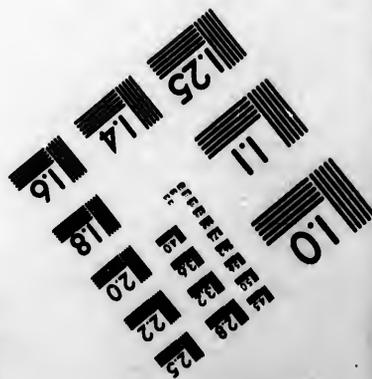
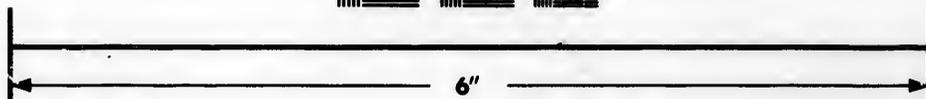
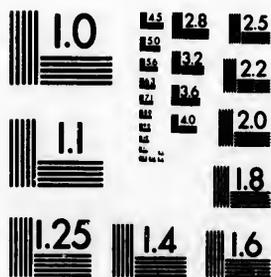


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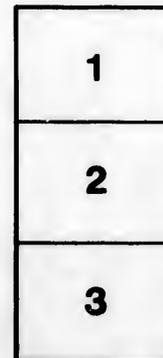
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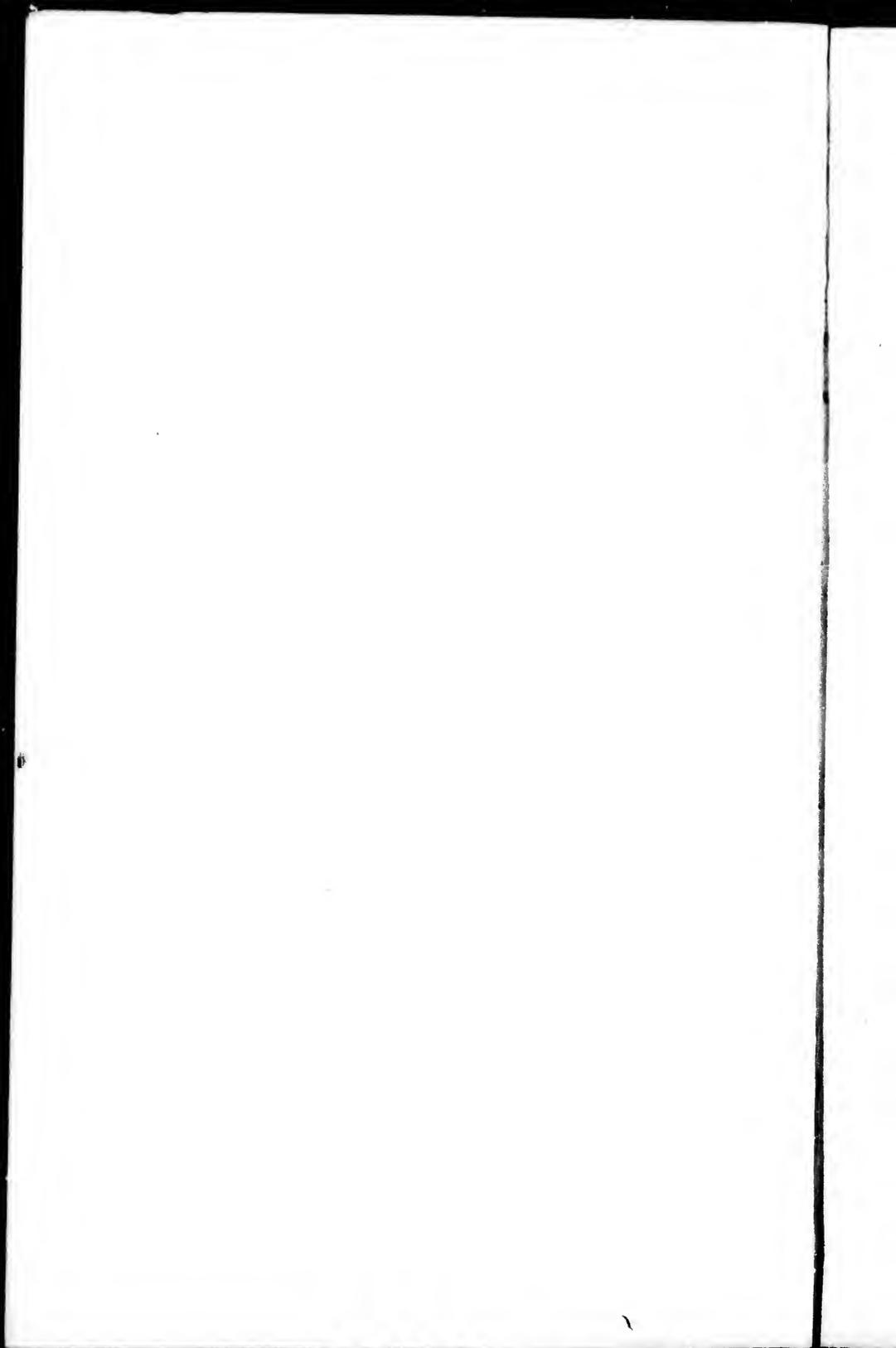
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**R E M A R K S**

ON

**THE IMPOLICY**

OF

**RESTRICTIONS ON COMMERCE;**

WITH

A PARTICULAR APPLICATION

TO

**THE PRESENT STATE**

OF

**THE TIMBER TRADE.**



**LONDON:**

**PRINTED FOR R. HUNTER,**  
SUCCESSOR TO MR. JOHNSON,  
N<sup>o</sup> 72, ST. PAUL'S CHURCHYARD.  
1821.

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**CHARLES WOOD, Printer,**  
**Poppin's Court, Fleet Street, London.**

# R E M A R K S,

&c. &c.

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**THE** following pages are intended to put the public in possession of the principal facts relative to the Timber Trade, with a view to its forming an unbiassed opinion upon a subject of much importance, which has already undergone the investigation of a committee of the House of Lords, and which is now under examination by a committee of the House of Commons.

Many years have elapsed since the doctrines of Adam Smith on Political Economy have been adopted by almost every writer on that most useful and interesting science; and among all these doctrines, none have met with fewer literary impugners than those in which he overthrows the opinions, that gave rise to the old commercial system of prohibitions, monopolies, and protecting duties. This system relies for its support on that most absurd proposition, that money, or rather gold and silver, constitute the sole wealth of a nation; that every

branch of commerce is advantageous, or the reverse, in proportion as it occasions an exportation or importation of the precious metals, the balance of profit and loss being the amount so acquired, or parted with. Hence, all the efforts of our legislators have been directed to force upon foreign nations as large a quantity of our commodities as possible, and to take few of theirs in return; and hence has arisen that most ridiculous of all absurdities, the granting of bounties on exportation, by which a tax was laid on ourselves, in order to bribe foreigners to consume our produce at a cheaper rate than we could consume it ourselves.

It has so happened, however, that the exclusive system above described, though it has retarded, has not been able to repress the rapid increase of our commerce and wealth during the last century. The warnings of political economists have, therefore, been thrown away upon our legislators, while persons engaged in commerce, have kissed the chains that bound them, and have even attributed their prosperity to what was more likely than any thing else to arrest it: such was almost universally the opinion of merchants until within these few years; but the distress under which they have lately laboured has opened their eyes, and few are now to be found, who will argue in defence of obsolete errors, except where their own particular interests are concerned.

We see a nation in possession of such a mass of

capital, industry, and enterprize, as is without parallel in any age of the world, in which, notwithstanding, the utmost efforts of this capital, industry, and enterprize, bring its possessors nothing but loss ; all feel the evil, while various hypotheses are invented to account for it.

According to some, there is an excess of production ; according to others, a deficiency of consumption, or an increase of the value of money, resulting from the resumption of cash payments, have occasioned the mischief ; but if, as is universally admitted by all whose opinions are worth attention, commerce is an exchange of equivalents, and money the medium of transfer, how can a commodity be less likely to sell, because more commodities are in existence against which it may be exchanged ? or how can an increase in the value of money, which operates on all commodities equally, affect their relative value, or at all hinder the barter of one against the other ? As for the diminution of consumption, it is nothing but the very evil complained of, stated in other terms. It can never be sufficiently impressed upon the public mind, that the existing state of things cannot possibly continue ; every monopoly, every protecting duty, has a direct tendency to lower the profits of capital, and consequently to drive it from Great Britain into other countries where it can be more beneficially employed. No chains or bolts can confine it ; and he must be endued with a very small degree of penetration, who does not perceive, that this effect has already taken place among us to a great

extent, and must inevitably increase, as long as one of the chief evils which give rise to it is suffered to continue.

The petitions for a free trade, which were addressed to Parliament last year, particularly turned the public attention to the errors of our commercial code; the principles they advocated were almost universally applauded by ministers, and by the leading members of the opposition; every body seemed at once to perceive the necessity of an alteration; committees were appointed by both houses to receive evidence on the state of trade, and, after a long and careful examination, that of the Lords presented a report, advising a revision of the duties on timber, and stating that those at present in operation favoured, in an impolitic degree, the Canada wood, and pressed with undue severity on that imported from Norway.

It also declared, that "the Canadian merchants were never led to believe, that the duties on foreign timber would be permanent; that an expectation was, however, held out, that the duty of 2*l.* 1*s.* first imposed, would be continued for some considerable time; but no such expectation was fairly raised with respect to the war duty, and the duty imposed in 1813; and that the exemption of duty on Canada timber has always been temporary."

Those persons interested in the present order of things instantly became alarmed; they constitute a numerous and formidable body, and almost every newspaper and bookseller can bear witness to the

indefatigable activity with which they have since endeavoured to gain and mislead public opinion. That these attempts should be made, can be no subject of surprise; these gentlemen have embarked, perhaps imprudently, in different branches of traffic, whose prosperity they conceive to depend on the continuance of the partial monopoly they now enjoy: the same complaints will be raised at any change which may be contemplated, in the several restrictions and prohibitions by which our commercial industry is so unhappily fettered; and if angry clamour is to arrest the proceedings of the legislature in its first step in the path of amelioration, what hope can we entertain of ultimate improvement? We are told that British interests are to be sacrificed to the prosperity of foreigners: upon this ground let the question be tried by a fair statement of facts, and a calm deduction of consequences from them; and if after this it shall appear, that the community will gain by the continuance of the present system, in God's name let it remain unshaken as the laws of China, notwithstanding the ruin it may bring upon individuals.

In making a choice among the many errors which present themselves to an enlightened surveyor of our commercial system, it is natural he should select for alteration those which have been of shortest duration, and which have become least completely interwoven with the feelings and interest of any considerable class of the community; upon this view of the question nothing could be more natural than that the shackles which confine

the Timber Trade should claim his first attention. Foreign timber began to be imported into England, to a considerable extent, about the beginning of the seventeenth century. Norway furnished, almost exclusively, the necessary supplies for a long series of years; at length it was discovered, that the Russian and Prussian ports in the Baltic could ship timber of a larger scantling, and therefore adapted for particular purposes, and a considerable portion of the trade naturally took that direction. The duties during all this time were imposed without any intention of forcing the British consumer to purchase in any markets, which he would not have naturally chosen. During the last century, indeed, it must be observed, that encouragement in the shape of a large bounty was first granted to the importers of wood from our American settlements: it produced the effect of forcing a few cargoes into the market, from New England; but the breaking out of the American war shortly afterwards put an end to the traffic. During the administration of Mr. Pitt, the duty on timber and deals was several times augmented, for the purposes of revenue; the object of taxation was well chosen, as no augmentation had taken place previously since the reign of George the First; but still no intention was expressed by the government of interfering with the natural channels of this traffic until the year 1809. At that time, in consequence of the war with the Northern Powers, the price of timber had reached a most enormous height, and ministers turned their attention to Canada, as the country from whence

supplies might be most readily obtained. I will not stop to inquire whether in so doing they acted wisely, whether the opening of this branch of commerce might not have been safely left to the spirit of mercantile enterprize, with a sure reliance that the interest of the community would thus be best consulted: Mr. Rose, the vice-president of the Board of Trade, thought otherwise; the die was struck; and, on the 1st of June, 1811, an act of parliament began to operate, doubling all the existing duties on timber and deals\*.

It is a little remarkable, that at that period the motive which had ostensibly occasioned the change should have altogether ceased to operate. Its cause had been removed: for the licenses granted by the British government in 1809 had already procured a supply from Russia, Prussia, and Norway, more than equal to our necessities; and the effect of competition had reduced prices nearly forty per cent.; indeed, as low as was compatible with the existence of high war freights and insurance, and much lower than an importer from Canada could afford to sell, quality considered.

Every body knows the many great and good qualities which distinguished the late Mr. Rose; it may be suspected, however, that his mind was not wholly free from bias, arising from the now obsolete prejudices, which taught us to discourage any importation of a commodity, which we could by possibility raise ourselves, even at the most-extravagant

\* See Report, page 4.

sacrifice, and which looked upon the balance of trade as that of profit and loss : at least his conduct in this instance can hardly be explained without such a supposition.

However, a line of policy having been once adopted, it was completely acted upon. In the autumn of 1811 a very large addition was made to the duties on a particular description of timber, *viz.* that under eight inches square ; and in 1813 the merchants trading in wood to the north of Europe were undesignedly exposed to another visitation in the shape of an advance of twenty-five per cent., as a war duty, which has been continued since the peace, and is still in operation.

Thus, then, the system of encouraging colonial wood became complete. Deals between eight and twenty feet long, which paid a duty in foreign ships of *1l. 9s. 10d.* in 1780, now pay *21l. 10s. 8d.* ; battens of the same dimensions were raised from *7s. 5d.* to *10l. 16s. 2d.* ; and timber from *8s. 11d.* per load to *3l. 8s.*

It may here be observed, that, from a very early period of the traffic, all deals and battens from eight to twenty feet long had been subjected to the same duty ; as long as it was low, this, though unwise and unjust in principle, produced but little practical inconvenience : a different scene now opened ; the merchants of every country in the north of Europe, which sent wood to England, endeavoured to shift the enormous load from their own shoulders, by cutting their deals of the largest possible dimensions ; in this attempt, the great size of the fir trees

growing in the Russian and Prussian forests, and that of the rivers down which they are floated, enabled the merchants of those countries to succeed, while the disadvantages under which Norway labours, in both respects, rendered all efforts on her part abortive: the result has therefore been, that under the present system any quantity of wood, imported in the shape of Norway deals, pays near ~~£~~ 100 per cent. more than equal quantities of wood shipped as deals from Russia and Prussia, and that an impolitic preference is therefore given in the market to the produce of the last named countries.

The following table shows the average dimensions of deals shipped by the different countries in the north of Europe; the number of loads of fifty cubic feet, contained in each long hundred, and the relative amount of duty paid by them under the present system\*.

	Dimensions.			Cubic Contents		Duty		
	Length.	Width.	Thick.	per 120 pieces.		per Load.		
	Ft.	In.	In.	Ld.	Ft.	£.	s.	d.
Russia.....	18	11	3	.....	9 45	.....	2	1 8
Prussian.....	17	11	3	.....	9 17	.....	2	6 1
Swedish.....	16	9	3	.....	7 10	.....	2	17 0
Norway.....	12	9	3	.....	5 20	.....	3	19 9

This was an effect which was doubtless never contemplated by Mr. Rose, who meant at least to give

\* See Appendix to the Report of the Lords' Committee, page 101. The Author has never ventured to alter these calculations, except when he has had positive reasons for considering them a little erroneous. He can bear testimony to their general accuracy.

the British consumer a choice of markets in the north of Europe, where he could purchase his commodity the best in quality, and cheapest in price: it was the consequence of legislating without due consideration; and its impolicy and injustice are so manifest, that it appears impossible that any sensible mind can fail to perceive both. ~~The~~ force a person, who wishes to build a house, to employ inferior and unsuitable materials; the bad policy of this constraint is not even disguised by a plea that this procedure is meant to favour the interests of our colonies; it is a boon granted principally to Russia, whose whole commercial policy has been, and is still directed to discourage, as much as possible, all British commerce; and its effect will be ultimately to ruin Norway, the perfect liberality of whose mercantile code may well put to a blush the framers of those which fetter the industry and capital of more renowned, and perhaps more enlightened countries\*.

But it is urged, in objection to those who wish to see the duty on deals equalized, that Norway is so poor a country, that she is unable to consume any quantity of British manufactures. She has certainly nothing but wood, iron, and fish to exchange against the commodities of more favoured climes; all these we first exclude, and then re-

\* A very absurd system of prohibitions and exclusions prevails in Sweden, which the good sense of its present monarch will probably soon remove; but foreign goods, almost without exception, are admitted into Norway, at equal, and very moderate duties.

proach her with the poverty we alone have occasioned. We accuse her of the consequences which flow from our own acts. All those who know the Norwegians must be aware, that few other people possess, in an equal degree, a taste for foreign comforts and conveniences, and that few nations upon earth consumed a larger quantity, in proportion to the amount of population, as long as they were permitted to pay for them\*.

There is another consideration to which it may be proper to advert; I mean the effect that may be produced on the political interests of Great Britain, by any reduction of the defensive means which Scandinavia possesses.

Russia, already the greatest military power upon earth, wishes also to attain maritime dominion; she commands the *materiel* of an extensive navy; but her small extent of coast, and the habits of her servile population, yield her but few real sailors; and she naturally casts an eager eye upon two countries, whose possession would afford thirty thousand seamen, numbers of whom have conquered and bled under the British flag, and who are universally allowed, by experienced judges, to cede to none but our own in knowledge and hardihood, among all those which Europe can furnish. Upon the conquest of Sweden and Norway the possessors

\* The annual importations into Norway, during the last three or four years, have been officially valued at about ten millions of specie dollars, or, calculating at an average exchange, 1,600,000*l*.

of Petersburg and Astrakhan have been long intent: our most vital interest forbids that this design should succeed: is it wise, then, to take those steps which strike at the very root of their prosperity, and which are most likely to diminish their means of resistance, and to deliver them almost unarmed to their oppressor?

I must now return to the point whence the preceding slight historical sketch of the Timber Trade, and the reflections to which it gives rise, have led me; and shall endeavour to decide the point at issue between the friends of a free trade and those who advocate a system of monopoly and restriction, by showing, that the duties on timber now in operation are absolutely hostile to the interests of the community, and that their effect is to lay a very heavy tax on the whole country for the sake of certain favoured classes; to divert a large amount of capital and industry into channels where it can be least productively employed; to annihilate a very large amount of capital for the sake of preserving one of much inferior extent; and, lastly, to employ a commodity of a very inferior quality, instead of one, the best possibly calculated for our wants.

The quantity of foreign wood required for the annual consumption of Great Britain, has been for the three years 1817, 1818, and 1819, upon an average, 311,972 loads of timber, 31,244 long hundreds of deals, 10,174 long hundreds of deal ends, 5121 long hundreds of battens, or about

290,000 loads, of fifty cubit feet each, or in all 600,000 loads. Of this quantity,

The importation from our colonies in North America has been

	Fir Timber. Loads.	Deals and Ends. Long Hundreds.	Battens & Battcn Ends. Long Hundreds.
In 1817 ...	140,280	3471.....	201
In 1818 ...	214,102	6481.....	250
In 1819 ...	267,065	9871.....	359
Average..	207,151	43,610 lds. 30 f.	933 loads 16 feet;

or in all above 250,000 loads, five-twelfths of the total quantity imported\*.

Now, I conceive it will hardly be denied, that should an individual dwelling in Yorkshire, where good meat is to be purchased at five pence a pound, choose to pay as much for some of inferior quality in Caithness, the expense of carriage being three pence per pound besides, his friends would be justified in saying he had lost, or uselessly expended three pence per pound by the operation. Even the author of Observations on the Report of the Select Committee of the House of Lords will not perhaps refuse his assent to this almost self-evident truth: I will only require him to advance one step farther, and either agree, that Great Britain, during the existence of the present system of duties on wood, is placed in the same circumstances as the ingenious person above described, or dispute the truth of the statement I shall now

\* See Appendix to the Report of the Lords' Committee, page 90, and following.

submit to him and the public. At the same time, should the legislature think fit to enact, that the other inhabitants of the three ridings should follow the example of their neighbour, it would be easy to show upon the principles adduced in the forementioned pamphlet, that they were thoroughly supporting British interests, and would deserve the highest eulogies of their contemporaries and posterity for so masterly a proof of their political wisdom. It appears by the tables in the last paragraph but one, that 207,000 loads of fir timber have been imported from Canada annually, upon an average of the last three years. The cost of this timber, delivered free of duty here, will stand as follows;—

	£.	s.	£.
Prime cost of 207,000 lds. at 1 5 per ld....	258,720		
Freight.....	2	10	517,500
Insurance and charges .....	0	10	103,500
			£.
			<u>879,720</u>
	£.4	5	

The annual average quantity, viz. 6607 long hundreds of deals and deal ends, of which the last description have been so few as hardly to be worth mentioning, will stand thus;—

	£.	£.
Prime cost say..... 11 per hundred .....	72,677	
Freight..... 18.....	118,926	
Charges .....	6,607	
		<u>198,210</u>
£.30		<u>£.1,077,930</u>

I leave the battens out of the account, as they are so few in number, in order to avoid tiring my

readers, and in order to make up for the small number of deal ends, which have been reckoned as deals in the foregoing calculation; and shall content myself with begging their attention to the cost of the same quantity of deal and timber, supposing they had been imported from the North of Europe :—

	£.	s.	£.	
Prime cost say.....	1	5	per load.....	258,720
Freight .....	1	0	.....	207,000
Charges.....	0	10	.....	103,500
	<hr/>			£.
	£2 15			569,220
Prime cost of 6607 long hundred of Deals from the North of Europe, at 13l. per hundred.....	£.		85,891	
Freight .....	6	.....	39,642	
Charges.....	1	.....	6,607	
	<hr/>		132,140	
	£20		<hr/>	
			701,360	
Cost of goods imported from Canada .....			<hr/>	
			1,077,930	
Loss to the consumer under the present system of duties.			<hr/>	
			£.376,570	

In order to prevent cavilling, however, I will suppose that we have paid only 350,000*l.* per annum, during the years 1817, 1818, and 1819, for goods imported from Canada, more than we should have paid for the same quantity, the produce of the North of Europe. Should the present system continue, the annual loss must increase, so far from diminishing. As the competition among the several countries, which supply the British market, rests on so unfair a basis, the greater number of the proprietors of sawmills, and the shippers of timber in the North of Europe, must inevitably

be ruined. The quantity of their produce must thus diminish, while that of their Canadian opponents will increase, and the loss to Great Britain along with it. For, as has been fully shown already, every load of timber from our American colonies, consumed here, causes a dead loss to the community of thirty shillings; and every long hundred deals of ten pounds.

But it is not only in the unnecessarily high price which is paid for the commodities consumed, that we resemble the worthy Yorkshireman from whom I have presumed to borrow an illustration; the quality of the wood produced in our American colonies is so much inferior to that which our Northern Allies could sell us, if we would allow them, as to render the parallel almost complete. In proof of this, it is only necessary to refer to the evidence of Sir Robert Seppings, Mr. Alexander Copland, and Mr. John White, before the committee of the House of Lords, which has been summed up nearly in the following terms in the Report. "It has been found in the navy, that the timber of Canada, both oak and fir, does not possess, for the purpose of ship building, more than one half the durability of wood of the same description, the produce of the North of Europe; that it is particularly liable to the growth of fungi, that species of vegetation, which is the forerunner of the dry rot; and that in most instances, where it has been brought in contact with the wood of this or any other country, it has had the effect of destroying that which was in union with

it \*." The pine used for masts and bowsprits is the only species excepted, by men eminently practical, from this unqualified sentence of condemnation; unless indeed where it is mentioned, that the soft white timber is preferable to any other for packing cases, carved mouldings, and other objects where lightness and freedom from knots are desirable; or, in other words, where those qualities are desirable which occasion a very small degree of durability. Even from this slender encomium some deduction ought to be made, as it is perfectly notorious to every carpenter, that the Canadian yellow pine, from its want of firmness and tenacity, will not hold the nails of a packing case which is exposed to considerable pressure, and that one formed of such materials is only fit for the conveyance of light articles.

A description of fir timber, called the red pine, is, however, shipped from Canada, which possesses qualities in the eyes of a consumer far superior to any of its brethren; but the small quantities of it brought into the market render it hardly worth notice; while the notorious fact, that the far greater part of that small quantity is cut in the United States, and floated into our possessions, renders it rather dangerous for *soi-disant* practical advocates of British interests to hold forth too loudly in its praise. The most hardy admirer of protecting duties will surely not assert the propriety of laying a tax of 3*l.* 8*s.* per load on Prussian

\* See Report of the Lords' Committee, page 4.

timber, in order to favour that produced in the United States. It appears, indeed, that the Americans \* “are supplied with British manufactures in payment, and that the more trade there is carried on through that channel, the more it must be for the interests of Canada,” it is added, “also of this country.” The former inference I will not dispute; the latter, certainly, unless upon the principle of the Yorkshire gentleman, rather strikes me to be what logicians call a *non-sequitur*.

I have taken the liberty to refer to the evidence of practical men, whose knowledge and integrity cannot be disputed, in order to prove the general bad quality of Canadian fir timber; the best means, however, by which we can judge of its relative value, is to compare its price in the London market with that of the wood of other countries †.

	£.	s.
It fetches at present about .....	3	5 per load,
while the price of Memel and Riga timber is .....	£6	0 to 6 10
of Swedish .....	5	10 to 6 0
Average .....	£6	0

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\* See the evidence of Mr. Edward Ellice, before the Lords' Committee.

† I am aware, that, generally speaking, the price of any commodity is regulated by the cost of its production. But it happens, that both European and American timber are at this moment, and have been for the last two years considerably under cost-price, and the importers have been losing money by them.

American deals, 12 feet long, 3 inches thick, and 11 inches wide, sell for	£.	s.	d.	£.
	28	0	0	to 30 per 120.
<hr/>				
Prussian deals, reduced to the same dimensions, fetch.....	35	0	0	
Russian, on average .....	35	0	0	
Swedish in proportion.....	36	13	4	
Norway.....	39	2	3	
	<hr/>			
Average.....	£36	8	10	

Thus, in the opinion of the consumer, who, after all, is the best judge in such a matter, Canadian timber is worth 2*l.* 15*s.* per load, and deals 7*l.* 8*s.* 10*d.* per long hundred less than its competitors. Nobody can deny, that he who is obliged by the law to pay the same price for a bad article, as would purchase a good one, loses the difference in their relative value; and thus we are furnished with an approximative rule for measuring the amount of another enormous, though indirect, tax, which is imposed on Great Britain, by the present system of the wood duty; and all for the support of British interests forsooth!

The amount of this tax, calculated upon the average importation from Canada for three years, is, on	£.
207,000 loads of timber, at 2 <i>l.</i> 15 <i>s.</i> per load.....	569,250
On 6607 long hundreds of deals, at 7 <i>l.</i> 8 <i>s.</i> 10 <i>d.</i> .....	49,167
Loss to Great Britain, in the price she pays for the wood now consumed .....	350,000
	<hr/>
Total loss annually, upon a moderate computation, arising to Great Britain from the present wood duties.....	£968,417

Here, then, is a sacrifice offered up to the idol

of monopoly, equal to the revenue of some crowned heads ; a sum which surpasses one-seventh of the annual expense of the British navy, or one-fourth of the expense of collecting the revenue ; a sum, which at any period would have been an object of first-rate national consequence, but which in our present state of financial distress it absolutely behoves us to save ; a sum, in fine, which would for a considerable time pay the wages of all the unemployed labourers in the country. Let nobody suppose, because it is not extracted from his pocket by the tax-gatherer, that he the less really pays it. He pays it indirectly, whenever he builds, repairs, or hires a house ; almost whenever he employs a carpenter. It is a tax the more dangerous for the darkness and silence under which its operation is shrouded.

I will now point out one circumstance, in which alone the parallel between the Yorkshireman who buys his mutton in Caithness, and the British consumer who goes to the banks of the St. Lawrence for his timber, entirely fails. The farmer may at least be thought to perform an act of generosity, which is hallowed by the consoling idea, that the person benefited is his fellow-countryman, the native of a province, which has long submitted to the same government as his own, and which, as far as we can see, is likely to continue in the same situation for ages to come. Can this be said of Canada ?

I am perfectly willing to allow the courage of its inhabitants, and their attachment to the British

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crown ; but can it be positively affirmed, that considering its inferior population, and highly disadvantageous military position with respect to the United States, the next war with our ambitious children will not see it wrested from our grasp, notwithstanding as many millions should be lavished for its defence as were expended during the last three years' hostilities, and notwithstanding a dozen three-deckers, instead of one, should be launched upon its lakes, at the expense of 300,000*l.* each ? I do not venture to give a settled opinion that such will be the case ; but if there should be even a possibility of such an occurrence, it behoves us not to pay too high a price for the tillage of a field, whose produce may be reaped by a hostile hand.

It may here be remarked, that the importation of wood from Canada is a branch of commerce, whose very existence to any extent is incompatible with a state of naval warfare. The commencement of hostilities on the ocean would raise freight and insurance to such a height, as to render even the present enormous duty insufficient for the protection of its produce in the British market ; the quantity received would consequently rapidly diminish, while the increased demand for the Baltic and Norwegian timber would instantly raise the price of those commodities to an enormous degree ; and thus the present system would in that case occasion the very evil which it was the expressed intention of its establishment to counteract.

Even should a new system of duties wholly exclude the timber of Canada and Nova Scotia from

the British market, we still could not be accused of want of liberality to our transatlantic brethren. By the enforcement of the navigation act, aided by the impolitic retaliatory regulations of the American government, we have laid a heavy tax on every West India planter in the price of timber and flour, principally for their benefit; while the expense of their civil and military establishments alone, amounting to perhaps 300,000*l.* per annum, is, in my humble estimation, fully equal to any advantages we can ever derive from them in the capacity of subjects to the British crown.

It is sometimes urged, that any change in the existing system of duties would occasion a diminution in the revenue. This is so extravagant a proposition, that it hardly deserves confutation. It may be well, however, to set the question at once to rights by a short statement of facts, and to show the chancellor of the exchequer, that he, at least, has no reason to fear.

In 1817, the duties paid on wood in Great Britain,	
were .....	£937,268
1818 .....	1,182,285
1819 .....	1,019,311
Average.....	£1,046,288

We have already seen, that the annual average importations of wood into Great Britain, during the same period, was above 310,000 loads of timber, and 46,540 long hundreds of deals, containing at least 290,000 loads more; now, let us suppose, for the sake of argument, that the quantity should pay a duty of 2*l.* 10*s.* per load, how would the account stand? Say 600,000 loads, at 2*l.* 10*s.* per load.....

1,500,000

Gain to the Exchequer..... £453,712

To this should be added the increased consumption which would infallibly result from a fall of prices; and the reader will then readily perceive it to be impossible, that any reduction of revenue could ensue from a reduction and equalization of the duty, even to the amount of perhaps twenty-five per cent, but that a directly opposite consequence would most certainly flow from it.

It appears, from the Report of the Lords' Committee\*, that a sum of near half a million sterling is now owing by Norway only, to British subjects for British manufactures, which our regulations have prevented from being paid for. This amount is most certainly under rated, as two houses in London alone have claims in that country to the amount of about 200,000*l.*; and if Sweden, Russia, and Prussia are included (as far as their debts would be effected by an alteration of duty), the sum total would certainly be 800,000*l.* or perhaps a million.

The repayment of this immense sum depends wholly on a change in the existing duty. Should things remain as they are, not 80,000*l.* will ever be recovered. Its claimants may think themselves indeed highly fortunate to obtain so miserable a dividend; and thus above 700,000*l.* of British capital will be totally and irrevocably lost.

The amount of fixed capital embarked in the construction of saw mills, &c. in Canada, which could alone be greatly affected by a change, is

\* See Report of the Lords' Committee, page 5.

stated in the same document at from 100,000*l.* to 150,000*l.*

Even supposing my data to be enormously incorrect, I can afford to make every allowance, and yet may hope for the support of all unbiassed advocates of British interests in this point of view.

What has been already said will, I conceive, be sufficient to convince all those at all acquainted with the very rudiments of political economy, that the view hitherto taken of this momentous question is correct ; and that the present system of monopoly and restriction, arising from the operation of the duties on timber, is absolutely hostile to the interest of the community ; that its effect is to lay a heavy tax on the whole country, for the sake of certain favoured classes ; to direct a large amount of capital and industry into channels where it can be least beneficially employed ; to force into consumption a commodity of a very inferior description, instead of one the best possibly adapted for our wants ; and, finally, to annihilate a very large capital for the sake of preserving one of much smaller amount.

It may be thought by many, that I have now said enough, without reverting particularly to the arguments which are commonly employed to defend the existing system of wood duties, whose injustice and impolicy I have endeavoured to expose.

I will, however, make some observations on a few points, which are thought by their advocates to carry the greatest weight. First, then, we are told that the extension of the colonial wood trade

has been productive of a corresponding increased demand for British manufactures ; this of course must mean in the total demand, in which sense I absolutely deny it.

I readily grant it affords the colonists additional means of purchasing the productions of the mother country, to an exactly equal amount with that of the invoice price of the timber and deals they send us ; that is to say, to the annual value of about 331,397*l.* taking as a basis of calculation the table in page 66. But that the total demand for British manufactures is increased by that sum, or increased at all, is a proposition so totally unfounded, that the reverse appears to me quite incontrovertible. Suppose, for the sake of argument, that not a deal or a stick of timber was imported from America, the deficit must of course be filled up by the produce of the North of Europe, which nobody thinks is unable to furnish the needful supply ; now can any person suppose that Russia, Prussia, Sweden, and Norway would pay us a tribute to that amount ? But they must either pay us a tribute, or take an additional quantity of goods in payment for the increased value of their exportation. Under the most unfavourable supposition, therefore, the additional exports to those countries would balance the partial diminution to North America ; but as, in the case thus hypothetically put, we should buy our deals and timber at a much cheaper rate, and of a description better adapted to our wants, there can be no doubt that the consumption of deals and timber would greatly augment, and the amount of

our produce sent in payment along with it. It can never be sufficiently impressed on the public mind, that the proper way to encourage exportation is to encourage importation; that is to say, to leave it free and unrestrained by any duties or prohibitions intended to divert it from its natural channels.

The second argument, to which I shall advert, is that which states, that the colonial Timber Trade has afforded support to many thousands of persons who have emigrated from the mother country, and greatly added to the value and strength of the British possessions in North America. This, of course, must be allowed to a certain extent; our transatlantic brethren receive 331,597<sup>l</sup> per annum for the wooden articles they send us, and are enabled to employ about 100,000*l.* or 150,000*l.* of fixed, and a more considerable portion of circulating capital, I suppose beneficially. This forms, doubtless, a considerable sum for the support of their labouring population; but we have already seen, that this advantage to our colonists is obtained by an annual sacrifice of 968,417*l.* on the part of the mother country, and at least 700,000*l.* of fixed capital. Now let us place our American possessions in the most favourable point of view; let us consider that they form as intimate an integral part of the British empire, and that their prosperity is as closely connected with our own, as that of Devonshire, or Cornwall;—now what would be said to the justice or expediency of a law which should tax the remainder of the kingdom, 968,417*l.* and extinguish besides 700,000*l.* of its

capital, for the sake of purchasing from the inhabitants of those counties peculiar commodities to the value of 331,397*l.*, and employing a portion of their fixed capital, represented at the farthest by the sum of 150,000*l.*? Even this illustration places the case of my opponents in too powerful a point of view. For, in the opinion of Mr. Edward Ellice, by his evidence before the House of Lords, it appears that “no advantage is derived to himself or other land-owners, by the present arrangement, because the value of the timber sold at Quebec does not by much exceed the expense and labour of procuring it for shipment; and the Canada land-owner, therefore, gets little or nothing for the timber itself. Even in his opinion, the labourers would be better employed, both as respects their own comforts and interests, and as respects the welfare of the province, in agricultural pursuits, than in this (the Timber) Trade.”

From the evidence of this gentleman, whose integrity and information nobody can dispute, it appears probable, that a considerable part of the loss I have supposed might fall on Canada would be averted by an application of her capital and industry to other purposes than the shipping of timber and deals; and this probability is still further increased, by recollecting, that in the year 1799 the official value of imports into our American colonies was 822,796*l.* 11*s.*, although they then exported a very trifling quantity of timber; while in 1819 they only imported to the value of 1,867,030*l.* 12*s.* 1*d.*

although their population and wealth had certainly doubled in the interval.

It is further urged, that previous to the competition of the American Timber Trade, when the duties were not half their present amount, the price of Baltic timber was higher to the consumer in this country than it is now, or than with the same competition it is likely to become again ; and, finally, that the colonists' trade affords employment to many hundreds of British ships, and to many thousands of British seamen.

In answer to the first of these, I allow the fact of the fall in the price of Baltic timber ; and allow also, that a part of it may be attributed to the enormous protecting duty which falls upon it, and forces a consumption of the produce of our colonies, the effect of which policy has been already described, and commented upon ; but I affirm, without fear of contradiction, that the principal cause of this declension in price has been the reduction of freight and insurance, arising from the cessation of a general war, and the restoration of profound tranquillity. In 1810, and 1811, the freight to Memel was from 6*l.* to 8*l.* per load, the insurance from twenty to forty guineas per cent., and the selling price of Memel timber from 9*l.* to 14*l.* : at present the freight is about 1*l.* 1*s.*, the insurance 1*l.* per cent., and the selling price 6*l.* to 6*l.* 10*s.* per load. Let it also be remembered, that a maritime war would raise the charges of transport from America in a higher proportion than those

from the North, especially as it is from the United States that such an event is principally to be expected.

It is by no means my wish to deny, that the colonial Timber Trade affords the means of employment to a very considerable number of British ships and seamen, to a greater number, indeed, than would be necessary, should a larger proportion of the timber required for our consumption be imported from the north of Europe; and that, in that case, many of them would be driven to seek employment in other branches of traffic; but that it is either wise or just, therefore, to foster the colonial trade by the numerous protecting duties, which now press upon its opponents, is a consequence which I must absolutely deny.

The reasoning alleged by the ship-owners proves, in fact, a great deal too much, if it proves any thing at all. Many countries in the world might be named, which are covered with excellent forests, to bring whose produce to our shores would require a voyage of double the duration of that to New Brunswick or Quebec. Do the ship-owners say, that the legislature would act with prudence or wisdom in compelling us to bring the materials of our houses from Pegu or New Zealand? Yet this they should say, would they argue consistently.

I have already shown the immense amount of the tax, which the present system of duties entails upon the community; would any body affirm, that for the sake of employing a few more British ships, this vast revenue should be extracted from the

people, and a sum of 700,000*l.* besides, the property of individuals, be annihilated? No particular person, no class of persons, have a right to expect that a heavy contribution should be laid upon their country, for their peculiar benefit; and if, as in the present instance, a considerable portion of their gains should be derived from the pockets of another class, *viz.* the creditors of Norway, Sweden, &c., the injustice becomes still more glaring. If this last very considerable portion of the national wealth is also to be sacrificed, in the name of all that is just, let every body contribute to what is considered to be for the general good, and let the persons in question bear nothing but what is their fair proportion of the loss.

Parliament has resisted, and wisely too, the importunity of land-owners and cultivators, who, under the pressure of severe distress, have urged the enactment of laws, which would raise the price of corn; because such a measure redounds to their benefit at the expense of the rest of the nation. Have they less claim upon the sympathy of Great Britain than ship-owners; and may they not justly complain at being compelled to pay a higher price for a worse commodity, for the advantage of their more fortunate countrymen? Let every country gentleman reflect upon the sum he annually expends in repairs, and he will see how much he is interested in opposing the present system of wood duties.

The ship-owners should also recollect, that they cannot derive a larger profit from the capital they

employ, than the average rate in other trades, whatever that may be; for two or more rates of profit cannot be co-existent in the same country, and at the same period. If no amelioration takes place in this respect, they must suffer with the rest of the community. The present attempt to alter the duty is the first dawn of an improvement in our commercial regulations, whose direct tendency is to reduce the general profits of capital. To this the consideration should be added, that any change that should greatly improve the general state of trade, can hardly fail, in many branches, to augment the demand for ships.

We are told, that foreign vessels are employed in the Baltic and Norway trades. It is so; but if they can sail cheaper than British, I can see no reason, upon the sound principles of political economy, why they should not be employed: at the same time it must be recollected, that foreign ships have suffered a greater depreciation of value since the peace than our own; that their number has vastly diminished, and that their rivalship will therefore be less formidable.

If, in consequence of the lessened demand for shipping, fewer sailors are required than at present, we must not forget, though I would by no means be understood to diminish the claims they have upon our sympathy and gratitude, that countless myriads of labourers are now suffering from want of capital to employ them. Capital is the fund whence their wages are paid, and which, in a considerable degree, furnishes the material to

which the value of their industry is added. Shall we, for the sake of giving employment to two or three thousand seamen extra, continue a tax, the amount of which, if left to fructify under the genial influence of liberal regulations, would spread comfort and tranquillity among fifty thousand of our now miserable fellow-subjects, if not a much larger number?

Shall we do this in order to keep up a greater number of ships than the commerce of the empire naturally requires? Shall we do this in order to force the growth of our transatlantic possessions, in addition to the other sacrifices they cost us? Upon this momentous question, the legislature is to decide. Should it decide in the negative, other nations would, probably, imitate our just and liberal policy, as they have hitherto imitated our unwise restrictive system. Commerce would then be considered to confer a reciprocity of benefit, and the sound principles of common sense and philosophy would be no longer admired in theory, and disregarded in practice, but would be universally adopted as the surest guides of monarchs and statesmen.

It would be highly presumptuous in a humble individual, like myself, to prescribe to his majesty's government what course they should pursue. Sound principles of policy would undoubtedly indicate the propriety of abolishing altogether the protecting duties, and leaving this important branch of commerce to flow into its natural channels. If, however, this reformation in one of the most faulty

chapters of our mercantile code should appear likely to occasion too sudden and complete a revulsion, the change might be brought about by slower degrees, and colonial timber might enjoy a diminished protection for a few years longer, as recommended in the Report of the Lords' Committee. At any rate, it would be highly advisable that the old duties, with all their artificial distinctions, should be totally abolished, and one uniform duty be laid on deals and timber, by the load or cubic foot, which would leave the British consumer a perfectly free choice among all the markets of Europe, and would allow him either to convert his wood here or abroad, as his own interest, that is to say, as the welfare of the community should require.

T H E E N D.

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