built up, which could not exist without the use of this canal.

Nevertheless, British Provincial vessels are excluded from any share of this carrying trade by the operation of the United States coasting laws, and the growth of a similar trade from the British seaboard beyond the Provincial boundaries westward is checked as above described.

APPENDIX C.

On the difference between the Laws of Canada and the United States, relating to Inland Shipping, &c. &c., folio 34.

There are many matters relating to the British mercantile marine on the inland water which are not generally understood.

I have been occasionally applied to for advice in matters of title; and here the question has arisen, how far the Imperial Acts are intended to apply to shipping wholly employed in the inland navigation.

I have found that a diversity of opinion was entertained upon this subject.

In a recent case, Sir John Robinson, the Chief Justice of Upper Canada, in delivering judgment, says on this point:*

“It is indeed not as clear as it might have been made whether the statute of 8 and 9 Vic. c. 89, was intended to apply to shipping wholly employed in the inland navigation of our lakes and rivers; but the 20th clause of the 12th and 13th Vic. c. 29, seems to assume that it was so intended, and it appears to have been so understood by our Legislature.”

The above decision also refers to the second part of the Merchants' Shipping Act of 1854, relating to British ships, their ownership, measurement, and registry, which applies to the whole of Her Majesty's dominions.

In the marginal remarks to Return No. 1 for 1856, I mentioned certain inconveniences to which British vessels trading with this lake (Michigan) were subject. These have existed during the past season, and with this addition, that British vessels have been libelled in the United States Courts at this and other ports for claims alleged to be due, accruing in Canada, and in some cases from former owners. Of such cases I will speak more fully in treating of the conflict existing between the laws of the British provinces and the United States regulating their inland shipping. During the two years of my residence here, the settlement of differences between “Masters and Seamen” has been a subject of considerable difficulty.

It is admitted that such questions are much embarrassed by the absence of any colonial enactments bearing hereon: and by the jurisdiction assumed in such cases by the United States Courts, until the last few years, the trade in “British Plantation Vessels” was confined either to their own coasts or to short voyages of a few days' duration between the British ports and those on the United States shores of Lake Ontario. This last season, from one hundred and twenty to one hundred and forty voyages have been made from British ports on Lake Ontario to Chicago, Milwaukee, and Racine on Lake Michigan, a distance of over twelve hundred miles each way, each voyage occupying about six weeks, and the average complement of each vessel being ten sailors.

* Smith v. Brown, U. C., Q. B. Rep., 1856.

I cannot give a correct estimate of the like voyages made to the American ports of Buffalo, Cleveland, Toledo and Detroit, on Lake Erie; but the number must be very considerable. As far as I can ascertain, there is no colonial provision requiring agreements with seamen to be made in writing, such as is enjoined in section 149 of the Merchants' Shipping Act 1854, in foreign-going vessels in the United Kingdom, but the same laws which relate to masters and servants, regulate the relations between masters and seamen; that is, a parol hiring is sufficient. The terms and duration of service where no special agreement is made, being controlled by custom.

This trade is of such a recent date that no custom has been established. I believe in the majority of instances the engagements are intended to last from Lake Ontario to Lake Michigan and back, embracing a period of about six weeks. The consequence is, that, on arrival at a foreign port, disputes arise as to the nature of the contract.

I have known as many as eleven libels or attachments on British vessels in one day issued by Courts of various degrees in this port. By the United States laws, agreements between masters and seamen are required to be in writing in all voyages between one State and another on the inland waters, laying the master under penalty for default; and, in the absence of such agreement, the seaman's testimony is received and wages allowed for services actually performed. In a trade where navigation is closed for five months in the year, despatch to vessels is of the utmost consequence, and masters frequently elect to pay the demands and ship fresh men even at higher rates, than to be subjected to delay and litigation. I have often attended on the trial of these cases in some of the inferior Courts, and pointed out the state of the laws regulating these matters in the British provinces, and contended that, even admitting the jurisdiction, the question should be decided in uniformity with the laws of the country to which the vessel belonged, and where the contract was made, and on similar evidence.

I am confident that these difficulties would be materially abated and justice more often satisfied by an adaptation of those sections of the "Merchants' Shipping Act, 1854," relating to engagements with the crew to such British colonial vessel. Secs. 288, 290 of that Act, seem to have been framed in view of such a case.

These circumstances make the application of the "Merchants' Shipping Act, 1854," by Her Majesty's consuls in these lakes somewhat difficult, *e. g.*, that part of section 109 relating to provisions applicable to colonial ships is stated to *apply to all ships registered in any of Her Majesty's dominions abroad where any of such ships are out of the jurisdiction of their respective Governments, and to the owners, masters, and crews of such ships.*

Amongst the cases there named are, First. Rights to wages and remedies for the recovery thereof.

Second. Shipping and discharge of seamen in foreign ports.

Third. To leaving seamen abroad.

Fourth. Relief of seamen in distress in foreign ports.

As to remedies and wages I have spoken above. Section 160 enacts, that all seamen shall be shipped and discharged in a foreign port before the Consul under a penalty for neglect.

With the exception of that of the "Madeira Pet," the only British foreign-going ship which has ever arrived here, this has in no case been done.

I have pointed out the provision to the masters of vessels, but under existing circumstances have not deemed it advisable to endeavor to force it, for although it would seem to be in conformity with the wording of the Act and with the practice which I understand exists regarding Colonial vessels trading with the seaboard ports of Boston and New York, yet the fact of part of the crew being shipped under

articles from Chicago, and the remainder under a parol engagement from a Canadian port, appears incongruous and contrary to the spirit (though not to the letter) of the proviso contained in section 149. Moreover, in the establishment of this Consulate I have been unwilling to impose any duties which might appear in the light of burdens on the shipping interest, unless clearly defined by the laws, either British or American.

The subject of the relief of seamen in distress ranks properly in this connection.

In close connection with the foregoing there is a subject well worthy of examination, viz. : *The difference in the laws and legal procedure regulating the British and American maritime interests on the inland lakes and the consequence of such difference.*

In the British Provinces the Admiralty Jurisdiction does not extend above tide water, and consequently as there is no Court of Admiralty or other Court competent to give a remedy (in rem.) against the vessels, the proceedings both arising out of the contracts on account of the vessels, and from wrongs committed by them, is only by personal suit against the owners.

In the United States, however, an Admiralty Jurisdiction on the inland lakes has from the earliest times been recognized, and in 1845 Congress enacted

“That the District Courts have the same jurisdiction in matters of contract and tort concerning steamboats and other vessels of twenty tons burthen and upwards, enrolled and licensed for the coasting trade and employed in business of commerce and navigation between ports and places in different States and Territories upon the lakes and navigable waters connecting said lakes, and is now exercised and possessed by the said Courts in cases of like steamboats and other vessels employed in navigation and commerce upon the high seas or tide waters within the Admiralty and maritime jurisdiction of the United States. The maritime laws of the United States, as far as the same is or may be applicable thereto, shall constitute the rule of decision in such suits, in the same manner and to the same extent, and with the same equities as it now does in cases of Admiralty and maritime jurisdiction with the saving of the rights of trial by Jury, and of a concurrent remedy at common law in competent cases.”

And in 1851 the Supreme Court of the United States decided that the Admiralty and maritime jurisdiction granted to the Federal Government by the constitution of the United States is not limited to tide waters but extends to all public navigable lakes and rivers where commerce is carried on between different States or with a foreign nation. Propeller “Genessee Chief” vs. Fitz Hugh et al, 12 Howard, U. S. Rep. 443. In delivering judgment in this case, Chief Justice Taney discussed at length the policy of extending Admiralty jurisdiction to inland waters.

Thus in the United States claims can be enforced in Admiralty with or without a Jury against the vessel itself, or at common law by personal suit against the owner at election of the plaintiff, whilst in the British Provinces the latter remedy only is available.

It is only natural that United States citizens should prefer their own Courts where the choice lies with them, but proceedings against British vessels in the United States Admiralty Courts are becoming frequent where the subject matter of litigation, the evidence and the parties to the suit are all within the jurisdiction of the British Provincial Courts.

For example, in cases of contracts for work, materials, supplies, etc., for which in Canada the contracting parties alone are liable, it has happened that in event of disputes or insolvency opportunity has been watched of libelling the vessel in a foreign port.

In some of these cases the vessel had charged owners subject to the dates of the claims.

Also where a collision takes place between two British vessels, the only remedy in Canada is against the owner of the vessel in default.

The United States laws offer the additional remedy by suit in Admiralty against the ship.

Again, where an American vessel is in default in a collision or injury done to British ship, the only remedy in the Provincial Courts is by personal suit against the owners, who probably do not reside within the jurisdiction.

It is unnecessary for me to enter further into detail here. I am not aware whether this subject has had the attention either of the Imperial or Provincial Governments, but have considered it my duty to state the evils which experience has shown me do exist, and to endeavor to point out some of the causes. For even supposing the most friendly relations to exist between the two countries and admitting that there is no reason why the one should be afraid to trust to the equity of the Courts of the other, it is submitted that inconveniences and confusion must necessarily result where an Admiralty procedure under a Maritime Code is recognized by the one only, especially where the two flags meet in waters British or American, or common to both.

Should Admiralty jurisdiction be extended above tide water, I would suggest that legislation thereon should be as much in uniformity with the Federal Laws of the United States now in force as circumstances permit, unless there are strong reasons to the contrary.

The conflict between the laws of the different States of the American Union, where such exists is fuel to the fire of litigation.

In the above statement I have not given any instances in detail, but I do not think it is asserting too much to say that each port in the British Provinces to which a vessel engaged in this trade belongs can furnish some evidence in corroboration.

J. E. W.

No. 2.
 COMPARATIVE Analytical Table, shewing Exports from Chicago, U. S., to Great Britain and British Provinces, for the year ending 31st December, 1857, in British and American Vessels.

	Wheat.	Corn.	Oats.	Pork.	Flour.	Tallow.	Lard.	Sundries.
British.....	Bus. of 40 lbs. 32742	Bus. of 56 lbs. 20621	Bus. of 32 lbs. 4081	Barrels, 107	Barrels, 414	Lbs. 9250	Lbs. 3050	.....
American	Collingwood, C. W. do	.....	.....	.....	.....	.....	.....	.....
British.....	Port Stanley, do	7803	.....	537	.....	.....	.....	.....
American	do do do	.....	.....	.....	.....	.....	.....	.....
British.....	Welland, do	8548	4008	.....	200	.....	.....	.....
American	do do do	.....	.....	.....	.....	.....	.....	.....
British.....	Thorold, do	.....	.....	.....	.....	.....	.....	.....
American	do do do	.....	.....	.....	.....	.....	.....	.....
British.....	St. Catharines, do	9000	.....	.....	.....	.....	.....	.....
American	do do do	21787	.....	100	.....	.....	.....	.....
British.....	Wellington Square do.	.....	.....	.....	.....	.....	.....	.....
American	do do do	.....	.....	.....	.....	.....	.....	.....
British.....	Hamilton, do	10000	7522	60	150	.....	.....	.....
American	do do do	.....	.....	.....	.....	.....	.....	.....
British.....	Toronto, do	51042	.....	8	.....	.....	.....	.....
American	do do do	.....	.....	.....	.....	.....	.....	.....
British.....	Port Hope, do	.....	.....	.....	.....	.....	.....	.....
American	do do do	.....	.....	.....	.....	.....	.....	.....
British.....	Cobourg, do	13137	.....	.....	.....	.....	.....	.....
American	do do do	.....	.....	.....	.....	.....	.....	.....
British.....	Kingston, do	10240	.....	.....	.....	.....	.....	.....
American	do do do	110220	.....	213	628	8100	.....	.....
British.....	do do do	685245	.....	810	1055	30000	.....	.....
American	Montreal, do	131187	.....	500	8978	24150	.....	.....
British.....	do do do	40090	.....	699	1443	63836	.....	.....
American	Quebec, do	20521	.....	.....	.....	.....	.....	.....
British.....	do do do	.....	.....	.....	.....	.....	.....	.....
American	Liverpool, do	10000	.....	.....	.....	.....	.....	.....
British.....	do do do	.....	.....	.....	.....	.....	.....	.....
British.....	Total	608796	11553	988	9956	32250	.....	.....
American	do	797160	4008	2046	3492	118586	493050	.....
Grand Total.	1305956	513637	15566	8034	13448	145836	493050	.....
Totals reduced to Tons {	152681368	65424368	1841666	1581666	1095306	16366	.....	.....
American {	239141688	78391668	641000	3271666	8941666	561666	.....	.....
British.....	.....	.....	.....	.....	.....	.....	.....	.....
Grand Total in tons .....	.....	.....	.....	.....	.....	.....	.....	.....
Total British in Tons .....	.....	.....	.....	.....	.....	.....	.....	.....
Total American in Tons .....	.....	.....	.....	.....	.....	.....	.....	.....
Grand Total in tons .....	.....	.....	.....	.....	.....	.....	.....	.....
Difference in favor of American ..	.....	.....	.....	.....	.....	.....	.....	.....

194 tons in British. 22,562 in American.

Total British in Tons 28464368
 Total American in Tons 328562000

Grand Total in tons 568091600

Difference in favor of American . 9400300

No. 4.

COMPARATIVE TABLE, shewing Export Trade from Chicago, U. S., to Great Britain and British Provinces, in British and American Vessels, for year ending 31st December, 1857.

	Number of Vessels.	Tonnage.	Value of Cargoes.	Remarks.
American	83	26522	£197911 5s. 6d. sterling.	Tonnage United States measurement.
British.....	101	24103	£188809 0s. 4½d. "	Tonnage British measurement.

(APPENDIX A, No. 2.)

The extent of trade diverted to the sea ports in the United States in 1856 was 6,183,433, against 594,755 tons to sea-ports in Canada.

In that year 4,022,617 tons were transported on the Erie (boat) Canal, against 976,656 tons on the Welland (ship) Canal, of which 625,132 tons were to and from United States ports, against 351,524 tons to and from Canadian ports, leaving only 243,231 tons from Lake Ontario to make up the 594,755 tons passing up and down the St. Lawrence to the sea board through Canada.

The traffic on the New York Central Railways, leading to and from the Lakes was about two millions of tons. No return of the Grand Trunk Railway is at hand to contrast the number of tons between Prescott and Montreal.

During the same year out of 634,536 tons transported on the St. Lawrence (steamboat) Canals only 39,681 tons passed to and from the United States, near 400,000 tons consisted of wood, timber, earth, and minerals, leaving some 200,000 tons of merchandize, and the productions of agriculture, to and from the sea-ports of Montreal and Quebec.

The comparative value of traffic on the New York Canals was \$218,326,362. The value through the Canals in Canada is not given in the Trade and Navigation Return.

The return of toll on the New York Canals was \$2,748,212; on the Canadian Canals, \$304,888,—\$266,420 for the Welland, and \$77,720 for the St. Lawrence.—(Canal Commissioners Report State N. Y., 1858, pages 14 and 231, and Trade and Navigation Returns 1856, page 218.)

APPENDIX A, No. 3.)

COMPARATIVE statement of the number of emigrants arrived at Quebec from the year 1844 to 1850, both inclusive.

WHENCE.	1844	1845	1846	1847	1848	1849	1850
England and Wales	7698	8833	9163	28725	6034	8980	9887
Ireland	9993	14208	21049	50360	16582	23126	17976
Scotland	2234	2174	1645	3628	3086	4984	2379
Lower Ports	217	160			842	968	701
	20142	25375	31857	82713	26544	38058	31443
Countries of Europe.....			896	7437	1395	436	849
Grand Total	20142	25375	32753	90150	27939	38494	32292

A. C. BUCHANAN,
Chief Agent.

Government Emigration Office,
Quebec, 23rd June, 1858.

Letter from the Secretary of State referred to the Committee on Commerce, May 3, 1852, page 35, gives the number of emigrants arriving at New York in 1851, at 331,276.

W. E. GRIFFITH,
Clerk to Committee.

(APPENDIX A, No. 4.)

REPORT of Mr. McAlpine, State Engineer and Surveyor, February 9, 1854.

In an investigation of the comparative advantages of the several channels of communication between the interior and the sea board, charges cannot be relied upon, because they fluctuate on the various routes and on the different articles conveyed; competition reducing them to a minimum, and monopoly raising them to a maximum. The cost, however, furnishes a more reliable basis, as the elements on which it depends are usually effected alike on the different routes.

The cost may be assumed at about two-thirds of the charges, and are as follows:

TABLE of the Cost of Transport per ton per mile.

Ocean long voyage	1 mill.
“ short “	2 to 4 mills.
Lakes long “	2 “
“ short “	3 to 4 “
Rivers Hudson and of similar character.....	2, 5 “
“ St. Lawrence and Mississippi	3 “
“ Tributaries of Mississippi.....	5 to 10 “
Canals, Erie enlargement	4 “
“ Other large, but shorter.....	5 to 6 “
“ Ordinary size.....	5 “
“ “ “ with great lockage.....	6 to 8 “
Railroads transporting coal.....	6 to 10 “
“ not for coal, favorable lines and grades..	12, 5 “
“ “ steep grades, &c.....	15 to 20 “

OFFICE OF THE BOARD OF TRADE,
Toronto, 21st June, 1858.

Hon. W. H. Merritt,

SIR,—In reply to the following series of questions put to me by the Clerk of the Committee on Home and Foreign Trade, I beg to submit the answers annexed :

Question. As to what was the lowest price of wheat per ton and barrel of flour between Toronto and Quebec, by Railway and Canal, for 1857?

Answer. Freights between Toronto and Quebec vary according to the kind of goods carried and the season, as for example—pig iron is frequently taken from Quebec in the dull season at a merely nominal rate, while other merchandize pays from 20s. @ 40s. ₤ ton; the average of goods would probably be about 25s. @ 27s. 6d.

1. Flour 1s. 6d. @ 1s. 9d. ₤ bbl., and wheat 7½d ₤ bus. by River.
2. From Lake Erie to Quebec, flour 2s., wheat 9d.
3. From Toronto to New York, flour 2s. 5d., wheat 9d.

Having no certain knowledge of the railway freights, I cannot quote them, nor do I know the rate of ocean freights from Quebec, Boston, or Portland.—Relative to the proportionate value of the trade of the Canadian and New York Canals, there being no returns from the former, I am unable to give them, but the Erie Canal brought to Buffalo merchandize to the value of \$46,627,526, and took

produce away, in value \$16,956,740, amounting to 120,645 tons going east, and bringing up 76,316 tons of merchandize.

I may remark that freights this year are about 20 per cent. lower than last year, both in the States and Canada.

I have the honor to be,

Sir,

Your obedient servant,

CHAS. ROBERTSON,

Secretary.

TORONTO, 29th June, 1858.

SIR,—In reply to your enquiries for sundry statistics, connected with the Canadian Home and Foreign Trade, I herewith enclose the necessary replies, in a tabular form, with a few remarks in reference to this important subject.

I would have answered the communication sooner, but having been engaged in preparing a report on other matters required by the Committee on Public Accounts, I was unable to give immediate attention to your communication of the 17th instant.

According to the Canal Commissioners' Report for the State of New York for 1857, more than 4,000,000 tons of merchandize passed upwards and downwards in 1856, whereas the amount of tonnage, including 715,000 tonnage of passenger steamers, that passed through the St. Lawrence Canals in the same year was not 1,500,000, or about two-thirds less than the Erie Canal. The Trade and Navigation returns for this year indicate a decrease of about 65,000 tons.

For further information and the latest statistics I would refer the Honorable Chairman to my letter of 1857, addressed to John B. Robinson, Esq., M. P. P., and the Reports on the Toronto and Georgian Bay Ship Canal, recently published.

I have the honor to remain,

Your obedient servant,

KIVAS TULLY,

Civil Engineer.

W. E. Griffith, Esquire,

Clerk to the Committee, on Home and Foreign Trade,

Toronto.

STATEMENT of the relative capacity, cost of transportation, &c., by Quebec and New York to Liverpool.

St. Lawrence Canals.

Length.	Width at water line.	Depth.	Remarks.
68½ miles.	120 ft.—Cornwall 150 ft.	10 ft.	See Board of Works Report, 1857.

DIMENSIONS OF THE LOCKS.

Length between gates.	Width.	Depth on mitre.	Size of vessels that can pass the Locks.
200 ft.	45 ft.—Cornwall 55 ft.	9 ft.	185+44+9 or 800 tons burden.

Capacity has never been estimated.

Erie Canal, enlarged, (nearly completed.)

Length.	Width at water line.	Depth.	Remarks.
350 miles.	70 ft.	7 ft.	See Engineer's Report, State N. York, 1855.

DIMENSIONS OF THE LOCKS.

Length between gates.	Width.	Depth on mitre.	Size of vessels that can pass the Locks.
110 ft.	19 ft.	5 ft.	100+17+5. or 200 tons burden.

Capacity of enlarged canal, 7,000,000 tons.

The cost of transportation, according to the estimates of the latest Reports, are—

By Canal.....	8 mills, per ton, per mile.
“ River.....	5 “ “ “
“ Lake.....	3 “ “ “
The ocean freight is estimated at....	1½ “ “ “

The estimated cost of 1 ton of merchandize from Chicago to Liverpool, *via* the Lakes and River St. Lawrence, according to the present capacity of the Canals, is..... \$ 8½

Do.	do.	By the Erie Canal and New York.....	11
Do.	do.	By Oswego, “	10

KIVAS TULLY,
Civil Engineer.

Toronto, 29th June, 1858.

TORONTO, 15th July, 1858.

DEAR SIR,—I am engaged in the purchase and shipment of wheat and flour in Canada.

The rate of freight on a bushel of wheat hence to New York, via Oswego, is as follows :

Toronto to Oswego, say 140 miles	\$0.2½
Oswego to Albany, by Canal, 209 miles, and from Albany to New York, by Hudson River, 150 miles (no reshipment at Albany)	0.7½
	————— \$0.10
On a barrel of flour, as above, viz :	
Toronto to Oswego	0.10
Oswego to New York, Canal and Hudson River	0.28
	————— 0.38
Freight hence to Montreal :	
On a bushel of wheat, is	0.06
On a barrel of flour	0.18

Toll charged on a barrel of flour :

Oswego to Albany is at the rate of 2 mills per 1000 lbs. per mile, or 9 cts. per barrel.

On wheat same rate, or $2\frac{1}{2}$ cts. per bushel.

The above rates of freight are current now, and are lower than have ever obtained before, occasionally a small abatement from these even is made.

Your obedient servant,

Hon. W. H. Merritt, M.P.P.,
Toronto.

P. BUNDY.

The opinion of W. Kenningham, Esq., a merchant of Chicago and a passenger on the "Dean Richmond," as to the relative prices of freight between Chicago and Montreal, and between Chicago and New York, thence by ocean to Liverpool, was published in the "London Times" on the 3rd November, 1856, and which give the following result, viz :

	Per bushel.	Per quarter.	No. of days.
The prices of freight from Chicago to New York are found to be.....	£0 1 5 $\frac{1}{2}$	£0 11 8	37
From Chicago to Montreal	0 0 11 $\frac{1}{4}$	0 7 6	26
Showing a gain from the interior of.....	£0 0 6 $\frac{1}{2}$	£0 4 2	11
And a saving of time through Canada of 11 days.			

While there was a loss in prices of ocean freights of $4\frac{1}{2}$ d. per bushel and 3s. per quarter, although a gain in time of seven days.

COUNCIL ROOM, QUEBEC BOARD OF TRADE,
30th June, 1858.

SIR,—I have to acknowledge your letter, dated the 17th instant, making certain inquiries, by desire of the Chairman of the Committee on Home and Foreign trade, relative to the rates of freight inland and seaward, to and from several Canadian and United States ports, and other matters, in the year 1857; also respecting the operation on the coast and shipping interest under the treaty of 1854.

The extensive information called for, I regret to say, is not attainable here; I can, therefore, only offer in reply the annexed brief statement of the rates of freight, or rather of the average rates for this port.

With respect to the treaty of 1854, it may be said that Quebec being more distant than other ports from inland navigation intercourse, does not afford a good criterion for judging of its "practical operation on the coast and shipping interest," and the published returns of "Trade and Navigation, for the year 1857, presented to both Houses of Parliament," have in several instances been found so incorrect, especially the "Tonnage by Inland Navigation between Canada and the United States" (No. 28), as respects this port, that no reliance can be placed upon them. It may, however, be remarked that had the reciprocity under the treaty included "new ships," the Port of Quebec, where that branch of Canadian industry is carried on to a great extent, would, it is believed, have largely benefitted by it.

I have the honor to be,

Sir,

Your obedient servant,

JOHN BRUCE,

Secretary.

To W. E. Griffith, Esq.,
Clerk Committee on Home and Foreign Trade,
Legislative Assembly.

 PORT OF QUEBEC—FREIGHTS IN 1857.
Up Freight by Steamers.

From Quebec to Toronto and Ports on Lake Ontario	20s. or \$4.00 per gross ton.
From Quebec to Ports on Lake Erie ..	25s. " 5.00 " "

Down Freight by Steamers.

From Ports on Lake Ontario to Quebec, per barrel	1s. 6d. or \$0.30
From Ports on Lake Erie "	2s. 0d. " 0.40

Up Freight by Schooners.

From Quebec to Ports on Lake Ontario.....	\$3.00 per gross ton.
From Quebec to Ports on Lake Erie	3.50

Down Freight by Schooners.

From Ports on Lake Ontario to Quebec, per barrel	1s. to 1s. 3d. } According
From Ports on Lake Erie " " " " " " }	1s. to 1s. 6d. } to lateness
	of season.

From Quebec to Liverpool, Timber	27s. to 34s.
Do. do. Deals	£4 to £4 5s.

The export of grain and flour from Quebec is so limited in extent, indeed of the latter it is mostly for filling up or poop freight, that the rates occasionally paid cannot be given as a rule.

From Liverpool to Quebec	8s. 6d. to 17s. 6d. per ton.
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(APPENDIX A, No. 5.)

COMPARATIVE length of the Canals.

Erie Canal, connecting Lake Erie via Buffalo with the River Hudson,	352 miles.
Welland Canal, connecting Lake Erie with Ontario,	28
St. Lawrence, connecting Lake Ontario with the Ocean,	44
	— 72
Difference between Lakes Erie and the Atlantic in favor of the St. Lawrence	280 miles.
The Oswego Canal connecting Lake Ontario with the Erie Canal at Syracuse	36
Thence to Albany.....	134
	— 170
The St. Lawrence Canals to tide water	44
Difference between Lake Ontario and the Atlantic, via St. Lawrence	126 miles.

DIMENSIONS.

Erie Canal Locks, after enlargement,.....	110 × 17 × 7 feet water.	
Welland Canal	150 × 26.6 × 10.6	"
St. Lawrence.....	200 × 45.0 × 9.0	"

CAPACITY.

The capacity of the Erie Canal, before its enlargement with locks of 90 × 15 × 4 feet, was 4,116,082 tons. When enlarged, it is estimated by J. L. McAlpine, Esquire, at 7 millions of tons.

The capacity of the Welland Canal may be estimated from the same dimensions, at least 12 million tons; the St. Lawrence Canal at double; and when the channel of the St. Lawrence is deepened to 12 feet water, the capacity of the water communications through Canada from Lake Ontario to the ocean will be unlimited.

RAILROADS.

The following is the cost of transporting coal on roads of various grades, exclusive of drawbacks, or of interest on capital, and the capacity of the road: (Report of the Pennsylvania and Reading Railroad Company, 1856, page 68.)

Level roads, average net load 437.2 tons.

Capacity, 4,000,000 tons.	No. of trains, 9,149.	Cost per ton per mile,	$\frac{65}{100}$ c.
2nd do. 2,000,000 "	" " 4,574	" "	$\frac{92}{100}$ "
$\frac{1}{4}$ do. 1,000,000 "	" " 2,287	" "	$\frac{75}{100}$ "

Grades of 22 feet per mile, net load 233.5 tons.

Capacity, 2,113,449 tons.	No. of trains, 9,149.	Cost per ton per mile,	$\frac{99}{100}$ c.
$\frac{1}{2}$ do. 1,056,724 "	" " 4,574	" "	$\frac{92}{100}$ "
$\frac{1}{4}$ do. 528,362 "	" " 2,287	" "	$\frac{104}{100}$ "

Grades of 25 feet per mile, net load 205.7 tons.

Capacity, 1,881,951 tons.	No. of trains, 9,149.	Cost per ton per mile,	$\frac{75}{100}$ c.
$\frac{1}{2}$ do. 940,975 "	" " 4,574	" "	$\frac{92}{100}$ "
$\frac{1}{4}$ do. 470,488 "	" " 2,287	" "	$\frac{110}{100}$ "

Grades of 50 feet per mile, net loads 128.8 tons.

Capacity, 1,178,392 tons.	No. of trains, 9,149.	Cost per ton per mile,	$\frac{131}{100}$ c.
$\frac{1}{2}$ do. 539,196 "	" " 4,574	" "	$\frac{142}{100}$ "
$\frac{1}{4}$ do. 294,598 "	" " 2,287	" "	$\frac{164}{100}$ "

Grades of 55 feet per mile, net loads 109.1 tons.

Capacity, 1,089,646 tons.	No. of trains, 9,149.	Cost per ton per mile,	$\frac{133}{100}$ c.
$\frac{1}{2}$ do. 544,823 "	" " 4,574	" "	$\frac{150}{100}$ "
$\frac{1}{4}$ do. 272,411 "	" " 2,287	" "	$\frac{173}{100}$ "

The grades descend in the direction of the trade, except $1\frac{7}{10}$ miles in passing the summit between the Schuylkill and Delaware, on which distance there is an extreme grade of $38\frac{4}{10}$ feet per mile against the trade.

The cost of transportation on the Erie Canal is 5 mills per ton per mile; upon the Central Railroad, 19 mills per ton per mile; and on the New York and Erie 13 mills; the charges for the transportation, including tolls on the Canals in 1853, averaged one cent and one mill per ton per mile. The charges on the Central Railroad averaged 4 cents and 4 mills per ton per mile; and on the N. Y. and Erie, 2 cents and 4 mills. (Report of Mr. McAlpine, State Engineer and Surveyor of New York, 9th February, 1854, page 28.)

COMPARATIVE prices of traffic between Lake Erie and New York, *via* the New York Central and Welland Railway.

300 miles at	1½ cents cost.	
	1 cent profit.	
<hr/>		
By Railway at	2½ cents per ton per mile	\$7.50
150 miles at	5 cents cost.	
	2 cents profit.	
<hr/>		
By the North River	7 cents per ton per mile	1.05
Two transshipments at Buffalo and Albany at	10 cents	0.20
<hr/>		
450 miles at	per ton	\$8.75
	25 miles Welland Railway.	
	36 " Oswego "	
	81 " Albany "	
<hr/>		
Railway, 142 miles, at	1½ cents cost and 1 cent profit ...	\$3.55
North River, 150 miles, at	7 cents per ton per mile	1.05
118 miles Lake Ontario, at	2½ mills cost and 1 mill profit	0.41
Four transshipments, Lake Erie, Oswego, & Albany, at	10 c.	0.40
150 miles North River, at	7 mills per ton per mile	1.05
		<hr/>
		6.46
<hr/>		
Difference in favor of Welland Railway		\$2.29

AVERAGE speed of freight trains on the following railroads, taken from the Annual Report of the Railroad Commission of the State of New York.

Page 1, New York Central Railroad	12 miles per hour.
" 230, New York and Erie "	7 "
" 709, Ogdensburgh Northern "	8 "
" 107, Waterdown and Rome "	12 "
" 161, Oswego and Syracuse "	12 "

An account of the cost of loading and unloading have been kept at the Dunkirk Station, on the New York and Erie Railroads, from which it appears the expense is found to be nearly seven cents per ton. (Report Erie Canal Commissioner, State of New York, for 1855, page 91.)

APPENDIX A, No. 6.

TABLE shewing the comparative Distance, Cost and Time occupied in transporting a Ton of Goods between Liverpool and Chicago by way of the St. Lawrence, and by the River Hudson.

From	To	Distance.	Mode of Transit.	Cost per Ton per Mile.		Toll.	Total charges per Ton.	Relative speed per mile, per hour.	Time.	
				¢	m.				Days.	Hours.
Liverpool ...	Quebec	2500	Ocean...	0.1	..	..	2.50	12	8	16
Quebec	Chicago	1000	Railway.	3.0	..	..	30.00	20	2	2
<i>Via Quebec.....</i>		3500	....	..	..	..	32.50	..	10	18
By Ocean and Railway.										
Liverpool ...	New York...	3000	Ocean ..	0.1	..	..	3.00	12	10	10
New York...	Chicago.....	1000	Railway.	3.0	..	..	30.00	20	2	2
<i>Via New York.....</i>		4000	....	..	..	..	33.00	..	12	12
By Ocean and Railway.										
Liverpool ...	Quebec	2500	Ocean ..	0.1	..	..	2.50	12	8	16
Quebec	Prescott	270	Railway	3.0	..	..	8.16	20	..	13½
Prescott	Welland R.R.	250	Lake ...	0.2½	..	..	0.62	10	..	21
Port Dal-	Port Colborne	25	Railway.	3.0	..	..	0.75	20	..	1½
housie	Terminus..									
Welland Rail-	Chicago	1000	Lake ...	0.2½	..	..	2.50	10	4	4
way Terminus	Chicago	1000	Lake ...	0.2½	..	..	2.50	10	4	4
<i>Via Quebec.....</i>		4045	....	..	..	..	14.47	..	14	7
By Ocean, Lake and R.R.										
Liverpool ...	New York...	3000	Ocean ..	0.1	..	..	3.00	12	10	10
New York...	Albany	150	River ..	0.8	..	..	1.20	5	1	6
Albany	Lake Erie ...	300	Railway.	3.0	..	..	9.00	20	..	15
.....	Chicago	1000	Lake ...	0.2½	..	..	2.50	10	4	4
<i>Via New York.....</i>		4450	....	..	..	..	15.70	..	16	11
By Ocean, Lake, and R.R.										
Liverpool ...	Quebec	2500	Ocean ..	0.1	..	..	2.50	12	8	16
Quebec	Montreal	180	River...	0.5	..	..	0.90	5	1	12
Montreal ...	Prescott.....	44	Canal ..	0.8	1	..	0.39	5	..	9
Prescott	Welland R.R.	250	Lake ...	0.2½	..	..	0.62	10	1	7
Welland R.R.	Lake Erie ...	25	Railway.	3.0	..	..	0.75	20	..	1½
Lake Erie...	Chicago	1000	Lake ...	0.2½	..	..	2.50	10	4	4
<i>Via Quebec.....</i>		3999	....	..	..	..	7.66	..	16	1
By Ocean, Canal, and Lake.										
Liverpool ...	New York...	3000	Ocean ..	0.1	..	..	3.00	12	10	10
New York...	Albany	150	River...	0.7	..	..	1.05	5	1	6
Albany	Buffalo	352	Canal ..	0.8	1	..	3.16	3	4	18
Buffalo	Chicago	1000	Lake ...	0.2½	..	..	2.50	10	4	4
<i>Via New York.....</i>		4502	....	..	..	..	9.71	..	20	14
By Ocean, Canal, and Lake.										

(APPENDIX A, No. 7.)

Evidence of C. D. Pierce, formerly Captain of the "Dean Richmond."

1. Are you acquainted with the navigation of the lakes, rivers, canals, and the Atlantic between Chicago and Liverpool?—I am. I have been sailing on the lakes and on the Atlantic for the last twelve years. I commanded a vessel during ten years in the lake trade, between Chicago and Quebec, and two years on the Atlantic, between Chicago and Liverpool, making the first voyage in 1856.

2. Can you give any particulars of the voyage?—Yes; we kept a regular log, which was published in the "London Times." We left Chicago on the 17th July, arriving in Liverpool on the 17th September following.

				Miles.
We were	2	days in Milwaukie,	shipping cargo.	
"	10	days and 2	hours to Port Colborne, Welland Canal	1,000
"	3	"	15 " passing the Welland Canal.....	28
"	6	"	0 " to Prescott.....	250
"	6	"	3 " through the St. Lawrence Canal to Montreal.....	110
"	1	"	5 " to Quebec (towing)	180
<hr/>				
Making	29	"	1 " in a distance of	1,568
	6	"	4 " at Quebec for repairs.	
	27	"	0 " to Liverpool.....	2,500
<hr/>				
				4,068

3. What was the cause of detention of six days between Prescott and Montreal?—It arose from the depth of water in the St. Lawrence Canals. Her draught was 9 feet 6 inches from Chicago through the Welland Canal to Dickinson's Landing, where we had to lighten to less than 9 feet, which detained us two days. We were also detained two days in the Beauharnois Canal, where the level was still less than in the Cornwall, and one day in the Lachine Canal, arising from the level being drawn down by mills.

4. What is the expense of lightening through the canals?—It averages about \$250 for each vessel on her downward trip when they draw 10 feet. The Welland Canal admits vessels of 10 feet 6 inches.

5. What number of vessels are making the direct voyage in the lake trade this year?—Fourteen, they average 380 tons; nine of which are under my direction.

6. What channel did you take at the outlet of the Gulf of St. Lawrence?—I went out by the Straits of Belle Isle with the "Dean Richmond" and sold her in England in 1856. Passed out by the channel of St. Pauls with the "Kershaw" in 1857, and through the Gut of Canso on her return.

7. What time did you leave Liverpool in the Kershaw?—I left on the 30th September; met a gale of wind and ran into Falmouth. Left that Port 16th October, and arrived at Quebec 1st December, making the last trip for the season.

8. Did you meet with any difficulty in the navigation of the Gulf?—Not the slightest. The charts of Captain Bayfield are so perfect that any competent mariner may take a vessel out or in without the aid of a pilot.

9. How do you account for the high rates of insurance from the Atlantic to and from Quebec?—It arises from the number of vessels formerly running ashore without sounding, which has led to erroneous impressions. There is no reason why the Insurance should be higher than to the Ports of New York, Boston or Portland.

10. What would be a remunerative price per bushel of wheat or corn of 60 lbs. between Chicago and Liverpool, and per ton of merchandise returning?—

Grain 60 lbs. per bushel net \$10, and ton of merchandise returning about \$8; freights being extremely low.

11. What description of steamer should be employed to make up a daily line between Liverpool and Quebec, and what time would they occupy?—Not less than 2,000 tons, which at 10 miles per hour, would occupy about 10 days and 10 hours.

12. What tonnage of steamer will pass the St. Lawrence Canals?—A steamer will convey a cargo of 1,000 tons up to Port Dalhousie, provided the St. Lawrence Canals alluded to were deepened to 10 feet 6 inches water.

13. What size propeller will pass up the Welland Canal?—One of about 360 tons, and which would convey 12,000 bushels of wheat.

14. What size propeller would be most profitably employed between the Welland Canal and Chicago?—About the same as on the St. Lawrence, 1,000 tons.

15. Supposing a daily line of steamers of 2,000 tons placed on the route between Quebec and Liverpool, in connection with a continuous line to Chicago, would they obtain full freights?—Yes; for a period of 200 days, the supply furnished by the Western States would be ample; the transshipment by elevators serves to benefit grain; the voyage would be reduced to at most 20 days. The purchasers of grain could draw from Chicago on Liverpool direct at 30 days, paying first cost only, say 50 cents per bushel, leaving the freight, about 30 cents, to be paid in Liverpool on delivery, requiring less capital in the trade, at the same time this daily line would not interfere with the ordinary business of the port inasmuch as seven steamers of 1,000 tons burthen can navigate the ocean with perfect safety and with equal economy; so that it would only require the deepening of the Canals to open a direct trade via the Welland Canal and Railway to all parts of Europe, and at the same time admit of a different class of sailing vessels to ply on the said route.

16. Have you any doubt on your mind, that if the same sums of money were annually paid by the Imperial and Canadian Governments for conveying the mails (or for any other object) to Quebec as to New York, individuals would offer a sufficient number of steamers to make up a daily line immediately?—Not the least; if the boats are of sufficient dimensions and power, because they have less ocean distances, can carry passengers, light freight, and emigrants, at *less cost* and in a *shorter time* to Quebec than to New York.

17. Have you any suggestion to make which would increase the trade through the Welland and St. Lawrence Canals?—Yes; the reduction of tolls on timber, lumber, staves, and other articles. The principal articles of export from the Upper Lakes to England at present are the best kind of walnut, cherry, and other boards, staves, and timber. These do not pass the St. Lawrence Canals, but are generally rafted down the river; for if conveyed in a vessel, are subject to tolls, both on the Welland and St. Lawrence Canals. Thus the tolls on one ton of wheat, valued at 80 cents per bushel, or \$29.60 per ton, pays 30 cents toll, whereas I have estimated that a thousand staves at \$20 pay \$1.50 per 1,000 for toll.

18. Do you think the removal of the bars in the rapids between lakes St. Francis and St. Lewis would repay the cost?—Yes; by Maillefert and Raesloff's report, less than one million of dollars each will give twelve feet of water from Lake Ontario to tide water, the most important improvement yet undertaken.

19. When the St. Lawrence canals become deepened, and when the Welland Canal is enlarged, will it, in your judgment, be the means of lessening the traffic over the Welland Railway?—No; because the Welland Railway is only twenty-five miles long, with a descending grade in the direction of the trade, and from the facility and cheapness with which all descriptions of freight adapted for railways can be

conveyed between lakes Erie and Ontario for the traffic east and west; it must always command full freight, it being the shortest land transit between Liverpool and Chicago.

20. Do you think the estimate of transportation mentioned in statement A is correct?—Yes.

21. What are the highest and lowest relative prices of freight paid between Cleveland, New York, and Montreal?—Prices of wheat are variable. in the summer season wheat is conveyed to New York for from 15 to 20 cents, and during the spring and fall from 25 to 35 cents per bushel, and to Quebec for from 10 to 20, and from 15 to 20 cents, making a difference of 50 per cent. to the two ports.

(APPENDIX A, No. 8.)

Evidence of Thomas Worthington, Esq., Inspector of Ports for Upper Canada.

22. Explain to the Committee the mode of intercourse prior to 1856, between Canada and the United States, relative to the exportation of wheat and flour?—By an Act passed by the Legislative Assembly in 1847. 10 to 11 Vict., cap. 31, sect. 27 and 72, pp. 31 and 41. It shall be lawful for the importer of any wheat, maize, or other grain to grind and pack the same in bond; providing such grinding and packing be done and conducted under such regulations and restrictions as the Governor in Council shall, from time to time, make for this purpose; and the said regulations may extend to the substitution of beef and pork, flour and meal, in quantities equivalent to the produce of such cattle and swine, maize or other grain, 72, 41, page 63, sect. 8 and 9 of regulations, 30th March, 1850. In the packing of flour ground from wheat imported from the United States, the Governor in Council permitted barrels to be imported free also from the United States as in the case at Fort Erie.

23. What is the practice now relative to similar importations and exportations?—The Customs practice in Canada is so far changed as to dispense with bonds, &c., as before provided. The Reciprocity Treaty being viewed generally by the Customs officers in charge of ports as confirmatory of more than all the privileges indicated by the Legislative enactments of 10 and 11 Vic., &c., and as permanently settling the question of a free and unrestricted international interchange in beef, pork, flour, meal, lumber, &c. It being generally understood and allowed that any or all of these articles could be exported or imported for conversion into flour, meal, pork, &c., and either taken back as the actual product, or the same substituted in weight or quantity within a given time; not only is our Customs practice here unchanged in this respect, but our customs have in some cases extended it to wool, viz.: in carding and looming, and also to hay; the United States Treasury have of late narrowed their own interpretation, as once entertained of the Reciprocity Treaty; see document as per margin; see 929, page 504, clapboard; see 930, page 504, conversion of ; see 934 page 505, shingle, both split; see 396, page 505, "growth or produce."

24. How do you construe the 3rd article of the treaty of 1854 between the United States and Canada?—This article of the Reciprocity Treaty has always appeared to me to have been previously intended to cover fairly all the products of the field and forest, such as wheat, corn, barley, rye and oats, ground and unground, including horse feed, shorts, bran and hay; saw logs, squared timber, lumber, clapboards, railway ties, and shingle bolts; in this construction I know I am borne out by the majority of the customs officers in our service.

25. Have not consuls or agents been appointed lately?—Yes; but I have not been able to obtain full information as to all the appointments made; the following Ports of Entry, in Canada, I know are supplied, viz., Toronto, Whitby, Oshawa, Darlington and Newcastle; Collingwood, Oakville, Hamilton, Clifton, Chippewa, Dover, Rowan, Bruce, Port Stanley, Chatham, Windsor, Sarnia, and Goderich, and judging from the foregoing Ports, I should infer that altogether there must be over fifty Consular Agents in Canada West.

26. When were these appointments made?—Since February last the circular for the Consular General of the United States for British North American Provinces was issued on the 28th July of the present year, and dated from Montreal, directing Consular Agents to prevent detention at the frontier ports, and to notify shippers of certain regulations of the Treasury Department of the United States. This information had been already communicated to the public by posters, &c., under the signature of Mr. Brydges, about two years since, and every precaution was taken that could possibly be devised by the Canadian Customs, as well as by the United States Customs, to insure correct returns of exports from Canada.

27. Under what circumstances did this change come into operation. —The 1st and 2nd sections of the Consular General's circular refers to the Treasury regulations of 1857, Nos. 203, 204, 206, 207, 209, 281, 287, 706, 707, and 710, but these have reference almost exclusively to articles paying duty, and not to goods free by treaty (see 287, 706, and 707), while the 3rd section refers to articles of the produce of the United States exported to the British North American Provinces, and returned to the United States in the same condition as when exported, claiming to be entered free of duty, &c., and reference is here made to Nos. 242, 246, 286, 293, and 936, in support of this view: none of which however bear upon the question, excepting 930 and 936, these having special reference to the Reciprocity Treaty: it is worthy of note that in 936 we have the words "growth or produce" twice quoted, and not growth and produce. Regarding the 4th section of this circular, "merchandize the value of \$100 and upwards, claiming exemption from duty under the Reciprocity Treaty, pays a fee of \$2. This impost is not justified by any law of the United States, and it is in direct violation of the Reciprocity Treaty. Goods free under this treaty cannot be made subject to any oath before a magistrate, nor is it competent for any Consular Agent to exact a fee legally (see regulation, 922). This regulation has only reference to foreign owners of goods, the produce of Canada, and not to the United States purchaser; upon reading the heading of No. 278, "Foreign owner's oath, where goods have been actually purchased, to be taken before a Consular Officer of the United States in the British Provinces," it is observable that the "Consular General" constructs his "regulation" on this heading, rather than upon the form itself, (see pp. 498, 499,) and which most distinctly alludes to the owner, discounts, bounties and drawbacks, none of which can apply to goods free under the Reciprocity Treaty. Public feeling generally is against the assumption set up by the United States Consular General for British North America, both in the United States and Canada, and some able communications condemnatory thereof have appeared upon this question, through the public press (p. 1, 2, 3).

28. What fees are charged by the Consular Agents, and who participates in them?—The fee of \$2 is charged, one half of which, I understand, goes into the pocket of the agent, and the remainder is transmitted to the Consular General. (See papers herewith.)

(APPENDIX A, No. 9.)

TORONTO EXCHANGE, 9th July, 1858.

To the Hon. W. H. Merritt,

Chairman of the Committee on Commerce.

DEAR SIR,—

We have had occasion to ship a considerable quantity of split peas to New York, and until recently they were admitted "as Free" under the Treaty of Reciprocity. During the last season, however, in consequence of instructions from Washington, the collectors on the frontier have demanded the payment of duty, on the ground that split peas are not specially enumerated in the list of exemptions. We are aware that split peas are not specially referred to in the Treaty, but we believe that peas and pease-meal are exempt, and we cannot see why the intermediate manufacture, by splitting, should offend the spirit of the Act, and induce the imposition of a duty, where we think none was ever contemplated, by those who framed the Act. Should your Committee concur with us in this opinion, we would respectfully beg your attention to the matter, as the present illiberal construction of the Act, by the American authorities, in this and other instances which are now engaging your attention are militating most injuriously against the commerce of the country.

We are, dear Sir,

Very respectfully,

Your obedient servants,

JAMES BROWNE, JR., & Co.

(APPENDIX A, No. 10.)

To the Honorable the Legislative Assembly of Canada in Parliament Assembled.

The Petition of the Board of Trade of Toronto, respectfully sheweth:—

That whereas nature has endowed this Province with a magnificent highway to the ocean, through the Lakes and the River St. Lawrence, capable of bearing for coming ages the teeming produce of its rich soil to supply the wants of the manufacturing and consuming population of the countries of Europe.

And whereas the port of Quebec is 500 miles nearer to Liverpool than the Port of New York, and produce is now being brought from Chicago and the north-western lakes by means of the facilities to navigation already existing in Canada at a cheaper and more expeditious rate than it can reach New York from the same points, and only requires a corresponding rate of ocean freights from Quebec to compete successfully with the export trade from New York to England.

And whereas the commercial, manufacturing and shipping interests of the Province are depressed and in a languishing condition, our Public Works on the St. Lawrence being all but idle, and the public debt of the country rapidly increasing without any prospect of the expenditure being diminished, under which circumstances it becomes imperative on the Legislature to provide some remedy for our present anomalous condition.

Therefore your petitioners respectfully pray Your Honorable House would appoint a Committee to investigate the cause, and if possible provide some measure by which the present distress in commerce may be alleviated and the natural advantages of the Province be realized.

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

THOS. CLARKSON,

President.

CHARLES ROBERTSON, Secretary.

Toronto, 8th June, 1858.

