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PROCEEDINGS

AT THE

ANNUAL MEETING

OF THE

DOMINION BOARD OF TRADE

HELD IN

OTTAWA, JANUARY, 1871.

MONTREAL:

THE GAZETTE PRINTING HOUSE, NEARLY OPPOSITE THE POST OFFICE.

1871.

OFFICE-BEARERS
DOMINION BOARD OF TRADE.

President :

Hon. JOHN YOUNG, Montreal.

Vice-President :

WM. MCGIVERIN, Esq., Hamilton.

Executive Council :

HUGH McLENNAN, Esq., Montreal.

WM. ELLIOTT, Esq., Toronto.

Hon. JOHN ROBERTSON, St. John, N.B.

C. P. SMITH, Esq., London.

HENRY FRY, Esq., Quebec.

EDWD. MCGILLIVRAY, Esq., Ottawa.

JOHN CARRUTHERS, Esq., Kingston.

JAMES WATSON, Esq., Hamilton.

Treasurer :

C. H. GOULD, Esq., Montreal.

Secretary :

WM. J. PATTERSON, Montreal.

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DOMINION BOARD OF TRADE

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PARLIAMENT BUILDINGS,
OTTAWA, Wednesday, 18th January, 1871.

Annual Meeting of the Dominion Board of Trade commenced this day at 10 o'clock, A.M.

Present: Hon. JOHN YOUNG, President, in the chair, and a number of Delegates from Montreal, Quebec, St. John, N.B., Toronto, Hamilton, &c.

The meeting was informal, the time being occupied mainly in receiving credentials.

Adjourned until 2 o'clock, P.M.

AFTERNOON SESSION.

WEDNESDAY, 18th January, 2 o'clock, P.M.

The Honorable JOHN YOUNG, President of the Board, took the chair; and, after calling the meeting to order, and congratulating the Board on holding its first meeting in the Capital, commenced proceedings by reading the following

REPORT OF THE EXECUTIVE COUNCIL.

The Executive Council have very great pleasure in meeting the Dominion Board of Trade at this its first Annual Meeting. They have simply to report that since the organization of the Board in October last, they have been engaged mainly in efforts to bring the new organization under the notice of the various Commercial Bodies in the Dominion, which

had not been represented at the Convention in the City of Montreal. Their exertions have to some extent been successful,—it appearing that a larger number of Boards will be represented here to-day than on that occasion.

An examination of the correspondence renders it evident that there is now much more general interest being taken in commercial matters than heretofore,—Boards and Chambers of Commerce are being re-organized,—and the Executive Council feel confident, that before another year (or at an earlier *special* meeting, if such should be deemed necessary), there will be a still larger representation of constituent bodies.

The official programme which has been issued contains notices from various affiliated bodies as to the subjects to be brought forward. Of course, the duty of the Executive Council was to place all the notices on the record, and it will be for a Business Committee to consolidate and systematize the work,—so that every particular will be brought under discussion at proper time and place.

It is believed that although there are nineteen different notices on the programme (besides others that may yet be handed in,) the topics in reality involve only about *ten* distinct subjects.

The first business will be the election of Office-Bearers for the year,—the appointment of various Committees,—Committee on Finance being a most important one at the outset, involving the providing of funds for future sustenance. The Treasurer has no official Report to make, he having had no funds placed at his disposal, the current incidental expenses amounting to \$80.60 for printing, stationery and postages, being attended to by the Secretary.

In conclusion, the Executive Council would respectfully recommend that Representatives be received at the first Annual Meeting from all Boards whether incorporated or not,—with the understanding that arrangements will be made for obtaining a Charter as soon as possible. This recommendation is made in consequence of Art. II. Sec. 1 of the Constitution, which requires the incorporation of affiliated Boards or Chambers.

(Signed) JOHN YOUNG,

OTTAWA, 18th January, 1871.

President.

On the motion of Mr. A. JOSEPH, (Quebec) seconded by Mr. A. WORKMAN, (Ottawa) the report was adopted.

Moved by Mr. E. MCGILLIVRAY, (Ottawa) seconded by Mr. HENRY FRY, (Quebec) and *Resolved*, “That the Order of Business, as suggested by the Executive Council, be adopted.”

It was then moved by Mr. M. P. RYAN, M.P., (Montreal) seconded by Mr. MCGILLIVRAY, (Ottawa) that no member shall speak for a longer period than ten minutes on any question, without permission, nor more than twenty minutes without the unanimous consent of the Board.

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The motion was carried on the understanding that it should not apply to papers read to the Board.

The PRESIDENT stated that there were 12 commercial organizations represented at this Annual Meeting by 34 Delegates,—one Delegate from Toronto being absent. The aggregate number of members so represented being 1,429.

(Two Delegates from Kingston presented their credentials at the Evening Session; the whole number of organizations, therefore, was 13; of delegates, 36; and aggregate number of members represented, 1,471.)

LIST OF BOARDS AND DELEGATES.

PLACE.	BOARD OR CHAMBER.	NO. OF MEMBERS.	NAMES OF DELEGATES.
Belleville, Ont...	Board of Trade	50	George Neilson.
Brantford, Ont...	" "	30	J. Cockshutt.
Hamilton, Ont...	" "	96	{ M. Leggat, James Watson, J. I. McKenzie.
Kingston, Ont...	" "	42	{ John Carruthers, G. M. Kinghorn.
London, Ont.....	" "	70	{ John Walker, Charles P. Smith.
Montreal, Que...	" "	260	{ Hon. John Young, Hugh McLennan, John Kerry, Andrew Robertson, J. R. Thibaudeau.
Montreal, Que...	Corn Exchange Association..	269	{ M. P. Ryan, M.P., James McDougall, Gilbert Scott, L. E. Morin, W. W. Ogilvie, Ira Gould, (Ex. Coun.)
Ottawa, Ont.....	Board of Trade	151	{ Hon. J. Skead, Alexander Workman, W. Pennock, E. McGillivray.
Quebec, Que.....	" "	130	{ Henry Fry, A. Joseph, T. H. Grant.
St. John, N.B....	Chamber of Commerce.....	110	{ Thomas W. Daniel, William Thomson, James Domville.
Stratford, Ont....	Board of Trade	41	Thomas M. Daly.
Toronto, Ont....	" "	199	{ William Elliott, John Gordon, William H. Howland, Robert Wilkes, Robt. Spratt, (Absent.)
Windsor, Ont....	" "	23	James Dougall.

Moved by Mr. T. M. DALY, (Stratford) and seconded by Mr. WILLIAM THOMSON, (St. John, N.B.) that, until By-laws are passed, the proceedings of the Board shall be governed by the usages of Parliament.—Carried.

The meeting then took up the election of President, Vice-President, and Executive Council, the President remarking that it had been thought desirable to have the President and Vice-President from different sections of the country.

Mr. T. M. DALY, (Stratford) and Mr. J. WATSON, (Hamilton) were appointed Scrutineers.

Mr. A. JOSEPH, (Quebec) here objected to the election as rather premature at so early a stage, and thought the matter had better remain in abeyance until the members had had better opportunities of becoming acquainted with each other. At present they had no chance of judging of the abilities of the officers to discharge their duties; still, if the election could not be postponed, they would have no alternative but to re-elect the old officers.

Mr. HUGH McLENNAN (Montreal) spoke to the same effect, but the President decided that the Constitution was imperative in requiring the election of officers at this stage.

Mr. M. LEGGAT (Hamilton) asked whether the whole Council could be voted for at once, and the President decided in the affirmative.

Mr. IRA GOULD (Montreal) said that as there seemed to be some disposition to re-elect the old officers, he desired to say that on account of his advanced age he could not again act on the Council, and suggested that the name of Mr. Hugh McLennan, of Montreal, should be substituted for his. Mr. GOULD then moved, seconded by Mr. LEGGAT, (Hamilton) that the whole Council and Officers should be elected on one ballot.—Carried.

While the vote was being taken, Mr. E. MCGILLIVRAY on behalf of the Ottawa Board of Trade, invited the Dominion Board of Trade to a banquet, to be given on the following evening, at 7 p.m., in the St. James Hotel.

The Scrutineers here reported the result of the ballot to be as follows:—

President :

Hon. JOHN YOUNG, Montreal.

Vice-President :

WM. MCGIVERIN, Esq., Hamilton.

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Executive Council:

HUGH McLENNAN, Esq., Montreal.
WM. ELLIOTT, Esq., Toronto.
Hon. JOHN ROBERTSON, St. John, N.B.
C. P. SMITH, Esq., London.
HENRY FRY, Esq., Quebec.
EDWARD MCGILLIVRAY, Esq., Ottawa.
JOHN CARRUTHERS, Esq., Kingston.
JAMES WATSON, Esq., Hamilton.

The PRESIDENT thanked the Board for the honour conferred upon him by his re-election, saying that he should do all he could for the interests of the Dominion; and that if the Board could succeed in dealing with every question in the interests of the country at large, he had no doubt great influence would attach to their resolutions,—and they would in that way aid the Legislature in framing acts promoting the prosperity of the country generally.

The PRESIDENT then read a letter from the Halifax Chamber of Commerce regretting their inability to send delegates, as they were just re-organising their Board, but hoping to be represented at the next meeting.

INTERNAL NAVIGATION AND CANAL ENLARGEMENT.

The Board proceeded with the discussion of the subjects laid down in the official programme, the first of these being "Internal Navigation, and the effects of Canal Enlargement on the general Commerce of the Dominion."

The PRESIDENT opened the subject by reading a paper (given in Appendix A.) from the Montreal Board of Trade, in the course of which, on the subject of the Ottawa Canal being treated, the Hon. Mr. Skead stated that there were two estimates for the construction of this Canal, namely, that mentioned in the paper, amounting to \$25,000,000, and another by Mr. Clarke of \$15,000,000, and that he considered the work could in reality be carried out for a still less sum; upon which the President replied that he was perfectly aware of this, but that the lower estimate was for an 8 ft. navigation, while the other was for a 10 ft. navigation.

The PRESIDENT submitted a series of proposed resolutions adopting the spirit of the paper he had read, and left the subject before the Board. They are as follows:—

Whereas, it is highly important in the interests of the Dominion and for securing the development of its advantages, that every facility should be given to perfect the

inter-communication throughout the Dominion so as to reduce the cost of transport between the vast western interior and the ocean to the greatest possible extent, it is hereby resolved :

1st. That in the opinion of the Dominion Board of Trade the natural advantages of the route between the western interior and the sea-board, by the way of the St. Lawrence, are sufficient to warrant the largest expenditure necessary to complete all the improvements along that route, for propellers of 850 or 900 tons burthen, and when so completed and improved, it will present the cheapest and quickest mode of communication, not only with the sea-board on the St. Lawrence, but with the New England States and New York.

2nd. That the enlargement of the Welland Canal, to a size for vessels of 850 or 900 tons, is necessary to the success of the whole system of Canadian works ; the lengthening of the locks of the St. Lawrence Canals, the improving of the rapids of the St. Lawrence, and the construction of the Caughnawaga Canal, will open up a route for the transportation of Produce from the west to the east superior to that now existing, or is possible, through the Erie Canal, either for export to foreign countries or for consumption in the Eastern States.

3rd. That the success of the Grand Trunk and other Railways in Canada, is intimately dependent upon the diversion of a large portion of the Western trade to the St. Lawrence route, and especially to those lying east of Montreal.

4th. That the construction of the Bay Verte Canal to connect the Bay of Fundy with the Northumberland Straits and Gulf of St. Lawrence, is a work of national importance, and should be prosecuted without delay, while the cost of insurance on imports and exports should be lessened to the greatest extent, and every possible improvement in lighting, buoying, &c., should be adopted to aid the trade and commerce of the Dominion.

Mr. E. MCGILLIVRAY (Ottawa) thought the subject was of the highest importance, and that it should be fully considered. He would move that it be left to a Committee to draw up resolutions on the subject, and submit them to the Board, as he thought that course would greatly expedite business.

The Hon. JAMES SKEAD (Ottawa) seconded the motion.

Mr. FRY (Quebec) was afraid that the course suggested would rather tend to increase the delay, and protract the proceedings, as the matter would first be debated in Committee, and again before the Board, and he thought the discussion should be at once proceeded with.

Mr. E. MCGILLIVRAY (Ottawa) did not desire that the representatives of Ottawa should be the first to enter upon the discussion of this question, or that any partiality or sectionalism should be shewn ; but as the resolutions which had been read, only referred to the opening out of the St. Lawrence, making no recommendation respecting the Ottawa Canals, he did not think he would be doing his duty in letting the resolutions pass in their present shape, and he desired that the fullest possible discussion should take place.

Mr. W. H. HOWLAND (Toronto) thought that if the Canal system were discussed generally much time would be occupied unnecessarily, and he suggested that each project should be discussed separately.

The PRESIDENT replied that the resolutions he had read were merely designed to bring the matter fairly before the meeting, and they could, of course, be varied in any way the Board might think fit.

THE WELLAND AND ST. LAWRENCE CANALS.

Mr. HUGH MCLENNAN (Montreal) said that as the feeling was so

general that the subject of Canal enlargement should be at once discussed, he would move, in amendment to Mr. McGillivray's motion,

"That it is the sense of this meeting that the Canal and St. Lawrence River capacity is insufficient for the present available trade, and that the Government of the Dominion be respectfully and persistently urged to enlarge the Welland and St. Lawrence Canals to twelve-and-a-half ($12\frac{1}{2}$) feet depth of water, if found practicable, or to the greatest capacity possible, in view of such engineering difficulties as may exist, and to remove the river obstructions to a corresponding depth."

This was seconded by Mr. ANDREW ROBERTSON, (Montreal.)

Mr. IRA GOULD (Montreal) thought there could be no difference of opinion on the question of the desirability of enlarging the Welland Canal and the St. Lawrence Canals to a uniform size of the greatest depth possible; and, from conversation with Engineers, he did not think that the depth could be made greater than twelve feet,—but he was in favor of stating definitely what was deemed necessary, so that Government could see that they were men fully competent to give a reliable opinion.

Mr. F. MCGILLIVRAY (Ottawa) had no objection to the opening up of the Welland and St. Lawrence Canals, but he thought that, on the ground that every one should do to others as they would be done by, the people of the St. Lawrence should not overlook the interests of the Ottawa Valley, and that, therefore, the Ottawa Canal should be included in the recommendations. He desired that when the time came that the Government were in a position to open up navigation as required, the decision of the Board of Trade should be on record, that the Ottawa Canal ought to be constructed as well as the St. Lawrence Canals improved. Whatever benefitted the St. Lawrence, would also benefit the Ottawa District, and whatever benefitted the Ottawa also benefitted the St. Lawrence. He trusted that the question would be discussed, not in view of any particular interest, but in the interest of the whole community, and in a business-like manner.

Mr. JAMES DOUGALL (Windsor) considered that they should not merely advise the Government generally to enlarge and deepen the Canals, but that it should be stated definitely what dimensions were necessary to meet the requirements of the country. The resolutions read by the President were to the effect that the Canals should be made capable of admitting vessels of 900 tons, but he had it from one of the largest ship-owners that a Canal with locks of 275 feet length, 45 feet breadth, and 14 feet depth, would admit a propeller of 1500 tons, the most profitable class of vessels navigating the Lakes. He mentioned that Governor Baldwin in his message to the Michigan Legislature, had recommended that the Sault Ste. Marie Canal should be made 14 feet deep, instead of $12\frac{1}{2}$ as at present. The St. Clair Flats Canal was 14 feet deep, allowing vessels with a draft of 12 or 13 ft. to navigate it, and he thought it was our duty to endeavor to bring such vessels down to tide water. Merely enlarging the Welland Canal to a corresponding size with the St. Lawrence Canals was not looking sufficiently far ahead. If we had propellers of 1500 tons taking in produce at Chicago and carrying it through to Montreal, the cost of transportation would be reduced by one-third, and he was informed by an American gentleman largely engaged in the business, that if this were so,

all the heavy freight would come down the St. Lawrence, making Montreal and Quebec competitors with New York; and he would advise careful consideration of the subject, instead of at once disposing of it by passing Mr. McLennan's motion.

Mr. McLENNAN had no wish to close the discussion on the subject, but by his motion had simply sought to lay something definite before the Board. He said that the present Canal System, completed about 25 years ago had no doubt worked a great revolution in trade, and had been of the greatest good to the country, as was shewn by the rates of freight charged prior to the construction of the Canals, and no doubt at the time of their construction, the Canals were the carrying out of very enlarged ideas. He continued,—We find that they have produced great results, for last year the exports of wheat from Montreal were about one-third of those from New York, and while the receipts of grain in Montreal some 12 years ago were $1\frac{1}{2}$ millions of bushels, they are now six millions, so that in that time they have increased fourfold. He, however, thought that all who were conversant with the trade would admit that they were at a stand-still. The first thing to be done was the enlargement of the Welland Canal, and he considered this an absolute necessity, as it was at that point that the accumulations of Lake Michigan either go to Buffalo or come to Lake Ontario. He then proceeded to shew that merchants dealing with Canada were unable to get vessels capable of passing into Lake Ontario, as it was found that when increasing trade had necessitated the building of new ships, the tendency had been to build vessels of an enlarged size, so that three-fourths of the vessels built within the last ten years were unable to navigate the Welland Canal, and that as in each successive year the number of small vessels would decrease, the trade would be placed under still greater disadvantages unless the canals were enlarged. (See Appendix B.)

Hon. JAMES SKEAD, (Ottawa) as seconder of Mr. McGillivray's motion, wished to say a few words. He thought the subject a very grave one, and one which should be carefully considered, as he was confident the doings of the Board would be viewed with interest, and would carry great weight. He would like to see the St. Lawrence Canals enlarged, as he believed that if that were done, and the whole Western trade attracted down the St. Lawrence to Quebec and Montreal, it would be a great boon to the whole country. At the same time it should be borne in mind that a large amount of money had already been expended on the St. Lawrence route. The Welland Canal had been built and enlarged once or twice at considerable cost; there was a splendid series of canals on the Lower St. Lawrence, larger and of a later date than the Welland Canal, which would be of great service for 8 or 10 years to come without alteration; other canals, therefore, ought to be thought of besides those of the St. Lawrence.

Referring to the new Province of Manitoba he urged that it should not be forgotten that the natural outlet from, and approach to, that country was by the Valley of the Ottawa, and that no time should be lost in expending such an amount of money on the Ottawa as would make it the

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highway to that great country in the west,—at the same time giving breadth to our country, instead of having everything on the frontier. He considered the St. Lawrence Canals large enough for ten years to come, and that the first action of the Government should be to construct the Bay Verte Canal, next the Ottawa Canal, and then the Sault Ste. Marie Canal, thus making us independent of our neighbors. Not, however, that he had any objection to those neighbours, for he would be glad to see trade between the two countries free and unfettered in every sense of the word.

It should be remembered, also, that the Valley of the Ottawa is a new country, with over half a million people, with 500 or 600 square miles of good land, and the Board ought to recommend to Government the construction of a Canal from the Georgian Bay to Lake Nipissing, and thence down the Ottawa. He believed this work could be done, giving a depth of 8 feet, for \$15,000,000, or even less. He believed grain shipped at Chicago, and at the head of Lake Superior, would shortly be sent down to Ottawa, Montreal, and Quebec, and pointed out that the vessels could then get a return freight of lumber. He also spoke of the forests of this part of the country which would be opened up by the proposed Canal; and of the want of water power in the far west, which could be compensated for by means of the numerous mills on the Ottawa; and concluded by urging all these reasons in support of a recommendation being made to Government in favor of the early construction of the Ottawa Canal.

Mr. WM. PENNOCK (Ottawa) thought the question under discussion was eminently a national one, and should be dealt with as such. He referred to the acquisition of the North West, arguing that the Ottawa Valley must be the proper approach to it,—spoke of the large section of good agricultural country which would be opened up by the Ottawa Canal, pointing out how large a number of people would find homes there, producing and consuming; and stated that any recommendation on the subject of our Canal requirements, which included the Welland and St. Lawrence Canals only, in his opinion fell far short of the wants of the country, as he considered the Ottawa, the Bay Verte, and the Sault Ste. Marie Canal should also be dealt with. He was in favor of referring the question to a Committee.

Mr. T. M. DALY (Stratford) thought the best course would be to adopt Mr. McGillivray's motion and refer the question to a Committee.

Mr. W. H. HOWLAND (Toronto) thought that whatever differences of opinion there might be on other points, there was none in respect of the necessity for the enlargement of the St. Lawrence and Welland Canals, as it was very generally admitted that those Canals were not sufficient for the wants of the country. In considering this subject all sectional feelings should be laid aside, and their efforts should be to devise what would enhance the interests of the whole Dominion. What was wanted, was the greatest possible enlargement of the Welland and St. Lawrence Canals, consistent with the means available for the purpose. He was satisfied that those canals were doing all they ever would do in their present condition. There was no doubt that the Americans would send their produce over their own lines unless we could offer them better terms. But, let the St. Lawrence be

made the best route, and everything would go by it. In his opinion this could only be done by enabling large vessels to load in Chicago, and discharge alongside the ocean vessels at tide water. At the present time the Canadian lake-tonnage had dwindled down to a small matter, in consequence of small vessels being available only in the coasting trade, and getting nothing of the American trade except a trifling amount from Chicago to Kingston; he was sure that if ship-building could be revived, the employment of labor increased, and the profits of carrying obtained, it would be a matter of the very greatest importance to Ontario, while Quebec and the Lower Provinces would have to supply the ocean tonnage.

He considered it very necessary to provide as much as possible good communication between the different Provinces, so that merchandise could be taken from places of production to places of consumption. In the case of Ontario, that Province produced large quantities of breadstuffs which were consumed in the Maritime Provinces; and if the Canals were enlarged, the produce could be sent thither direct, and without transshipment.

He also stated in connection with the St. Lawrence and Welland Canals, that Ontario was entitled to, and demanded their enlargement as a right, that being one of the conditions of Confederation. In reference to the Ottawa Canal, it would be some time before the Government would be in a position to carry out that work, and he was under the impression that the matter would in reality amount to 450 miles of Canal instead of being almost altogether navigable water.

Hon. Mr. SKEAD here intimated that the length of the Canal would only be 18 miles.

Mr. HOWLAND repeated that he feared the project would prove one entire Canal, and that even if carried out, what was gained in distance would be lost in time. There would be very many difficulties in the way of the Georgian Bay Canal, but as he agreed with Mr. Skead that there should be some sort of communication as a backbone to the country, he would gladly assist in an effort to obtain a Railway.

Returning to the St. Lawrence question, he suggested that the essential point to be determined was the depth of water necessary to allow a vessel to carry a cargo to Montreal profitably. He considered a depth of 12 feet all that was necessary, and concluded by recommending that a minimum depth of 12 feet, length of 200 feet, and breadth 45 feet should be requested for the locks.

Mr. GEORGE NEILSON (Belleville) believed that if the question under discussion was not more closely adhered to, they would never come to a satisfactory conclusion. His impression was that it had not been shewn that the St. Lawrence Canals were incapable of doing the business required of them, and he considered any recommendation to enlarge them as premature. He had given a great deal of attention to the matter, and considered that the St. Lawrence Canals were of sufficient capacity for all vessels going through them; but there could be no doubt that the Welland Canal was entirely too small, and that its enlargement was the first work of the kind the Government should undertake. He thought that if the Board

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were to represent that the St. Lawrence Canals were too small, there would be a certain amount of untruthfulness in that representation.

Mr. JAMES DOUGALL (Windsor) thought it would be of no use to enlarge the Welland Canal without doing the same to the St. Lawrence Canals. The class of vessels now building, and which are rapidly supplanting smaller ones, could not possibly get through a 200 ft. lock, and therefore if all the Canals were not enlarged, the whole scheme would be useless. If the capacity of the Canals were increased so as to admit vessels of 1500 tons, a great reduction in rates of freight would be effected, and to accomplish this it would be necessary to have a length of lock of at least 275 feet, a breadth of 45 feet, and a depth of from 12 to 14 feet.

Mr. GEORGE NEILSON (Belleville) had not intended that the present size of the St. Lawrence Canals should govern the size of the Welland, but that the Welland Canal should be constructed of such a capacity as might be deemed necessary, and form the beginning of a complete system of enlargement.

Mr. HUGH McLENNAN (Montreal) deprecated the introduction of any thing like sectionalism into the discussion. Knowing the Welland Canal, he felt compelled to speak of it. He pointed out that by a proper enlargement of the Canals of the St. Lawrence the whole trade from the great West could be secured. There was also the trade with the Maritime Provinces to be kept in view, and unless our Canals were improved all this business would pass out of our hands.

Mr. M. P. RYAN, M.P., (Montreal) felt that if the decision of the Dominion Board were to carry any weight with the Government and with the people, they must rise above all sectional feelings, and treat every question as it affected the whole Dominion.

The valuable document which had been placed before the Board by the President, embraced projects which would involve a large expenditure, far beyond the present means of the Government. It not only alluded to the enlargement of the Welland and St. Lawrence Canals, but also to the construction of a canal at Sault Ste. Marie; it referred also to the Caughnawaga and Bay Verte Canals, the latter of which he hoped to see constructed at no distant day.

Referring to the question of the opening up of the great Valley of the Ottawa, he was decidedly in favour of developing the resources of that region, at the same time providing a highway to the great North West. He believed that the way to accomplish this, so as to be most productive of good, was not by a system of Canals, but by a railway which would be available at all seasons of the year; and he trusted it would be a recommendation from the Board to the Dominion Government, that it was most desirable to construct a Railway connecting the Atlantic with the Pacific through British Territory.

He felt, however, that the most important and practical question before them, was the enlargement of the Welland and St. Lawrence Canals. He did not think the Board could undertake to fix definitely the capacity to which the Canals should be enlarged, but they might state the minimum,

and leave the rest to the Government. He concluded by declaring that the enlargement of the Welland and St. Lawrence Canals was certainly most important, and should first be undertaken.

Mr. THOS. W. DANIEL (St. John, N.B.) had not spoken on the subject because he was not practically acquainted with it; but he felt disappointed to find the Bay Verte Canal so little mentioned, as he believed that project was a most important one, affecting the interests of all four Provinces,—and Ontario in particular. The arguments he had heard tended to strengthen his belief that the Bay Verte canal should be carried out as a part of the system. He would not say anything further until the question relating to that work was specially before the Board.

The PRESIDENT remarked that the depth of water on the sills of the locks of the St. Lawrence Canals was 9 feet, and in the case of the Welland Canal 10 feet. Referring to the construction of the Suez Canal, he said it had been found impossible to make it sufficiently deep to admit of its navigation by ordinary ocean-going vessels; but the craft using it were now being lengthened so as to carry the same amount of freight with a less draft. If Mr. Neilson's suggestion were carried out, the Welland Canal enlarged, and the St. Lawrence left as at present, the vessels now trading on the Upper Lakes could not possibly go through them. He referred to the report of Mr. Page, Chief Engineer of Public Works, respecting the dimensions of the locks of the St. Lawrence Canals, and stated that the Caughnawaga Canal Company had decided to have their locks 300 feet long and 45 feet wide.

This Board could not of course define the exact size to which the Canals should be enlarged, but it was well known that the larger the vessels used the cheaper would be the rates of freight.

The resolutions he had brought forward included the whole Canal System, but of course separate motions might be made respecting the different works.

Mr. IRA GOULD (Montreal) was of opinion that a recommendation should be made to Government, to adopt a system embracing the enlargement of the Welland and St. Lawrence Canals, the construction of the Ottawa Canal, as well as the Bay Verte Canal, which should be commenced and carried out as might be practicable.

Mr. HUGH McLENNAN's amendment was then put, and carried on a division, as follows:

Ayes. Messrs. Daniel, Domville, Dougall, Daly, Elliott, Fry, Gordon, Grant, Gould, Howland, Joseph, Kerry, Leggat, McLennan, McDougall, Morin, McKenzie, Neilson, Ogilvie, Robertson, Ryan, Scott, Smith, Thomson, Thibaudeau, Wilkes, Walker, Watson.—28

Nays. Messrs. Cockshutt, McGillivray, Pennock, Skead, Workman—5.
The Board then adjourned until seven o'clock, P.M.

EVENING SESSION.

WEDNESDAY, 18th January, 7 o'clock, P.M.

The PRESIDENT took the chair, and called the meeting to order, the Canal System being still the subject under discussion.

THE PROPOSED BAY VERTE CANAL.

Mr. JAMES DOMVILLE (St. John) said, that in order to make the Canal System of the Dominion complete, it was essentially necessary that the Bay Verte Canal should be constructed. The people on the borders considered themselves entitled to it, but there was no doubt that it would be as great an advantage to Ontario and Quebec as it would be to them. If they were to have an inter-Provincial trade, it was necessary that there should be somewhere on the seaboard a basis from which the trade could be worked. There were forty millions worth of cereals exported from the United States to South America and the West Indies that could be sent from Canada. This was done by the Americans because they were able at any time to load a vessel out, and freight her back with sweets and other goods, but St. John could not take up this trade at present.

If the Bay Verte Canal were constructed, flour could be taken to St. John for about 30c. a barrel, instead of 85c. which they now paid *via* Portland, and they would then be able to ship these goods more cheaply than the Americans, as the charges in the United States were heavy; while vessels could be freighted back to Ontario, with the products of the Maritime Provinces, and also with such articles from South America and the West Indies as were required. With a good Canal and Railroad system, including of course moderate rates of freight, they would be in a much better position than the merchants of the neighboring republic; and he did not see why they should be allowed to keep all this trade when we could get it ourselves. It had been objected that Ontario flour would not do for this trade, as it would not keep in the West Indies; but he was assured that very simple treatment would make it in every way suitable. With this trade built up, the vessels could take down breadstuffs, and return with coal, fish, &c., and he believed the first thing to be thought of in dealing with the Canal System, was that which should prove profitable and beneficial to all. He therefore moved, seconded by Mr. A. JOSEPH, (Quebec):

"That in the opinion of this Board it is desirable that the Dominion Government be recommended to construct, at as early a date as possible, the Bay Verte Canal."

Mr. T. W. DANIEL (St. John) read the report of the St. John, N.B., Chamber of Commerce, in reply to the queries of the Canal Commissioners, on the necessity of the construction of the Bay Verte Canal.—(See Appendix C.)

Mr. J. I. MCKENZIE (Hamilton) thought the question was one of the greatest importance, and he would have been pleased to have heard

some statistics on the subject, in order to guide them in arriving at a proper conclusion. It was exceedingly desirable that all portions of the Dominion should obtain proper facilities for an inter-Provincial trade, and he believed the construction of the Bay Verte Canal would prove of great importance to the interests of the whole Dominion. He felt, however, that before they came to a proper decision on the subject, they ought to have some idea of the length of the Canal, and its probable cost. He was sure the representatives from Ontario would gladly join with the gentlemen from New Brunswick in laying before Government a suitable proposition on the subject.

Mr. WM. THOMSON (St. John) stated that the length of the Canal would be $11\frac{1}{2}$ miles, and that one estimate of cost was two and a half millions of dollars. He could not state the proposed capacity of the locks, but the Government had been lately surveying the work, and were no doubt in possession of full particulars.

Mr. JAMES DOMVILLE (St. John) mentioned that the ground was almost entirely sand, and that only one cutting would have to be made, and that not of great magnitude.

Mr. GEO. NEILSON (Belleville) considered the work of great importance, but he understood there were serious engineering difficulties in the way of the construction. Several surveys had already been made, and he had read the reports of the Engineers who had conducted them. The distance was not great, but the difficulties were not few. Among them, were the great height of the tides in the Bay of Fundy, much higher than those on the Gulf side, and the general shallowness of the Bay Verte itself. The Government were now making another survey, and he had no doubt they were in favor of making the Canal, provided the difficulties could be surmounted.

Mr. IRA GOULD (Montreal) said, he had conversed with Mr. Gzowski and Mr. Keefer on this subject, and their opinion seemed to be that the difficulty consisted not so much in constructing the Canal, as in keeping it open afterwards, as there would be a great danger of it filling up with the deposit left by the tides in the Bay of Fundy. There seemed to be no doubt, however, but that the work could be done for a reasonable sum of money.

The PRESIDENT here read an extract from a report of Mr. Telford, the eminent Engineer, as to the cost and dimensions of the work and the difficulties to be encountered; this and other documents having been republished in the "Annual Reports of Trade and Commerce" compiled by the Secretary of the Montreal Board of Trade, and Corn Exchange Association, and which he (the President) understood had been brought to the notice of the Canal Commissioners.

Mr. W. H. HOWLAND (Toronto) admitted the great importance of the project, and stated he was sure the people of Ontario would be most willing

to join in promoting the undertaking, as the Canal would be the means of developing an enormous trade with the West Indies. He was in favor of it for that reason, and also because he believed it would tend in a great measure to bring Prince Edward Island into the Confederation.

Mr. T. W. DANIEL (St. John) was anxious that it should be understood that the undertaking was for the benefit of the whole Dominion, and not for the good of New Brunswick alone. If the latter were the case he would certainly oppose the project.

Mr. E. MCGILLIVRAY (Ottawa) stated that the Bay Verte Canal had been thought of for many years, and as where there was a will there was always a way, he hoped soon to see the work completed. He desired to shew the people of the Maritime Provinces, that the people of Ontario and Quebec wished to draw them nearer, and he had no doubt that so soon as the Government were in a position to build the Canal they would do so. He then moved in amendment, seconded by Mr. Ira Gould :

"That it is the opinion of this Board, that the Ottawa, Sault Ste. Marie, and Bay Verte Canals should be constructed as soon as the funds of the Government of the Dominion will admit, and that the repairs and enlargement of the Grenville Canal now in progress be completed at as early a date as possible."

Mr. A. JOSEPH (Quebec) had no objection to vote for the amendment if it were put as a separate motion, but he thought it was hardly right to attach a heavy weight, such as the Ottawa Canal, to the previous motion. Either the Bay Verte Canal ought to be constructed or it ought not, and at any rate it ought to stand on its own merits.

Mr. JOHN KERRY (Montreal) suggested that perhaps the mover of the amendment, would withdraw it, as a number of the members felt rather strongly on the question of the Bay Verte Canal, and at the same time were not at all hostile to the other projects ; but still they would feel it their duty to vote against the amendment under the circumstances.

Mr. MCGILLIVRAY withdrew his amendment, and the original motion being put, was carried.

THE OTTAWA SHIP CANAL.

Mr. E. MCGILLIVRAY (Ottawa) moved, seconded by Mr. IRA GOULD (Montreal) :

"That it is the opinion of this Board that the Ottawa and Sault Ste. Marie Canals should be constructed, as soon as the funds of the Government of the Dominion will admit, and that the repairs and enlargement of the Grenville Canal now in progress be completed at as early a date as possible."

Mr. CHAS. P. SMITH (London) thought the Sault Ste. Marie Canal should be dealt with separately.

Mr. IRA GOULD (Montreal) in seconding Mr. McGillivray's motion desired to strengthen the hands of the Government in what they were doing, as many objections had been raised on the subject of the enlargement of the Grenville Canal. He thought a national system of Canals should be

initiated, and then that it should be stated that the Government need not make all the Canals at once, but proceed with them as it became practicable.

Mr. JAMES DOUGALL (Windsor) thought that each Canal should be dealt with separately, and he had a motion respecting the Sault Ste. Marie Canal, if Mr. McGillivray would take it out of his.

Mr. E. MCGILLIVRAY (Ottawa) explained that he moved the taking in hand of this work because he considered it so extremely important. He considered the Grenville Canal a disgrace to the country, when so many millions of feet of lumber had to be carried through it yearly in the small vessels now obliged to be used. The people of his section felt it most grievously, that for years they should have to work up-hill before getting the canal improved, especially while the people on the frontier were getting everything they wanted. He was sure if the gentlemen present could see the large amount of lumber forwarded yearly, and know the large revenue obtained therefrom, no objection would have been raised to the motion. In thus adding the improvements of the Grenville Canal to his motion, he considered them an absolute necessity to the Ottawa country, as it was utterly impossible to carry on the trade successfully in the present state of affairs. The depth of water was so low, that during the past summer vessels carrying only 8,000 feet of lumber, had to discharge a large part of their load before they could pass through.

He was perfectly satisfied that the Ottawa Canal should stand on its own merits, but if we could make a canal by which to develop the trade of the Ottawa Valley, surely every other part of the Dominion would derive benefit from it.

He coupled the Sault Ste. Marie with the Ottawa Canal so as to leave no room for a charge of entertaining sectional feeling. He was fully aware of the necessity for the Sault Ste. Marie Canal, for every one must remember the inconvenience and expense incurred last summer, in the transport of the troops and munitions of war; and in shewing this consideration for the one, he looked for the same at the hands of the members of the Board for the other. The construction of the Ottawa Canal was eminently for the good of the whole Dominion, and he therefore was not asking a favor for the Ottawa section alone.

The PRESIDENT understood that the depth of water in the Grenville Canal was about 4 ft. 6 in., and that the locks were now under contract to be enlarged so as to give an 8 ft. 6 in. navigation.

Hon. JAMES SKEAD (Ottawa) said that the Bay Verte Canal had been settled to the satisfaction of the people of the Maritime Provinces, and also to his own satisfaction, and he thought the Ottawa Canal was also disposed of. But were they expecting too much when they asked a recommendation from the Board, that the Ottawa Canal should be constructed when the necessary funds could be obtained?

With regard to the small canal between Ottawa and Montreal, which was about 7 miles in length, that work had been built in 1820, the first locks being constructed of the same capacity as those of the Lachine Canal. Government had been petitioned again and again to enlarge those locks,

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and it was only by dint of sheer perseverance that an appropriation had been obtained for the purpose. The work was at last under contract, a large party of men being employed, and it was expected that the work would be completed in time for the spring trade of 1872.

In adopting Mr. McGillivray's motion the Board would be simply doing an act of justice, and it could certainly do no harm. If the gentlemen who were not acquainted with the country through which the Ottawa Canal would pass, would only take a tour over the Upper Ottawa during the next Summer, they would certainly be convinced of the necessity for the work, as they would find a country capable, if only opened up, of supporting millions of people.

Mr. ROBT. WILKES (Toronto) said that if the Board were now ready for the question he should have to move an amendment to the motion before them. He did not wish to be considered as opposed to the Ottawa Canal scheme; but at the same time he thought an undertaking involving an expenditure of \$25,000,000 should not be advocated by practical commercial men unless undoubtedly practicable and feasible, and he was therefore sorry to see the improvement of the Grenville Canal coupled with the construction of the Ottawa Canal. He considered the natural system of water communication to be by the great Lakes, and the Ottawa Canal could certainly not be deemed any part of the great chain commencing in the far west and emptying into the Valley of the Saint Lawrence. He was not prepared to advocate the Georgian Bay Canal as an immediate and pressing necessity, and he did not think the Ottawa Canal had any greater claims. He therefore moved in amendment, seconded by Mr. L. E. MORIN, (Montreal):

"That all the words after the word '*that*' be omitted, and that the motion be made to read: 'The Dominion Board of Trade having considered the question of further water facilities being afforded for the growing trade of the West, and having considered the scheme known as the Ottawa Canal, to connect the Upper Ottawa with the Georgian Bay, and its proposed cost of from \$15,000,000 to \$25,000,000; and also the great project of connecting the Georgian Bay with Lake Ontario, known as the Georgian Bay Canal, to cost over \$25,000,000; it is hereby *resolved*, that the necessities of Canadian trade are not such as to warrant the construction of either of these great works as Canadian enterprises.'"

Mr. IRA GOULD (Montreal) maintained that the amendment did not bear directly on the main motion, and was out of order.

Mr. JOHN KERRY (Montreal) thought the construction of the Ottawa Canal should be separated from the improvement of the Grenville Canal, which was undoubtedly necessary.

Mr. JAMES DOUGALL (Windsor) recommended the withdrawal of the Sault Ste. Marie Canal from the motion. He did not think the gentlemen from the western part of the Province were sufficiently acquainted with the country of the upper Ottawa to vote properly on the subject of the Ottawa Canal. He feared that it would be merely a barge Canal, and degenerate into something like the Rideau Canal, and he was not prepared to vote for it.

Mr. ROBERT WILKES (Toronto) explained that his reason for coupling

the Georgian Bay and the Ottawa Canals, was that they were rival projects, and that it would not be fair to take up the one without the other.

Mr. HENRY FRY (Quebec) thought that if too much were asked from the Government, they would get nothing.

The Hon. JAMES SKEAD maintained that Mr. Wilkes' amendment was out of order, and demanded a separate vote on the subject of the Ottawa Canal, if the Toronto men would let it come up in that shape.

The PRESIDENT ruled that Mr. Wilkes' amendment was in order.

Hon. Mr. SKEAD appealed from the decision, and a vote being taken on the question, "Shall the decision of the chair be sustained?" it resulted in a tie, leaving the matter undecided.

Mr. ROBERT WILKES here made a slight alteration in his amendment, without changing the sense, when

Mr. JOHN WALKER (London) moved a further amendment, seconded by Mr. JOHN GORDON (Toronto):

"That while cordially approving the enlargement of the present Ottawa Canals, this Board is not prepared, at the present time, to recommend the immediate construction of the Upper Ottawa Canal."

He thought this amendment embraced what was good in the original motion, namely, that the enlargement and repairs of the Lower Ottawa Canals should be completed.

Mr. JOHN GORDON, (Toronto,) thought the Board should be reasonable in what it recommended, and that the present state of the finances of the country would not admit of the construction of the Ottawa Canal. Of course, the improvement of the Lower Ottawa Canal ought to be carried out.

Mr. ROBERT WILKES then withdrew his amendment, and that moved by Mr. Walker was put and carried.

A NEW SAULT STE. MARIE CANAL.

Mr. JAMES DOUGALL (Windsor) moved, seconded by Mr. J. COCKSHUTT, (Brantford):

"That it is the opinion of this Board, that the Dominion Government should be recommended to at once take measures for the construction of the proposed new Sault Ste. Marie Canal,—and that its capacity be equal to that recommended for the St. Lawrence and Welland Canals."

He was sure that every one was satisfied that if a communication was to be formed with the North-West, the Sault Ste. Marie Canal must be constructed. All were well aware of the humiliation to which the country had had to submit during the past summer, and this Canal ought to be taken in hand at the same time with the others.

Mr. T. W. DANIEL (St. John) asked what the length of this Canal would be,—and

The PRESIDENT replied—1½ mile.

Mr. E. MCGILLIVRAY (Ottawa) did not think there were two opinions

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on this subject. The Canal was a Dominion necessity, and whatever the cost, it should be constructed.

Mr. HUGH McLENNAN (Montreal) speaking of the enlargement of the Welland Canal, said it would serve the purposes of American commerce as well as our own; and as to the trouble at the Sault Ste. Marie Canal, he had heard it stated that the Canadian Government did not make the necessary requisition on Washington for the passage of their vessel, until it had actually arrived at the Canal, and that in reality the permission had been sent from Washington as soon as it was asked for. He did not vouch for the correctness of this, but simply gave the statement as he had heard it. All who were conversant with the working of our Canal system, however, knew that every American vessel arriving at Montreal required permission from Ottawa before it could pass through the St. Lawrence Canals.

The Hon. JAMES SKEAD (Ottawa) said that though the Railway men and the Western men had shunted the Ottawa Canal on to a side line, and though he considered the present question as entirely an Ontario undertaking, he was going to vote for it; but he would like to say that notwithstanding the opposition they had met with, the day would come, sooner or later, when the Ottawa people would have their Canal.

Mr. W. H. HOWLAND (Toronto) thought Mr. Skead was too severe on the Western men, for he was sure, that if the means of the Dominion would allow, they would not oppose the construction of the Ottawa Canal. With reference to the Sault Ste. Marie proposal, he held it to be a military and political necessity, rather than a commercial matter, and as such he hardly thought the Board should deal with it.

Mr. JAMES DOUGALL'S motion was then put, and carried.

AMENDMENT AND CONSOLIDATION OF INSPECTION LAWS.

The discussion on the subject of "Internal Navigation" being now concluded, the President suggested that the next matter on the programme should be taken up, viz. :—

Uniformity in the commercial and financial laws and usages of the Dominion, in the following particulars: 1st, the currency; 2nd, standards of inspection for manufactured products; 3rd, collection of debts; 4th, weights and measures; 5th, bills of lading, warehouse receipts, demurrage, &c.

With these he thought might be also considered the proposals,—

That representations be made to Government in favor of revising and consolidating the inspection laws; and that they be made to apply to the whole Dominion.

That no time should be lost in establishing by law an uniform system of weights and measures throughout the Dominion, and that this important question should be pressed upon the attention of Parliament.

Mr. WM. ELLIOTT (Toronto) thought the matter very comprehensive, and that much time would be saved if it were left to a Committee, in order that it might be condensed and put in form for the consideration of the Board. He therefore moved to that effect, seconded by Mr. WM. PENNOCK, (Ottawa.)

The PRESIDENT said that it had been understood that each Board of

Trade submitting a question for discussion would have prepared written papers, and resolutions to submit to the Board ; but as this had been only partially done it might be well to appoint Committees.

Mr. JOHN WALKER (London) said his Board had thought it better to be represented by delegates fresh from the discussion which had taken place among themselves, and he thought that sounder conclusions would be arrived at if all the questions were considered by the whole Board, than if they were left to small Committees.

Mr. HUGH McLENNAN (Montreal) then moved, seconded by Mr. A. JOSEPH (Quebec), that the President, with the Presidents of the Quebec and Toronto Boards of Trade, and of the Montreal Corn Exchange, appoint Committees of five to whom to refer the different questions for the consideration of the Board.

The Secretary, WM. J. PATTERSON (Montreal) then read the report of the Montreal Board of Trade on the subject of the revision and consolidation of the Inspection Laws of the Dominion. (See Appendix D, No. I.)

The PRESIDENT thought there could be no great difference of opinion as to the necessity of an Inspection Law as mentioned in the Report, and suggested that a resolution to that effect should be moved.

Mr. M. P. RYAN, M.P. (Montreal) stated his opinion to be, that any Inspection Law not made compulsory would be nearly worthless. If the Board could agree as to the necessity of a general Inspection Law, they should recommend that it be made compulsory.

Possibly objections would arise in the Maritime Provinces, and in the Province of Quebec, to a compulsory enactment as regarded fish, but he was satisfied that if proper attention were paid to curing and packing, instead of the value decreasing it would very sensibly increase. He knew that many merchants objected to have anything to do with fish, in consequence of numerous frauds and the loose manner in which the fish is put up ; while prudent men who made an effort to put the fish up in a creditable manner got no return for their care. In many cases frauds were not confined to quality ; deficiencies in quantity were often flagrant grievances. The present state of things ought not to be continued, and it was the duty of the Board to recommend that the evil should be remedied by legislation. He knew an instance of one of the largest dealers in Ontario, who, having first looked at them, purchased a large quantity of Fish at auction sale in Montreal ; but, on thoroughly examining them afterwards, he found them so inferior to what they had appeared to be, that he declared he would never buy another barrel of fish until a compulsory inspection law had been passed. With such facts before them, he trusted the Board would recommend the passing of a compulsory Inspection Law. (See Appendix D, No. II.)

Mr. A. JOSEPH (Quebec) remarked that as Mr. Ryan had referred to Quebec, he would say that what had been stated was entirely correct. It was true that of late years the quality of the fish had very much

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deteriorated for want of an Inspection Law. There had been a time when the fish of the lower part of the Province of Quebec had borne a very good name, but the want of compulsory inspection had caused the trade in fish, and fish oil to deteriorate very much, as it had got into less scrupulous hands. He was therefore able to confirm Mr. Ryan's remarks.

Mr. WM. THOMSON (St. John) said that in his city they had a compulsory inspection law for flour and meal, which had worked admirably. They had none for butter, but there should be one. He was quite ready to support a recommendation that the law be made compulsory.

Mr. WM. PENNOCK (Ottawa) then moved a general resolution on the subject of inspections, seconded by Mr. M. P. Ryan, M.P. (Montreal.)

Mr. HENRY FRY (Quebec) suggested that leather should be added, as although a law had been passed some years ago respecting that article, it was not made compulsory.

Mr. W. W. OGILVIE (Montreal) hoped that the inspection of grain would not be made compulsory.

Mr. W. H. HOWLAND (Toronto) thought that all grain coming into Canadian markets should be inspected, but he considered that the main thing was to have inspection equalized all over the country.

The PRESIDENT remarked, that the matter would of course rest with the Government; but so far as many of the articles were concerned, he was confident no good would result unless the act were made compulsory.

Mr. G. M. KINGHORN (Kingston) thought the matter required more explanation. In Toronto during the past year, the Board of Trade had passed a resolution recommending the inspection of barley, which had been attended with very good results. This, however, could only be done in Toronto, and he was doubtful whether the resolution could be carried out. For instance, if wheat were inspected at Toronto, and then sent to Montreal and again inspected, the question would arise, which inspection would be accepted.

Mr. W. H. HOWLAND (Toronto) said that the inspection of barley, though not legally compulsory, was virtually so, because it was generally considered advisable, so that the great bulk of the grain was inspected. He thought it would be a serious hardship if they were compelled to inspect all grain passing through their hands. When a buyer or seller required it, then an inspection should be made; and he had no doubt it would become a general rule to inspect grain at the receiving points, but inspection ought not to be made compulsory in all cases, and he would be very unwilling to recommend such inspection.

Mr. WM. PENNOCK (Ottawa) thought it was not possible to meet all the points in a short resolution, and would have no objection to take the articles in question from the list for compulsory inspection.

Mr. JAMES DOUGALL (Windsor) said he would like to obtain some information respecting the inspection of butter and fish. Taking London, for instance, which was a very considerable receiving port for butter, that article might be inspected and found first class there; but if it were kept

for a while afterwards, and then sent down to Montreal by the steamers, and there put in a cellar and kept for months longer, it would then be found in a very different state from that in which it left London. Under these circumstances, he asked, would there have to be two inspections?

The PRESIDENT thought that a merchant in Montreal buying butter under such circumstances, would most likely require a second inspection.

Mr. WM. PENNOCK'S motion, after being somewhat varied, was then put as follows, and carried:

"That in the opinion of this Board, the subject of a General Inspection of Butter, Lard, Fish, and Fish-Oils of all kinds, Petroleum and Oils of all kinds, Leather and Hides, Meal, Ashes, and Provisions, including Pork and Beef, be recommended to the Legislature of the Dominion, with a view to the passage of a General Inspection Law, to secure such general and uniform inspection at all the great receiving markets in the Dominion; and that such inspection be obligatory except on Flour and Grain."

MISCELLANEOUS MATTERS.

A letter was read from Mr. S. S. LLOYD, Chairman of the Associated Chambers of Commerce of the United Kingdom, enclosing a copy of a resolution passed by that body in response to a letter by the Secretary, advising them of the organization of the Dominion Board of Trade.

The reply of the Secretary to Mr. Lloyd's letter was also read, and the President suggested that it would be well to pass a formal resolution, a copy of which could be forwarded to Mr. Lloyd, in acknowledgment of that passed by the Associated Chambers in England, expressing the pleasure of this Board in receiving their communication, and reciprocating the desire to exchange intercourse. He suggested that a committee should be formed to draw up a suitable resolution on the subject.

Mr. JOHN WALKER (London) moved, seconded by Mr. W. H. Howland, (Toronto) "that the matter should be left to the Executive Council." Carried.

Mr. J. I. McKENZIE, (Hamilton) seconded by Mr. M. P. RYAN, M.P., (Montreal) moved—

"That the several resolutions adopted at this meeting having relation to the Canals, be embodied in a memorial to be transmitted to the Dominion Government, and a copy of said resolutions to the Canal Commissioners now in session, as well as the paper read this morning on 'Internal Navigation.'" (Motion carried.)

Mr. M. P. RYAN, M.P. (Montreal) suggested that a Committee on Finance should be appointed before the meeting adjourned, as the management of the Board would necessitate considerable expense, which ought to be provided for.

The PRESIDENT pointed out that by the first section of Article VII. of the Constitution, the question of Finance was left to the Executive Council.

PROTECTIVE DUTIES.

The next question for discussion being Protective Duties, a paper on the subject was read by Mr. WM. ELLIOTT, of Toronto. (See Appendix E.)

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He then submitted the following preamble and resolution :

"Whereas, this Dominion Board of Trade in Annual Meeting assembled has had under consideration the question of the Tariff best suited to the condition of this country;—*Resolved*, that a revenue duty on foreign manufactured goods, would greatly promote its prosperity, and that under the present circumstances of the Dominion, it is desirable to increase the duty on those goods which now pay 15 $\frac{3}{4}$ per cent., to 20 per cent, and that those which are free should remain so; and that if the revenue will permit it, a reduction of the duties on Tea, Sugar, Coffee, Spices, and kindred articles be made."

In thus bringing the matter forward, he thought it was quite evident that by cultivating manufactures we should greatly increase the population; and as we had a large country requiring development, we ought to do all in our power to increase the population, so strengthening ourselves as a people, and promoting the prosperity of the whole. To those who might object to levy a tax on manufactured goods imported into the country, he would say that it would not add one cent to the burdens of the people. Revenue would have to be raised in some way or other, and if it could be done incidentally, so as to promote the interests of the people, he thought it ought to be done so. If it were found that an increased duty on manufactured goods provided more revenue than the Government required, then let them reduce the duty on articles which the country cannot produce; but he was sure there could be no real objection to the placing of a duty on foreign manufactured goods, for the sake of encouraging our own manufacturing interests.

At this stage of the proceedings the Board adjourned until ten o'clock on the following morning.

SECOND DAY'S PROCEEDINGS.

MORNING SESSION.

THURSDAY, 19th January, 10 o'clock, A.M.

The Hon. JOHN YOUNG, President, in the chair.

The Secretary read the minutes of proceedings of previous day, which were confirmed.

The President informed the Board that the Executive Council met this morning, and that Messrs. C. H. GOULD and WM. J. PATTERSON were respectively continued as Treasurer and Secretary. The financial affairs of the Board had been very fully considered by the Council. They found that in connection with the Dominion Board there were 13 local Boards, comprising 1471 members. Some expense had already been incurred, and it was considered desirable to have a full record of the present meeting printed. The Secretary, who had already devoted a great deal of time and attention to the general interests of the Board, and whose time would have to be still more taken up with it, found that he must employ assistance; and the Council thought, therefore, for the year ending 1st January, 1872, an allowance of \$500 should be made to him. To meet that and all other

expenses, it was proposed to make an assessment of 75c. *per capita* on the members belonging to the different Boards represented here, and it was believed this would be sufficient to cover estimated outlay until 1st January next. Power was given to the Executive Council, by the Constitution, to determine the matter; but it might be well in this first instance to obtain the sanction of the meeting for what was proposed.

The members signified that they approved of the action of the Council in the matter.

Mr. MCGILLIVRAY (Ottawa) requested permission to say that he regretted very much that in consequence of the fire which had occurred during the night, the Ottawa Board of Trade would be unable to give the entertainment they had contemplated. He could only ask them to accept the will for the deed.

The PRESIDENT accepted Mr. McGillivray's statement, but said that he thought it would be a bad practice to make an entertainment a customary thing wherever the Board might chance to meet. The practice had certainly been begun at Montreal, but he thought there should be an understanding that the Board did not expect to be entertained publicly.

DISCUSSION ON QUESTION OF PROTECTIVE DUTIES.

The discussion of the previous evening respecting Protective Duties was then resumed, the President first reading the resolution submitted by Mr. Elliott.

Mr. JOHN GORDON (Toronto) said that in speaking on this question he desired to do so from a national stand-point. He was as much interested in the welfare of the whole Dominion as in that of his own Province. He thought the Tariff ought to be framed for revenue purposes, encouraging any industries that could be carried on in our own country, and at the same time allowing such articles as we could not produce to enter as nearly as possible free. So far as the Tariff of Canada was concerned he believed it had been framed with that view; and whilst prepared so as to secure an ample revenue for the country, there had been, in 1859, an intention to inaugurate a policy that would encourage manufactures. A large amount of capital had been invested in manufacturing and in Canadian trade, and although those who so embarked their capital, had no security from the Government that the Tariff would be continued, they nevertheless considered that so long as the necessary revenue was obtained, the policy then adopted would be carried out. In 1866 Confederation was accomplished, and to meet the views of the people of the Maritime Provinces, the Tariff was reduced; he referred more particularly to the trade of the importer. That might have been considered quite consistent, if the revenue subsequently had proved adequate; but this was not the case,—for, to make up the deficiency, the duties on tea, sugar, &c., were advanced from 50 to 100 per cent, and so those who had trusted in the continuance of the policy of 1859, saw it reversed. So far as the Ontario people were concerned, they thought that

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while they had to raise so much money, it ought to be done in a way that would promote manufacturing industries and foster foreign trade. As regarded the duties on breadstuffs and coal, he had supported them on national grounds ; believing that in encouraging the trade of the Maritime Provinces in coal, fish and other commodities, that business would eventually stand on its own merits. He had viewed the duty on flour in the same way. Our frontier population thought it unfair to allow the surplus products of their neighbors to be admitted into the Dominion free, while the products of Canadian farmers were debarred from American markets ; he thought, therefore, that the duties on coal and flour ought not to be repealed. They are part of a policy tending to the national good, although he would not for a moment advocate the extreme protection views of people in the United States.

As to the dry goods trade, in which he was himself interested, he thought that a considerable amount of the manufactured goods at present imported might be produced in this country. In advocating incidentally protective duties, it might be said, that he was making the goods dearer for the consumer ; but that he denied. What a manufacturer in Canada wanted was, first a market at home on which he could depend, and then, when that market was supplied, he could seek a foreign market ; but at present he had neither a market at home nor abroad, while at the same time he was subject to all the fluctuations in Europe and elsewhere. Recognizing the amount of duty required for revenue purposes, the Board should recommend the Government to shape its policy so as that parties embarking large sums of money in manufacturing enterprises, might have some assurance that that policy would not be a transient one. On the inauguration of the Tariff of 1859, many manufacturing enterprises started into existence both in the east and west, and large amounts of money were invested ; but, on the abrogation of that Tariff, that capital languished, and languishes still. He instanced the boot and shoe trade, which had received so large a stimulus, that it had been said that the people of this country were more cheaply shod than those of any other. A protective Tariff gave a stimulus to the markets, and at the same time led to the embarking of capital, which otherwise would not have been so invested.

Referring again to Canadian manufactures he had a paper in his hand which showed that in consequence of Tariff changes between 1859 and 1866, out of 8 or 12 mills that had been burned down, none had been rebuilt ; and there was not a cotton factory in operation, the owners having either failed, or closed their establishments. Looking at England, the country of free trade, he found that every year an immense amount of emigration was going on ; and the same thing was true of the different continental countries. Now, where were these emigrants going ? Why, to the United States, the greatest protection country in the world. The protective tariffs of America attracted the labor of the world, the immigration into that country being immense. Only a few days ago he had seen a statement shewing that there were 9,000 French Canadians in the workshops of Connecticut alone. No people were so fond of home as the French Canadians ; and surely, these would never have gone to a foreign country, where their language is

scarcely spoken, and the customs and institutions so very dissimilar to their own, unless there had been some great inducement for their doing so. The question had occurred to him,—What was the reason of this?—and the only reply he could give was, that that emigration arose from the value of protection. He considered, however, that this French Canadian emigration could be prevented. There was no country more fitted for manufacturing enterprises than the Province of Quebec; and if that Province had such laws as would secure it a market for its manufactures, the people would be kept at home.

Referring to the question of diversity of labor, he held that no country could become great by one branch of employment alone; still he believed agriculture must be the foundation of Canadian success. There were many ways by which a large immigration could be induced, and unless these means were adopted, our population could not be supported. In Ontario there were considerable tracts of valuable land, but there must be a large population to form a market for their products.

A delegate from Quebec had informed him that people in that Province were anxious for protection to certain industries, and that they were willing to allow new manufactories that might be established to be free from taxation for 10 years, in order to encourage them. He considered that to be protection in its worst form, because the poorer classes were thereby compelled to pay the taxes properly due from that factory. A general law should rather be enacted, so that manufactures would be encouraged by the whole country.

As regards the different kinds of duties which he thought the Board ought to take up, he found that in the several States of Europe, and also in the United States, specific duties were adhered to as much as possible, instead of *ad valorem*, so as to prevent frauds; the *ad valorem* system affording opportunities for dishonesty. Mr. GORDON concluded by referring to certain instances of frauds, the particulars of which had been made public.

Mr. ROBERT WILKES (Toronto) did not think it would be becoming on his part to enter into a discussion of the general theories of free-trade and protection in the presence of an audience composed of the ablest commercial men in the Dominion. He would, however, read a short paper he had prepared on the subject. (See Appendix F.)

Mr. HENRY FRY (Quebec) said that the gentlemen who had advocated protection seemed ashamed of the name of Protectionists. He did not intend to go into the general question, but as Mr. Gordon had alluded to Quebec, and the great benefit of protection to the boot and shoe trade there, he would like to say a word or two. It was true that that trade had been a great success, but no protection which could be imposed in its favor, would be of the slightest benefit to it; and one of the largest manufacturers had said to him, that if they could not make money under the present system, they deserved to fail. He would confine himself to one illustration of the question of free-trade,—that of ship-owning. In 1848 or 1849 we were gradually being cut out of the China tea trade by

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the fast clippers built for the United States. In 1850, he (Mr. F.) commenced in a small way as a ship owner, and in 1851 the British Government proposed to repeal the navigation laws. He thought he was going to be ruined, but the result in Great Britain is that the tonnage is nearly doubled, the ships are improved in form, and power, and size to an enormous extent, and at this very moment Great Britain has really driven American ships out of the trade.

The United States adopted a system diametrically opposite: they put an enormous duty on iron, and thus every bolt which went into the ship cost 50 or 60 per cent. more than was necessary. They protected every piece of metal, and so increased its price; they protected their sail makers, their rope makers, &c., and their protective duties had such an effect on the cost of labor, that whereas in England very good mechanics can be had for \$1 or \$1.50 a day, in New York or Boston they have to be paid twice that sum, and a Quebec or Glasgow built ship can be sailed on rates of freight on which Americans would starve.

He concluded by saying, with regard to the protective duties imposed last Spring, that in his opinion nothing more cruel, so far as the mass of the people were concerned, nor more impolitic in a national point of view, could possibly have been imagined.

Mr. ANDREW ROBERTSON (Montreal) then moved in amendment, seconded by Mr. JAS. DOMVILLE (St. John, N.B.):

"That it is the opinion of this Board, that the Revenues required by the Government are so great as to afford all the incidental protection required, and that, instead of adding to the present Tariff, the duties should be gradually reduced as fast as the exigencies of the country will permit."

Mr. JAS. DOMVILLE said that he was himself a manufacturer, and he spoke the sentiments of other manufacturers of his Province. He would be very sorry to see additional duties imposed on manufactures, as he believed we could successfully compete with foreign goods. As an instance, he might mention that in the city of St. John they had a manufactory which was shipping iron goods to England after bringing out the iron from England at a heavy rate of freight. He did not see why we should have protection to build up individual interests, as he had no doubt that with our abundant supply of coal, and with means of cheap transportation, we should be able to compete successfully with the rest of the world. He would be very sorry to see a duty either on raw material or on the fuel that produced the manufactured article, as it was most important that the laboring classes should have cheap food and cheap fuel.

The time, he thought, was drawing near when cordwood would be to a certain extent exhausted, at least such portion of it as can now be got cheaply in the towns; and then with the various measures recommended by the Board in the way of Canals, carried out, coal could be supplied throughout the Dominion at a very low cost. Ontario might desire a protective duty on flour, but he was sure the delegates from that Province would join him in the wish that the whole Dominion might have cheap food and fuel.

Mr. J. I. MACKENZIE (Hamilton) had hoped that such a relic of

barbarism as protection would not have been brought before the Board. He had listened with very great satisfaction indeed to the statements of Mr. Wilkes and Mr. Fry, and in supporting Mr. Robertson's amendment, he did not think it was necessary to say very much, but he would like to adduce a fact or two about the manufactures of the Dominion.

He was not aware that any of the manufacturing interests of the Dominion were languishing, but had certainly been under the impression that they were all most prosperous; and, speaking of the section of the country from which he came, he did not know a single manufactory that was not in a flourishing condition. He had chanced to visit the sewing machine factories in Hamilton, and was perfectly surprised to find the extraordinary amount of valuable work done there, and the great success that had attended those undertakings. He had found one of these firms manufacturing sewing machines to the number of 450 a week, the greater part of which were shipped to Europe. He had found another firm making 300 a week, and shipping half of them to Europe. He had found another concern in an infant condition, and just preparing to operate; this was making 70 machines a week, and was seeking a market for them in New Brunswick and Nova Scotia. They were then shipping over 300 to St. John, N.B., and on asking whether these were sent on commission, he was informed that they were not, but were real sales.

He stated that all the iron for this work was sent out from England, manufactured in Hamilton and then re-exported to England. He believed that our cloth factories had almost shut out English goods. In Ontario and Quebec we made all our own tweeds, and can supply all the goods that are required without going to England. As to the boot and shoe manufacturers, they were supposed to be all coining money.

He felt sure the Dominion was never in a more prosperous state than at present.

Mr. T. W. DANIEL (St. John) mentioned that a very large portion of the duties collected on dry goods was on the more expensive articles,—probably Mr. Robertson could bear him out in this statement,—at any rate such was the case at St. John, and further, that these goods were purchased chiefly by Americans. The reason of this was that our Tariff was so much lower than theirs, that they could purchase from us on better terms than they could import for themselves, so that if our Tariff were higher we should lose that trade altogether, or, at any rate, a large portion of it.

In corroboration of Mr. Mackenzie's remarks as to the general prosperity of the Dominion, he mentioned that he was connected with the Bank of New Brunswick, which held the accounts of the principal commercial men of St. John. He could safely affirm that within the last two years, but more particularly within the last twelve months, the accounts had been better kept, bills better paid, and the bank making more money than ever before; and there was then a larger amount on deposit than there had been previously, and, indeed, altogether the bank had never been in a better position; he considered, therefore, that it represented in a great measure the industrial interests of the Province.

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Mr. WM. PENNOCK (Ottawa) did not intend to enter into any argument on the abstract question, but allusion had been made by Mr. Fry to the fact of the excessive protection of the shipping interests of the United States. On the necessity arising for a large revenue in that country, opportunity was given for those advocating protection to get what they asked for, and the effects had proved most disastrous to that country. There was one question, however, connected with tariffs on which he held decided opinions, viz., that the ever-recurring changes which take place, are very prejudicial to manufacturing enterprises. In order that these should be encouraged, it was necessary that there should be some degree of certainty, for when a man embarked in such an enterprise, going to a large expense in erecting buildings and machinery, he thought he had a right to assume that no sudden or frequent changes would be made in the tariff, such as would interfere with his business.

Mr. WM. THOMSON (St. John) said that in this matter his interests were identical with those of Mr. Fry, and so far as regards ship-building, he might say that all their ship-yards were full of life and activity. Ship-building had received a considerable impetus this Fall, and many of the contracts were for parties in England. This was not only the case at St. John, but also for 50 or 60 miles up the river. Mechanics of every description could get employment at remunerative wages, and only wanted cheap fuel and food. He added that they could compete with any part of the world in this branch, and had nothing to fear from American ships. They got a classification of A 1 for 8 years from the French Lloyds for the spruce-built vessels, and if a certain amount of oak was used in particular parts of the ships, they got the full classification of A 1 for 9 years. As regarded other interests he had occasion to meet all classes of citizens, and from every one he received the same report,—all were employed at full wages, and the community was prosperous.

He concluded by saying that all they required was to be let alone, as he was satisfied that the more business was interfered with by legislation, the greater injury was done.

The Hon. Mr. SKEAD (Ottawa) said he had chanced to arrive late, but, on entering the door, had heard the remark in the paper read by Mr. Wilkes, "levy an export duty of one dollar per thousand feet on lumber." Now, he had been engaged in that trade for over thirty years,—indeed, ever since he was a boy, and he would be sorry to see any disposition to make lumberers bear heavier burdens than they do now, as he felt they already carried as great a weight as they were capable of doing. In the first place, they had to secure their timber limits from the Government, to obtain a license, and go to many other heavy expenses in cutting the lumber and getting it down the rivers, and then they had to pay the Government 10 per cent. of the value of the timber on its arrival at the port of shipment.

He was a Free Trader in principle. The Government, however, must levy a tax on something to obtain a revenue. Let that tax be borne by every man, woman and child; let us have free trade with all nations, and

so make it the best and cheapest country in the world to live in. He was opposed to raising the revenue from one branch of industry alone. The lumbering trade could not bear any further taxation; it was only paying a reasonable percentage at present, and there was not a dry goods merchant or a grocer at this Board who did not obtain a greater profit than the lumberman.

Mr. JOHN CARRUTHERS (Kingston) spoke of the duty on leather, and complained that it should be made an exception. Mr. Gordon's arguments reminded him of a case he had heard of two young chemists coming from England and investing their capital in a starch factory at Edwardsburg. They failed, but managed to form a joint-stock company, and, in some incomprehensible way, got a protection of 40 per cent. on their manufactures. Since then, of course, the establishment had been prosperous, but why should the country be taxed for their benefit? He objected to the duty which had been placed on coal, flour, salt, &c., and hoped the Board would recommend its abolishment.

Mr. JAMES WATSON (Hamilton) did not think that this discussion was at all within the province of the Board; the question was a political one and should be left to Parliament.

Mr. JAMES DOUGALL (Windsor) said he thought Mr. Gordon had gone over much more ground than was necessary. He remembered many years ago, when he had imported goods paying $2\frac{1}{2}$ per cent. The duty was gradually increased, until, under a previous administration of Sir Francis Hincks, it reached 25 per cent. At that time he imported a large quantity of merchandise, and a good deal went to the United States; but when the tariff was raised to an average of 25 per cent., trade languished and Canada was in a worse position than ever before. The business on the frontier was entirely ruined, Montreal was nearly ruined, and its merchants thought it would never be a prosperous city again. He believed there was now a great re-actionary movement throughout the Western States, and before the expiration of five years, the duties in the United States would be reduced; and it would, therefore, be simply suicidal to go back to the old way of levying duties. With regard to specific duties, he thought Mr. Gordon had rebutted his own argument; for, while he maintained it was the only way to secure honest dealing, his speech had been full of the frauds which had been committed. He did not think any system of taxation could prevent frauds, but he considered the *ad valorem* system the best.

Mr. JOHN GORDON (Toronto) said that in seconding Mr. Elliott's motion, he had thought it well to go over the whole subject. He was in no way ashamed of being termed a Protectionist. He was very glad to hear of the prosperous condition of the shipping trade at Quebec. With regard to the manufacture of woollen goods, he read a list of mills not in operation in Ontario, and argued from this that the manufactures of the country were hardly so prosperous as had been represented.

He did not advocate extreme protection, but objected to having the

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duties on tea and sugar advanced, while those on manufactured goods were reduced. He was glad to hear evidence of prosperity from different parts of the country. True, there was an accumulation of money in the banks, but though that showed possession of wealth, it was not a guarantee of prosperity. In England, during the past year, money had been a complete drug on the market, and at the same time it was well known that the manufactories of England were not prosperous, and the case was the same in Canada. If we could have free trade with all the world, he would say let us have it; but as we could not, he maintained that a partially protective policy would be most conducive to the country's good.

Mr. JOHN CARRUTHERS (Kingston) thought the proper way to look at the matter was, to compare the amount of capital employed in woollen manufactures now, with the amount employed in 1869; and on doing so it would be found that the capital now was much larger, and the number of people engaged much greater.

Mr. ANDREW ROBERTSON (Montreal) would simply refer to woollens and cottons. He was satisfied that the present protection was ample both for woollen and cotton manufactures, and he hoped that instead of seeing the duties raised they would soon see them reduced.

Mr. ROBERTSON'S amendment was then put and carried on a division, as follows:

Ayes—Messrs. Carruthers, Cockshutt, Daniel, Domville, Dougall, Daly, Fry, Grant, Gould, Kerry, Kinghorn, McLennan, McDougall, Morin, McKenzie, McGillivray, Neilson, Ogilvie, Pennock, Robertson, Ryan, Scott, Skead, Thompson, Thibaudeau, Wilkes, Workman.—27.

Nays—Messrs. Elliott, Gordon, Howland, Joseph, Walker, Watson—6.

REPEAL OF DUTIES ON FLOUR, GRAIN, AND COAL.

Mr. M. P. RYAN, M.P. (Montreal) moved, seconded by Mr. E. MCGILLIVRAY, (Ottawa),

"That a petition be presented to Parliament at its next Session, by this Board, praying for the repeal of the duties on Flour, Grain, Coal, Coke, and Salt."

Mr. RYAN said he would simply present the motion, making no remarks, as he did not think there could be any difference of opinion.

Mr. W. W. OGILVIE (Montreal) said, that after having given the duty on coal and grain a trial for one year, he was astonished to find any one in favor of it. Being a large holder of wheat last year, he was told that he would benefit by the duty to the extent of 4c. a bushel, but such was not the case. He knew that this year, in many districts in the West, the crops were so small that the people would have to import a large portion of what they required for food and seed; he therefore considered that the duty on wheat was a direct food tax, and that on coal a direct fuel tax; and when the question was brought up, he did not think there would have been one person in favor of these duties.

Mr. T. M. DALY (Stratford) said that the people in his section of the country were disposed to assist the Government in carrying out a national policy. They were producers of grain and salt. In fact, he might say the salt-works in the neighborhood of Lake Huron were the best in the world; and he was opposed to protection on that article, because they could produce it so easily as to be able to compete successfully with the salt of other countries. When the salt-works of Canada had first been commenced, the Americans had thrown their salt on our markets in such quantities and at such prices as would have ruined our own trade; but the people who were interested in the business had insisted on being protected, and the Government had thought proper to do as they desired. He added, that the agriculturists were not in favor of duty on grain. They could compete with the American grower, and, as a general rule, could raise as many bushels to the acre; but he agreed with Mr. Ogilvie that this year the best wheat-growing districts of the West would not have enough to feed and seed them for the coming year; and he believed that both agricultural and salt interests would be much better off without any protection.

Mr. W. H. HOWLAND (Toronto) thought that the only argument that had been used in support of Mr. Ryan's motion was, *that everyone was in favor of it!* He considered that for all branches of business, the best market was the home market. In this country, and in Ontario in particular, they had two markets, a home market and, so to speak, a foreign one. Whenever people in Canada sent their produce to England, they ran a risk of a change in prices, and they had to wait a long time for their money; it was, therefore, to our interest to encourage a home market as much as possible. If the gentlemen from the Maritime Provinces were determined to secure their own interests, without regard to those of Ontario, it certainly shewed that Confederation was not a desirable thing for Ontario. He believed Ontario paid nearly one-half the taxation of the whole country, and he thought its interests should receive an impartial consideration. The Maritime Provinces were, of course, the best market for the grain of Ontario, but Boston and New York were much nearer than Toronto; and, of course, if people could get what they wanted close at hand on equal terms, they were not likely to send to a distance; the merchants on the sea-board, therefore, had refused to buy from Ontario producers, until they could under-sell the Americans. He thought it most unfair that the Americans should build their huge wall of protection, and at the same time furnish one part of our country with what another part could supply. There were several other matters to be considered in connection with this subject, but he was afraid the Board would become impatient, and he was only sorry that there had been any discussion. All he wanted was, that there should be a narrow line of protection, just sufficient to encourage inter-Provincial trade—as Nova Scotia and New Brunswick would certainly deal with the United States, unless Ontario could offer some inducement. The Dominion must be fastened together in some way, and the only way in which that could be done was by the bonds of trade. (See Appendix G.)

In considering the future of this country, every one must admit that

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we have a chance of rising to importance some day, and as the people are hardy and industrious, we must eventually, if only encouraged to keep together, become a very great and powerful nation. He trusted that the matter would not be viewed in the light of a mere tax on food and fuel, and, as such, wrong in principle; it was very low, and had for its object, not the exaction of higher prices, but the encouragement of inter-Provincial trade, and should be treated accordingly.

Mr. HENRY FRY (Quebec) asked Mr. Howland if he was aware that the duty on British coal was 30 per cent., and on salt 100 per cent.

Mr. HOWLAND said he was satisfied the duty on coal should be *ad valorem*. Ontario, however, paid more duty on coal than any other Province. If the motion before the chair were not absolutely for the repeal of the duties, but admitted of any softening, he would not have objected to it so strongly. With regard to salt, before the duty was levied, the trade had languished, but the moment the duty was imposed, a difference was seen at once. A very large amount of capital was employed in the business, and last year 300,000 barrels of salt had been produced from the Goderich works, as compared with 70,000 the year before; and he thought, therefore, the duty on American salt had done its work well.

Mr. HOWLAND moved, seconded by Mr. JOHN WALKER (London),

"That the consideration of this subject be postponed to this day six months."

Mr. THOS. M. DALY (Stratford) said it was true that the amount of salt produced had increased very considerably; he attributed that, not to the imposition of a duty on the American article, but rather to the improved method employed for obtaining the salt. Many new plans had been invented, and one or two of them had proved very successful. The salt business was still on the increase.

Mr. HUGH McLENNAN (Montreal) thought there were peculiar features in the salt business. It appeared that the American companies had sent their salt into Canada, and sold it at lower prices than in their own country, in order to destroy the Canadian trade. The question of a duty on wheat, flour, and coal, had been so thoroughly ventilated that he would say nothing further on the subject. He would only add, that in all their deliberations the questions ought to be approached by the representatives as merchants, and that if the Dominion Board of Trade made any suggestions to Government, they should be the result of positive knowledge, coming from men more conversant with some of the subjects than members of the Government were likely to be.

Mr. JOHN WALKER (London) said that in seconding Mr. Howland's amendment he had waited some time, hoping for a response to the suggestion that the original motion should be modified. With all respect to Mr. Daly, he must claim to be acquainted with the feeling of those concerned in the salt business; and he stated most distinctly that the salt interest of Goderich certainly required protection. Had it not been for the small protection extended to them, against a combination of American manufac-

turers desiring to crush out the Canadian trade, there would have been no salt-works in operation at Goderich to-day. He understood the question as a practical man, and knew well the struggles the trade had gone through, and that it was only by dint of earnest perseverance that the Government had been induced to impose a duty, under which the increase in trade had been considerable and gratifying. The business was, however, still in its infancy, and if that duty were repealed, an important and growing industry would be ruined. He differed also from Mr. Daly as to his interpretation of the wishes of the agriculturists. Western farmers were not desirous that the protection of grain and flour should be done away with. Comparatively few gentlemen from the West had spoken on the subject; he thought it was patent to all that the interests of Montreal were altogether free-trade, and that that city had an overwhelming representation at the Board, who were exercising their influence to their own advantage. Free-trade, however, did not suit either the farmers or manufacturers of the West. With regard to the charge of making bread more expensive, he thought the matter was so exceedingly small that it would make no difference to the working classes; and if it would give Ontario the trade of the Maritime Provinces, it was wrong for Montreal to step in and try to prevent it.

The PRESIDENT here interposed, and said he thought the subject should be discussed on a broad commercial basis.

Mr. JOHN CARRUTHERS (Kingston) said he was altogether opposed to duties on the necessaries of life. He considered salt to be such a necessary, and, therefore, living as he did in central Canada, he thought he ought to be allowed to get it as cheaply as he possibly could. He was deeply interested in the coal mines of Nova Scotia, but he would be ashamed to ask Government for any protection, and he thought manufacturers ought to view the matter similarly.

Mr. JAMES DOUGALL, (Windsor) speaking of the duty on coal, mentioned that the town of Amherstburg, situated where all the American steamers had to pass close by, had been a port at which they all touched, formerly for wood, and more recently for coal. A large business had sprung up there, a great quantity of coal being sold. But the moment protection was put on, the whole of that business was lost, and the town, as far as that trade was concerned, utterly ruined. He was not in favor of protection, and had been instructed by the Board he represented to recommend the abolition of the duties in question.

Mr. THOS. W. DANIEL (St. John) said that they had nothing to find fault with in New Brunswick except as regarded packing salt, of which an immense quantity was used in curing pork and beef, and which it was thought ought to come in free. With regard to flour he very reluctantly had to oppose his representative brethren from the West, because he entertained a strong feeling of friendship for them, and would himself go out of his way to deal with them; but at the same time, the question had been very fully discussed in the Chamber of Commerce at St. John, and

it had been decided almost unanimously that the duty ought to be repealed. A lumberer with whom he was intimately acquainted, had 1500 men and 800 horses to feed, using Canada flour almost altogether, and was very strongly in favor of the repeal of the duty.

Mr. ROBERT WILKES (Toronto) asked whether flour in St. John was really 25 cents per barrel dearer than it was before the duty was imposed? As a Free Trader he accepted Mr. Ryan's motion, and he did not believe they would vote down a principle, the reverse of which would mean a resurrection of the Corn Laws. On the question of salt, he would say that if an American company were to come into Canada oppressively, and, so to speak, give away their salt for a time, in order to crush rival Canadian enterprises, then, in justice to our own people, the Government ought to grant reasonable defence. He thought a Free Trader might admit so much. As to the duty on flour, he thought it depended entirely on the question he had asked. If the price was increased at St. John, it certainly became a tax paid by the Maritime Provinces to the producers of the West; and if this were not the case he thought they had nothing to complain of. As to the coal question, Nova Scotia produced a soft coal only, while there was a duty of 30 per cent. on British coal, which he considered unjust, as discriminating against the mother country, and because it prevented ships bringing out coal as ballast in order to return to England with timber. As Nova Scotia did not produce hard coal, he considered the duty on that article purely a tax on a necessary of life. Although, therefore, he made these concessions, he still retained his Free Trade principles; but he was sure the Canadian people had spirit enough to take Nova Scotia coal whenever they could use it; and he had found two cargoes of Nova Scotia coal landed at Toronto, under the present duty, and sold at the modest profit of \$4 a ton.

Mr. THOS. W. DANIEL (St. John) replied that the market prices of flour had certainly been higher in St. John since the imposition of the duty than previously, though, perhaps, not to the full extent of 25 cents a barrel.

Mr. J. I. MACKENZIE (Hamilton) suggested that salt should be omitted from the motion of Mr. Ryan. Although a Free Trader, he thought, as the duty had been so recently imposed, there was little probability of the Government entertaining a proposition to repeal it. He held in his hand a memorial from Philadelphia to the Government of the United States, showing the protection given to the Onondaga Salt Company, enabling them to enter Canada and sell their salt at any price in order to cripple Canadian interests.

Mr. T. M. DALY (Stratford) wished to say, in reply to Mr. Walker, that in his first statement he had said that the agricultural people were disposed to assist the Government in carrying out a national policy. He did not represent any interest other than that of the Stratford Board of Trade, and in doing so he would say that the protective tariff had not worked satisfactorily, and ought to be repealed.

The Hon. JAMES SKEAD (Ottawa) said that he was in favor of having

the duty on coal repealed, for, if this were accomplished, numbers of ships would come out to Quebec with coal, and return laden with timber. Having to go to Quebec from Montreal last summer, he went to the Purser of one of the Richelieu Company's steamers with the usual sum, to pay his fare. "Fifty cents more," said the Purser. "Why?" he asked "Well," replied the Purser, "you have put a duty on coal, our fuel, and we must take it out of your pockets." Thus everything connected with the consumption of coal had advanced in price. He was also under the impression that New Brunswick imported more flour from the United States than from Ontario.

Mr. WM. THOMSON (St. John) stated that during the past year St. John had imported 158,500 barrels Canadian flour, and 68,823 from the United States.

Mr. HOWLAND'S motion to postpone to "this day six months" was negatived on a division, as follows:

Ayes.—Messrs, Cockshutt, Elliott, Gordon, Howland, Leggat, Neilson, Smith, Walker, Watson.—9.

Nays.—Messrs. Carruthers, Daniel, Domville, Dougall, Daly, Fry, Grant, Gould, Joseph, Kerry, Kinghorn, McLennan, McDougall, Morin, McKenzie, McGillivray, Ogilvie, Pennock, Robertson, Ryan, Scott, Skead, Thomson, Thibaudeau, Wilkes, Workman.—26.

Mr. JOHN WALKER (London) then moved, seconded by Mr. GEORGE NEILSON (Belleville), that the word "Salt" be omitted from the original motion.

Mr. GEO. NEILSON (Belleville) said that he held that we ought to be disposed to act for ourselves as a nation, and that when, as in the case of the Goderich Salt Works, young interests required protection, that protection ought to be extended, until they gained such proportions as to defy competition. He was, therefore, in favor of protection for salt. As regards flour, he certainly thought there was something to be considered in what Mr. Howland had said, and that every effort ought to be made to foster inter-Provincial trade, which would tend to the benefit of the whole Dominion.

Mr. WALKER'S amendment was then put and carried, after which

The original motion as amended was put and carried, on a division, as follows:

"That a Petition be presented to Parliament at its next Session, by this Board, praying for the Repeal of the duties on Flour, Grain, Coal, and Coke."

Ayes.—Messrs. Carruthers, Daniel, Domville, Dougall, Daly, Fry, Grant, Gould, Joseph, Kerry, Kinghorn, Leggat, McLennan, McDougall, Morin, McKenzie, McGillivray, Ogilvie, Pennock, Robertson, Ryan, Scott, Skead, Thomson, Thibaudeau, Wilkes, Workman.—27.

Nays.—Messrs. Cockshutt, Elliott, Gordon, Howland, Neilson, Smith, Walker, Watson.—8.

The Board adjourned until half-past two o'clock, P.M.

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AFTERNOON SESSION.

THURSDAY, 19th January, 2.30 o'clock, P.M.

The Board met again at three o'clock, the PRESIDENT in the chair, and proceeded to the discussion of the subject of Pilotage, a paper on the subject having been prepared by the Quebec Board of Trade.

INQUIRY INTO THE OPERATION OF THE PILOTAGE LAW.

Mr. HENRY FRY (Quebec) read a comprehensive and interesting paper on this most important question. (See Appendix H.)

He then moved, seconded by Mr. A. JOSEPH (Quebec) :

"Whereas the safe navigation of the River St. Lawrence is of great importance to the Commerce of the Dominion, and requires Pilots of skill, energy, and sound judgment; and

"Whereas the present system is based upon unsound principles and leads to serious evils; therefore,

"Resolved.—That the Dominion Government be respectfully asked to bring before Parliament, a Bill, modifying the present Law, so as to introduce the element of competition amongst the Pilots; providing also that the Pilots shall be paid in proportion to the services they perform, and that Ship-owners, Merchants, and Underwriters shall have a voice in the administration of the system."

Mr. WM. THOMSON (St. John) said that, coming from the harbor of Saint John, the navigation of which was considered very dangerous, and having had some twenty years' of trade experience, he could corroborate from his own knowledge Mr. Fry's remarks. The Dominion Board of Trade was very much indebted to Mr. Fry for the manner in which he had brought the matter forward. They had had the same difficulties to contend against at Saint John. Their Pilots, to the number of 45, had formed an Association some years ago, in which the same principles were attempted to be worked out, as were condemned in Mr. Fry's paper. The whole commercial community opposed their action; the Association did not yield, but gave the Pilots the exclusive right of making their own regulations, and rendered them perfectly independent. Now, however, they had competition in the way suggested by Mr. Fry. They had a law requiring every Pilot to serve a certain number of years, to be able to read and write, prick out a ship's course on the chart, and to own at least one-eighth part of a pilot schooner. It was now found that with four or six good Pilots there was active competition, and vessels very seldom failed to find Pilots at the outer pilotage station. They also paid them distance money, and they had four different rates of pilotage, according to the draft of the vessels. Every vessel entering the port was bound to take a Pilot at the outside station, and vessels very rarely indeed passed the second station without finding one. Bringing the well-qualified men into competition with each other, encouraged such a spirit of care, as well as enterprise, that accidents rarely occurred. He was satisfied the recommendations con-

tained in Mr. Fry's motion, if carried out, would be beneficial to the navigation of the River St. Lawrence.

Mr. THOS. W. DANIEL (St. John) asked whether there was a Board constituted in Quebec to conduct the examination of ship-masters.

Mr. HENRY FRY (Quebec) replied that the Board of Trade had on several occasions petitioned the Minister of Marine for such power, and he believed a measure on the subject would be brought forward at the ensuing session of Parliament.

The PRESIDENT said they were all greatly indebted to Mr. Fry for his careful investigation of the matter, as the subject was one in which they were all interested. The ship-owner in Nova Scotia or New Brunswick sending his ships to the St. Lawrence, and the Western Canadian shipping his produce, must all agree that the rate of insurance was determined by the risk of accidents, and therefore every effort to make the route to the ocean safer was a positive advantage to all. The Montreal Board of Trade had joined that of Quebec some years ago, in endeavoring to change the law so as to inculcate such a spirit of emulation among the pilots, as that the man who paid the most attention to his business would be the best paid, but they had not yet succeeded.

Mr. FRY'S motion was then put and carried unanimously.

REPEAL OF EXCISE DUTY ON PETROLEUM.

Mr. JOHN WALKER (London) then moved, seconded by Mr. C. P. SMITH (London),

"That this Board recommend that the excise duty of five cents per gallon presently levied on Refined Petroleum Oil be repealed; and that the fire test be reduced to 100° Fahrenheit vapour test, being the same as has been recently settled by Act of Parliament in England; and that if it is not expedient to repeal entirely said excise duty, it shall only be levied on 'illuminating oil,' leaving brown oil and other refuse products free, to be utilized as science and research may direct without being clogged by excise regulations."

Mr. WALKER stated that as all the members of the Board were not acquainted with the oil trade he would explain his motion. The excise duty of 5c. per gallon was imposed two years ago by Government. He held that, dealing with a natural product of the soil, utilizing it and making it fit for sale, sending it to all the markets of the world, and drawing gold from other countries for the good of Canada in return, he ought to be placed in a different category from the distiller and the manufacturer of liquors. He contended that oil was a necessary of life, as we could not get on without it; and he therefore asked the Board to recommend that the duty, and restriction (for wherever an exciseman was constantly at hand through every stage of a manufacture, it could not be considered otherwise than as a restriction,) should be removed.

It had been said that the trade had increased and enlarged, and that therefore what he complained of had not operated as a restriction, but the trade had increased because nature had been bountiful. They had bored

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the earth, and found themselves rewarded by larger and larger supplies of oil ; and he put it to this Dominion Board of Trade, as an assembly of intelligent men, and men accustomed to business transactions, whether in their judgment an exciseman was not a very undesirable person to have about their premises. The 5c. a gallon did not come out of the pocket of the producer, but had to be paid by the consumer. It did not interfere with the export trade, which was quadruple the home trade. The duty was not exacted on that, but on what was consumed in Canada, so that our own people were the sufferers. As regarded the fire test : the present test on oil was 115° Fahrenheit. This was fixed at a time when the knowledge of the subject was imperfect. Since then, however, large discoveries of a very inflammable oil, known as shale oil, had been made in England, and a number of accidents had occurred. On the 13th October, 1868, an Act of Parliament was passed, in order to secure safety, to the effect that no person should sell or expose for sale, within the United Kingdom, from and after the 1st February, 1869, any form of petroleum, which gave off a vapour at 100° Fahrenheit. He simply asked, therefore, that producers in Canada should be placed on the same footing as those in England ; and he did so for this reason, that to bring up the oil to 115° was to expel a great deal of its most valuable properties. The Board might have observed, that oil, when burning, often spurted, and the reason of this was that it was brought down to a heavier grade by the necessity of compliance with the 115° test. By this useless enactment, the producers were losers, because they lost a portion of the oil ; and the consumers were losers, because they got a worse quality. He thought therefore that no one could object to their obtaining this relief ; and he felt convinced that if the Board placed the matter before the Government, they would grant what was asked, after satisfying themselves as to the correctness of the representations.

He had inserted in his motion the clause, "and if it is not expedient," &c., because, as the work was now carried on, the first thing that came off was illuminating oil, then followed a brown oil, which was not fit for burning purposes, and afterwards came tar or coke. The intention of the excise law was only to reach the illuminating oil, as it was the only oil of commerce at the time the act was passed ; but since then, uses had been found for the brown oil and tar. It had been discovered that this brown oil and tar contained a paying quantity of paraffine of the finest description, which could be pressed out ; and that the refuse then remaining was peculiarly adapted for lubricating purposes. This excise duty, though not intended to affect the refuse, still by the wording of the act included everything that came from the still, so that the enterprise in that respect was nipped in the bud, not only by the levying of the duty, but by the presence of the exciseman. He asked, therefore, that the duty should be taken off the refuse products at any rate. If this were done, there were men ready to take hold of the matter, and erect works for the manufacture of oils and grease for all parts of the world. To make grease it was necessary to mix some substance with the oil to give it consistency. He used chalk for this purpose, and turning to the Canadian Tariff he found grease free.

The trade had grown immensely during the past year. In 1869

there had been produced 2,000,000 gallons for home consumption, and 758,000 gallons had been exported, making a total of nearly 3,000,000 gallons. In 1870 the production had been 2,700,000 gallons for home, and 7,000,000 gallons had been exported, so that there had been an increase in the home trade from two to nearly three millions, and in the export from 758,000 to 7,000,000 gallons; and although the increase had been so large in 1870, the present year, he thought, would shew a still further increase. The dealers had now got a hold on the markets of the world, and having gone to great expense and trouble, they asked to be relieved from what were simply useless restrictions.

Mr. GEORGE NEILSON (Belleville) stated that this matter had come before certain Boards of Trade two years previously, and they had then recommended, from the representations made by the oil men themselves, that the duty in question should be levied. It was thought the duty would be for the benefit of the trade; and it certainly appeared from the statements of Mr. Walker that it had increased wonderfully, whether the improvement was attributable to the action of the Legislature or not. He rose, not to oppose the motion, but to ask Mr. Walker why the policy of the oil men had changed so suddenly.

Mr. WALKER, could only say in reply that at that time the oil question was on a very narrow basis, and he would rather not attempt a full explanation. He might say, however, that he believed the duty had been imposed at the instance of a few gentlemen who held large quantities of oil, it being then a complete drug, and at the time mentioned Canada had only her own market to depend on.

Mr. J. I. MCKENZIE (Hamilton) thought the subject required further consideration before it was decided, as it was new to most of the members of the Board, and very few of them understood the question. Looking at the surface only, he could see that the Government derived a large revenue from the duty on oil. He did not know of any interest in Ontario more profitable to the country, and to those engaged in it,—and he thought it was better able to pay an excise duty than any other trade. It had progressed most wonderfully, and was growing every day, the manufacturers in Hamilton exporting immense quantities. Although the duty was charged on what was consumed in Canada, yet the oil remained cheaper than anything that could be used in its stead.

Mr. WM. ELLIOTT (Toronto) said he should support the motion, as he had been informed that the excise duty was a great clog to the carrying on of the business; and also that the presence of the exciseman prevented the making of any improvements, and put an end to all experiments. He could well understand that when a person spent time and money in making experiments, he desired to keep the results to himself; but he could not do so while the exciseman was with him.

Mr. W. H. HOWLAND (Toronto) said that he was in favor of taking the duty off the refuse, but he could not resist the opportunity of showing his friends, the free traders, that though they were all so anxious to take

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away the duty from the poor man's bread, they would not take it off the poor man's light !

Mr. T. M. DALY (Stratford) suggested that the Board might ask the Government to increase the cost of Licenses, and take away the exciseman.

Mr. A. JOSEPH (Quebec) was very much inclined to agree with Mr. Mackenzie's view of the matter ; and, following Mr. Howland's example, he thought they could not do better than pass a six months' hoist, as they knew so little of the question that they could not competently vote on it. He thought they had certainly better take Mr. Mackenzie's advice, and not allow the Government to bring against them the charge which it was stated Boards of Trade always brought on themselves, namely, that of continually asking for improvements, and at the same time insisting on a reduction of taxation. If the resolution had not been so comprehensive it might have been carried, but he thought they should hesitate before asking the Government to dispense with so considerable a revenue.

Mr. M. LEGGAT (Hamilton) thought the matter might be arranged satisfactorily by Mr. Walker confining his motion to taking the duty off the refuse and coarse oils, and not interfering with that on illuminating oil.

Mr. JOHN KERRY (Montreal) desired to support Mr. Leggat's view of the case, as he thought the duty on the refuse a great hardship.

Mr. GEO. NEILSON (Belleville) would also support a motion for taking the duty off the refuse, and allowing it to remain on the illuminating oil.

Mr. JOHN WALKER (London) said he would be very glad to accede to the suggestion not to ask a repeal of the duty on the illuminating oil, if, otherwise, he could get rid of the exciseman. Mr. Joseph had admitted that he was not acquainted with the subject, and he thought he might have a little consideration for their difficulties in this matter in Ontario, as he had had for the superior knowledge of Mr. Fry, and others, in the matter of the Pilotage. It had been stated that the Government were likely to have a surplus ; and in the event of this, he desired that there should be on record a resolution approving the repeal of the duty, and he asked to be allowed to keep his motion in its original shape.

Mr. E. MCGILLIVRAY (Ottawa) thought that there were some points connected with the matter which were not understood, and on which they certainly required light. Only two years ago, the imposition of the duty had been recommended on the advice of the oil dealers themselves. He thought that oil was cheap already,—and as the Board had passed resolutions which would involve a considerable decrease of revenue, he thought they might leave the duty on oil as it was.

Mr. ROBT. WILKES (Toronto) could not altogether see the consistency of the gentlemen who were opposed to the removal of the duty on petroleum oil. He referred to the tax formerly levied on windows in England, shewing that any one favoring a repetition of that tax would be deemed insane, and he asked what was a tax on such an essential article as illuminating oil,

but a tax on light?—and further it was a tax on the light of the working classes, for the wealthy portion of the people could do without it, but the poor man could not.

The imposition of the 5c. per gallon tax also involved the profit on that 5c., all of which fell on the consumer. He believed if the tax were removed the price of the oil would be sensibly reduced; and if it should prove that the Government had a surplus, was it not reasonable to advocate that the poor man should have his light as cheap as possible?

Mr. WALKER'S motion was then put and lost on a division, as follows:

Ayes.—Messrs. Elliott, Fry, Gordon, Gould, Kinghorn, McLennan, Scott, Skead, Smith, Wilkes, Walker, Watson,—12.

Nays.—Messrs. Carruthers, Cockshutt, Daniel, Domville, Dougall, Daly, Grant, Howland, Joseph, Kerry, Leggat, McDougall, McKenzie, McGillivray, Neilson, Ogilvie, Pennock, Robertson, Ryan, Thomson,—20.

It was then moved by Mr. W. H. Howland, (Toronto) and seconded by Mr. Robt. Wilkes (Toronto):

"That this Board recommend that the Excise Duty of 5 cents per gallon presently levied on 'Brown Oil,' and other refuse products of 'Petroleum Oil' be repealed; and that the fire-test on illuminating Oil be reduced to 100° Fahrenheit vapour-test, being the same as has been recently settled by Act of Parliament in England."

Mr. IRA GOULD (Montreal) thought it ought to be definitely understood whether the test of 100° proposed, would be sufficient for the purposes of safety from accident.

Mr. JOHN WALKER (London) explained that some time ago a very serious accident had occurred in England, in connection with Shale Oil, and that a conference of the most eminent chemists, which met specially to consider the subject, resolved that 100° vapor should be the test to be adopted. He might mention that the oil for export was not bound down to the same test as that for home consumption. The change of the test as proposed would in no degree increase the danger, and the quality of the oil would be much improved.

Mr. JAMES DOUGALL (Windsor) enquired what the test in the United States was, to which

Mr. JOHN WALKER replied, that to a certain extent it was the same as he now asked for, but that some of the States had no test at all; and this was the cause of the great number of explosions which took place.

Mr. HOWLAND'S motion was then put and carried.

ASSOCIATION OF CHAMBERS OF COMMERCE.

The PRESIDENT read draft of minute and resolution, submitted by the Executive Council, in reply to that received from the Associated Chambers of Commerce of the United Kingdom, which was approved, the

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Secretary being requested to communicate it to Mr. Sampson S. Lloyd, the Chairman, as follows :

"At the first annual meeting of the Dominion Board of Trade held in the city of Ottawa on the 18th and 19th January, 1871, at which Delegates from thirteen Boards of Trade and other Commercial Associations were present, representing the Provinces of New Brunswick, Quebec and Ontario :

"The President communicated an interesting letter which had been received from Sampson S. Lloyd, Esq., Chairman of the Association of Chambers of Commerce of the United Kingdom, when it was

Unanimously Resolved,—"That this Dominion Board of Trade most heartily thank their Commercial Brethren in the United Kingdom for their kind wishes, and trust that the friendly connection thus happily established with the 'Association of Chambers of Commerce of the United Kingdom,' may long continue, and prove mutually advantageous to the Commerce of both Countries,—and that a copy of this Resolution be forwarded to Sampson S. Lloyd, Esq., Chairman."

DUTY ON CERTAIN KINDS OF MACHINERY.

Mr. WM. THOMSON (St. John) moved, seconded by Mr. JOHN WALKER (London) "that the Government be requested to levy no duty on such kinds of machinery as were not produced in the Dominion." He mentioned that there were several branches of manufacture which required peculiar kinds of machinery, which could not be produced in the Dominion. The present duty on such machinery was 15 and 5 per cent., and it was found that this pressed very heavily on various industries that were trying to establish themselves in his Province. He believed the Government had power to relieve from duty, anything that could not be produced in Canada. Proprietors of different works had told him, that they were willing to pay an extra price for the machinery, if they could get it in Canada; but they were unable to do so, and still had to pay a heavy duty for getting it from England.

In reply to some suggestions, Mr. THOMSON said he would not press the matter.

RESOLUTION OF SYMPATHY AND THANKS.

At this stage of the proceedings it was moved by Mr. A. JOSEPH, (Quebec) seconded by Mr. ANDREW ROBERTSON, (Montreal) and unanimously resolved,

"That this Board takes the earliest opportunity of expressing regret at the destruction, this morning, by fire, of valuable property in this city, and to tender to the Board of Trade of Ottawa the thanks of the members of this Board for the tender of a dinner, which was to have been given this evening at the St. James' Hotel."

INTERNATIONAL SYSTEM OF WEIGHTS AND MEASURES.

The next subject for discussion was that proposed by the Montreal Board of Trade, and entitled "Uniform International System of Weights, Measures, &c."

The PRESIDENT remarked that in 1855 a Committee on Public

Accounts was appointed by Parliament to consider the question of Weights and Measures, when the general advantage of a decimal system was acknowledged. The result was that in the then Province of Canada the money was changed from pounds, shillings and pence, to a decimal currency, but no change took place as far as weights and measures were concerned. During the last session of Parliament the Hon. THOMAS RYAN (Senator) was chairman of a committee which had investigated the subject with great ability, and had published a report showing that in Nova Scotia and New Brunswick, accounts were not kept in the decimal currency,—and that generally there were very great discrepancies between the weights and measures recognized in the various Provinces of the Dominion. The President then instanced a number of cases in which these discrepancies occurred, and which resulted in great inconvenience.

He considered that an assimilation of weights and measures was very desirable, and that it was a subject upon which the Board could not but be agreed. The Executive Council had considered the matter, and they submitted the following resolution:

Moved by Mr. M. P. RYAN, M.P. (Montreal), seconded by Mr. WM. THOMSON (St. John),—

"That in the opinion of the Dominion Board of Trade, it would prove highly advantageous to trade and commerce, to establish throughout the Dominion, an uniform International Decimal System of Measures, Weights, and Coins." (Carried.)

WAREHOUSE RECEIPTS.

A resolution on the subject of warehouse receipts was submitted by Mr. W. H. Howland, (Toronto) and seconded by Mr. A. Joseph (Quebec).

In Mr. HOWLAND'S absence, Mr. JOSEPH stated that it was frequently found that banks and others were called upon to make advances on warehouse receipts, without security of any sort, and many frauds had taken place in that way. It was proposed, therefore, that in all cases where there was a Board of Trade, the warehouseman should be compelled to give a bond equal to 10 per cent. of the value of the goods in his store. Of course some details would be required, in order to carry out the principle of the motion, which could no doubt be supplied by Mr. Howland, its mover, who however, happened to be absent; but he knew, that in the eastern part of the country, banks were often called upon to make advances on mere warehouse receipts, and refused to do so, because the whole strength of the guarantee was in the character of the warehouseman.

Mr. HENRY FRY (Quebec) thought the motion was carrying legislation too far, and that it was not desirable to relieve any one in business of certain responsibilities attaching thereto; and further he thought the motion would not only do no good, but give a great amount of trouble.

Mr. IRA GOULD (Montreal) thought such a motion would give no additional security whatever. He considered that banks accepted warehouse receipts in accordance with the standing of the warehouseman, and he thought

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that was the only security that could be furnished. He believed that where regularly constituted warehouses existed, there had been very little loss, and he would be sorry to see any measure of the kind introduced as he did not think it would conduce to the public security.

Mr. HUGH McLENNAN (Montreal) thought that such a measure, if passed, would be merely nominal. The law was already as binding as possible, and the only additional security that could be obtained would be to make the warehouse responsible for the property, just as a vessel was responsible for the goods it carried.

Mr. JOHN CARRUTHERS (Kingston) thought that the security depended very much on the character of the warehouseman, and he thought the motion might be withdrawn.

The motion was accordingly withdrawn.

REVISION OF PATENT LAWS.

The PRESIDENT then introduced the subject of the Revision of Patent Laws. He remarked that the matter had been brought before the last Parliament in a petition wherein the parties prayed for some alteration of the law in the following particular. At present if a man in England invents anything, and comes to Canada, he cannot obtain a patent until he has resided one year in the country, and the same rule applies to people of the United States. He had personal experience of the effects of this law from a transaction of his own, and he knew the inconvenience it occasioned. It had induced the American Government to charge \$500 for every patent granted to a Canadian, whereas their own people only paid \$35; but he believed that law had recently been repealed, so that Canadians were now on the same footing as the Americans themselves. People were thus, to a greater extent, hindered from getting patents than they would otherwise be. The subject had been considered by the Executive Council, and though they did not wish to discuss the whole question of the Patent Laws, they thought the following resolution might be adopted with benefit:

Moved by Mr. Wm. PENNOCK (Ottawa), seconded by Mr. JAS. DOUGALL, (Windsor) :

"That the Law for Patents, as it now exists, requires amendment, in so far as compulsory residence in the Dominion is required from any applicant for a Patent."

Mr. PENNOCK said he was personally aware that the facts were as stated by the President. No one who had not been a resident in Canada for one year continuously could obtain a patent, and he thought in that respect the law should be amended. Formerly Canadians had to pay \$500 to get a patent in America, while the people of New Brunswick could do so on equal terms with the Americans. This was because we discriminated, while they of New Brunswick reciprocated. The Americans had, however, thrown aside the restriction.

Mr. IRA GOULD (Montreal) thought the subject too intricate to be

entered upon, as many difficulties might arise, if the recommendation were acceded to. For instance, a man might contrive something, obtain a patent, and go away in a short time without making any effort to utilize his invention, and so for a long time prevent people from taking advantage of what might prove very useful.

Mr. PENNOCK then altered the motion by inserting the words "of British subjects" after the word "residence," and it was carried as follows:

"That the law for Patents, as it now exists, requires amendment, in so far as compulsory residence of British subjects in the Dominion is required from any applicant for a Patent."

FOREIGN TRADE OF THE DOMINION—STATISTICAL RETURNS.

The PRESIDENT stated that a paper had been prepared by the Secretary of the Dominion Board of Trade relating to the foreign trade of the Dominion, specially referring to the lumber trade with South America, flour trade with the West Indies, trade with Australia, China, &c.; also, tables relating to the trade of the Dominion with Prince Edward Island, Newfoundland and the United Kingdom, all of which, it is suggested, should be printed with the proceedings of this Board. (See Appendix I.)

It was thereupon moved by Mr. M. P. RYAN, M.P., (Montreal) seconded by Mr. WM. ELLIOTT, (Toronto):

"That information relating to the Trade of the British Colonial Possessions be published from time to time by the Dominion Board of Trade.

"That the Dominion Government be requested to publish a monthly or quarterly statement showing the extent and variety of the trade between the different Provinces in the Dominion.

"That the Executive Council be requested to represent to the Government the importance of publishing a monthly summary statement of the Import and Export Trade of the Dominion, specifying as far as possible quantities and values.

"That the various Boards and Associations be requested to publish annual statements of the Trade, Commerce and Manufactures of their respective cities or towns, as soon after the first day of January in each year as possible; also, to send to the Secretary of the Dominion Board of Trade monthly statements of receipts, shipments, and stocks of produce, to be by him summarized and published under direction of the Executive Council."

Mr. ANDREW ROBERTSON (Montreal) thought that the information spoken of, showing the extent and variety of the trade between the different Provinces in the Dominion, could not possibly be obtained. It was ultimately decided to omit it from the motion, the other paragraphs being carried.

ISSUE OF SMALL NOTES BY CHARTERED BANKS.

The question of Banking was then taken up, under the following proposition from the Quebec Board of Trade:

Moved by Mr. A. JOSEPH, seconded by Mr. HENRY FRY, (Quebec)

"That the Dominion Government be urged to amend the Act on Banking, so as to allow the Banks of the Dominion to continue their circulation of small notes."

Mr. A. JOSEPH (Quebec) said that no doubt all were aware that during the last session of Parliament, the Minister of Finance had introduced two very important measures, the one on Dominion notes, and the other on Banks and Banking. Most of them would remember the agitation that the introduction of these measures occasioned, resulting in deputations from banking institutions in all parts of the country, who, after several interviews with the Finance Minister, were quite relieved to find that he had no intention of crushing the banks then existing. By the first act, the issue of Dominion notes was limited to \$9,000,000, and the Bank act provided that half of the reserve of the Banks of the Dominion should be invested in Dominion notes. The total amount of Bank capital in the country was \$43,000,000, the paid-up capital \$35,000,000, and the reserves \$15,000,000; so that to meet that reserve \$7,500,000 of the issue of Dominion notes would be required. The 5th section of the Bank act prohibited the issue by any bank of any notes under \$4. Every effort had been made to avoid this restriction, but in vain. He believed, however, that the Minister of Finance would be surprised to find \$7,500,000 of the issue of Dominion notes, required to meet the bank reserves, so soon after the passing of the act. As the banks had to cease issuing *ones* and *twos*, which were the largest part of the issue of bank notes, it was quite certain that in their own interest they would lock up those Dominion notes; and therefore when those \$7,500,000 were all locked up there would be a very great scarcity of small notes. He did not wish to interfere in any way with the Acts in question, as there was no doubt that the country was satisfied with the position taken by the Finance Minister. His motion was simply to ask the Government to allow the banks to resume their legitimate business of issuing of small bills, after the Government issue had reached its limit of \$9,000,000. He was sure that this question would be met by the Finance Minister in that masterly manner which had characterised his dealings with the currency last summer. He considered SIR FRANCIS HINCKS the most successful man they had yet seen, and all had admired the able manner in which he had remedied what was known as the "silver nuisance."

Mr. E. MCGILLIVRAY (Ottawa) thought it would be the better course to leave the banking matter alone. Much excitement had arisen last year on the subject; but after many consultations with the Finance Minister, the deputations who had waited on him were quite satisfied to leave the matter in the hands of the Government; and as many banks had already taken advantage of the Act, he thought the system ought to have a fair trial before any changes were asked for. As it had been admitted that the Finance Minister had succeeded so well in getting American silver out of the country, he thought the banking matter might also be left in his hands.

Mr. WM. ELLIOTT (Toronto) thought the motion premature until the new system had been fairly tried.

Mr. IRA GOULD (Montreal) also thought the question should be left in the hands of the Government.

Mr. HENRY FRY (Quebec) said that after the last day of the next session, Banks would keep no gold in their vaults. They were bound to keep half their reserve in Dominion notes. That reserve already amounted to \$15,000,000 and would soon reach \$18,000,000, when it would take up the whole of the Government issue. The Government would thus commence a regular system of banking, keeping a dollar, gold, for every note issued, and he certainly did not think they had yet reached the time when the Government would do the banking of the country. Still, he did not wish to press the motion, and would consent to its withdrawal.

Mr. JOSEPH then withdrew his motion.

DRAWBACK ON CERTAIN ARTICLES OF CANADIAN MANUFACTURES.

Moved by Mr. J. I. MCKENZIE (Hamilton), seconded by Mr. JOHN CARRUTHERS (Kingston):

"Whereas it being considered most desirable by this Board to cultivate commercial as well as political relations with the people of the new Province of Manitoba, and to place this country in a position of equality with other countries in relation to this trade, it is hereby Resolved to petition the Governor-General in council to fix a drawback to be allowed on refined sugars and syrups manufactured in any of the other Provinces of the Dominion, and exported to Manitoba or to a foreign country."

In consequence of a motion to adjourn, Mr. MCKENZIE consented to leave it for the next meeting.

The Board then adjourned until 7 o'clock, P.M.

EVENING SESSION.

January 19th, 7 o'clock, P.M.

In the absence of the PRESIDENT the chair was taken by Mr. WM. ELLIOTT, of Toronto.

The question for discussion was on the motion of Mr. MCKENZIE, relating to Drawbacks on Canadian goods exported to Manitoba.

Mr. J. I. MCKENZIE (Hamilton) said that previous to the union of Manitoba with the Dominion, the Tariff for goods entering that territory had been 4 per cent. The act providing for the admission of Manitoba continues that Tariff for a period of three years. There were about 2½ years yet to expire, after which that Province would be subject to the same duties as the rest of the Dominion. While that provision continued in force, he thought it most desirable that the mercantile community in Canada should form commercial alliances with the people of the new country, and endeavor to do as much business with them as possible. He and others

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had traded with them during the past summer, and expected to do so again in the present year. They had found it profitable to themselves; he trusted it had been beneficial to the people of Manitoba, and they desired to cultivate that trade. In doing so, however, they encountered certain restrictions, particularly in the article of sugar. The people only used refined sugars, as land carriage was so expensive that they could not afford to import other kinds. If they desired to sell refined sugars, they would have to obtain them in New York where they got a drawback. These sugars were forwarded to the nearest point to the Province of Manitoba, and after getting a certificate that they had been shipped to that Province, a drawback was obtained. The same could be done with British sugars; but, in trying to send Canadian sugars, they could not get any drawback; and he thought that while the present Tariff of 4 per cent continued to be collected, it was in the power of the Government of Canada to grant a reasonable drawback on manufactures sent from Canada to Manitoba. He had been assured by the Hon. Minister of Customs, that the matter was under consideration by the Government, and he simply asked the Board to assist them by passing the resolution which he had submitted.

The motion was then put and carried.

COLLECTION OF DEBTS.

Moved by Mr. M. P. RYAN, M.P. (Montreal), and seconded by Mr. E. MCGILLIVRAY (Ottawa),

"That the difficulty of enforcing judgments rendered for Debts in any one Province of the Dominion, in other Provinces, be brought under the notice of the Government, and that it is desirable that Legislation be requested, remedying the existing defect."

Mr. RYAN explained that as the law existed at present, if a party residing in Ontario sued a party living in Quebec for debt, he might obtain judgment; he could not enforce it, however, but must sue again in Quebec. He thought that judgment duly rendered in any one Province against a debtor, ought to hold good in any other Province of the Dominion.

Mr. JAMES DOUGALL (Windsor) said he had a doubt as to whether they might not be acting too hastily in the matter, as the notice given by the Upper Canada courts was so very short, judgment going by default after eight days, that a man residing in Quebec might lose judgment before hearing anything about the matter.

Mr. RYAN thought they might very safely bring the subject to the notice of the Government; for, although they were not lawyers, and might not see the legal obstacles, they could, at all events, show the inconvenience of the present system, leaving the Legislature to decide what action should be taken.

Mr. J. I. MACKENZIE (Hamilton) said that coming from Ontario, the Province to which the law, if altered, would more particularly apply, he thought it desirable that it should be changed; he had no doubt that merchants and others in Quebec frequently felt the desirability of an

alteration. He could not but think that, as they were constituent parts of one Dominion, a judgment obtained in one Province ought to be good in the others, and he thought the Board should so recommend.

Mr. T. M. DALY (Stratford) said that it was a very simple thing for people in one Province to collect a debt from a person in another. All that was necessary was to instruct a lawyer at the place where the debtor resided, and he could sue him there.

Mr. A. JOSEPH (Quebec) thought as there was a Commission for assimilating the laws of the different Provinces, the laws relating to the collection of debts would also be assimilated; he thought the motion was, therefore, useless.

Mr. E. MCGILLIVRAY (Ottawa) said the object of the motion was that when judgment was obtained in one Province, it could be handed over to the proper officer and collected in any other where the debtor might live, without having to incur the inconvenience and delay of getting judgment in each Province. He had once obtained judgment in Ontario against a person who had no property there, and had had to get a transcript judgment to get at property which he owned in Quebec; and, before the matter was concluded, it had cost the man \$700 or \$800. As the country was one, he could not see any necessity for getting more than one judgment.

The motion was then put and carried.

COMMUNICATION WITH MANITOBA.

The next subject was that of communication between the Dominion and the new Province of Manitoba.

Moved by Mr. M. LEGGAT, (Hamilton) seconded by Mr. JAMES WATSON, (Hamilton):

"That in view of the recent addition of the Province of Manitoba to our Confederation, the present imperfect means of communication with that Province, and the great importance to the Dominion of having a suitable means of transportation thither for passengers and merchandise, *Resolved*, That the Dominion Government be respectfully asked to give this subject their immediate attention, so that as early a day as possible, the necessary communications be completed."

Mr. LEGGAT did not think it was necessary to say much in recommending the motion for adoption. The Board which he represented had submitted the matter to the consideration of the Dominion Board. There was not sufficient information to enable them to suggest any particular course to the Government by which the end desired might be accomplished,—that was a matter for the Engineers and Surveyors. All they asked the Board to do was to express its opinion as to the desirability of such communication, and the necessity for its being at once carried out.

Mr. JAS. WATSON (Hamilton) thought it was their duty to see that the new Province was at once opened up. A large amount of money had been spent in getting possession of the territory, and nothing more could be done until they were in communication with it. At present, the only

convenient access to it was through United States territory, which was most undesirable.

Mr. M. P. RYAN, M.P., (Montreal) said—While I coincide with everything that has been stated, it seems to me that the motion does not go far enough, and is not sufficiently explicit. I believe that every representative here, and, indeed, the whole people of Quebec and Ontario, believe in the desirability of having some efficient means of communication with the North-West. There have been various important questions already considered by this Board; and, if we only continue in the course which we have hitherto adopted, I do not hesitate to say that all that has been anticipated by its promoters will be realized. I felt, at the inception of this organization, that it was destined to be productive of much good, and to carry great weight; and this can only be done by acting from a national point of view, sinking local interests, and dealing with every question as it might affect the interests of the whole country. I am glad that, in discussing important questions, the Board has carefully kept in view the resources of that country which we have lately acquired. With regard to the question that has now been brought forward, there is another means of getting access to that country, which is within the sphere of the Dominion Government at the present time, aided and assisted, as I trust it will be, by the Provincial Governments of Ontario and Quebec, who are the custodians of the public lands of this country. This is undoubtedly a question that the Dominion of Canada may fairly entertain, in concert with the Local Governments, viz., the construction of a public highway not only connecting the Province of Manitoba with Ontario, but intimately uniting the whole of the Provinces from the Atlantic to the Pacific—a highway that will be available at all seasons of the year,—in fact, a railway running from one end of the country to the other. I am satisfied that, even if the Government had the means to construct the Ottawa Canal, it would not be available for more than six months in the year; and I believe the construction of a railway would be the safer and the more prudent course, and one which is within the means of the Dominion, aided by the Governments of Ontario and Quebec, with a liberal grant of the public lands. I therefore move in amendment (seconded by Mr. McGillivray) to the motion of Mr. Leggat:

“That, in the opinion of this Board, it is highly desirable that a railroad to the Pacific, running as near as practicable to the Province of Manitoba, should be proceeded with at as early a date as possible, and that the Dominion Government be respectfully requested to give every assistance in their power to such an enterprise.”

Mr. M. LEGGAT (Hamilton) thought that the work proposed by Mr. Ryan could not be proceeded with at present; and it was very important, in the interests of the Dominion, that some communication for passengers and merchandise should be immediately provided, because the lands in Ontario were becoming filled up, and settlers ought to have every inducement to go to the new Province. There were three methods of communication that might be mentioned,—the railway through the United States, the railway proposed by Mr. Ryan, and a communication by steamers between Lake Huron and Fort William,—and it would then be the duty of the

Government to ascertain whether it were practicable to establish a communication from Fort William to the Red River Territory. He thought it would be best to adopt the motion he had proposed.

Mr. W. H. HOWLAND (Toronto) thought this was a most important question, as he considered communication with Manitoba a national necessity. He was proud to say that his father, in connection with some others, had been the first to put a steamer on Lake Superior to afford communication with that almost unknown country, by which the mail had been carried through to Red River in spite of climate, and in a space of time then considered almost impossible. He was of opinion that, if a railway communication could be established with Manitoba, entirely through Canadian territory, it would be infinitely more desirable than making use of an American railway; and he believed it was possible, though it might prove expensive, also to have a very fair water communication between Fort Garry and Lake Superior. Ontario had, for years, depended entirely on her water communication in the summer season for intercourse with the outer world; and if they could get the same with Manitoba, they could maintain such a connection as would keep them thoroughly Canadian. It was the duty of the Government, in the first place, to provide a water communication, and he had no doubt the people would be satisfied with that until it had been ascertained whether the Pacific Railway were practicable. He had seen nothing conclusive on that point, but as soon as it was shown to be practicable it ought to be constructed at any cost; and if we kept the north of the continent to ourselves, we should in time become the strongest country in this part of the world.

He would suggest that the two motions be merged in one, that the Board recommend the improvement of the water communication which now exists, and that as soon as possible the Government take means to ascertain the practicability of a railway; and if it should prove to be so, then that it should be constructed without a moment's delay.

Mr. JOHN WALKER (London) wished to point out what appeared to have been overlooked by the mover of the original motion, and which he thought would shew him that it was unnecessary, and that it might give way to that moved by Mr. Ryan. It had been advertised for sometime past that two steamers were required for those chains of lakes between Fort William and Fort Garry, which shewed that the Government was in earnest in opening a route through Canadian territory by the ensuing summer; there was, therefore, no need for the Board to recommend what had already been done. He thought they ought to admit that the Government had been beforehand in the matter, and vote in favor of Mr. Ryan's amendment.

Mr. M. LEGGAT (Hamilton) said he quite comprehended the importance of the amendment proposed by Mr. Ryan; but he thought it would have been better had it been made a separate motion, as it was a scheme of great magnitude and covered much more ground than he had contemplated. He (Mr. L.) had simply intended to direct the attention of Government to the necessity of having an early communication with

Manitoba, which was an entirely different matter from the Pacific Railway. That railway would, in time, no doubt form the line of communication with Manitoba, but in the meantime we should not allow the trade of that country to slip through our hands.

Mr. IRA GOULD (Montreal) said he was somewhat surprised at the propositions then before the Board. They involved the idea that the Government had unlimited means, and were not lacking in disposition; but, in listening to what had been said, he had been struck with the difference between the views expressed, and those held by the gentlemen then building the North Pacific Railway. The members of this Board who had spoken on the point, seemed to think it necessary to have a Canadian Railway away back from civilization, simply that it might be Canadian; whereas Governor Smith of the Vermont Central had told him, that they contemplated so centering their lines of rail at Duluth, at the head of Lake Superior, as that they would work in connection with the Canadian system of Canals and Lake navigation. He did not, however, believe that the Canadian Railway would be constructed for some time, for he remembered being one of a corporation formed to build that railway some eighteen years ago; and he did not think the proposition would be carried out, unless there was much more energy displayed than had been shewn in former years. He thought every means should be adopted to get a speedy communication with the North-West, but that it was unreasonable to recommend the Government to build a railway where it was not wanted; and where, if it were built, it would not be used, while we were able to use the American road. He thought they ought to recommend the opening up of a road and water communication, and the making enquiry as to the railway. He considered the North Pacific Railway to be one of the greatest adjuncts to business that had been offered for years, as it would bring all the produce of the West to Canadian ocean-going ships. They should proceed cautiously and deliberately, and take no step which could be called venturesome or wild, and therefore it would be advisable to adopt the more simple and economical plan.

The Hon. JAMES SKEAD (Ottawa) thought they were forgetting what the Government had already done in the matter. They had opened a road, over which a number of troops had passed to Fort Garry,—they had advertised for two steamers to be placed on the longest water-reaches, and they seemed to be determined to do all they could. He did not hesitate to say that they should urge the Government to push the work forward as much as possible, and so make it available for emigrants during the ensuing season. With regard to the proposed Railway he was certainly an advocate of it. Mr. Gould had told them that he and other gentlemen had tried to build that road eighteen years ago, and had failed; but he should remember that great changes had taken place in the country since that time. Since the date referred to, the Victoria Bridge had been constructed, the Grand Trunk Railway built, and the population had greatly increased; so that though the railway might not have been required then, it was a necessity now. He considered that there had been too much sectionalism

in the discussion of every question; and he would say, if you deprive us of our canal, at all events let us have the railway. He advocated a railway from the City of Quebec to Manitoba, passing through Ottawa. What was immediately necessary, was to urge the Government to push forward the works between Fort William and Fort Garry, so as to open a road for emigrants, and then to give every facility in their power to the construction of the Pacific Railway.

Mr. GEORGE NEILSON (Belleville) thought if the amendment were added to the motion instead of supplanting it, it would meet the views of the Board. He was in favor of both. His view was, that the Board ought to recognise the action the Government were taking in the matter, then urge upon them the sentiments contained in Mr. Leggat's motion, and add to that the desirability of a railway communication as soon as possible. He considered it an absolute necessity that there should be a railway from one end of the country to the other, and he fully endorsed Mr. Ryan's sentiments in the matter.

Mr. E. MCGILLIVRAY (Ottawa) remarked, with reference to what Mr. Gould had said, that he had no doubt that if he and the gentlemen who were associated with him, had had at their disposal the resources of the Government, the railway would have been an accomplished fact long ago. In extending the limits of the country from the Atlantic to the Pacific, the railway became an imperative necessity. He referred to the railway from New York to Albany, as a work which though once deemed impracticable, had been accomplished; and there could be no doubt, with the resources of Canada, and the vast quantities of land at her disposal, as to the possibility of building the railway. He attributed the vote of the Ontario representatives on the Ottawa Canal question, to their unacquaintance with the nature of the country and its resources; and whether the proposed railway passed through Ottawa, or at a distance, it was certainly necessary that the different portions of the country should be brought nearer together. If communication with Manitoba were not opened up at an early day through Canadian territory, they would lose that country, for the Americans had already in course of construction a railway which would pass not many miles from Fort Garry, and would take the traffic of that Province through the States. This country had, however, the means to construct that railway, and he ventured to say that it would be completed before the expiration of ten years.

Mr. LEGGAT then altered his motion, so as to include the spirit of Mr. Ryan's amendment, and it was presented as a motion by Mr. Leggat, seconded by Mr. Ryan, as follows:

"That in view of the recent addition to the Confederation of the Province of Manitoba, the present imperfect means of communication with that Province, and the great importance to the Dominion of having a suitable means of transportation for passengers and merchandise,—this Board is pleased to learn that the Government are actively engaged in devising a suitable communication thither,—and indulge the hope that they will push this work with the dispatch which the importance of the subject demands. This Board is also of opinion that an effective Survey should be made for a Railway through our own Territory to the Pacific, which, if found practicable, should

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be undertaken at once, if the Finances of the country will admit of it,—and would strongly recommend that liberal grants of land be given towards the construction of said Railroad.”

Mr. RYAN said he had great pleasure in seconding the resolution as amended, for he thought it embodied all the points of the question. In regard to what the Americans were attempting, he thought they were only doing what they considered would be for *their own* benefit. There had been a time when he doubted the wisdom of the construction of the Intercolonial Railway, notwithstanding the importance of connecting the Maritime Provinces with the remainder of the Dominion; but he had changed his views, since seeing the message sent down to Congress by President Grant, holding out threats that might at any time be carried out. He now felt that if that railway cost a hundred per cent. more than had been estimated, it ought still to be built, and that Canada should be placed in an independent position, and not be at the mercy of her neighbors. He had heard Colonel Wolseley, speaking of the character of the country of the North-West, say that it was far beyond what he had anticipated, and that it would eventually become the granary that would supply not only Canada, but millions of people on the other side of the Atlantic. He thought, therefore, that every effort should be made to open up easy communication with that territory, altogether through our own country; and he was glad that the Board would not separate without recording its opinion as to the necessity of the construction of the railway in question, at the earliest date possible.

Mr. T. M. DALY (Stratford) was as much in favor of opening up a route to Manitoba as any one; and further he was in favor of the Ottawa route; but he was in favor of first developing the resources of that country, so that it might take its part in opening up communication with Canada. He could not agree with those gentlemen who were so exceedingly loyal that they would not travel over an American railway. They could not dictate to an emigrant the route by which he should travel. If a railway were built from Fort Garry to Pembina, the Americans would have a road by which emigrants could travel; and if the resources of Manitoba were to be developed, it must be populated as soon as possible, and not remain as it is at present, until a road can be built through Canadian Territory. He knew that already many well-to-do men had left Ontario, and taken their families, passing through the States. In discussing the question, and asking the Government to take it into their consideration, the Board ought not to prejudice them against a route that would open up the country five years before a railway could be built through our own territory. He would say, let the emigrants go in by any route, and if the Government pursued the proper course, they would open up the shortest possible way, taking advantage of any roads already in operation.

Mr. JAMES DOUGALL (Windsor) thought the Railway from Fort Garry to Pembina, spoken of by Mr. Daly, was a Manitoba and not a Dominion affair. He was pleased that the two resolutions had been blended. He was satisfied that the Ottawa route was the correct one for the Pacific

Railway, as it would be much the shortest, and would eventually take the trade in preference to the American route; and the Board was perfectly justified in recommending the railway to the Government.

Mr. J. I. McKENZIE (Hamilton) said that Mr. Leggat's first motion had simply contemplated the commending of the Government for what they had done and were doing, and to urge them to further exertions, but that the addition made to it, at the instance of Mr. Ryan, had given the question wider scope. This subject of communication with Manitoba, and the question of the Canal system, were the most important ones the Board had dealt with, and that they would occupy the most earnest attention of Parliament at the ensuing session. He held that opinion, because only a few years ago, Canada was cut up into fragments, whereas now she was bound together; and there existed a very deep feeling of nationality among the people, and the only way to foster and augment it, was to unite all the Provinces by a line of communication. The Intercolonial Railway would do much, but he considered the Pacific Railway as still more important. It was clearly the duty of the Government to lose no time in opening up the most feasible mode of immediate communication, which he thought was *via* Fort William and the chain of lakes between that point and Fort Garry; and by placing steamers on those Lakes, the Government were doing all that was necessary at present. He did not think that what the Americans were doing should deter Canada from having a railway communication of her own; and notwithstanding what had been said, he considered it could be made. He would not, however, recommend that the general Government should pledge the credit of the country to build the railway, but that it should be constructed by means of liberal land grants from the local Governments. He certainly thought that the Pacific Railway when constructed would run through the Ottawa Valley.

Mr. ROBT. WILKES (Toronto) had great pleasure in supporting the resolution as it now stood. It spoke of *communication* with Manitoba; there were, however, many kinds of communication, from the mule train to the balloon; and he thought it would be better to be a little more definite, and say that what we mean by communication is *steam* and *rail*. The first step was that which the Government had already taken, the placing of steamers on the lakes, and the next was to build railways at the portages. The day of waggon roads had passed away forever. The expression "*if practicable*" was also used. If the matter were the opening up of Australia, or some other unexplored region, it might be advisable to use that word; but as a people who have not been accustomed to regard much as impracticable, who have built the Victoria Bridge over the greatest river in the world, they did not believe in the impracticable. Troops had been sent over that road, and practicable or impracticable the people of Canada wanted a railroad, a Canadian system, not only to Manitoba, but through the great Saskatchewan Valley to join hands with their brethren in British Columbia, who were about to unite their fate with that of the Dominion.

As to the *route*, although a western man, he did not hesitate to say

that its true course was through the Valley of the Ottawa, and for this reason that a country consisting only of a strip of land never could be worth much; it must have a backbone, and *that* Canada had in the Valley of the Ottawa. Any one looking at the map would see that the Ottawa valley did not mean a mere strip, but that it included also the vast fertile northern plateau lying behind the lakes. Through that plateau and down the Ottawa Valley the Pacific Railway must run. With a sufficient land grant, there was no question as to the practicability of the scheme. When that Pacific Railway is built, the men of the West intend to tap it with branch lines. There no doubt had been a time when the project was considered Utopian; but we live in other days, and the people of Canada have been taught by the Americans that railways are the true colonizers, and that they must not wait for a population to provide traffic before building their railways, but that they must build the roads and so carry the population in. The depreciation of Canadian lands by some, and the exaggeration of its climate by others, could not hinder its growth and prosperity; but there would grow up a hardy, industrious, virtuous, and free people, clinging to their own institutions, and rejoicing in the shadow of that grand old flag which was the pride of every Briton.

Mr. JOHN CARRUTHERS (Kingston) said the matter had been very fully discussed, and he only desired to mention that communication by Fort William would merely last five months in the year, whereas a railway would be always available. There was no doubt that the way to get the road built, was for the local Governments to make liberal land grants. He believed that the Valley of the Saskatchewan would become the great resort of the surplus population of the old country, and he trusted that before five years had expired, the gentlemen at that Board would be able to have on their tables, fish either from the Atlantic or the Pacific.

Mr. IRA GOULD said if the resolution had been presented at first as it then stood, he would not have said a word against it; he was unwilling to allow anyone to think that he was opposed to improvements that could reasonably be entertained, and he most heartily agreed with the resolution. He was, however, sorry to have heard some of the expressions regarding the adjoining country; especially as a short time before, the Board had recommended the expenditure of a large sum of money in improving the canal system, simply to carry the produce of the Western States. If we said to the United States, "we want to have nothing to do with you," what would become of the traffic of our railways and canals?

Mr. W. H. HOWLAND (Toronto) said that Canadians owed the Americans nothing, and that what they were doing now was for their own advantage alone, and was not at all intended in the interests of the people of the United States. Many complaints had been made respecting the treatment of American fishermen, but not a word had been uttered about the annoyances to which Canadian vessels were subjected. On entering American ports they had to pay 30c. per ton, with 2½c. for entrance, and 2½c. for clearance, which amounted, on the lake vessels, to \$50,000.

The motion was then put and carried unanimously.

THE CAUGHNAWAGA CANAL.

Mr. JOHN KERRY (Montreal) in proposing the resolution he was about to submit, said he was happy to have two great advantages; one, that his motion did not involve the expenditure of any of the public money, and the other, that the project to which he referred would be equally advantageous to the St. Lawrence and the Ottawa. It was a scheme which had been mooted for a number of years, and the name of the President of this Board had always been connected with it. Indeed, he believed, it was from his very great energy that there was now a prospect of the matter being completed. He referred to the Caughnawaga Canal. He moved, seconded by the Hon. Mr. Skead,

"That this Board views with satisfaction, the prospect of the early construction of the Caughnawaga Canal; which, when completed, will afford a more direct route, and facilities commensurate with the large and rapidly increasing trade from the Ottawa to Lake Champlain,—and by adding another link to our Welland and St. Lawrence Canal system, will tend to secure the passage of the products of the West, for the supply of the requirements of the New England States *via* this route."

The Hon. JAMES SKEAD (Ottawa) expressed his great pleasure in seconding the motion; and said he had no hesitation in stating that the Caughnawaga Canal would be of the greatest possible advantage to the trade of the Ottawa. An immense amount of lumber passed to Lake Champlain, which at present had to be carried round by Sorel, and this Canal would effect an immense saving. A charter had been obtained, stock books opened, a large amount of capital subscribed, and it was believed that what was still required would be obtained in the United States.

Mr. W. H. HOWLAND (Toronto) was always glad to see public enterprises started with private capital.

Mr. IRA GOULD entirely approved of the motion.

Mr. M. P. RYAN, M.P. (Montreal) thought there could be no difference of opinion as to the propriety of passing the motion by this Board, considering the way in which the canal was to be constructed, and he had very great pleasure in expressing his approval of the scheme.

The motion was then put and carried unanimously.

ASSIMILATION OF THE CURRENCY.

On the subject of the Currency Mr. WM. THOMSON (St. John) said that when the different Provinces entered the Confederation, it was understood that they would have one currency, one tariff, and one code of laws; and so far as regarded Canada and New Brunswick that was already the case, but not so as regarded Nova Scotia, and it was found that this occasioned very great inconvenience.

He therefore moved, seconded by Mr. A. ROBERTSON, (Montreal):

"Whereas, by the Act of Confederation it was understood and agreed that all the Provinces should have one Currency, one Tariff, and one Code of Laws; and

"Whereas, the Currency of Nova Scotia has not undergone any alteration, but remains

as it was before the Act of Confederation, thereby keeping up distinctions and disarranging the general business of the Dominion; therefore

Resolved, That in the opinion of this Board, the Currency of Nova Scotia should at once be assimilated to that of Canada and New Brunswick, and that this matter should be brought under the notice of the Dominion Government." (Carried unanimously.)

VOTE OF THANKS TO HON. SIR FRANCIS HINCKS.

Mr. T. H. GRANT (Quebec) moved, seconded by Mr. A. JOSEPH, (Quebec) and carried unanimously,

"That the thanks of the commercial community of the Dominion are due to the Finance Minister, Sir Francis Hincks, for his successful exertions in removing the 'Silver Nuisance,' which, previously to his accepting office, was so great a burden on the trade of Canada."

A LIGHT-SHIP AND FOG-WHISTLE.

Moved by Mr. T. H. GRANT, seconded by Mr. A. JOSEPH,

"That in the opinion of the Dominion Board of Trade, the construction of a Light-Ship and Fog-Whistle at the Manicougan Shoals, on the north shore of the River St. Lawrence, is a great necessity, and that their construction should be undertaken."

Mr. GRANT said that the majority of the members of the Board might not be aware of the great necessity existing for a Light-Ship and Fog-Whistle at the place proposed. The trade of Quebec had been for several years endeavoring to persuade the Government to construct a Light on those dangerous shoals extending about 80 or 100 miles below the Saguenay, on the north shore of the St. Lawrence, and he believed the Minister of Marine and Fisheries was strongly in favor of granting their request. He, therefore, desired to strengthen the application of the people of Quebec by the recommendation of the Board,—and he was led to believe that the recommendation would have its due weight with the Government.

The motion was put and carried.

The Board then adjourned until ten o'clock on the following morning.

THIRD DAY'S PROCEEDINGS.

FINAL SESSION.

FRIDAY, 20th January, 10 o'clock A.M.

The Hon. JOHN YOUNG, President, in the chair.

The minutes of the previous day were read by the Secretary, and confirmed.

ADOPTION OF BY-LAWS.

The PRESIDENT informed the Board that the Executive Council had considered, and would now propose for adoption, a code of By-laws for the

Dominion Board of Trade. They were then read; after which, moved by Mr. E. MCGILLIVRAY, (Ottawa) seconded by Mr. JAMES WATSON, (Hamilton) and

"Unanimously Resolved,—That the By-law, No. 1, just read, be received and adopted, and signed by the President, and countersigned by the Secretary of this Board."

EQUALIZATION OF RATES OF FREIGHT BY RAILWAY.

The PRESIDENT informed the Board that all the subjects in the programme had been disposed of, but there was one which he would like to bring before them, viz.: *Equalization of Rates of Transport by Railway*. He thought the commerce of the country suffered a great deal from the inequality of rates charged by the Grand Trunk Railway, and he was aware that although the people of Canada had contributed very largely to the construction and maintenance of that railway, the business-men of foreign states had their goods carried at a much cheaper rate than Canadians. He was of opinion that the subject was one on which the Board should express an opinion. He had a short paper which he proposed to submit on the subject. He then read as follows:—

Discrimination in rates of freight by railway is a subject of commercial importance, for while it is only right and proper that a railway Company should charge for transportation such rates of freight as will yield a fair compensation, still it is unjust to charge one locality higher *pro rata* rates than are charged to other localities; and it is especially so if freight and property of the people of a foreign country are carried at a less price than is charged to the people from whom the Railway Company obtains its charter of incorporation. The Grand Trunk Railway of Canada was incorporated in 1854, and the Government aided in its construction by granting debentures to the amount of \$15,142,633. The interest paid up to this time on these debentures exceeds the sum of \$12,000,000, or about \$900,000 annually, while the debentures, at their maturity, will no doubt have to be paid by the Dominion.

Having thus contributed so largely to this work, and granted to the Company great privileges in its act of incorporation, higher rates of freight ought not to be charged to the people of the Dominion than are charged to the people of the adjoining States.

Such, however, is the fact,—for flour, grain, &c., are carried from Chicago to Portland and Boston, at nearly the same rates as are charged by the Grand Trunk for the same articles to Montreal, while the distance is 300 miles greater.

This indicates an unjust discrimination against the Canadian dealer, who is often debarred from sending his property to a market, because of the freight cars being employed in moving the property of foreign States, and the losses on such business are made up by the higher rates charged to the people of the Dominion.

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Such discrimination operates injuriously on commerce, and against the general industry of the country.

While, therefore, a due allowance should be made for handling property carried by railway for short distances, yet it is unfair that American produce should be carried from Chicago to Portland and Boston at nearly the same rate of freight as it is carried to Montreal, and the attention of the Legislature should be directed to this subject.

Mr. JOHN WALKER (London) inquired whether it was in order to bring forward such an important subject without notice; to which the PRESIDENT replied that the matter was entirely in the hands of the Board, to act as they might see fit.

Mr. E. MCGILLIVRAY (Ottawa) was of opinion that the matter ought to be discussed. Considering the amount of money the railway had cost the country, foreigners ought not to be placed on a better footing than Canadians. There was no doubt that through-freight had the preference over every other kind; and great delays occurred to local freight in consequence,—indeed, he had sometimes had freight waiting on the road for three weeks. He thought the Board should make some representation on the subject.

Mr. W. ELLIOTT (Toronto) then moved, seconded by Mr. HENRY FRY (Quebec), that the subject should be considered by the Board.—Carried.

Mr. W. W. OGILVIE (Montreal) said the subject was very important. He was sure all who were connected with the grain trade had been greatly injured in consequence of delays on the Grand Trunk Railway. He had suffered to such an extent, that he had been driven from using the road altogether. The excuse made for lack of car accommodation was that there was not sufficient business at all seasons of the year. They had forced the trade off their road into other channels. If the trade of the Dominion had received as much favor as had been shown to foreign traffic, the local trade would not have sought other channels, and there would have been plenty of business.

Mr. JOHN KERRY (Montreal) said he had been one of a deputation from the Montreal Board of Trade, that had waited on the Managing Director of the Grand Trunk Railway on the subject of discriminating rates of freight, but that no relief had been obtained.

Mr. W. H. HOWLAND (Toronto) considered it desirable that the matter should be brought up, for shippers in Canada believed they had to endure great injustice at the hands of the Grand Trunk Railway Company in having to pay higher rates, in proportion, than others; they would not care so much for that, however, if only they could obtain equal facilities. The Company should not engage to take more freight than they could carry, and so neglect local traffic by having so much through-freight on their hands. He knew several instances in which instructions had been given to send every car to Sarnia, leaving local freight entirely unprovided for; and he thought this Board should make a strong representation on the subject. The matter would never be worked properly until the Grand Trunk Stock-

holders gave the people of Ontario a chance to buy out the road. They were ready to purchase the portion lying within their own Province, and they were satisfied they could make money out of it.

Mr. WM. PENNOCK (Ottawa) was fully persuaded of the injustice done to the trade by the course at present adopted by the Grand Trunk. He therefore moved, seconded by Mr. WM. ELLIOTT (Toronto),

"That the discrimination in favor of foreign as against our own local freights, as practiced by the Grand Trunk Railway Company, is unjust in principle, injurious in effect, and, in the opinion of this Board, demands immediate steps, by Legislation if need be, with a view to remedying the great evil complained of."

Mr. J. R. THIBAudeau (Montreal) had known instances in winter when freight by ocean steamers and Grand Trunk Railway, from Liverpool to Montreal, had been 65s. per ton, and, at the same time, from Liverpool to Hamilton 57s., and he would ask the Hamilton representatives whether they could explain this.

Mr. M. LEGGAT (Hamilton) said the rate named by Mr. Thibaudeau must have been an exception.

Mr. THIBAudeau knew that what he had stated was true, and he thought it very unjust to Montreal.

Mr. A. ROBERTSON (Montreal) said the difference in rates was probably made by the agents of the ocean steamers and not by the Grand Trunk Company. On one occasion he had called on Mr. Bryce Allan, in Liverpool, and that gentleman told him that unless they carried freight for the west at very low rates, there was so much competition that they would not get any at all.

Mr. WM. ELLIOTT (Toronto) was glad that the subject had been brought forward; but he considered the motion did not go far enough. It should recognize the importance of carrying all kinds of freight at *pro rata* rates. Of course the Company could not charge the same freight *pro rata* for a short distance as for a long one; there must be some allowance for handling; but they ought to make the rates very much more in proportion than they have been. Speaking of detentions, many store-keepers, dealing in grain, had been almost ruined by delays experienced in getting the grain to market, as they could not afford to hold it long.

Mr. ROBERT WILKES (Toronto) said the through-rate from Liverpool to Toronto in winter was 60s., as against 65s. to Montreal, but that the difference occurred in the steamers' charges. He thought there was just cause of complaint regarding the delay to upward through-freight. In summer, goods were often six days in getting from Montreal to Toronto. In England, where there was ten times the amount of traffic, a distance equal to that between Montreal and Toronto would be traversed in one day; goods loaded at London were delivered at Liverpool next morning. In winter the average time was ten days between Montreal and Toronto. The grievance they complained of was that the rates were more than proportionately less for long distances than for short ones. Now, if the Grand Trunk were to say to us, you are only a young country, and we have an

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important line to sustain, and must attend to the interests of our stockholders, and to their dividends, whether your trade suffers or not,—it would not be unreasonable. But what are the facts? Why, the Grand Trunk consumes 80 per cent. of its gross earnings in working the road, while local traffic, which would pay, is neglected, to make way for through-traffic carried at a losing rate. There could certainly be no justification for attempting to carry more through-traffic than they were able, to the neglect of good local traffic.

Mr. T. M. DALY (Stratford) begged to say a word or two in favor of the Grand Trunk Railway. In doing so he considered he was defending a national institution. The necessity for doing so seemed greater, when he saw with what prejudice the discussion of this Railway's affairs was approached by many at the Board. [Some gentlemen here remarked, "not prejudice."] Yes, prejudice! he could call it nothing else. The last speaker's reference to the railways of England was not fair, for no road had to contend with such difficulties as the Grand Trunk Railway. It was very easy to find fault with the present management, but he questioned whether it could be improved. No doubt a mistake had been made in locating the road, but that had occurred under the direction of Government Engineers, and of course the present management could in no wise be held responsible for it.

The PRESIDENT here remarked that the construction of the railway had been altogether under the control of the Company, and that the Government had had nothing to do with it.

Mr. DALY replied that the Government had taken stock; and so had certain people in Montreal, in such a way as to secure large contracts. One or two gentlemen had remarked on the charge for conveyance of freight. What was the case? They had goods, by means of the Grand Trunk, brought to them now for sixty shillings which cost them before two hundred shillings. He lived in what might be called the "hub" of the country, and they were connected by an iron band with the Atlantic and Pacific Oceans by means of the Grand Trunk. They had no difficulty at all in getting away their grain. A member of the Board he represented was one of the largest shippers in the west, and he never experienced any difficulty in getting rid of his shipments. The fact was, the Montreal gentlemen wanted to have the preference over every one else. The Grand Trunk had much, very much, to contend with; some parts of the line did not, and never would pay; and if the gentlemen from Toronto who had been talking of their readiness to purchase the road would only make a reasonable offer, he was sure the Company would sell them the Ontario portion, and throw the River du Loup section into the bargain. It was unfair, and a great mistake, to compare a road like the Grand Trunk, nearly 1500 miles long, to little roads, or to the Great Western, which had, at the most, only a six hours run. Everything that was possible was said against the Grand Trunk by men and newspapers. If the Great Western trains were three hours behind time, not a word was said. If the Union Pacific ran off the track, killed a dozen or two passengers, and smashed a train to

pieces, was that trumpeted through the country? Did they hear of the many accidents and delays on the American lines? And yet a comparison was made between these roads and the Grand Trunk, that only killed one-half per cent. of other railways. A representative here had said he had been driven off the road because he could not get car accommodation; he and other gentlemen, doubtless, wanted to monopolize the freight-car accommodation to the exclusion of all other business. In Stratford (the most important Western station on the Grand Trunk) they had extensive purchasers and exporters of grain to Boston and the Maritime Provinces, and, but for the Grand Trunk, they could have no such trade. If complainants would guarantee to use the freight cars of the Grand Trunk all the year round, there would be no difficulty in getting them; but, at the opening of navigation they left the railway to encourage competing water routes. Gentlemen grumbled about the management of the Grand Trunk. He firmly believed Mr. Brydges to be the ablest manager on the continent. In proof of this, look to what he had done for the road! When he assumed the management the rails were very inferior, the ballasting was bad, the ties were rotten; now there were 900 miles of new rails, a large portion of them being steel of the most approved pattern; the rotten ties were replaced by new ones; new engines, new Pullman palace-cars, and new first-class passenger and freight cars had been made; new stations had been built,—and for all these improvements Mr. Brydges was persistently abused by Canadians, who had everything to be grateful for, being now able to travel at a speed of from twenty to thirty miles an hour instead of eight miles. It was the policy of all railways to discriminate between through and local rates; and in Canada (with only 4,000,000 inhabitants) this was particularly important, as without through-traffic the Grand Trunk would be closed for four months in the year. Without American passengers and freight, it would be impossible to keep the Grand Trunk open.

Time did not permit him to go on, but he thought those in England, who had money invested in this great railway, ought to be the best judges as to its management. Not long ago they sent a gentleman largely interested in the road, and of great experience (he meant Mr. Potter) to enquire into the system; and he returned to England satisfied that, under the circumstances, the management was a success; and he (Mr. Daly) repeated that Mr. Brydges was the ablest railway manager in America. He moved in amendment, seconded by Mr. H. McLENNAN (Montreal),

"Whereas, it is reported to this Board that a great discrepancy exists between local and through freights, and car accommodation on the Grand Trunk Railway; therefore,

"Resolved,—That this Board recommend that such action be taken by its Council, as to remedy the evil complained of, so far as practicable."

Mr. JAMES DOUGALL (Windsor) had not intended to say anything on the subject, as he thought the evil complained of was patent to every one; but as Mr. Daly had mentioned the Great Western, he would like to say a word or two. He had had a good deal of experience, and the only time he ever had any difficulty on the Great Western, or any unreasonable rates, was when Mr. Brydges was the manager. He did not blame Mr. Brydges individually, but he did blame the system of management. On one occa-

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sion he had shipped a large quantity of grain to Portland, for the English market, early in December, and it did not reach Portland until the steamers were running to Quebec. He thought the discriminating rates against Canada were most unjust, as Canada had aided the road very materially, and ought to be treated fairly.

Mr. H. McLENNAN (Montreal) said the question had been brought up from a feeling that Canadian trade was placed at a disadvantage, by rates being less to a distant point than to a nearer one, and that that trade suffered great inconveniences and delay, in consequence of cars being sent to the end of the road to carry through-freight. He thought, however, that in the management of such a business, there was another side to the question; there was the necessity of securing such an amount of business as would keep the road employed throughout the year.

Mr. JOHN WALKER (London) said that he could not agree with what Mr. Daly had said respecting the Great Western Railway. It was not in the habit of being three hours late, and it was only just to that road to acknowledge the punctuality, civility, and business-like manner with which all their affairs were conducted. At the same time he was not prepared to go so far as some had done in condemnation of the Grand Trunk. It had many difficulties to contend with, and he thought the money paid to it by Canadians was the best investment they ever made, as the convenience it had been to the public far outweighed the sum contributed by them for its construction. The Grand Trunk in regard to its local traffic was somewhat peculiarly situated. In summer it had a strong competitor in the water route running alongside of it; and most of the merchants who professed such an interest in the Grand Trunk, as soon as summer came, sent their goods, as a rule, by the cheaper water conveyance. As a consequence, the Grand Trunk had to look for other means of keeping its line in operation during the summer, and when they had got it, and were busy carrying it in the fall of the year, the merchants deprived of their water routes by the close of navigation, came to the Grand Trunk, demanding carriage for their goods, and then complained because they had to pay higher rates. If they were giving the Grand Trunk the whole of their freight all the year round there would be justice in the complaint; but when they took away the summer traffic, the very time when it was cheapest to run a railway, and then complained because they had to pay higher rates in winter, he thought there was some unfairness in the charge. He allowed that there were many points in the management that he did not admire; but the railway was certainly in a better position now than it had been four or five years ago. There was a better class of cars, both passenger and freight; and there seemed an anxious desire on the part of the management, to bring up the state of the road to an improved standard, as soon as their finances would allow. They appeared to have paid nothing to their stockholders, and nothing to the majority of their preference stockholders; but they were applying all their means to improvements, and he thought in fairness the Board should have a little patience, and not hastily condemn them.

Mr. WM. PENNOCK (Ottawa) thought the discussion was taking a

very wide range, and that it was quite unnecessary either to attack or defend the management. A broad fact had been brought before the Board, an evil that had been complained of for a long time, namely, a discrimination in rates of freight in favor of foreign trade as against Canadian trade.

Mr. JOHN CARRUTHERS (Kingston) said they should make no remarks on the management, but he thought the Grand Trunk was a sufficiently large affair to occupy Mr. Bridges whole time and attention. There was no doubt that the delay to Canadian traffic was a very serious inconvenience. For instance, a person might get a contract for a considerable quantity of grain to be shipped to England, he would go to the Messrs. Allan and they would give him a through-rate to continue a certain time. He would, of course, calculate on this, and buy his grain, and then might experience such delays on the Grand Trunk as would prevent the stuff arriving at the point of shipment within the specified time; and the Messrs. Allan might call on him for a greatly increased rate of freight, and so he would lose a large sum of money. He thought it was the duty of Mr. Brydges to ascertain the state of the crops and the probable shipments, and then not contract to carry such an amount of through-freight as would force him to neglect the local traffic. It was undoubtedly hard that the railway should not obtain as much through-traffic as possible, but he maintained that the local traffic should first be provided for.

Mr. A. ROBERTSON (Montreal) referring to what Mr. Wilkes had said as to difference in rates of freight, stated that those rates had been altered, and there was now a difference of about 5s. in favor of Montreal, as compared with Toronto.

Mr. JOHN GORDON (Toronto) had only one word to say on the subject. The question was, had Canada enough traffic to sustain the road? If not, Mr. Brydges was of course compelled to look for freight elsewhere. He considered no man had more difficulties to contend against than Mr. Brydges, and but for his superhuman efforts the road would have been closed. If merchants did not give the road their business in summer, they could hardly complain of Mr. Brydges looking for freight elsewhere.

Mr. DALY's amendment was then put and carried.

VOTE OF THANKS TO SPEAKER OF HOUSE OF COMMONS.

Moved by Mr. JAMES DOUGALL, (Windsor) seconded by Mr. WM. ELLIOTT, (Toronto) and carried:

"That the thanks of the Dominion Board of Trade be tendered to the Honorable Speaker of the House of Commons, for his courtesy in allowing the Board the use of rooms for its meetings."

ANNUAL MEETINGS TO BE HELD AT OTTAWA.

The PRESIDENT then suggested that the Board should decide where it would hold its next annual meeting.

Mr. THIBAudeau (Montreal) moved, seconded by Mr. CARRUTHERS, (Kingston) that it be held at Hamilton.

Mr. ELLIOTT (Toronto) moved, seconded by Mr. ROBERTSON, (Montreal) that Toronto should be chosen.

Mr. GORDON, (Toronto) seconded by Mr. RYAN, (Montreal) moved that Ottawa be continued as the place of meeting.

The PRESIDENT mentioned that the Association of Chambers of Commerce in the United Kingdom held its meetings in different places.

Mr. M. P. RYAN, M.P., (Montreal) was in favor of holding the Annual Meetings always at the same place; but special meetings could be held at whatever other place might be most desirable. He thought this country was very different from England in this respect; it would be most inconvenient at this season of the year to travel from one end of the country to the other. By meeting at Ottawa, the Board would have the advantage of being able to communicate with the Government; besides having access to books, papers, and official documents, which could not be had elsewhere.

Mr. WM. PENNOCK (Ottawa) was decidedly of opinion that the Annual Meeting should always be held at the same place, and that that place should be Ottawa, the seat of Government, as being central, and as possessing surpassing advantages in its library.

The Hon. Mr. SKEAD (Ottawa) thought the Annual Meeting of the Board should always be held in Ottawa, which offered every inducement in the way of a suitable place of meeting.

Mr. ROBT. WILKES (Toronto) was in favor of Ottawa, as he thought it would encourage the feeling of unity and centralization now springing up in Canada.

Mr. WM. ELLIOTT (Toronto) suggested that it should be first decided whether or not the place of meeting should be fixed, which, on being moved and seconded, was carried unanimously.

Mr. WM. THOMSON (St. John, N.B.,) thought the Maritime Province men were quite far enough away from home at Ottawa.

Moved by Mr. JOHN WALKER, (London) and seconded by Mr. M. P. RYAN, M.P., (Montreal):

"That the City of Ottawa be decided upon as the permanent place of meeting of the Dominion Board of Trade" (Motion carried.)

RAILWAY FROM RIVIERE DU LOUP TO ST. JOHN, N.B., &c.

Mr. JAMES DOMVILLE (St. John) moved, seconded by Mr. W. H. HOWLAND (Toronto):

"Whereas, it is deemed a matter of the greatest importance for the welfare of the Dominion, that the country should be opened as far as practicable with railroads and canals;—and

"Whereas, the line from Riviere du Loup to St. John, Halifax, and other ports of the

Maritime Provinces, would be a short direct line to the ocean through our own territory ;— therefore

"*Resolved.*—That this Board recognizes the desirability of a line from Riviere du Loup to Woodstock or Fredericton, as developing an important section of New Brunswick and Quebec,—and beneficial, as affording a new and short route for travel and freight between the Provinces."

Mr. DOMVILLE then read a letter on the subject, which, since his arrival, he had received from the St. John Chamber of Commerce ; and explained that the proposed line would be 190 miles in length,—opening up the centre of the Province, which the Intercolonial had failed to do. (Motion carried.)

PLANS AND SPECIFICATIONS OF GEORGIAN BAY CANAL.

Mr. ROBERT WILKES (Toronto) said, before adjournment, he desired to state that Mr. F. C. Capreol, of Toronto, the able advocate of the Georgian Bay Canal, had with him plans of the Canal, drawn with rare engineering skill, which he desired to show the members of the Board after adjournment. He therefore moved, seconded by Hon. James Skead (Ottawa) :

"That the plans and specifications of the Georgian Bay Canal,—prepared by the indefatigable President of the Company, F. C. Capreol, Esq.,—be submitted for the inspection of members immediately after adjournment." (Carried.)

RECIPROCAL TRADE WITH UNITED STATES.

Mr. HUGH McLENNAN (Montreal) suggested that in the event of the question of reciprocity with the United States coming up before the next meeting of the Board, the Executive Council should be empowered to communicate with the Government on the subject.

Mr. A. ROBERTSON (Montreal) moved, seconded by Mr. W. H. HOWLAND (Toronto) :

"That the Executive Council be instructed to attend to any question of Reciprocal Trade that may come under consideration."

Mr. RYAN had no objection to the motion, but thought that the Board had sufficient confidence in the Government to believe that they would deal with the matter properly.

Motion carried.

VOTES OF THANKS.

On motion, the President left the chair, and Mr. ELLIOTT was requested to preside.

Moved by Mr. E. MCGILLIVRAY, (Ottawa) seconded by Mr. JAMES DOMVILLE, (St. John, N.B.) :

"That the thanks of the Dominion Board of Trade be, and they hereby are tendered to the President, the Hon. John Young, for the manner in which he has conducted the business of this Annual Meeting." (Carried by acclamation.)

Hon. Mr. YOUNG thanked the Board, and congratulated them on the spirit in which they had discussed the important subjects laid before them.

Moved by Mr. JAMES DOUGALL, (Windsor) seconded by Mr. WM. THOMSON, (St. John):

"That the thanks of the Dominion Board of Trade be, and are hereby tendered, to the Secretary, Mr. Wm. J. Patterson, for his zealous attention in promoting the interests of the Board." (Carried unanimously.)

Mr. PATTERSON returned thanks, and said he had done his best heretofore, and would do so in the future.

The PRESIDENT having resumed the chair, a motion to adjourn was adopted, and he declared the First Annual Meeting of the Dominion Board of Trade to be at an end.

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GENERAL APPENDIX.

APPENDIX A.—(See page 7.)

INTERNAL NAVIGATION, AND THE EFFECTS OF THE CANAL SYSTEM OF THE DOMINION ON THE GENERAL COMMERCE.

BY THE HON. JOHN YOUNG.

It would be difficult to over-estimate the importance, to the people of the Dominion, of securing to the route of the St. Lawrence the great and growing trade of the North-West. In the possession of the St. Lawrence the Dominion has a power independent of political boundaries or political distinctions. The people now resident in the Western United States, as well as those who will yet inhabit that vast region west of Lake Superior, are all just as much interested in the opening up of the route from the Upper Lakes, through the St. Lawrence, to its fullest capacity, as those resident in the Dominion.

Canada, in creating the Dominion, has, by the Act of Confederation, assumed a Continental attitude. She desires that her jurisdiction should extend to the Pacific; and a great responsibility is thereby incurred to do her part in developing, to the greatest extent, the vast water communications from the head of Lakes Superior and Michigan to tide water. Not only should this be done, but a policy should be initiated, by which, within the next ten years, the Eastern Provinces and the Eastern States, should be united with the Pacific Coast by a Northern route of Railway, and thus unite British Columbia, at the West, with all the British Provinces, at the East, under one Government.

The truth, however, is, that Canada has not sufficiently appreciated the present and future growth of the western interior, nor realized the greatness of our position, in view of that growth. The St. Lawrence and the Mississippi are the great outlets which give life and prosperity to the lands adjoining them; but the St. Lawrence, from its immediate connection with the great lakes or inland seas, embraces a more extended and extending

population. DeWitt Clinton, of New York, was the first to realize the importance of the western country; and while he immensely improved his own State, by the construction of the Erie Canal, to connect Lake Erie with the Hudson River, he also infused a spirit of improvement among the surrounding States. But, while his aim was to draw through New York, the commerce of the West to the Atlantic, he and others failed in their conception of the magnitude of that trade, and its ratio of increase—a trade which could have then been made, as now, to flow through the St. Lawrence, the great outlet designed by Nature from these western regions to the Atlantic, as well as to Eastern Canada and the Eastern United States.

A map of North America will show to the West of Lake Superior a great plain from which rivers flow into the ocean North, South and East, about 2,000 feet above the level of the sea. On one side there is the Mississippi; to the east, the St. Lawrence and Lakes, giving a natural navigation to the Atlantic of 2,500 miles; and to the north, the Saskatchewan and Severn, which have a natural but not continuous navigation for 2,000 miles to Hudson's Bay. The district referred to, now embraces eight of the North Western States, besides Manitoba and other parts of Western Canada. This territory contains 400,000 square miles of land, capable of cultivation, is now occupied by over 12,000,000 of people, and is capable of sustaining 200,000,000. The portion lying between the drainage of the Saskatchewan and Red Rivers possesses a climate and soil analagous to the water-shed of the Baltic, and these can all be linked by the St. Lawrence to the East, if the people of the Dominion are true to themselves in offering and creating favourable facilities for transportation. This great district of country has forests of the finest lumber and most valuable minerals, and the soil produces the largest crops of cereals, but all these advantages could not exist but for the water-lines to the Ocean, which furnish so cheap a transport for the immense commerce which has grown up between it and the markets of the world. For this trade even as it now exists, (the future of which none can predict,) costly works have been constructed in the United States and Canada to attract and secure it to each of the Eastern Atlantic cities. The vast and increasing volume of this trade has become so immense, that it is now highly important to ascertain its best channel of outlet, and if this can be established beyond controversy, then there can be no expenditure too great for securing such a national advantage.

Besides the State of New York, Pennsylvania, Maryland and Virginia have expended large sums in extending their canals to connect the West with tide water, while private enterprise with the same object has extended railways from the Atlantic to the North-West.

The value of the commerce of the Lakes in 1869 was ascertained to be more than seven hundred millions of dollars, and the value of the commerce on the New York Canals in the same year exceeded three hundred million of dollars, while the value of the trade by the various trunk railways between the West and East has been estimated at four hundred millions. The water communications existing at present for the distribution of the products of that Western country are as follow:—

The Mississippi River, the upper portion of which runs along the western border of the territory mentioned, is navigable from the Falls of St. Anthony for more than two thousand miles to the Gulf of Mexico.

The great chain of Lakes running through the northern portion of it, connecting the River and Gulf of the St. Lawrence, give a continuous navigation of two thousand five hundred miles. Lake Superior is six hundred feet above the level of the sea, and is twenty-seven feet above Lakes Huron and Michigan. At the outlet of Lake Superior, there is a canal of 1-10 mile in length. It has two locks of three hundred and fifty

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feet by seventy-five feet, and can pass vessels of two thousand tons, drawing eleven feet six inches of water. The St. Clair Flats have been improved for vessels of a draft of eleven feet, and the Niagara River, between Lakes Erie and Ontario, having a fall of two hundred and seventy feet, has been improved by a canal twenty-eight miles in length, with twenty-seven locks, through which vessels pass of three hundred and fifty tons, with a lockage of three hundred and thirty feet.

The St. Lawrence River, from the East end of Lake Ontario to Montreal, has a fall of two hundred and twenty feet, overcome by seven short Canals of an aggregate length of forty-one miles with twenty-seven locks, which pass vessels of eight hundred tons, with a lockage of two hundred and four feet. The depth of water in these Canals, connecting Lake Superior with Montreal and Quebec, is nowhere less than nine feet, but the locks vary in dimensions, as per the following table:—

NAMES OF CANALS.	Length of Canal. Miles.	Depth of Canal.	Size of Locks, feet.	Amount of Lockage, feet.	Number of Locks.
Sault St. Marie	1 $\frac{1}{10}$	10 feet.	300 + 75	27	2
Welland	28	10 "	200 + 45 and 200 + 26	330	27
<i>St. Lawrence Canals,—</i>					
Galops	9 $\frac{3}{4}$	9 "	200 + 45	8	2
Point Iroquois ..				6	1
Rapid Plat				11 $\frac{1}{2}$	2
Farand's Point ..				4	1
Cornwall	11 $\frac{1}{2}$	9 "	200 + 55	48	7
Beauharnois	11 $\frac{1}{4}$	9 "	200 + 45	82 $\frac{1}{2}$	9
Lachine	8 $\frac{1}{2}$	9 "	200 + 45	44 $\frac{3}{4}$	5

These are all the improvements made on the St. Lawrence between the upper Lakes, Quebec and Montreal. Although the St. Lawrence Canals east of Lake Ontario have locks of 45 and 55-feet wide, the Welland Canal, connecting Lake Erie with Ontario, the key of the whole navigation, has only locks of 26 feet, adapted for vessels of only 350 tons.

But, besides the above canals on the St. Lawrence, there is the Rideau Canal, which was constructed for military purposes, and connects the City of Ottawa with Kingston on the St. Lawrence:

Length of Canal, 126 $\frac{1}{2}$ miles.
Locks 47, 134 by 33 feet.
Lockage, 446 feet.
Depth of water navigable, 4 $\frac{1}{2}$ feet.

At Grenville, 56 miles below Ottawa, and 64 miles from Montreal, there is a Canal 8 $\frac{1}{4}$ miles long, having 11 locks, with 84 feet lockage, and 6 feet deep. The locks are 128 feet by 32 feet, except three of 19 feet wide, and 108 feet in length. These are under contract for enlargement to the size of the others, but the navigation is controlled by the depth of water in the Rideau Canal of 4 $\frac{1}{2}$ feet, and by the water at the St. Ann's lock. The only other Canal is the Chambly, which connects the River Richelieu, at Chambly, with Lake Champlain and St. John's. This Canal is 12 miles in length, with locks 123 by 23 feet, is 7 feet deep, with 74 feet of lockage.

The channel of the St. Lawrence, between Quebec and Montreal, has been deepened, so that steamers and vessels of 3,000 tons can ascend to the port of Montreal from sea, drawing 20 feet at the lowest stage of water, and all of these works with the excep-

tion of the Canal at the outlet of Lake Superior have been executed by the Canadian Government.

The State of New York has constructed a Canal from Buffalo, on Lake Erie, to Albany, on the Hudson, as well as a connection from Oswego on Lake Ontario. This Canal now passes boats of 200 tons. The distance from Buffalo is 362 miles, lockage 675 feet. The distance from Oswego to Albany is 207 miles, lockage 580 feet.

New York has a Canal connecting Lake Champlain with the Hudson, 65 miles long, with locks which pass boats of 80 tons, lockage 179 feet.

Besides New York, the States of Pennsylvania, Maryland and Virginia, Ohio, Indiana, Illinois, and Wisconsin, have constructed over 2,000 miles of Canal, with the object of cheapening and facilitating transport from the interior to a market. This vast territory of the North-West has within it a natural navigation of eight thousand miles, an artificial navigation of more than one thousand, and upwards of 9,000 miles of Railways in operation, without taking into consideration the Pacific Railway. The Trunk lines between the West and the East have been mostly constructed by private enterprise, assisted in some cases by Government. In Canada, the Grand Trunk line extends from Rivière du Loup, 140 miles below Quebec, and from Portland, in Maine, through Eastern and Western Canada to the State of Michigan, and an extension of this line from Rivière du Loup is now under construction to Halifax, in Nova Scotia.

Another line extends from Boston to Montreal, and the eastern end of Lake Ontario, where it connects with the Central Line through the State of New York, while again there are two lines from that city to Lake Erie, where they are connected with the Canadian Line leading Westward, and along the Southern shore to Chicago, branching off to Cincinnati, St. Louis, &c.

It will thus be seen that for the transport of this Western region there are two natural water lines leading to the Ocean, besides five Trunk lines of railway. The Ocean ports for the water lines, are Montreal and New Orleans; while New York and Philadelphia are the ports for the artificial lines. The Ocean ports of the railways are Portland, Boston, New York, Philadelphia and Baltimore. The Ohio and Mississippi Rivers draw off only a small amount of the trade referred to, while the Canals of Pennsylvania also attract but little: so that the rivalry for the carrying trade of the great West lies between the New York and the St. Lawrence routes.

This question of transport is exciting the attention of Governments and Statesmen everywhere, and to reduce its cost between the producer and consumer, is all important to the people of the Dominion as well as to the people of the adjoining States. The Erie Canal was opened in 1827, but was scarcely completed for trade when it was evident, that its size was too small, and it has since been enlarged at great cost from a capacity for boats of 70 tons to 210 tons. In Canada the Welland Canal was first made with locks of 19 feet, but was afterwards enlarged to 26 feet. The St. Lawrence Canals have locks of 45, while one has locks of 55 feet. This medley of size has proved a great misfortune to the commercial interests of Canada, for it has prevented the most capacious of the canals from yielding that revenue their cost warranted; and the inferior size of the Welland Canal has debarred the St. Lawrence from much of the trade, which, under other conditions, would follow that channel to the ocean, as naturally as the waters of the great Lakes.

The size of the vessels now engaged in the trade between the upper Lakes and the lower St. Lawrence, is therefore limited to the capacity of the locks on the Welland Canal, or for vessels of 350 tons. Since the period when the dimensions of the Welland Canal locks was decided on, steam propellers have come into use on our inland waters, and these have steadily increased in size and number. These propellers, of 850 or 900

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tons, can sail direct from the head of Lakes Superior or Michigan to Buffalo at the foot of Lake Erie, but cannot pass through the Welland Canal, and they are thus excluded from the use of the lower Lakes and River St. Lawrence, so that the large locks there have never been used to their full capacity for through vessels.

The demands of trade in its infancy required the smallest class of vessels. As trade increased, the demand was met by an increased number, but during the last 25 years it has been found that the cost of transport is much less in large, than in small ships, both on the Ocean and on the Lakes; hence the tonnage of the propellers now engaged in the trade of the Upper Lakes to Buffalo, is about five times the size of the vessels employed a few years ago, and freight can be carried in these one-third less than formerly. The improvement in the steam engine insuring the greatest economy of fuel, and the celerity and certainty of the voyage by the steam propeller, have drawn to that class of vessels a large part of the carrying trade of the Upper Lakes.

A much larger proportion of the products of the Western States is required for consumption in the Eastern States than is exported to other countries, but there is now no means of successfully supplying these Eastern States with Western products through the route of the St. Lawrence. Oswego, on Lake Ontario, with other American Lake Ports, have divided the Western trade with Buffalo and Montreal; and the St. Lawrence Canals have never been able to attract more than from ten to sixteen per cent. of that trade, for the reason that although the 850 ton propeller can go to Buffalo without breaking bulk, to a much greater advantage than the Oswego vessel of 350 tons passing through the Welland Canal, yet Oswego has the advantage of continuing the voyage in the 350 ton vessel 171 miles further, against 150 miles of parallel navigation on the Erie Canal, and this advantage nearly balances that gained by Buffalo, by being able to employ the 850 ton vessel to that point. Hence the trade of the West and of Ontario may be said to be divided between the United States Lake ports, above all the St. Lawrence Canals, and this not only for exports, but for imports; nor is there now any means existing in Canada, below Kingston, to compete in cheapness with Oswego and Buffalo for the New England and Eastern States trade. From what has been said, it is evident that from the head of Lake Superior or Michigan, to the foot of Lake Erie, the route is common and unobstructed, and it is at this point that the rivalry between the routes *via* New York and the St. Lawrence to the Ocean and Eastern States begins.

The object and the aim of the State of New York was to make the Erie Canal and the Hudson River the best route, and it is equally the interest of the people of the Dominion to develop that of the St. Lawrence.

To obtain this result for Canada, various suggestions have been made, and the first to consider is the Georgian Bay Canal, which is to connect Georgian Bay on Lake Huron with Lake Ontario near Toronto *via* Lake Simcoe. Surveys of this work have been made. The whole distance from Georgian Bay to Toronto is not over ninety miles. Lake Simcoe is 475 feet above Lake Ontario, and 110 feet above Lake Huron, making a total lockage of 585 feet, against 360 feet by the Welland Canal. Moreover, there is a ridge between Lakes Simcoe and Ontario which cannot be locked over from want of water, and which must be cut through and fed from Lake Simcoe. This cut according to the surveys, would be 200 feet deep for some two miles, and for six miles there would be an average depth of cut of 86 feet. The estimated cost of the work is \$25,000,000; but for vessels of 850 tons burthen, and with locks 300 by 45 feet, no doubt the cost would far exceed this sum.

Another project is the "Ottawa Ship Canal."

This work has also been carefully surveyed, and is intended to connect Lake Huron, *via* the French River and Lake Nipissing, with Montreal, *via* the Mattawan and Ottawa

Rivers. It shortens the distance from Lakes Michigan and Superior to Montreal about 430 miles. The estimated cost of this work for a 10-foot navigation is \$24,000,000. To reach the summit level of this canal on Lake Nipissing, the French River has to be ascended from Lake Huron by six locks with 77 feet lockage, and to get down again to the Lake Huron level there has, of course, to be a similar lockage, which engrafts on this route 154 feet more of lockage than is necessary on the Welland Canal route.

The only other projects urged for cheapening transport between the West and the East, and securing, as it is believed, for all time, to the people of Canada, the best route for the carrying trade, are:—

1. The enlargement of the Welland Canal;
2. The lengthening of the St. Lawrence Canal Locks;
3. The improvement of the Rapids of the St. Lawrence;
4. The construction of the Caughnawaga Canal.

All of these works have been carefully surveyed and reported on by the most eminent engineers. Their cost will be as follows:—

The new Welland Canal, as per Mr. Shanly's report	\$6,000,000
Improving St. Lawrence Locks, as per Mr. Page's report	1,628,000
Improving St. Lawrence Rapids, as per Maillefert & Raasloff's report.....	720,000
The Caughnawaga Canal, as per Mr. Mills' report.....	2,500,000
Total.....	\$10,248,000

The above estimates for canals are for locks 300 feet by 45 feet wide, and 11 feet 6 inches deep, and calculated to accommodate the 850 or 900 ton propellers which now trade from the upper Lakes to Buffalo. When so enlarged, and the locks on the St. Lawrence Canal lengthened, and the rapids improved, these vessels could then descend from Lakes Superior or Michigan, to Montreal or Quebec, or proceed on to Halifax without breaking bulk, carrying equal to 40,000 bushels grain, and, in all this distance, would only require to pass through 28 miles of canal with 330 feet of lockage. Contrast this route with the route through the State of New York. The vessel of 900 tons would then, as now, in sailing from the upper Lakes, have to discharge her cargo at Buffalo into the Erie Canal boats of 210 tons, and proceed to Albany, a distance of 362 miles, with 675 feet lockage. It must be evident, therefore, to every one, that with such a natural navigation to the sea-port of Montreal, a distance from Lake Erie of 401 miles the St. Lawrence route has a great advantage for the export trade, as the distance from Lake Erie to the ocean-port of New York is 507 miles with 362 miles of canal.

The export trade to foreign countries from the West, as has already been stated, is not the largest trade. The consumption of the New England, or Eastern United States, is far greater than the export trade; and the question comes up, can this trade also be attracted to the route of the St. Lawrence? The level of Lake Champlain is 25 feet above the level of the St. Lawrence, seven miles above Montreal. By the construction of the Caughnawaga Canal of 30 miles, the propeller of 900 tons could proceed on to Lake Champlain and deliver her cargo at Burlington or Whitehall, whence it could be distributed by the various railroads throughout New England; or the cargo could be landed at Boston by these railroads at one-half the present cost of freight, and in six days less time than the same Western produce is now delivered. By the St. Lawrence route to Lake Champlain, there would be 58 miles of canal with 355 feet lockage, against the Erie and Champlain Canals to Lake Champlain of 426 miles with 854 feet lockage.

Should the State of New York decide on enlarging the Canal from Lake Champlain into the Hudson, so as to admit the propeller of 900 tons, then this vessel could sail

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direct from the upper Lakes down the St. Lawrence, through Lake Champlain, and down the Hudson to New York, carrying equal to 40,000 bushels of grain, without breaking bulk, and be in New York in six days less time *than is now taken* on the route through the Erie Canal from Buffalo, and at one-half the cost of freight.

To obtain such a result by the route on the Welland Canal, compare its cost with other routes:—

Cost of the Welland, St. Lawrence and Caughnawaga Canals, as before stated . . .	\$10,248,000
Add New York and Champlain Canal, as per survey and estimate	5,000,000
Improvements of the Hudson	1,000,000

The cost to reach New York	\$16,248,000
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By the Georgian Bay route	\$25,000,000
Add Caughnawaga Canal, Rapids, and St. Lawrence	4,248,000

The cost to reach Lake Champlain	\$29,248,000
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But add \$6,000,000 to reach New York, and we have \$35,248,000 against \$16,248,000 by the Welland Canal route; or take the cost by the Ottawa Canal route, say—

Cost of Ottawa Canal	\$24,000,000
Add Caughnawaga Canal	2,500,000

To reach Lake Champlain	\$26,500,000
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And add cost of Hudson and New York Canals, we have a cost of	32,500,000
Against	16,248,000

In the State of New York there are parties who advocate the construction of a new Ship Canal from Oswego, on Lake Ontario, to the Hudson, of 205 miles. The estimate for this work is \$25,000,000, and is projected for vessels of 400 tons burthen. Suppose such a work completed, there would then be a route to the Hudson River from the upper Lakes, with one transshipment, from the 900 ton propeller at Oswego. There would then be 233 miles of canal, and a lockage of 580 feet, against a route, by the St. Lawrence, of 123 miles and 534 feet lockage.

Allusion has been made to the canal at the foot of Lake Superior of one and one-tenth of a mile in length. This canal is constructed on the territory of the United States, but a better site for a canal exists on the Canadian side of the Strait. While, however, the existing canal is all that is required for the present commerce on Lake Superior, yet it will only be a few years when the increase of that commerce will render necessary the construction of a new canal on Canadian territory, either of which will be used by Canadian or United States vessels. The time, too, will soon come when the volume of Western trade will render necessary the connection of Lake Huron with the Ottawa River, but this will not be a ship canal designed for vessels of 900 tons, but rather a continuation of the barge navigation now existing between Ottawa and Montreal.

Such is a brief, but, it is believed, a correct statement of the facts in reference to all the projects advocated, and of the routes between the West and East. The question has frequently come up whether the inland propeller or sailing vessel should not proceed across the Atlantic without breaking bulk at Montreal or Quebec. The propeller adapted to navigate the river and inland Lakes is not adapted for the Atlantic voyage; and, as the large vessel can carry cheaper than the small one, it will, in practice, be found that it will be more profitable to tranship at Montreal or Quebec into 3000 ton ships. It will, however, depend on the facilities and conveniences created at either of these cities, by the construction of docks for transshipment, storing, and handling of the Western products, where the point of transshipment will be.

But, there can be no doubt that the inland propeller can descend the St. Lawrence and go direct to Halifax, in Nova Scotia; and this fact brings up other important considerations. Among projected canals there is the Bay Verte Canal, to connect the Bay of Fundy, on the Atlantic, with the Straits of Northumberland in the Gulf, and the Murray Canal, to connect the Bay of Quinte with Wellers Bay on Lake Ontario. If the Bay Verte Canal is possible of construction, the work will be highly important, and, in its results, of a truly national character in all its aspects. The city of St. John, in New Brunswick, as well as all other places in the Bay of Fundy, would be brought 430 miles nearer Montreal, Quebec or Toronto for the water-borne vessels, than at present; and, if such a canal were constructed, the propeller of 900 tons sailing from Lakes Superior, Michigan, or Ontario, could proceed direct to Halifax or St. John with Western States or Canadian products. If the navigation of the River Richelieu were improved, and a connection made from it into the Caughnawaga Canal, then the 900-ton propeller could load coal, fish, &c., as a return cargo, and, without breaking bulk, sail into Lake Champlain, to meet and facilitate the manufacture of iron from the inexhaustible deposits of ore in the State of New York, on the west side of that Lake.

It would be difficult to point out all the advantages which would result to Prince Edward Island, Nova Scotia and New Brunswick, by the construction of the Bay Verte Canal. If the 900-ton propeller could deliver Western or Canadian products at Halifax or St. John, these places would thus become cheap depots for such products. Assorted cargoes of fish, hoops, shooks, lumber, &c., could be made up at these ports for the West India Islands and South America, and could bring back return cargoes from these countries of sugar, coffee, hides, tallow, &c., to be again re-shipped as return cargo to Canada and the Western States by the inland propeller, and thus be delivered at less cost by such means than by any other possible route.

Nor should the geographical position of the St. Lawrence be left unnoticed. The route from the St. Lawrence to Liverpool, through the Straits of Belle Isle, is 480 miles shorter from Quebec than from New York, and Toronto is as near Liverpool as that city. Troy, on the Hudson, is 160 miles nearer Liverpool, *via* Lake Champlain and Quebec, than *via* New York. Steamers of equal speed could, therefore, reach Quebec in 36 hours less time than New York could be reached, and if the mails were landed at Bic, 175 miles below Quebec, in 48 hours less time, all mail matter could thus be delivered West and South in less time than is possible by the direct ocean route to Boston, New York, or other Atlantic cities.

In addition to the advantages already claimed for the route of the St. Lawrence, it should be stated (strange as it may appear from its Northern position) that in the average of the last twenty years, ending with 1869, the Welland Canal has been navigable for 246 days annually, while the Erie Canal was only navigable for 225 days, showing 21 days in favour of the Northern side. During the same period the arrival at Quebec of ships from sea was five days earlier than the opening of the Erie Canal at Buffalo, and during the same period also, products from the West arrived at Montreal by water, seven days before the earliest arrival at Albany by canal. It may be further stated that if the natural harbour of Bic, below Quebec, were improved and connected with the railway, steamers in the fall of the year could deliver and receive cargo there two to three weeks later than they now do at Montreal, and two to three weeks earlier in the Spring, thus adding from four to six weeks to the navigation of the lower St. Lawrence. It will be remembered by many now living in the Western peninsula of Canada, the great want of transport and the small remuneration for labour invested in agriculture. In 1846, 15 cents was the regular charge on wheat from Kingston, 52 cents on flour,—and general merchandise upwards, was charged at 25 to 30 shillings per ton. The rate for

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wheat is now four cents per bushel, other articles in proportion, thus enhancing the value of the products to the producer; and such will also be the result of further canal improvements. The enlargement of the Welland and St. Lawrence Canals, and construction of the Caughnawaga Canal, will enable the vessels sailing from ports in Ontario, with cargoes for the United States, and which now are obliged to go to Oswego, Ogdensburgh, Rochester, Cape Vincent and Buffalo, to go to Lake Champlain through Canadian Canals, paying into the Treasury of the Dominion the tolls now paid to the State of New York, and will greatly lessen the freight of the Canadian products, bound either for Montreal or the Eastern United States.

The products of the Ottawa Valley, by the construction of the Canal into Lake Champlain, will be greatly increased in value, for the saving in transport of lumber alone by that route over the present one, will not be less than \$1 per thousand feet, and all such saving adds to the annual value of the national wealth. By the opening of this cheaper and quicker route to the East from these great Western territories (yet comparatively unsettled) the revenues of the Canals of the Dominion will be greatly augmented, and the carrying trade secured for the St. Lawrence.

Again, the enlargement and completion of the canal system of the country as suggested, will greatly promote the prosperity of the railways. If the water route through the St. Lawrence can be made cheaper than any other to the seaboard, an enormous business will necessarily be drawn to it, and there must go with that a large amount of passengers, light freight, live stock, &c., giving to the parallel line of railway such an increase of profitable business as will greatly increase its revenues, and render necessary the construction, ere long, of a double track. Hence, water transportation is just as necessary to the railroads, as railway transport is necessary to the water communication. The most successful railways now in operation are the two great trunk lines running from New York westward, parallel and close to the Erie Canal, which, during the period of navigation, moves the great bulk of the heavy freight from the West to the East.

It must not, however, be concealed that the fullest success of the route of the St. Lawrence and the Canals of Canada, can never be obtained without throwing open to foreign vessels the free use of our Canals and Rivers, and admitting free of duty, and without hindrance of any kind, all agricultural and natural products. It is of the highest importance for the best interest of the Dominion to cherish the most kindly intercourse with our neighbors in the United States, and to lay aside every feeling but that of rendering Canada the great highway from the shores of the Mississippi and from the Rocky Mountains, not only to the Atlantic by Montreal, Quebec, Halifax, and St. John, but to the New England States and to New York—a city which has become great by its connection with the Western States through her Canals. The policy of drawing commerce through our Rivers, Canals and Railways, and by our Vessels and Steamers, is solely to make available the great facilities which the Dominion possesses, and to make these profitable to its inhabitants, and that without reference to the policy of others. The adoption of measures to secure a free transit, without restriction, of the products of the United States, free of all duty, would be one of political expediency and sound wisdom. Such a policy should be pursued without reference to any act of Reciprocity on the part of the United States, because such a course should be followed, for the reason that it was beneficial to the people of the Dominion, and that they should not be precluded from the advantages of it, merely because our neighbors in the United States might not be disposed to pursue a corresponding policy towards us.

MONTREAL, January, 1871.

APPENDIX B.—(See p. 10.)

NOTES ON CANAL ENLARGEMENT.

By WM. J. PATTERSON, *Montreal.*

Several schemes have been proposed, and ably advocated, for the purpose of furnishing new outlets to the immense and still increasing grain trade of the Western States. But whatever may be said as to comparative length of the various routes, it is the opinion of practical men that none are so favorable, both for steam and sail-craft, as that *via* the Welland Canal, the length of artificial water-way in it, between Chicago and Kingston, being only 28 miles, all the remainder being free navigation, and therefore the cheapest.

As regards freights from Chicago to New York, *via* the Erie Canal, the following from official sources, shows rates of freight per bushel for wheat during nine years :

YEARS.	Average Freight from Chicago to New York.	
	<i>Via</i> Buffalo.	<i>Via</i> Oswego.
	Cents.	Cents.
1861	27 $\frac{1}{2}$	27
1862	26 $\frac{1}{2}$	26 $\frac{1}{4}$
1863	23	22 $\frac{3}{4}$
1864	28 $\frac{1}{4}$	28 $\frac{1}{2}$
1865	26 $\frac{3}{4}$	27 $\frac{1}{2}$
1866	30 $\frac{1}{2}$	31 $\frac{1}{2}$
1867	22 $\frac{1}{2}$	22 $\frac{1}{2}$
1868	23	23
1869	23	23 $\frac{1}{4}$

The average rates of freight (per bushel of wheat) by schooner and propellor, from Chicago to Kingston, during four years, were as follows :

1863 11 $\frac{1}{2}$ c.	1865 13 $\frac{3}{4}$ c.
1864 14c.	1866 14c.

These rates are in United States currency. The average rate from Kingston to Montreal in these years was 4c. per bushel in gold.

The average rate paid per bushel by propellor from Chicago to Montreal in 1868, was 13c. in gold; in 1869 the average rate was 12c. in gold.

These figures show an immense difference in rate in favor of the St. Lawrence route to Montreal as an ocean-port, (the difference in time being often ten or twelve days) and yet only a comparatively small proportion of wheat comes to the seaboard by that route.

A new Welland Canal, of sufficient capacity to admit the largest propellor that is likely to ply on the Upper Lakes during the next twenty-five years is a desideratum. Its completion would give two routes between Lakes Erie and Ontario, and make the St. Lawrence route effective in drawing off trade from the New York canals and railways, reversing the experience of the past twelve or fifteen years. What is that experience?

About fourteen years ago nearly all the steam and sail vessels engaged in the grain trade of the Lakes could pass through the locks of the Welland Canal, so that when engagements were being made for grain to Buffalo, charterers could almost always get

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the option of Kingston or Oswego in Lake Ontario for a reasonable difference; but the vast increase of the grain trade has, within a few years, induced the building of a much larger class of vessels, which cannot use that canal; the trade has, therefore, been greatly restricted, much the largest portion of it being limited, in seeking an exit from the lakes to the single port of Buffalo, while freighting to ports in Lake Ontario is now the exception rather than the rule. The passage of wheat from West to East during the past two years, has no doubt increased. Notwithstanding that the recorded receipts of wheat at Montreal during the season of 1870, show a decrease of 714,018 bushels, as compared with 1869, still the aggregate is one-third (certainly no mean proportion) of the quantity carried from the West to New York City; but, from the causes above-mentioned, it is impossible that that proportion can be maintained, for the small lock capacity of the Welland Canal is forcing Canadian vessel-owners out of the Upper Lake trade. It has been estimated that only one-fourth part of the aggregate quantities of grain received at Kingston from the Western States during the season of 1870, was carried in Canadian vessels, all the rest being transported in craft owned in the United States, thus virtually monopolizing the grain-carrying in Canadian waters.

The following comparative statements, however, from returns obtained at the Custom House in Kingston, show a rather more favorable result; they are nevertheless most suggestive:

Receipts of wheat and corn at Kingston during season of 1858:

58 cargoes in British vessels.....	839,948 bushels.
46 " " United States do.....	641,011 "
	1,480,959 "

Receipts of wheat and corn at Kingston from United States during season 1870, as per statement made by *one* Forwarding Company:

79 cargoes in British Vessels.....	1,127,987 bushels.
111 " " United States do.....	1,892,875 "
	3,020,862 "

Total receipts of grain at Kingston in season 1870 from United States ports, amounted to a trifle over 6,000,000 bushels. The proportion is computed to be:

In British vessels.....	2,256,000 bushels.
In United States do.....	3,785,000 "
	6,041,000 "

It seems obvious, therefore, that whatever may be said as to the decadence of general commerce of the United States on the lakes, it must be wholly attributable to local causes. A few years ago, vessels adapted to that trade were wont to be owned largely at Kingston, Bath, Belleville, Port Hope, &c.; but the case is very different now. Fourteen years ago twenty-three (23) Canadian vessels wintered at Chicago (1857-58), while only one wintered there in 1869-70; and of about four hundred (400) vessels wintering there in 1870-71, none are owned in Canada; that number, however, includes six (6) or eight (8) vessels originally Canadian, the registers of which have been changed.

In 1857 there were at least as many Canadian vessels of all classes trading between the Upper and Lower Lakes as in 1870, while United States' craft during the same period had probably increased *tenfold*. Unfavorable trade relations have no doubt had much to do in bringing about this decay in Canadian Lake-commerce; and, while the enlargement of the Welland Canal would be of great advantage in removing a *natural* impediment, were American vessels allowed to navigate the improved outlet, it might enable the Government to secure some advantage in return.

It must not be supposed, however, that the limited capacity of the Welland Canal

locks is the only obstacle to an increase of Canadian canal traffic. One very serious obstacle to the trade of the St. Lawrence Canals is the want of sufficient basins and wharf-room at Montreal. This is felt in a way little thought of, except by those in the trade. The confusion which necessarily arises at present from want of room to work vessels in the canal, the contracted wharf being bounded by a narrow street on the city side, operates to restrict importations of salt, iron, and other heavy goods which would naturally seek this route for the supply of the Western States), to a mere fraction of what they would be, provided the additional expense which necessarily arises from delays caused by want of room, and the great waste and loss of property arising from exposure to the weather, were obviated.

It is suggested that the Government lease or sell such grounds as they control on either side of the canal, with right of building and constructing slips; also giving owners of property from St. Gabriel locks to the main basin, all necessary building privileges; streets to run *behind* what would thereafter be deemed water-lots.

APPENDIX C.—(See p. 15.)

REPLIES TO QUERIES OF CANAL COMMISSIONERS BY THE ST. JOHN, N.B., CHAMBER OF COMMERCE.

ST. JOHN, N.B., January 9th, 1871.

HUGH ALLAN, Esq.,

Chairman Canal Commission, Ottawa.

SIR:

In acknowledging the receipt of your list of queries referring to the Canal system of the Dominion of Canada, the Chamber of Commerce of St. John, New Brunswick, would observe that the proposed Bay Verte Canal is the only work of the kind that, at the present, comes under its consideration, and with which it feels competent to deal.

Being very strongly and unanimously convinced of the real necessity that exists for this very important intercolonial work, in order to the much greater development of the trade of all the Lower Provinces, and also, in a still greater degree, that of Ontario and Quebec, this Chamber desires to place before you, as briefly and as prominently as possible, such reasons as it possesses in support of the project.

The subject of the Bay Verte Canal has occupied the attention of the local Government of New Brunswick for a great many years. Several surveys have been made, but with no practical result; and as long ago as 18th June, 1838, the St. John Chamber of Commerce forwarded to Sir John Harvey (then Lieut.-Governor of the Province) a memorial setting forth the necessity then existing for the work, and the very great benefits to trade in general that would accrue from its construction. Also, during the last session of the Dominion Parliament, a very influentially and numerously signed petition in reference to the same subject, was forwarded from the merchants and traders of St. John to the Parliament in session; which petition may, in some measure, have led to the appointment of the survey now ordered to be made, and which, it is hoped, may tend to the practical carrying out of this much needed and very important work, without which the Canal system of the Dominion would be incomplete.

Two papers on the subject of said canal, which appear to have been prepared with great care and much practical knowledge of the question, have been kindly submitted to this Chamber by Alex. Jardine, Esq., Canal Commissioner for New Brunswick, for perusal and consideration. The first of these is by John Boyd, Esq., of St. John; the

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other, by Alex. Wright, Esq., of Westmoreland. Both contain a large amount of sound, practical information on the subject referred to, and are generally acceptable to this Chamber. They will afford to the members of your Commission much valuable assistance towards a correct estimate of the trade question bearing upon this subject.

In reply to the queries proposed by your Commissioners, this Chamber of Commerce would respectfully state:

QUERY 1.—The construction of the Bay Verte Canal, if of sufficient capacity and depth (say, 16 feet), would be of immense benefit to trade in general, not only that of the Maritime Provinces, but also to that of Ontario and Quebec, as will be apparent from the following considerations:—

1. The Maritime Provinces import, say, 700,000 barrels of flour annually, besides a great many other articles of a bulky character, as enumerated in reply to query 2.

2. The Maritime Provinces possess inexhaustible supplies of productions required by Ontario and Quebec, also enumerated below.

3. The chief articles of import from Ontario to the Lower Provinces being bulky, the element of freight forms a large item in their value,—hence any greater facility for transit tending to cheapen the cost must be productive of a greatly increased demand.

4. The Bay Verte Canal would not only afford the desired facility for transit, by rendering it unnecessary to break bulk between the points of shipment and destination, but would remove a great barrier to cheap freights by enabling owners of vessels to secure return cargoes to Ontario and Quebec, and thus build up a mutually desirable reciprocal trade which may be increased to almost any reasonable extent.

QUERY 2.—The present increasing trade between the Maritime Provinces and the Provinces of Ontario and Quebec would receive an important stimulus from the construction of this canal, and the products of each would enter more largely into consumption of the others. Imports from Ontario and Quebec would consist chiefly of flour, coal oils, pork, oatmeal, tobacco, bran and shorts, beans, oats, barley, whiskey, furniture, &c., &c. Exports from Nova Scotia and New Brunswick to the Upper Provinces would consist principally of bituminous coal, Albertite, gypsum, building stone, grindstones, flagging stone, salmon and other fish, salt, iron, hides, hay, &c., &c.; and also West India produce, which is brought to St. John in return for lumber shipments to the West Indies. Another object of vast importance to the Dominion would be obtained by the completion of this work, namely, the opening of a trade with the West Indies during the winter months, by the facilities offered for storing the products of Ontario and Quebec at a deep-water terminus always open at St. John,—which products would thereby be available for shipment in forming assorted cargoes for the various West India markets during the period when the Upper Provinces are shut out from it at present by closed navigation, except by way of the United States. This canal would also operate most favorably upon the fishing interests, by opening up a short and direct route from the important fishing grounds in the Gulf of Saint Lawrence to St. John, and other shipping points. It would likewise derive revenue from American fishery vessels inasmuch as it would be the most available, for this class of tonnage to reach the Fishing Stations of the Saint Lawrence Gulf.

QUERY 3.—The construction of said Canal would very largely benefit Prince Edward Island by opening up to her a more direct and cheaper avenue of communication with all the Ports in the Bay of Fundy, the United States, and West Indies, and would thus affect her favorably and irresistibly towards a closer bond of Union with the sister provinces.

QUERY 4.—The shortening of the voyage between Prince Edward Island and the Gulf Ports, and the Ports of St. John, Portland and Boston, by water, would be from 400

to 450 miles, and the consequent saving in freight and insurance would be from 20 to 25 per cent.

QUERY 5.—Decidedly yes; a greatly increased trade would result, and be reciprocally advantageous.

QUERY 6.—It is estimated from information gathered, and ordinary experience, that in all kind of heavy freight there would be a saving from present rates of from 30 to 50 per cent.

In consideration of the foregoing reasons, with others that will be offered from other quarters, this Chamber of Commerce feels that it cannot too strongly urge upon your Honorable Board the paramount importance of the work herein advocated, not only as a means of affording increased facilities for trade generally, but also as calculated materially to cultivate and strengthen that spirit of union which is daily becoming more necessary in order to make us practically one people.

(Signed,) C. H. FAIRWEATHER,
President.

(Signed,) W. A. VROOM,
Secretary.

APPENDIX D.—(See p. 22.)

No. I.—A GENERAL INSPECTION LAW.

The Council of the Montreal Board of Trade beg that the consideration of the Dominion Board of Trade be given to the important question of a revision and consolidation of the Inspection Laws, with a view to recommending that a General Inspection Law be enacted for the Dominion of Canada,—including the inspection of fish, oil, butter, cheese, pork, lard, ashes, grain, flour, etc.,—and especially to consider whether inspection should in all cases be voluntary or compulsory.

The Council have had the subject under consideration. A Committee of their number was appointed to inquire into the matter. After patient investigation they reported in writing; and the following is a brief *resumé* of the evidence laid before them by a number of merchants engaged in trade in the various articles:—

BUTTER.—At present the law providing for the inspection of this important article of consumption and export is inoperative. Orders from abroad cannot often be executed by the merchant, in consequence of the quality of the butter not being known, and the great responsibility he incurs by shipping it on his own judgment. The want of a truly efficient law, tends to reduce the value to the producer, leaves no opportunity for a proper discrimination between inferior and superior qualities, and creates no emulation among butter-makers to have the best article and obtain the highest price. It is believed that, if an efficient law existed, the value of this article would, on the average, be increased at least three (3) cents per pound; it would give confidence to parties at a distance in sending their orders either for First, Second, or Third quality; it would increase the trade, and prove advantageous in every way to the public interest.

FISH AND OIL.—At present there is no inspection law for these articles. Dealers in them find the utmost difficulty in ascertaining the quality of fish; for while the fish on the top of the package may be satisfactory, it is often found that those in the middle are inferior. The weight of fish in the cask is frequently very short. Instances have

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occurred where the weight was only 175 pounds instead of 200, to the great injury of the consumers. The result of such a law, would rapidly insure care and honesty in packing at place of cure; and, by giving confidence to the seller and buyer, immediately improve the whole character of the trade. If an Inspector were appointed, who might empty out say ten (10) per cent. of every lot of fish, and give his Bill of Inspection as regards weight and quality, such Bill could be bought without the necessity of the merchant examining the article.

OIL should also be inspected, as it is often mixed with impurities, and sometimes with water. It is believed that the wealth of the country would annually be increased by such a law of inspection for fish and oil, and the honest and skilful producer and packer receive their due reward.

HIDES.—At present there is an inspection law for Hides, which has proved advantageous; but some changes are necessary.

GRAIN.—The existing law which provides for the inspection of Grain, does not make inspection obligatory. It should be noticed, however, that an arrangement has been entered into at Toronto, according to which the inspection of wheat, barley, oats, and peas, is made compulsory *in certain cases*.

FLOUR.—The present law works pretty well, but changes are necessary. Means should be adopted by which the Inspector could indicate with greater precision the grade and quality of the article, and thus admit of the manufacturer receiving the full value of his flour.

ASHES.—Changes are not required in the inspection law for this article.

PROVISIONS.—The present inspection law has worked well and there is no complaint made.

GENERAL REMARKS.—It is the unanimous opinion of parties interested in this question, that there should be a General Inspection Law for all of these articles, which should be uniform throughout the Dominion. It is also believed that under such a law, Inspectors could be named at any Town, City, or place where required, and that wherever such an officer was appointed, no butter, fish, oil, ashes, provisions, etc., could be sold without being inspected. Further, a *compulsory* inspection of flour and all other staple articles would prove most beneficial to the interests both of producers and consumers, and improve the general tone of trade throughout the country.

No. II.—WHAT AN INSPECTION OF FISH MIGHT ACCOMPLISH.

By WILLIAM J. PATTERSON, *Montreal*.

It is believed that the want of a systematic inspection, as contended for by the trade in the Province of Quebec, is also felt by dealers in dried fish. This may be fairly inferred from a statement which appeared in a newspaper correspondent's recent letter from St. John's, Newfoundland, (dated 21st Dec., 1870). The writer said:—"We send annually about 150,000 quintals of dried fish to Spain. There, however, the Norwegians are beating us out of the market, upwards of half a million quintals of Norwegian cod-fish being consumed in Spain. Our fish is naturally far superior to that of Norway, but the careful, thrifty Norwegians have a superior method of cure which makes their fish take the market before ours. A slovenly 'cure' is too generally the cause of a depression in the price of our fish in foreign markets."

A return kindly furnished by the Colonial Secretary of Newfoundland, shows that

the exports of dried cod-fish to Spain and Portugal, during each of six years amounted in value to :

	Spain	Portugal		Spain	Portugal	
1864..	\$1,120,472	\$841,800	|	1867..	\$686,172	\$793,116
1865..	\$ 750,170	\$871,935	|	1868..	\$525,448	\$526,106
1866..	\$1,006,170	\$911,892	|	1869..	\$682,512	\$824,108

All the Maritime Provinces would, it is firmly believed, be advantaged were they brought within the scope of a carefully framed general inspection law. The duty of the Dominion Government in the interests of the whole population, (the consumers of staple articles of food,) is to prepare such a law; and the privilege of participating in the advantage flowing from it, might aid in influencing Newfoundland to ally herself with her sister colonies, for the purpose of more effectually protecting her trade against the aggressions of the Norwegians.

It is an ascertained fact that for several years past the cod-fish exported from Gaspé to Spain, have brought 50cts. per quintal above the same product from the Newfoundland fisheries; and parties in the trade are firm in the belief that an effective inspection law for the Dominion would increase the relative extent and value of the Canadian export trade with Spain.

APPENDIX E.—(See p. 24.)

TARIFF OF CUSTOMS' DUTIES.

By MR. WM. ELLIOTT, President of the Toronto Board of Trade.

The object of the Government of this Dominion of ours ought to be, and I presume is, to strengthen it in men and money; and I feel persuaded that a proper arrangement of a tariff of duties on foreign merchandise is a matter which will have much, very much, to do with the promotion of these great objects, or if improperly adjusted, will greatly retard them. It is not my intention to discuss the question, abstractly, of free trade and protection. I will simply remark, that were all nations similarly circumstanced, and were they all to agree to a free interchange of the commodities they could best produce, and lasting peace could be guaranteed, then the interests of the whole world would be best secured by the adoption of universal free trade. But so long as the conditions referred to do not exist, then it becomes the interest and the duty of every individual nation or people to consider what is best for it in its peculiar circumstances. I have assumed, what I believe is an evident truth, that our government must

LEVY DUTIES ON IMPORTED MERCHANDISE,

for the purpose of furnishing the larger part of the revenue necessary for defraying the expenses of the government; so that the adjustment of the tariff, so as to bear as equally as may be on the people, and at the same time to accomplish, incidentally, as much good as possible, is the real practical question which ought to be considered, and not the theoretical one, as between free trade and protection.

Without further introduction, I would say, that those branches of manufacture which require a large amount of labor ought to receive the fostering care of our government, not to that extent that would enable those engaged in them to make large fortunes out of the people generally, nor that would make them like hot-house plants, forever unable to bear the blasts of the outer world, when in course of time they might

be brought into contact with them, but an incidental protection of a moderate character; and the amount I would advocate would be twenty per cent. *ad valorem*, on the cost in the foreign market.

I will now proceed to give some reasons why I think manufactures ought to be protected, and endeavor to meet some objections to this view. In order that a country may sustain the largest population practicable, there

MUST BE VARIETY OF EMPLOYMENT.

We require, not only farmers, lumberers, and traders, we require also manufacturers; we need this class especially, because of our long winters, when out-door labor is hard to procure. A natural consequence of fostering manufactures, would be to benefit farmers—for a home market would be created for a large class of the minor, but most profitable articles a farmer's family can produce, that otherwise he could hardly sell at any price; and the tendency of home consumption is to increase the value of his staple products of wheat, barley, oats, potatoes, beef, mutton, pork, wool, flax, etc., etc., all of which, having a large manufacturing population, would be in request immediately on their production, in place of sending them for sale to a distant foreign market,—an advantage to the workers of the soil that ought not to be overlooked. It is well known to most persons, especially to those engaged in manufactures, that in commencing a new branch of manufacture, and also in starting a new factory, there are great difficulties to overcome, arising from the want of the number of little appliances difficult to procure on the spot, the scarcity of skilled labor, and the great outlay of capital; also the length of time before a return can be secured,—not to mention the prejudice that has to be overcome, in many instances, before the product can be fairly placed in the hands of consumers. These considerations, and many others of a similar character, make it very reasonable that a manufacturer should receive, in return for his enterprise, some consideration from the community, through the Government. Some protection is also required, owing to the not unfrequent custom of manufacturers, in older countries, throwing their surplus stocks, at a sacrifice, on those markets where there are little or no duties to pay, which operation makes a great strain, sometimes to breaking, on those who are doing a legitimate business, and paying honestly the operatives working for them. It may be all very well for those not interested to say,—"Well, if foreigners choose to give us good bargains, why should we not take them?"—It must be remembered that breaking down a manufacturer, and throwing hundreds of heads of families out of employment, and thus making them paupers, who must be supported by their neighbors, may quite counterbalance the advantage of a good bargain. Protection would greatly rectify this evil, and keep steady a manufacturer's market. I think there will be no difficulty in any one seeing that, in proportion as a people are able to produce and manufacture the necessaries and comforts required for their support as individuals, and as a nation, so may they justly feel independent and self-reliant. This argument might be amplified very largely; but I will leave it to every thinking person to fill the outline for himself. We hear it frequently stated by new comers, and others too, that the rate of wages in the United States being higher than with us, and the chances for the employment of skilled labor being greater, they are induced to go and settle there. Now, I think, there is a better prospect of removing those objections by encouraging, all in our power,

THE ESTABLISHMENT OF MANUFACTURES,

of every kind, in our country, thus finding profitable employment for them, than by any other means. One fact, which I learned on the best authority, furnishes a strong argument for even the extremely protective policy of our neighbors across the lines, as

tending to accomplish the object which the government of a new country ought to have in view, as laid down at the commencement of my paper,—to strengthen it in men and money. It is this: a certain manufacturing firm in Scotland used formerly to export large quantities of their manufactures to the United States. After a time the Americans imposed such heavy duties that they could not compete with their manufacturers. Well, they bethought themselves and said — “If we can't send our goods from Scotland to the States, we can go ourselves and make them there.” Accordingly part of the firm went, took with them men, money and machinery, settled there, carry on a factory with fifteen hundred hands, and are making money; and I should not wonder, if they are converted from free traders to protectionists. Be that as it may, the Americans, in this instance, by their policy, secured an influx of men and money. Now, while I do not advocate protection to the extent of forty or fifty per cent, as they do, yet to a moderate extent, I think, it can be seen that it will operate advantageously in the increase of our population and wealth.

I will now refer to some objections urged against protection, and endeavor to show that, as applied to this country, they are groundless. It is said that manufacturers desire protection, because they wish to become rich at the expense of the consumer, and that under protection goods cost more than under free trade. There is no doubt that manufacturers, like most other people, have a desire for wealth. But I can safely say that in Ontario, whatever it may be in other places, no manufacturer is likely to enjoy a monopoly, or to escape such a sharp competition, as will enable him to get rich too fast. There is too much enterprise and too much money to allow the products of factories to be sold for anything more than very moderate profits. And, as a general rule, this competition does cause and will cause the

COST OF GOODS TO BE NO GREATER TO THE CONSUMER

than if imported free of duty; or if they should cost more for a time, so soon as any given manufacturer became fairly established, the extra price would disappear, and, not improbably, the consumer would be repaid by getting the article even lower than the foreign would cost without duty. But admitting, for argument sake, that in consequence of levying duty on any given article it costs the consumer all the duty, more than it would do if there were no duty. What then? The duty goes into the coffers of the Government as his proportion towards the expense of the Government, and the Government does not require to send the tax gatherer to collect it from him. In other words, the Government collects what is necessary for the expenses of governing by means of duties on goods in place of direct taxation. But the difference of result is this,—by direct taxation no assistance is given to develop important industries; while by levying duties on articles that may be manufactured in the country an important aid is rendered in fostering useful manufactures, thereby increasing the population, keeping money in the country, developing skilled labor and cultivating national self-reliance. I am aware that it may be said, and said truly, that so long as dutiable goods of the same class as those made in the country cost more than free goods would, all the extra cost does not go into the public treasury. But to counterbalance this it must be remembered that in consequence of the carrying on of manufactures there is a much larger population to consume and pay duties, not only on the class of goods in question, but on all other goods on which duty is levied. So that I think we may safely conclude that the advantages mentioned, are all secured without adding to the burdens of tax payers a single cent. Some one said that

TO INCREASE HOME MANUFACTURES

will be the means of lessening commerce—that there would be less of breadstuffs to carry

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across the ocean eastward, and fewer manufactured goods to bring across the water westward. This might be true, and yet commerce not be at all lessened. We should require much more of the material used in manufactures, such as chemicals, dyes, iron, steel, &c., &c. Also, a large importation of skilled artisans with their families, thus employing the splendid line of Canadian steamers for years to come. And in all probability we should be able, after a time, to part with and send away some of our own manufactures to make up for the smaller quantity of the products of the soil. But suppose commerce were lessened by the increase of manufactures, there is no advantage in moving commodities about for the sake of moving them. There would be no advantage for a farmer in Canada to sell a bushel of wheat to a mechanic in Britain, to eat there, if he could find employment for him near his own farm, and get him to come and buy it and eat it in Canada.

Some have said that levying duties on British goods manifests hostility to the commercial policy of the home Government. Before coming to that conclusion, it is necessary to consider that Britain not only requires foreign trade, an outlet for goods, but has a more imperative want, an outlet for surplus population. Supposing Mr. Hincks were to make a visit to Mr. Gladstone, and say I can do one of these two things,—I can, by the arrangement of the tariff, close all the factories in Canada, and thus buy two millions sterling worth more of goods from you, or, I can so adjust it as that I can increase the number of factories in Canada, and thus relieve you in one year of twenty thousand of your starving people. I do not think it would be any stretch of imagination to say he would prefer the latter. Many point very emphatically to the great advantage free trade has been to Great Britain. But they forget the great difference in circumstances existing in that country as compared with ours. Her manufactures had been fostered for centuries, grown up to perfection. She has cheap labor and cheap money: she has such a position, that none of her factories are more than a hundred miles from the sea, most of them close to it; shipping enough to do most of the trade of the world, capital and credit enough to buy half the merchandise of the globe, so that it pays her to say to all the world, "Here is a money advance for you; put your commodities in our vessels, we will take them to our free ports, they are sure to sell, we can send them anywhere and everywhere, we charge only a small commission, five shillings to fifty shillings per cent.—Thus then monied men, ship-owners, and commission merchants, thrive on free trade, and can well afford to speak loudly in its praise. Now, any may see that while they can well afford to act on free trade principles, owing to their circumstances being in many material points so very different from ours, we cannot afford it at all.

I will notice only one other objection that might very naturally occur, namely, if manufactories were successfully established, and everything necessary for the people were made in Canada, and therefore there were no duties to collect on manufactured articles,

HOW THEN WOULD REVENUE BE SUPPLIED

to the Government? I reply, that it will take a long time to accomplish this object fully; but when it comes there is still a long list of articles that may be called necessities of life, tea, sugar, coffee, spices, &c., &c., open for taxation, but what would be a better way still, is direct taxation. This question may be asked, why recommend twenty per cent as the rate of duty? I reply, because experience shows that with that amount of protection, manufacturers are willing to run the risk incurred in commencing manufactories, while under that amount they are not disposed to do so, the risk being too great. It has been found that since the reduction of duties from 20 to 15 per cent, manufacturing has greatly languished. It is true that experience may show that in some branches of manufacture 15 per cent is enough, while in others 25 per cent is not too much. Connected with this point one matter is of paramount importance, as an act of simple

justice to those who invest their means in manufactures,—that the rate should, if practicable, not be lessened, whatever it is fixed at, for a number of years, say ten at least.

A few general remarks and I finish. While I advocate the extension of manufactures in this Canada of ours, I do not think it would be desirable to do so much beyond the point of supplying our own consumption. A population so balanced as to be able to raise from the soil a sufficient supply of food for the whole population, and having factories enough to supply the whole with manufactured goods, and between them, sufficient to spare to pay for foreign comforts and luxuries, is such a one as, in my judgment, would be most likely to possess the requisites for good government, social order, education, and comfort for the whole people. There are some articles of import, respecting which I am happy to

AGREE WITH MY FREE TRADE FRIENDS,

ought to be free, namely, raw products required by manufacturers, and those which enter into the composition of their goods; also, iron and steel, until we are prepared to manufacture them. Let us, in the west, increase our manufactures and population. We will then be prepared for greatly increasing our present commerce with our fellow-countrymen in the Maritime Provinces. We will eat their fish, use their oil for our machinery and our leather, burn their coal, and in every possible way cultivate commercial and social relations with them. There is every reason to believe and hope that by the exercise on the part of our rulers and public men, of justice, prudence and sound discretion, and by the blessing of God, our great Dominion of Canada has before it a happy and prosperous future. Possessing, as it does, within its boundaries, sea coast, harbors and fishing grounds, soil of the best description, lakes, rivers and water power unrivalled, mines of coal, iron, gold, silver, copper and other metals, only just beginning to be discovered,—forests of timber unsurpassed in usefulness and beauty, a healthful and invigorating climate, institutions of government and learning than which the world has no freer and better, a hardy and virtuous people,—and last, but not least, connected by the strongest ties to an empire the largest and noblest the world has yet seen. With these advantages, and many others not named, if we do not become great, prosperous and good, it must be confessed the fault will be our own.

APPENDIX F.—(See p. 28.)

TARIFFS.

By Mr. ROBERT WILKES, *Toronto.*

The Canadian Tariffs have been professedly framed for the purposes of revenue. The protection they may have afforded to the rising manufactures of the country has been called *incidental*, and in no way intended to exclude the cheaper products of either British or foreign labor.

In forty years the tariffs of Canada have varied from $2\frac{1}{2}$ to 20 per cent, the most recent adjustment having fixed the average on manufactured goods at $15\frac{3}{4}$ per cent. In the infancy of any country, the most natural resort for the purposes of revenue is a duty on imports, and even on exports. Nor is there great injustice in this mode of raising revenue; the circumstances of the people are generally poor, and their condition not very dissimilar, for they have no manufacturing interests to protect, and all are equally interested in the cheapness of commodities. As population increases, public works

must be undertaken and the country generally developed, thereby creating a debt, to provide for which requires a larger revenue. This is often attempted to be raised as before, by an increased duty on imports, but without the same justice, for successful industry and the very construction of public works, have made the circumstances of the people to differ; and, an increased duty levied on the staple commodities of importation presses with greater weight on the newly arrived and poorer settlers than it does upon those who have already accumulated property or money.

The abstract questions of free trade in commodities between nations, and of the imposition of such restrictive duties as shall encourage the manufacture of all staple requisites in each country for itself, have been so often, so ably and so earnestly discussed, that I shall not presume to enter upon the subject from that stand-point. However sound the abstract dogmas of free trade may be, as laid down by that great and early apostle of modern British policy, Dr. Adam Smith, or by his present more abstruse successor, John Stewart Mill, there are in the circumstances of every country conditions and peculiarities which render their application more or less politic in the promotion of general national prosperity.

In Canada, it appears to me, there are some conditions which, if they obtain, might reasonably modify the application of extreme free trade principles.

1st.—If there be an excess of capital over what is required in the cultivation of the forest and the prosecution of the ordinary commerce of the country.

2nd.—The existence or increase of a large population, in towns or cities, that cannot probably be employed without the establishment of manufactures.

3rd.—The neighborhood of an "unfriendly" or strongly protective nation, which manufactures largely itself, but admits of no reciprocity of interchange.

With regard to the 1st.—Although the deposits in the banks continue to increase, and the investments in public securities are greater than at any other period, it can hardly be claimed that there is as yet much surplus capital in Canada, in the hands of those who would embark in manufactures under greater protection, rather than seek for investments out of the country.

2nd.—A population which only averages about *ten* to the square mile (not including the North-West) can hardly be said to be crowded; yet, in the cities of the Province of Quebec, and in some few places in the other Provinces, population has reached about two hundred to the acre, or about one-half the density of the most crowded cities of Britain. It may fairly be claimed that even in such centres of population, every possible encouragement should be given to the providing of suitable employment for those who might thus be added to the producing classes.

3rd.—The United States, that vast and prosperous country, on our Southern border, may fairly be regarded as in the position I have described. She taxes not only our manufactures, but the produce of our fields, our forests, our fisheries, and our mines. Self-defence, and the attainment of some national advantages by those who belong to our new, our prosperous, and our *British Canadian Dominion*, seem to me as exceptional justification for the levying of a moderate tariff, not only on the imports from that country, but on some of our exports.

Having made these concessions to the theories of partially protective duties, I shall now state what appears to me as the chief reason why, in a country like Canada, excessive tariffs should never be resorted to; and why those that are imposed for revenue purposes, and in view of previous considerations, should be gradually reduced, if equal justice be meted out to all classes of the population.

Of the over nine millions of dollars derived from duties on imports in 1869, about 57 per cent was levied under the few heads of *Dry Goods, Tea, Sugar, Liquors*, and

Tobaccos, and the amount raised from duties constituted 64 per cent of the whole legitimate revenue of the country. I maintain that the greater portion of this revenue is paid by the poorer classes. The latter two articles are exciseable commodities, and legitimate subjects of taxation to the utmost amount that can be collected, but they are only about 2 per cent of the whole importations. The great staples of consumption pay the chief part of the revenue, and these are in proportion more largely consumed by the poor. I have prepared a statement, which I now submit, classifying the various grades of society, and showing the proportion paid by each class, under the mode of municipal assessment, and under the tariff system adopted by the Government. (See Schedule A.) Here you have the millionaire, as in Class A and B, under a very lax system of property and income assessment, contributing from \$4,650 to \$6,330 to his municipality, and paying towards the revenue of the nation the munificent sum of from \$375 to \$900, or from 1½ to 2 mills in the dollar on his imperfectly assessed valuation. The farmer, on the contrary, whose farm is worth but \$1,500, and has, say a surplus income of \$300, and who buys imported goods to the value of \$500 per annum, has to pay the Government \$37.50 of duties, or about 3 per cent on his whole assessed valuation. Whereas the town or city mechanic must pay to the revenue 4½ per cent on his assessed valuation.

The least reflection will convince any one that, if the greater portion of the revenue be thus raised from Customs duties, a great injustice is suffered by the industrial masses of the country, while the holders of large properties and of accumulated capital are comparatively exempt from national burthens.

In the circumstances of Canada, an average duty for the present, of not over 10 per cent, would be an ample protection to all classes of manufactures that are likely to succeed in this country for some years to come. In the future, when the country becomes more developed, and population, which is our greatest want, becomes greatly increased, even this tariff may be lowered; but in justice to the masses of the population, a higher one than this should not be imposed.

If it be asked how could the necessary revenue of the Dominion be raised, if import duties were reduced from \$2.50 to \$1.67 per head of the population?—I answer, cursorily, to make up the loss of two millions and three-quarters, levy an export duty of one dollar per thousand on our million thousand feet of sawn lumber—the product of our invaluable forests; and levy, say 2 mills in the dollar, as a property and income tax on the probably one thousand millions of assessed property in the Dominion.

SCHEDULE A.

CLASS A.—Represents a class of tax-payers supposed to be worth *one and a half millions* of dollars :

Municipal assessment on property and capital	\$422,000 00
Yielding a tax at 1½ cents	6,330 00
Probable personal expenses of this class, say	12,000 00
Of which we assume 50 per ct. to be dutiable at 15 per cent—	
\$6,000 at 15 per cent	900 00
Or a little over <i>two mills</i> on the dollar of assessed valuation.	

CLASS B.—Represents a class of tax-payers supposed to be worth *two million* dollars :

Who are assessed for municipal purposes	\$310,020 00
Paying a tax of, at 1½ cents	4,650 00
The probable personal expenses of such are, say	5,000 00
One-half of which is probably dutiable, viz., \$2,500 at 15 p. ct.	375 00
Or 1½ mills in the dollar.	

- CLASS C.—Represents a commercial tax-payer, worth say two hundred thousand dollars :
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|--|-------------|
| Assessed for municipal purposes | \$96,000 00 |
| Paying a tax, at $1\frac{1}{2}$ cents, of | 1,440 00 |
| Expenses of said tax-payer are, say | 8,000 00 |
| Fifty per cent of which is dutiable—\$4,000 at 15 per cent.... | 600 00 |
- Or $6\frac{1}{4}$ mills on the dollar on assessment value.
- CLASS D.—Represents an annuitist, having an income of say five thousand dollars :
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| Assessed for property and income, say | \$10,000 00 |
| Yielding, at $1\frac{1}{2}$ c. in the dollar | 150 00 |
| Personal expenses of said tax-payer, say | 4,000 00 |
| Fifty per cent being liable to duty—\$2,000 at 15 per cent.... | 300 00 |
- Or 3 per cent on assessed valuation.
- CLASS E.—Represents a commercial employé, salary of \$1,000; assessed on income, \$600; and on property, \$1,400 :
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| \$2,000, at $1\frac{1}{2}$ cents | \$ 30 00 |
| Personal expenses, say | 800 00 |
| Fifty per cent of which—\$400 at 15 per cent | 60 00 |
- Or 3 per cent on assessed valuation.
- CLASS F.—Represents an average mechanic, who earns probably \$500 or \$600 per annum; and lives in a house worth say \$700 :
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|--|----------|
| Taxes for municipal purposes | \$ 10 50 |
| Expenses, say \$400, half of which, \$200, at 15 per cent..... | 30 00 |
- Or $4\frac{1}{2}$ per cent. on assessed valuation.
- CLASS G.—Represents a better class farmer; farm worth say \$8,000; valued at \$5,000; an income of \$500 :
- | | |
|---|----------|
| Pays 1 cent in the dollar for municipal purposes..... | \$ 55 00 |
| Consumes one thousand dollars' worth of goods—50 per cent of which at 15 per cent | 75 00 |
- Or nearly $1\frac{1}{2}$ cents on his assessed valuation.
- CLASS H.—Represents an average farmer, in any of the Provinces; farm worth say \$1,500; assessed \$1,000, and \$250 income :
- | | |
|---|----------|
| Pays at 1 cent for municipal purposes | \$ 12 50 |
| He consumes say \$500 worth, half of which at 15 per cent.... | 37 50 |
- Or 3 per cent on his assessed valuation.

APPENDIX G.—(See p. 34.)

Schedule of Comparative Duties imposed by the United States and Canada upon Articles which were Free under the Reciprocity Treaty.

Collated by WILLIAM J. PATTERSON, Montreal.

ARTICLES FREE UNDER RECIPROCITY TREATY.	PRESENT UNITED STATES TARIFF.	PRESENT CANADIAN TARIFF.
Animals of all kinds	.20 per cent. <i>ad valorem</i>	.10 per cent. <i>ad valorem</i> .
Meats — Fresh, Smoked, and Salted	.35 per cent.	.1 cent per lb.
Cot on Wool	Free	Free.
Seed and Vegetables	.30 per cent; 10 per cent.	.10 per cent.
Fruits — Undried; Dried	.10 per cent; 10 per cent.	.10 per cent.
Poultry; Eggs	.10 per cent.	Eggs free; Poultry, if killed, 1 cent per lb.; if alive, 15 per cent.
Hides, Furs, Skins, or Tails, Undressed.	.10 per cent.	Free.
Stone, in its Crude or Unwrought State	.20 per cent. (Building)	Free.
Marble, do, do, (Slabs)	.50 cents per cubic foot and 10 per cent. <i>ad valorem</i> .	Free.
Slate	.40 per cent.	Free.
Butter; Cheese	.4 cents per lb.	.4 cts per lb.; 3 cts per lb.
Tallow; Lard	.1 ct per lb.; 2 cts per lb.	.1 ct per lb.; 1 ct per lb.
Horns	.10 per cent.	Free.
Manures	Free.	Free.
Ores of Metals — Silver and Gold	Free	Free.
Do, — Copper	.5 per cent.	Free.
Do, — Other kinds	.10 per cent.	Free.
Coal; Coke	\$.1.25 per ton; 25 per cent.	.50 cents per ton.
Pitch; Tar	.20 per cent.	Free.
Turpentine; Ashes	Ashes: Pots, 20 p. c. <i>ad val.</i> ; Pearls, 1½c per lb.	Both Free.
Timber and Lumber of all kinds—Round, Hewed, Sawed, Unmanufactured in whole or in part.	.20 per cent.	If having undergone any process other than rough hewing, it is dutiable 15 per ct., except Mahogany, Rosewood, Walnut, Cherry, Chestnut, and Pitch Pine, which are free.
Firewood	.20 per cent.	Free
Plants; Shrubs; Trees	.30 per cent.	.10 per cent.
Pelts	.10 per cent.	Free.
Wool	.10 cts per lb. and 11 per cent. <i>ad valorem</i>	Free.
Fish Oil	.10 per cent. (Seal)	.15 per cent.
Rice	.2½ cents per lb. (Clean); 2 cents per lb. (Unclean).	Free.
Broom Corn	.35 per cent.	Free.
Barks	.10 per cent.	.15 per cent.
Gypsum — Ground or Unground	Free	Ground or Calcined, 15 per cent, except as Manure.
Grindstones or Burr — Hewed, Wrought or Unwrought	.20 per ct (Wrought); 10 per ct (Unwrought).	.15 per cent (Wrought); Unwrought, free.
Dye Stuffs	Free	Free.
Flax; Hemp — Unmanufactured	\$.15 per ton; \$.40 per ton	Free.
Tow — Unmanufactured	\$.10 per ton. (Hemp); \$.5 per ton, (Flax)	Free.
Tobacco — Unmanufactured	.35 cents per lb.	Free.
Rags — Cotton or Linen, for Paper	Free	Free.
Do. — Woollen	.12 cents per lb.	Free.
Breadstuffs — Wheat	.20 cents per bushel	.4 cents per bushel.
Corn and Oats	.10 cents per bushel	.3 cents per bushel.
Barley and Rye	.15 cents per bushel	.3 cents per bushel.
Peas	.10 per cent. <i>ad valorem</i>	.3 cents per bushel.
Flour (Wheat); (Rye)	.10 per cent; 10 per cent.	.25 cents per barrel.
Oatmeal and Cornmeal	.10 per cent.	.15 cents per barrel.
Fish — Mackerel	\$.2 per barrel	Salted or Smoked, 1 ct per lb.
Herring — Pickled or Salted	\$.1 per barrel	Fresh, free.
Salmon	\$.3 per barrel	Ditto.
All other, Pickled, in Barrels	\$.1.50 per barrel	Ditto.
All not in Barrels, and not otherwise provided for	.1 cent per lb.	Ditto.
All in Oil, do, do, do.	.30 per cent. <i>ad valorem</i>	Ditto.
Products of Fish, and of all other creatures living in the water	.20 per cent @ 45 per cent.	Chiefly subject to 15 per ct.; Whale Oil as it comes from the ship, is free.

APPENDIX H.—(See p. 39).

THE PILOTAGE SYSTEM OF THE LOWER ST. LAWRENCE.

By HENRY FRY, Esq., *President of the Quebec Board of Trade.*

I make no apology for bringing before a meeting of the Dominion Board of Trade, the question of Pilotage below Quebec.

When it is considered that the St. Lawrence is the great highway for the trade of the whole Dominion; that tens of thousands of human lives, and property to the value of many millions of dollars, are every season entrusted to the care of the pilots; that every accident by which property is sacrificed tends to increase the rates of insurance, and thus comes out of the pockets of consumers or producers; it must be admitted that every inhabitant of the Dominion is interested directly or indirectly in the question. Let it not be said that the Maritime Provinces have no interest in it, for a large number of Nova Scotia and New Brunswick ships visit Quebec and Montreal every year; a good share of the produce of their mines and fisheries find markets in Quebec and Ontario, and they receive a large supply of Breadstuffs and other commodities from us.

I propose in this paper briefly to trace the history of the legislation which has taken place on this matter; to point out some of the serious defects in the present state of the law, and to suggest a remedy.

It is not necessary to go farther back than the Act of 1849, 12 Vict. Cap. 114 "to consolidate the laws relative to the Trinity House of Quebec," (commonly known as Hon. Mr. Cauchon's) as this act repealed all previous acts bearing upon the question, and consolidated the law. This act makes it compulsory (under penalties) upon every vessel bound to, or coming from, a port out of the Province, to take a branch pilot; but by 13 and 14 Vict. Chap. 96, and 14 and 15 Vict. Cap. 101, vessels under 125 tons are exempted. It gave large powers to the Trinity House, kept up a fund for decayed Pilots, provided for apprentice Pilots, for their examination, licensing, discipline, and punishment; fixed the rates of pilotage; limited the right of a shipmaster to complaint against a pilot to four days after his arrival in the harbor of Quebec, and gave the pilots the right of appeal to the Court of Queen's Bench where the penalty exceeded £5.

This act remained unaltered in all its main features until 1860, and, on the whole, worked well in the interest of the trade of the St. Lawrence. There was a keen competition amongst the pilots in boarding inward-bound vessels below, long before they arrived in pilotage waters, whilst the master had the choice of his pilot on leaving Quebec. The active, intelligent, pushing pilot was well paid, for he made from \$1,000 up to \$2,000 per annum; whilst those who possessed farms, and only occasionally went piloting, of course earned but little. Although the distance was long, the rates of pilotage were high (higher than in most of the leading ports of the world,) and as the men were exempt from winter work, the service was popular amongst young Canadians.

In 1860, however, the pilots complained of the working of some parts of the Act, and almost unanimously petitioned Parliament for alterations. As the shipmaster was not bound to take the same pilot down that brought him up, the pilots had for some years practised a system of *touting* for downward-bound ships, by bribing either the captain, or his stevedore, or ship chandler, or butcher, or whoever was supposed to have influence over him; whilst to the ship-owner they usually offered to move the ship in the harbor gratis. In this way, they complained, a considerable share of their earnings were sacrificed, and it was no doubt true, but it was mainly their own fault,

and the briber is usually deemed just as bad as the man who accepts a bribe. They complained also that certain pilots made large sums by piloting downwards *exclusively*, thus neglecting the more arduous and less profitable service of looking out for upward-bound ships; that they occasionally made bad debts by allowing ship agents and others to collect and retain their earnings; that the competition for piloting inward-bound ships was excessive, leading men to risk their lives in partly open boats far below pilot waters, (not having the means to provide efficient schooners); and much was made of a case where a Pilot schooner was lost off Gaspé and a number of Pilots drowned, although it is pretty well known that the schooner was so rotten as to be unfit to float anywhere.

The 23rd Vict., Cap. 123, "An Act to incorporate the Pilots for and below the Harbor of Quebec," was therefore introduced and carried through Parliament.

This act is, in some respects, no doubt a great improvement upon the Act of 1849. The clauses which compel shipmasters to pay the pilotage to a regularly appointed Treasurer before they can obtain a clearance from the Collector of Customs, and those which permit the pilots to own and keep up efficient schooners, are just and wise; but in seeking to rid the pilots of evils which, in the main, they had brought upon themselves, the Legislature inflicted upon the commerce of the Dominion, and upon some of the pilots themselves, far greater evils.

The 1st clause provides that the licensed Pilots of Quebec shall constitute a body politic and corporate, by the name of "The Corporation of Pilots for and below the Harbor of Quebec."

The 2nd clause provides that "the affairs of the said Corporation shall be managed and administered by a Board of Directors composed of *six members of the Corporation.*" And the 29th clause provides that the net income of the Corporation *shall be shared and divided equally among its members*, acting and practising as Branch Pilots.

These two clauses, I hold, were fatal mistakes. They were vigorously opposed by the Merchants and Ship-owners of Quebec, but the political influence of Sir E. P. Taché, and Hon. J. Cauchon, carried them through both houses. By the 31st clause the Montreal Ocean S. S. Co. is allowed to select four pilots and retain their services exclusively.

In 1863, finding that some of the pilots were greatly dissatisfied at the working of the Act of Incorporation, inasmuch as their average earnings were reduced to about \$500 per annum, whilst they were often compelled to do more work than others without more pay, the Directors applied to Parliament for an alteration, and their remedy was characteristic; they sought to cure the evils of a vicious system, not by making a fair and just distribution, but by increasing the already high rates of Pilotage! In this, however, they were defeated, and the 27 and 28 Vict. Cap. 57, merely transfers the apprentices from individual pilots to the Corporation, provides for their number, and imposes a penalty upon shipmasters moving their vessels in the Harbor of Quebec without a pilot.

The 29 and 30 Vict., Cap. 58, compels shipmasters to report wrecks or accidents to the Harbor Master within four days after arrival.

In 1869, a judgment having been obtained in a Court of Law against the Corporation for damage done to a ship through the fault or incapacity of a pilot, the Directors again applied to Parliament for relief, and the 32 and 33 Vict., Cap. 43, provides that the Corporation shall not thereafter be liable for the acts of any pilot while acting as such, nor for any damages caused by any act, fault or negligence on the part of such pilot, but leaving the Plaintiff recourse against the individual pilot, and giving the right to shipmasters to choose their own pilot upwards as well as downwards.

The justice of such an act is open to serious question, and the latter part is simply a dead letter.

These are, I believe, all the Acts of Parliament bearing upon the question.

It required but a slight knowledge of human nature to foresee what the effects of such a law would be. I do not believe that any body of men in the world could have resisted the temptations it held out to them. Under the 29th clause of the Act of Incorporation, it will be seen that all the pilots "share and share alike" the earnings of the whole. Thus the competent and the incompetent, the sober man and the drunkard, the man who pilots ten ships and the man who pilots but five, are all placed on a dead level and paid alike. The hardship of this, too, is vastly increased by the 32 and 33 Vict., which makes the individual pilot liable for damage done to a ship under his charge, whilst he may literally be getting nothing for his services.

In the very nature of things such a system can never be either just or equitable. It is not only productive of great injustice; its tendency is to sap the energies, and lower the characters of the pilots; to take away all motive for exertion, and to rob the service of its best men.

It is notorious that many of them, disgusted with the service, have sought, and are now seeking other employment; some in steamships, some in tug boats, some even in light-houses and light-ships.

I assert, after seventeen years careful watching, that the service is rapidly deteriorating, and unless the law is altered, I expect to see in a few years the best men driven out of the service, accidents in the St. Lawrence more numerous than ever, and premiums of insurance, as a consequence, still higher. Is such a system then safe or wise, in the interests of the commerce of the Dominion? Let those who are the best judges reply.

The following is a copy of a Petition to the Legislative Assembly of Canada, signed by "Shipmasters trading to the Port of Quebec," presented in 1864:

"That in the opinion of your Petitioners, the Pilots of Quebec are, and have been " during the past two years, less zealous in the discharge of their duty than formerly, " and that they believe the fact is solely to be attributed to the system of dividing " equally the earnings of the Corporation between all the Pilots, without regard to skill " or efficiency, or the amount of service performed.

" That previous to the passing of the Act of Incorporation, it was the interest of " the Pilots to watch the arrival of ships at and below Bic, and to strive each to be first " to board them; but such being no longer the case, vessels are frequently placed in " danger, and subjected to delays looking for Pilots. This is more particularly the case " in dark and stormy weather, when the Pilots are tempted to seek shelter until it clears " up and moderates.

" That a system which tends to make Pilots abandon their post, at the very time " when their services are most needed, must inevitably result in largely increasing the " casualties to shipping in the St. Lawrence.

" Wherefore, your Petitioners pray, that your Honorable House will be pleased to " amend the present law, so as to offer that encouragement to individual zeal and activity, " which characterises other professions, and which is so necessary in that of a Pilot."

In the same year "the Merchants, Shipowners, and others, interested in the trade of " the St. Lawrence," petitioned the Legislature as follows:

" That your Petitioners observe with regret, that by the provisions of Bill No. 37, " introduced into your Honorable House, intituled: 'An Act to amend the Act 12 Vict., " Cap. 114, relative to the powers and duties of the Trinity House of Quebec, and for " other purposes,' another attempt is being made to increase the burdens upon shipping.

" That your Petitioners are of opinion that the existing Tariff of Pilotage would be " found sufficiently remunerative, provided a fair and equitable division of the funds of " the Corporation of Pilots were adopted, whereby the active and efficient Pilot could " reap the advantages to which his superior abilities entitle him, instead of sharing his " earnings with the incompetent."

The Underwriters of Lloyds, Liverpool and Glasgow, all petitioned against this particular feature of the law.

Innumerable complaints have reached the Quebec Board of Trade, the Trinity

House, and the public press, from shipmasters, as to the absence of the Pilot schooners from their stations, especially in bad weather, (when they are most wanted.)

These complaints are usually met with a simple denial, but they are far too numerous, and supported by far too good evidence, to be devoid of truth.

In quoting a few, I shall confine myself to cases which have been substantiated by the clearest evidence, or have come within my own personal cognizance.

On the 14th October, 1864, the ships "Messenger," "Jenny Berteaux," "Oden," and "Highland Mary" were all wrecked on the North Shore and within Pilot waters. The whole crew of the "Highland Mary" perished.

Not one of these ships had a Pilot on board. The Government appointed a Commission to enquire into the causes of these wrecks, and after stating that they were not called upon to enquire into the management of the Corporation of Pilots, the Commissioners report as follows :

"It is to be remarked that not only the 'Louise,' but also the 'Oden,' 'Highland Mary,' 'Messenger,' and 'Jenny Berteaux,' were without Pilots when wrecked; that the 'Oden' and 'Highland Mary,' as already mentioned, and 'Messenger,' up to 11 a.m., when they changed their course to the Northward, were in a fair way up channel, and on ground within which they had reason to expect to meet, and most probably would have met with Pilots, had they been on the station, and the same may be said of the 'Jenny Berteaux,' up to one p.m. of that day."

The Board of Trade of Quebec appointed Messrs. Dean, Grant and Lee, a Committee to conduct this enquiry; and they report among other things as follows :

"It appears to your Committee that the loss of the ships 'Jenny Berteaux,' 'Messenger,' 'Oden,' and 'Highland Mary,' on the 14th Oct., occurred in consequence of there being no pilot vessel on either the first or second station as provided by law. It appears from the evidence of the masters of the 'Jenny Berteaux' and 'Messenger,' that the weather on the 13th and 14th Oct. last was not such as to have prevented a pilot vessel from cruising on the lower station. The master of the pilot vessel which should have been on that station, declares that the weather at that time was so stormy, that he was obliged to run to Brandy Pots for shelter! about 50 miles up the river! Your Committee are of opinion that the incorporation of the pilots into a body, and the division of their earnings among incompetent as well as competent men, tends to destroy the competition which formerly existed, and to create carelessness as shewn in the course of this investigation. Your Committee found that the system was defective, and that the by-laws of the association itself were not enforced."

On the 28th May, 1866, the barque "Ellen" was wrecked on Red Island reef, and every soul on board perished. Although this took place about forty miles above the first pilot station, she had no pilot.

J. W. Dunscomb, Esq., was appointed by the Government to investigate the cause of the wreck, and in his report, he says: "The result of the present enquiry is that the "Ellen" passed the lower pilot station without taking a pilot, and that there was no pilot on board of the vessel at the time of the shipwreck."

The "Dawn," "Canny Scott" and "Sea Gull" were all close to the "Ellen" when she was wrecked, and neither of these vessels had a pilot. Of course in a gale of wind, with thick weather, the pilot schooners might have been cruising and yet miss all these ships; but the evidence shews at least that the schooner on the upper station anchored on the South Shore near Green Island when these vessels were all running into danger.

On the 5th June, 1867, the Norwegian ship "Adler," from Bergen to Quebec, with a pilot on board, was wrecked on White Island reef. She had 300 passengers on board, but the weather being fine, they were all saved.

The pilot was tried by the Trinity House, and it came out that he was partially insane, and was immediately deprived of his license. But mark the system! Here was a man placed in charge of a ship with over 300 lives on board, which ship he wrecked,

simply because he had a license *and it was his turn*. Knowing, as the other pilots on board the schooner must have known, the state of this man, every one must admit that they deserved the severest censure, and under a well-regulated system it could not have occurred.

On another occasion, the Captain of the ship "Acme" complained that he had been supplied with a pilot, off Bic, who was nearly blind and could not see the mainmast from the poop. At the next station he hove too and exchanged him for another. This man was otherwise an excellent pilot; but I was told by the Committee, that under the "system," they could not refuse to allow him to take his turn as a pilot.

The following is one of the latest complaints, and I presume its author's name will be a sufficient guarantee of its truthfulness; it certainly tends to confirm the general impression that instead of Pilots looking for ships, the ships have to look for the pilots:

(*To the Editor of the Morning Chronicle.*)

"SIR:

"Seeing in your impression of to-day an answer to a report made on the 17th inst., by the Pilot that brought the 'Tamar' to Quebec, I beg to state the facts. H.M.S. Tamar made Father Point and anchored in the evening, firing a gun, burning a blue light, and throwing up a rocket; she was answered by the lighthouse by a rocket, and I remained at anchor in 15 fathoms until 7 the next morning—weather very thick. I then weighed and proceeded on the edge of soundings *outside* Bic, when the weather clearing all round, I could see the opposite shore, Bic, and Bicquette, but no pilot boat was in sight.

"I then steamed close to Bicquette, fired a gun and blew the whistle, but still finding no pilot-boat in sight, I proceeded inside Bic and hailed the 'Matilda Hilyard,' from which ship I got the pilot, Michael Guenard, who has made the report—entirely on his own account and unknown to me.

"I am, Sir, your obedient servant,

"H. D. HICKLEY, *Captain.*

"H.M.S. 'TAMAR,' QUEBEC, November 18, 1870."

Other complaints are frequently made, many of which I know to be well founded; such as a want of energy in getting ships up and down the river: anchoring when unnecessary; pilots coming on board to take ships to sea in a state of intoxication; it is also well known that only a small proportion of the Pilots disengaged are put upon the "roster," contrary to law, thus rendering the choice of Pilots given to a Captain almost a farce; that late in the Fall when good Pilots are in great request, those who are not in turn or whose share of work has been done, naturally keep out of the way, or plead sickness, and thus the pernicious system of gratuities has come into vogue; every pilot who takes a ship down out of his turn now looks for it almost as a matter of course, and in one case a pilot point-blank refused to take a ship of my own unless he were paid extra for doing so. As to the Directors, although they are usually intelligent men, selected from the best of the pilots, it does seem a strange anomaly that a body of men entrusted with such important responsibilities, should be allowed to select by vote *from amongst themselves exclusively* their governing body. Surely the Shipowners, the Underwriters, and the Merchants, who entrust their property to the pilots, should have a voice in the matter?

I have made enquiries, and in no other port in the world, so far as I can learn, where pilotage is compulsory, does such a strange system obtain.

In *New York*, the "pilotage board" is formed of three Shipowners and Merchants elected by the Chamber of Commerce; two elected by the Board of Underwriters, and a Secretary.

In *Liverpool*, the pilots are governed by the Mersey Docks and Harbor Board, composed of Merchants and Shipowners.

In *London*, by the Trinity House.

In *Bristol*, by the Society of Merchant Venturers, all of whom are Merchants and Shipowners.

In *Hull*, by the local Trinity House.

In the *Clyde*, by a board appointed by the Clyde Consolidation Navigation Act.

Any alteration of the existing law must, I think, include the following to be effective:

- 1st. The element of competition must be introduced in some shape or other.
- 2nd. The Pilot's earnings must bear a fair proportion to the share of work he performs.
- 3rd. Shipowners, Underwriters and Merchants, as well as Pilots, must have a voice in controlling the Pilots and administering the system.

I submit, with all deference, that the two first-named might be secured by something like the following plan:

Let the Pilots, by lot or otherwise, be drafted into the schooners, and allow the Pilots attached to each schooner to share their own earnings; their stations, with the necessary changes, to be strictly enforced by the governing body. This is indeed very nearly the Liverpool system, which has worked well.

The pilotage of new ships, and the mail steamships, might be equally divided amongst all the schooners, and in order to prevent the complaints of the Pilots as to bribery and deductions from their pilotage, I would provide that every Pilot bringing a ship up should have a right to take her down, or, if objected to by the captain or owner, he should be bound to take one belonging to the same schooner.

As to the third point, a Pilotage Board should be formed, consisting of say one-third Pilots, one-third Shipowners, and one-third Underwriters or Merchants, with power to regulate all the details by by-laws; or it could be done by infusing some new blood into the existing Trinity House, by allowing Shipowners and Underwriters to elect a certain number of the wardens, and thus retaining and utilising the existing machinery, consisting of two Superintendents of Pilots, Treasurer, Clerk, Harbor Master, &c.

It should also be made compulsory for this board to investigate *all* wrecks in the St. Lawrence, without waiting for the Shipmaster to make a complaint against the Pilot, as at present. The effect of the law now is that Pilots in most cases bribe Shipmasters not to report them, and thus no investigation takes place.

As minor alterations I would suggest that the appeal to the Court of Queen's Bench should be abolished; a fair deduction made from rates of pilotage, where a ship is towed (as usual at most other ports); and that coasting vessels and steamers up to 300 tons, including West India traders, should be exempt from *compulsory* pilotage. The revenue derived at present from such vessels is very small, and the relaxation would do much to promote the building of small vessels for our reviving West India trade.

It is also worthy of consideration whether the number of pilots might not gradually be diminished. The fleet is less numerous than formerly, although of larger tonnage, and the opening of a Railway to River du Loup, and eventually to Rimouski, gives far greater facilities for sending pilots below than formerly existed. The number now on the list is 245, and in 1870 the revenue was—

For pilotage.....	\$138,373 00
“ fines, sundries, &c.....	10,627 00
	<hr/>
	\$149,000 00
	<hr/>
The expenses were.....	\$15,251 00
“ Dividends.....	125,823 71
“ Reserve.....	7,925 29
	<hr/>
	\$149,000 00

(The sum of \$10,627 seems a very large sum to be derived from fines, &c.)

It may possibly be replied to all this that the average number of wrecks is less than formerly. I have not gone into these statistics, because it is clear that any argument founded upon them would be delusive, inasmuch as no account would be taken of the vast improvement of our navigation by multiplying lights, buoys, and signal guns; by the general use of Steam Tugs, and the improvements introduced into modern ships.

In conclusion let me say that I earnestly disclaim all feelings of hostility toward the pilots as a body; they are a very valuable body of men; their duties are often very arduous and sometimes dangerous; requiring great skill, energy, and judgment; and they deserve to be well paid. Many of them I highly esteem for their noble qualities, and regret to see them so ill-paid, after a life-long service.

But I *am* hostile to the system under which they work, because I believe it to be dangerous to our commerce, and grossly unfair to most of the Pilots.

Let it be remembered that it is no uncommon thing now for one of the Pilots to have sole charge of a ship bearing a thousand lives, and representing property to the value of over a million dollars, in a river full of reefs and often infested with fogs.

Employers have their duties as well as servants; and our duty in this case is to see that by wise legislation, and careful administration, substantial justice is served out to these worthy public servants. This, I believe, can be done without increasing the tax upon our trade to the extent of one cent.

Quebec, January, 1871.

APPENDIX I.—(See p. 48.)

MEMORANDA RELATING TO FOREIGN COMMERCE.

Collated by WILLIAM J. PATTERSON, Montreal.

EXPANSION OF CANADIAN FOREIGN TRADE.

Various recent occurrences have prompted the inquiry,—what may be done for the extension of the commerce of the Dominion, in addition to what has been accomplished since the repeal of the Reciprocity Treaty?—and it was thought that a few summary statements relating to the extension of trade during the past five years might show encouraging progress, and lead to further expansion in the same directions, as well as to entering upon new fields.

1. DIRECT LUMBER TRADE WITH SOUTH AMERICA.

The trade in lumber between the United States and South America has heretofore been very great,—large quantities of the Canadian product being required to supply the demand, up to the early part of 1866,—when, on the abrogation of the treaty, a duty of 20 per cent. was imposed by the United States Government. The direct lumber trade of

the River St. Lawrence with South America, is exhibited in the following summary, showing shipments from the single port of Montreal during the past four years :

DESTINATION.	1867			1868		
	No. of Vessels.	Lumber. Feet.	Value.	No. of Vessels.	Lumber. Feet.	Value.
Montevideo	2	465,000	\$5,387	12	4,265,662	\$65,446
Buenos Ayres	1	263,116	3,070	4	1,340,362	23,257
Valparaiso .....	..	.....	.....	1	801,610	16,632
Total	3	728,116	\$8,457	17	6,407,634	\$105,335

DESTINATION.	1869			1870		
	No. of Vessels.	Lumber. Feet.	Value.	No. of Vessels.	Lumber. Feet.	Value.
Montevideo	26	7,643,030	\$107,116	60	23,666,984	\$325,750
Buenos Ayres	13	4,761,237	76,357	6	1,931,930	26,665
Valparaiso	2	1,402,000	19,050	..	.....	.....
Totals	41	13,806,276	\$202,523	66	24,938,914	\$352,415

2. FLOUR TRADE WITH THE BRITISH WEST INDIES.

An examination of the trade statistics of the British West Indies affords a striking view of the quantities of flour imported by the various Islands from the United States and British Possessions. The quantities imported during a series of five years are shown in the following summary :

YEARS.	Total Barrels.	From United States. Barrels.	From British Possessions. Barrels.
1863	431,224	372,093	54,272, or 12.59 per cent.
1864	422,078	354,451	60,805, " 14.40 "
1865	403,372	317,674	50,953, " 12.63 "
1866 ...	383,609	319,140	55,464, " 14.46 "
1867	315,728	256,977	48,490, " 15.36 "

The *average* quantity imported per annum from British Possessions into the British West Indies during the period mentioned in this Table, appears to have been only 13.89 per cent.

One great obstacle to more intimate commercial relations between British North America and the West Indies, is the lack of proper mail facilities, present arrangements only affording communication between Canada and Barbadoes once a month. A weekly mail to the West Indies is a desideratum, for which no mere political arrangement of Colonies, or commercial union for reciprocal trade, will compensate.

3. FLOUR IMPORTED INTO PRINCE EDWARD ISLAND AND NEWFOUNDLAND.

Returns furnished by the Colonial Secretaries of Prince Edward Island and New-

foundland, show the quantities of flour imported during seven years, and whence the supplies were drawn. The following is a summary :

YEARS.	PRINCE EDWARD ISLAND.			NEWFOUNDLAND.		
	No. of Barrels from United States.	No. of Barrels from Canada.	Totals.	No. of Barrels from United States.	No. of Barrels from Canada.	Totals.
1851....	550	.....	....	94,481	.....	....
1852....	1,250	.....	....	82,931	.....	....
1853....	220	.....	....	76,421	.....	....
1864....	38,566	2,848	41,414	172,145	25,835	197,980
1865....	40,813	2,813	43,626	192,962	47,952	240,914
1866....	29,043	12,050	41,093	133,161	46,526	179,687
1867....	13,859	10,561	24,420	129,018	59,664	188,682
1868....	22,118	14,113	36,231	136,617	57,119	193,736
1869....	17,122	18,896	36,018	168,973	71,507	240,480
1870....	12,500	32,800	45,300	183,715	77,721	261,436

The figures for the years 1851, '52, '53, show how insignificant was the trade in flour between these two Provinces and the United States, anterior to the Reciprocity Treaty, and the magnitude to which it had attained at the time it was repealed.

General Trade of these Provinces.—For important official information relating to the general import and export trade of Prince Edward Island and Newfoundland during a series of years, the reader is referred to Tables A and B, on pages 110 and 111,—the Provincial Secretaries having kindly furnished the particulars. It need only be generally remarked here, that the volume of trade between these Provinces and the Dominion is steadily increasing.

4. TRADE IN FISH WITH SPAIN AND SPANISH COLONIES.

Comparative statement of the exports of Codfish from the Newfoundland and Gaspé Fisheries to Spain, Cuba, and Porto Rico, during the years 1868 and 1869 :

	1868.	1869.	Dec. or Inc. in 1869.
Spain.....	303,087 quintals.	301,053 quintals.	— 2,034 quintals.
Cuba	47,279 “	17,745 “	— 29,534 “
Porto Rico...	36,090 “	41,264 “	+ 5,174 “
Totals	386,456 “	360,062 “	

The above totals are below the average export of codfish to Spanish ports from the British North American Fisheries, which during the ten preceding years exceeded 400,000 quintals annually. The failure of the Fisheries on the Newfoundland coast in 1868, and the troubles in Spain, and insurrection in Cuba in 1869, had an injurious effect on all commercial transactions,—a decrease having taken place in the importation of codfish into Spain from Norway, Iceland and Scotland. This trade is very large, the annual imports from Norway alone, exceeding those from the North American Fisheries.

The importance of the Spanish market to Canada, will be at once apparent, when the fact is mentioned that fish from Gaspé obtain in them at all times 50c. per quintal above the current price of Newfoundland fish.

5. MEDITERRANEAN AND WEST INDIA TRADE.

The direct trade with the continent of Europe and the West Indies at the port of Montreal, shows a large increase in the aggregate quantity of sugars, dried fruits,

liquors, glass, &c., imported in 1870,—the increase being 41 per cent. as compared with previous year; the quantity of goods landed, being 39,051 tons, in 1870, against 27,839 tons in 1869.

6. WOOL FROM ALGOA BAY.

Four cargoes of wool were imported at Montreal during 1870,—the number of tons being, 1,414, and value \$848,400,—against 264 tons in 1869, valued at \$158,400.

7. TRADE BETWEEN GREAT BRITAIN AND HER COLONIES.

It will be seen from the accompanying comparative statements of Imports and Exports of the Australian and North American Possessions, during a period of fifteen years (see Tables C and D, on pages 112 and 113, collated from British Board of Trade Returns), that the volume of trade between the United Kingdom and the Australian Colonies has been much greater than that between the Mother country and British North America. The following is a comparative view of the tariffs of the principal Colonies on woven fabrics of cotton, wools and silks, and on iron and ironmongery:—

COLONIAL POSSESSIONS.	WOVEN FABRICS.			Iron.	Ironmongery.
	Cotton.	Woollen and Worsted.	Silk.		
Dominion of Canada	*15 p. c. <i>ad val.</i>	*15 p. c. <i>ad val.</i>	15 p. c. <i>ad val.</i>	Free.	{ 5 to 15 p. c. <i>ad val.</i> Part free.
AUSTRALIA:—					
New South Wales	5 p. c. <i>ad val.</i>	5 p. c. <i>ad val.</i>	5 p. c. <i>ad val.</i>	5 p. c. <i>ad val.</i>	5 p. c. <i>ad val.</i>
Victoria.....	Fr. e.	† Free.	10 p. c. <i>ad val.</i>	Free.	5 to 10 p. c. <i>ad val.</i>
South Australia..	5 p. c. <i>ad val.</i>	5 p. c. <i>ad val.</i>	5 p. c. <i>ad val.</i>	5 p. c. <i>ad val.</i>	5 p. c. <i>ad val.</i>
Tasmania	2s. ½ cubic ft.	2s. ½ cubic ft.	2s. ½ cubic ft.	Free.	{ 6d to 2s 6d ½ cwt Part free.
West Australia..	7 p. c. <i>ad val.</i>	7 p. c. <i>ad val.</i>	7 p. c. <i>ad val.</i>	7 p. c. <i>ad val.</i>	7 p. c. <i>ad val.</i>
Queensland	7½ p. c. <i>ad val.</i>	7½ p. c. <i>ad val.</i>	7½ p. c. <i>ad val.</i>	7½ p. c. <i>ad val.</i>	7½ p. c. <i>ad val.</i>
New Zealand	5s. ½ cubic ft.	5s. ½ cubic ft.	5s. ½ cubic ft.	Free.	1s. to 4s. ½ cwt.
Cape Good Hope.	10 p. c. <i>ad val.</i>	10 p. c. <i>ad val.</i>	10 p. c. <i>ad val.</i>	10 p. c. <i>ad val.</i>	10 p. c. <i>ad val.</i>

* Except cotton and Woollen netting for India-rubber shoes, which is free of duty.

† Except blankets and rugs, which pay 10 per cent. *ad valorem*.

While in some particulars higher tariff rates may have operated against imports from Great Britain into Canada,—and the intimate commercial relations which existed with the United States during the continuance of the Reciprocity Treaty, tended to increase the trade with the Republic,—it nevertheless appears, so far as complete returns are obtained, that the ratio of imports into British North America from the United Kingdom (as compared with the total imports) increased from a little over 25 per cent. in 1855 to very nearly 50 per cent. in 1866.

8. TRADE BETWEEN THE UNITED STATES AND AUSTRALIA.

The direct trade between Canada (*via* the River St. Lawrence) and Australia has heretofore been in small compass, and, of course, irregular in its character,—consisting almost entirely of lumber. It is hardly worth while to particularize. One cargo of lumber was dispatched from Montreal to Melbourne in each of the years 1867 and 1870,—besides some trial shipments from other ports,—an assorted cargo having, not long since, been sent by rail from Ottawa to the seaboard for the same destination. By referring to Table E, on pages 114 and 115, the reader will find a detailed statement of exports, the growth, produce, and manufacture of the United States, to the Australian

Possessions, which shows the aggregate value in 1867 to have been \$5,102,353; in 1868, \$4,848,984, and in 1869, \$4,619,313.

An examination of the articles enumerated will also show that many of them are the growth, produce, and manufacture of British North America; and the inquiry naturally arises,—Can our trade relations not be increased with our Colonial kinsfolk at the antipodes?

9. CAN CANADIAN COMMERCE WITH AUSTRALIA BE INCREASED?

The compiler of the memoranda which comprise the present communication, availed himself of a favorable opportunity for conferring with Wm. Cleveland, Esq., Shipping and Insurance Agent at Melbourne, Australia, who visited the Dominion in the Fall of 1870, and obtained valuable information from him relating to certain departments of Australian trade. A correspondence was initiated, which it is hoped will be continued on Mr. Cleveland's arrival at Melbourne. The following information is the substance of the interview and correspondence thus far:

Nature of the Trade.—Beginning with timber as the most important; the consumption of this material is very large, particularly in Victoria, where all the indigenous woods are extremely hard, involving great expense in working them. The northern part of New Zealand produces a valuable species of pine, called Courie; this is almost exclusively used in that colony, and some is exported to Melbourne and Sydney, but the appliances for preparing it for market are so inferior to those of Canada, that the difference in cost is greater than that of freight. Queensland, and some of the northern rivers of New South Wales, also produce a pine, but inferior to the courie, and only small quantities find their way to the Melbourne market, and this chiefly in the log. Cedar, the produce of New South Wales and Queensland, is imported into Melbourne to a considerable extent; this is an ornamental wood, soft, easily worked, and takes a polish equal to mahogany, which it very much resembles; it is used for furniture and ornamental in-door work. There are other woods of this description brought from Tasmania. These latter are mentioned, because it has been asked whether Canadian ornamental woods would command a sale, and it should be known what they would have to compete with.

Foreign timber is imported from the Baltic in the form of deals, from English and Scotch ports as deals and flooring boards, and from Oregon as lumber and logs.

The timber shipped from the Eastern States is chiefly, if not all Canadian; and the timber merchants of the Dominion are suffering those of the United States to make a profit in the Australian market, which, by a little enterprise on the part of Canadians, might be secured to themselves. Mr. Cleveland, has in one or two instances, suggested the advisability of prosecuting this trade by way of the river St. Lawrence. Shipments from Canada via the St. Lawrence, it is true, are not practicable at all seasons,—neither are they from the Baltic; yet, those interested in the trade send large quantities thence, when the ports are open.

Kerosene Oil is, perhaps, the next article which could be profitably shipped to any extent. The Australian market is now entirely supplied from the United States; but as the Canadian product can be refined into a quality equal to that from the States, there is no reason why it should not form an important branch of the Canadian trade.

Dried Fish, in limited quantities, might also enter into the catalogue of Canadian exports to the colonies; but discretion would have to be exercised, because the consumption is necessarily limited;—the article being also a perishable one.

Return Cargoes.—Respecting return cargoes for vessels proceeding from the St. Lawrence, say to Melbourne with timber and other freight, it may be safely assumed that

there is no probability of such a thing at present. The exports thence consist mainly of gold, copper-ore, wool, tallow, skins, hides, leather and bark, all of which find, perhaps, a better market in England, than they would in Canada. This, however, is only an apparent disadvantage,—the vessels proceeding from the United States having to encounter the same obstacles, except in very rare instances. The course usually pursued by ships arriving from America, is to proceed to Newcastle, New South Wales, and load coals for China, California, or other leading ports in eastern countries, either on freight or on ship's account.

Customs Duties.—All timber imported into Victoria pays an *ad valorem* duty of 5 per cent., charged on net invoice value, with 10 per cent. added, except logs of one foot square and upwards, which are free. *Oil* is subject to a duty of 3d. per gallon. There is a further charge for wharfage; that on timber is 3s. per 40 cubic feet, and that on oil 3d. per case of 1 foot to 3 feet cubic, and 6d. per case of 3 feet to 6 feet.

Rates of Freight.—Freight is an item of expense, especially on timber, which forms an important element in the calculation of profit. It is feared that rates from Montreal or Quebec would be higher than from New York or Boston, because many miscellaneous articles are shipped from the latter ports, enabling shippers to engage large vessels at proportionately lower rates than small ones could be obtained at.

10. DIRECT TRADE WITH CHINA.

Attention has been drawn during the past year or two to the home and foreign trade of China; and the negotiation of commercial treaties by Chinese Ambassadors with European Governments, has excited deeper interest in the matter of trade relations with that once far-off country, now brought nearer to Great Britain by the construction of the Suez Canal, and to Canada by the trans-continental railway.

Trade returns received from the Statistical Department of the British Board of Trade supply a few important details,—showing, among other particulars, the value of the direct trade between Canada and China during five years, viz., 1864 to 1868, inclusive. The following statement is understood to show direct imports from Canada at the fourteen Treaty Ports, and exports from these Ports to Canada:

	Imported from Canada.	Exported to Canada.	TOTAL VALUE.
	\$	\$	\$
1864	15,384	965,022	980,406
1865	8,727	91,608	970,335
1866 .....	.....	140,456	140,456
1867 .....	.....	.....	.....
1868	56	355,503	355,559

The exports to Canada consist, of course, mainly, if not altogether, of teas; but an effort to ascertain the particulars of what had been exported direct to China from Canada in any year was unsuccessful.

The construction of a railway to the Pacific through British territory, would not only enable Canada to supply British Columbia with almost every article at present imported into that colony from San Francisco, but open a market in China and Japan for breadstuffs from the Dominion, serving to some extent as return cargoes for tea-laden vessels coming to our ports on the Pacific. During the year 1870, the exports from San Francisco to China included 138,813 barrels of flour, and 22,857 centals of wheat; to Japan, 19,335 bls. of flour, and 11,834 centals of wheat, besides lumber, boots and shoes, groceries, hardware, coal oil, provisions, &c.

It appears from the Dominion "Tables of Trade and Navigation," that the direct imports of tea from China and Japan were as follows :

1867-'68—*Ontario and Quebec* imported 937,487 lbs., value \$315,222 ;
Entered for consumption, 345,948 lbs., value \$121,031.

1868-'69—*Ontario* imported 219,397 lbs., value \$66,869 ;
Entered for consumption, 117,457 lbs., value \$37,642.
Quebec imported 406,228 lbs., value \$104,727 ;
Entered for consumption, 259,396 lbs., value \$83,218.

1869-'70—*Ontario* imported 240,532 lbs., value \$75,038 ;
Entered for consumption, 169,652 lbs., value \$58,973.
Quebec imported 2,227,624 lbs., value \$669,309 ;
Entered for consumption, 1,261,121 lbs., value \$378,377.

11. TRADE WITH THE EAST INDIES.

A direct trade is springing up between Canada and the East Indies. Already cargoes of *sugar, coffee and spices* have been shipped from Java on Canadian account, the larger portion of them coming through the United States in bond. The present year will see a very considerable extension of that trade, three cargoes being already advised to be landed at Portland and forwarded in bond *via* the Grand Trunk Railway ; one or two being also advised direct for Montreal.

Since the 1st January, telegraphic communication has been established with Batavia ; a dispatch dated there on 5th January, having been received in Montreal within forty-eight hours.

TABLE A.

STATEMENT OF TOTAL VALUES OF IMPORTS AND EXPORTS into and from PRINCE EDWARD ISLAND, from 1864 to 1869, inclusive—showing, also, how much of the Trade of that Province, in each year, was with certain other Countries.

COUNTRIES.	1864		1865		1866	
	Imports.	Exports.	Imports	Exports.	Imports.	Exports.
Total Values of Trade	£337,928 0 0	£202,608 0 0	£381,015 0 0	£291,545 11 10	£444,745 18 4	£248,816 4 5
With Canada (Ontario and Quebec)	4,591 0 0	587 0 0	7,364 0 0	1,355 2 4	25,253 17 7	2,133 9 6
— Nova Scotia	58,034 0 0	43,955 0 0	70,168 0 0	54,825 0 7	67,914 0 2	62,023 16 2
— New Brunswick	27,587 0 0	18,692 0 0	44,338 0 0	25,814 19 5	45,891 16 4	18,843 0 2
Total	£ 90,212 0 0	£ 68,234 0 0	£121,970 0 0	£ 82,005 2 4	£139,059 14 1	£ 93,600 5 10
With Newfoundland	£ 3,039 0 0	£ 11,059 0 0	£ 3,111 0 0	£ 14,767 15 8	£ 4,708 15 11	£ 9,472 10 6
With United States	£ 83,661 0 0	£ 77,442 0 0	£ 90,800 0 0	£120,928 10 8	£ 74,186 8 7	£ 21,633 4 0
With Great Britain	£154,153 0 0	£ 37,003 0 0	£100,131 0 0	£ 64,875 14 8	£219,842 16 2	£118,608 13 9

COUNTRIES.	1867		1868		1869	
	Imports.	Exports.	Imports.	Exports.	Imports.	Exports.
Total Values of Trade	£224,425 15 5	£260,470 3 3	£363,027 0 8	£284,409 3 3	£364,534 17 4	£284,227 8 7
With Canada (Ontario and Quebec)	23,353 4 9	2,743 12 4	29,486 14 0	1,093 19 0	32,946 3 9	1,681 11 4
— Nova Scotia	57,337 0 6	55,061 15 7	68,074 10 3	78,406 3 2	68,215 18 5	82,013 10 3
— New Brunswick	28,671 8 1	26,514 3 3	36,244 7 2	27,973 16 11	35,124 12 8	30,100 13 5
Total	£109,291 13 4	£ 84,324 11 2	£133,805 11 5	£107,473 19 1	£136,286 14 10	£113,795 15 0
With Newfoundland	£ 4,345 12 8	£ 14,740 15 3	£ 3,213 11 7	£ 13,637 5 4	£ 2,056 15 0	£ 13,933 12 8
With United States	£ 48,519 18 2	£ 37,191 2 10	£ 70,007 6 5	£ 48,031 19 7	£ 55,826 7 6	£ 48,205 16 6
With Great Britain	£125,737 10 6	£104,268 9 7	£151,718 4 0	£103,764 13 8	£165,007 10 0	£102,836 12 8

TABLE B.

TABLE B.

STATEMENT OF TOTAL VALUES OF IMPORTS AND EXPORTS into and from NEWFOUNDLAND, from 1864 to 1869, inclusive — showing, also, how much of the Trade of that Province, in each year, was with certain other Countries.

COUNTRIES.	1864		1865		1866	
	Imports.	Exports.	Imports.	Exports.	Imports.	Exports.
Total values of Trade	\$ 4,924,901	\$ 5,129,215	\$ 5,095,772	\$ 5,181,735	\$ 5,784,849	\$ 5,727,594
With Canada (Ontario and Quebec)	208,845	58,713	400,692	109,390	544,399	171,915
— Nova Scotia	470,118	100,251	418,894	59,050	427,648	82,770
— New Brunswick	11,728	4,980	8,917	5,268	10,770	50
Total	\$ 630,692	\$ 163,944	\$ 828,503	\$ 174,248	\$ 582,817	\$ 254,725
With Prince Edward Island	\$ 40,847	\$ 5,834	\$ 56,249	\$ 6,026	\$ 48,002	\$ 5,077
With United States	\$ 1,416,235	\$ 192,803	\$ 1,607,552	\$ 506,941	\$ 1,399,038	\$ 559,725
With Great Britain	\$ 2,101,421	\$ 1,306,722	\$ 1,883,581	\$ 1,563,209	\$ 2,447,722	\$ 1,523,241
COUNTRIES.	1867		1868		1869	
	Imports.	Exports.	Imports.	Exports.	Imports.	Exports.
Total Values of Trade	\$ 5,551,008	\$ 5,268,603	\$ 4,904,423	\$ 4,263,660	\$ 5,554,152	\$ 6,096,799
With Canada (Ontario and Quebec)	714,147	217,524	565,904	97,601	634,979	183,827
— Nova Scotia	424,123	68,435	346,599	85,154	438,979	132,641
— New Brunswick	15,022	867	10,025	364	8,208	1,342
Total	\$ 1,153,472	\$ 286,826	\$ 922,528	\$ 183,119	\$ 1,082,166	\$ 320,533
With Prince Edward Island	\$ 63,491	\$ 6,016	\$ 48,790	\$ 3,708	\$ 60,861	\$ 3,186
With United States	\$ 1,514,223	\$ 267,344	\$ 1,343,030	\$ 418,505	\$ 1,571,729	\$ 614,033
With Great Britain	\$ 2,048,274	\$ 1,656,367	\$ 1,457,777	\$ 1,420,563	\$ 1,775,768	\$ 1,933,631

TABLE C.—IMPORTS.

POSSESSIONS.	1854		1855		1860		1865		1866		1867		1868	
	Value of Total Imports.	Value of Imports from United Kingdom.	Value of Total Imports.	Value of Imports from United Kingdom.	Value of Total Imports.	Value of Imports from United Kingdom.	Value of Total Imports.	Value of Imports from United Kingdom.	Value of Total Imports.	Value of Imports from United Kingdom.	Value of Total Imports.	Value of Imports from United Kingdom.	Value of Total Imports.	Value of Imports from United Kingdom.
AUSTRALIA :	£	£	£	£	£	£	£	£	£	£	£	£	£	£
New South Wales...	5,981,063	4,354,268	4,668,519	2,710,267	7,519,285	4,160,307	9,928,595	4,349,371	8,867,071	3,352,768	6,599,804	2,203,462	8,051,377	2,660,430
Victoria	17,659,051	10,942,375	12,007,939	5,617,149	15,093,730	9,564,093	13,257,537	7,147,216	14,771,711	7,846,828	11,674,080	6,199,531	13,320,662	6,458,425
South Australia	2,147,107	1,628,505	1,370,938	953,677	1,639,591	939,345	2,927,596	1,741,691	2,835,142	1,880,273	2,506,394	1,198,243	2,238,510	1,411,508
Western Australia ..	128,260	87,981	105,320	66,535	160,075	133,655	168,414	100,075	251,907	143,521	204,613	115,972	225,614	107,713
Tasmania	2,604,680	1,776,694	1,559,797	920,695	1,068,411	584,174	762,375	283,056	882,107	253,180	856,348	299,892	845,152	265,396
New Zealand	891,201	384,116	813,460	328,909	1,548,333	878,569	5,594,977	2,606,994	5,894,863	2,737,702	5,344,607	2,779,463	4,985,748	2,299,680
Queensland .....	.....	.....	.....	.....	742,023	56,730	2,505,559	713,545	2,467,907	742,884	1,747,735	474,483	1,899,119	431,658
Total of Australia .£	29,411,362	19,173,939	20,525,973	10,597,232	27,780,448	16,316,873	35,145,053	16,941,948	35,970,708	16,957,156	28,933,581	13,271,046	31,566,182	13,634,819
B. N. AMERICA :														
Ontario and Quebec.	8,327,345	4,718,493	7,414,966	2,733,588	7,078,343	3,258,000	9,295,931	4,382,473	11,208,816	6,040,527	12,301,872	7,137,606	11,926,714	6,374,578
New Brunswick	2,068,773	972,557	1,431,330	377,845	1,446,740	479,875	1,476,374	479,600	2,083,499	843,109	.....	.....	1,359,041	.....
Nova Scotia	1,791,082	.....	1,882,703	.....	1,702,310	595,119	2,876,332	1,263,198	2,876,202	1,178,719	.....	.....	1,902,341	.....
Prince Edward Island	273,929	86,055	268,406	77,528	230,054	80,990	381,015	160,131	444,746	219,843	294,434	125,738	363,027	151,718
Newfoundland	964,527	361,779	1,152,804	375,637	1,254,128	489,969	1,104,084	429,415	1,205,177	531,198	1,156,460	443,647	896,755	312,652
British Columbia ....	.....	.....	.....	.....	257,389	.....	497,734	.....	298,149	14,336	.....	.....	491,719	151,281
Vancouver's Island..	.....	.....	.....	.....	.....	.....	594,297	202,474	594,297	202,474	331,571	44,231	.....	.....
Total of British North America .£	13,426,256	.....	12,150,209	.....	11,968,964	4,904,853	16,225,767	6,917,291	18,710,866	9,030,206	.....	.....	16,939,597	.....

TABLE D.—EXPORTS.

POSSESSIONS.	1854		1855		1860		1865		1866		1867		1868	
	Value of Total Exports.	Value of Exports to United Kingdom.	Value of Total Exports.	Value of Exports to United Kingdom.	Value of Total Exports.	Value of Exports to United Kingdom.	Value of Total Exports.	Value of Exports to United Kingdom.	Value of Total Exports.	Value of Exports to United Kingdom.	Value of Total Exports.	Value of Exports to United Kingdom.	Value of Total Exports.	Value of Exports to United Kingdom.
AUSTRALIA:	£	£	£	£	£	£	£	£	£	£	£	£	£	£
New South Wales	4,050,126	2,307,609	2,884,130	1,499,792	5,072,020	1,482,717	8,191,170	3,319,628	8,512,214	3,162,615	6,880,715	3,111,108	7,192,904	3,486,960
Victoria	11,775,204	10,276,213	13,493,338	11,359,145	12,962,704	9,346,619	13,150,748	7,680,339	12,880,546	6,754,576	12,724,427	8,177,220	15,593,990	11,069,115
South Australia	1,322,822	611,608	988,215	449,284	1,783,716	783,898	3,129,846	964,895	2,858,737	1,155,866	3,164,622	1,426,025	2,819,300	1,425,741
Western Australia	34,109	20,875	46,314	25,199	89,247	35,490	179,147	104,673	152,240	103,732	174,080	87,422	192,636	101,154
Tasmania	1,433,021	424,575	1,428,629	445,557	962,170	421,428	880,965	403,559	834,606	344,131	700,494	378,532	920,820	435,523
New Zealand	320,891	43,886	365,868	30,869	588,953	412,246	3,713,218	1,186,085	4,520,074	1,713,062	4,644,678	1,984,785	4,429,198	2,024,702
Queensland . . . . .	.....	.....	.....	.....	523,476	.....	1,153,464	240,550	1,366,491	321,939	2,198,607	505,442	2,107,437	505,277
Total of Australia	18,936,173	13,684,766	19,206,494	13,809,846	21,982,286	12,502,398	30,398,558	13,899,729	31,133,908	13,555,881	30,577,625	15,670,534	33,256,285	19,048,472
B. N. AMERICA:														
Ontario and Quebec	4,729,971	2,234,941	5,792,150	1,384,611	7,116,142	2,638,165	8,850,240	3,067,918	11,341,780	2,704,508	9,751,679	2,867,824	9,309,047	3,344,802
New Brunswick	1,104,215	811,108	826,381	547,589	916,372	547,468	1,153,068	540,552	1,327,855	620,715	.....	.....	953,902	522,689
Nova Scotia	1,247,668	.....	1,472,215	.....	1,323,997	59,441	1,766,139	152,948	1,608,619	57,577	.....	.....	1,133,601	63,401
Prince Edward Island	151,213	32,281	147,114	19,616	201,434	34,016	291,545	64,876	246,816	118,609	260,470	104,258	284,409	103,765
Newfoundland	1,019,592	446,187	1,142,212	393,349	1,271,712	353,025	1,144,375	343,678	1,186,314	327,876	1,055,959	357,939	888,265	305,503
British Columbia . . . . .	.....	.....	.....	.....	11,400	.....	33,476	10,487	43,983	10,495	.....	.....	.....	.....
Vancouver's Island . . . . .	.....	.....	.....	.....	.....	.....	120,254	26,804	120,254	26,804	76,993	.....	154,411	41,961
Total of British North America	8,252,639	.....	9,380,072	.....	10,840,967	3,632,115	13,359,098	4,207,263	16,268,920	3,866,575	.....	.....	12,733,633	4,382,111

GENERAL APPENDIX.

TABLE E.

GENERAL STATEMENT OF EXPORTS, the Growth, Produce and Manufacture of the UNITED STATES to AUSTRALIA, during the years ending, June 30th, 1867, June 30th, 1868, June 30th, 1869.

ARTICLES.	1867.		1868.		1869.	
	QUANTITIES.	VALUES.	QUANTITIES.	VALUES.	QUANTITIES.	VALUES.
Animals, living, of all kinds.....		\$ 18,000		\$		\$ 2,000
Ashes, Pot and Pearl.....	1,500 lbs.	150	2 387 lbs.	242	42,006 lbs.	3,818
Agricultural Implements.....		93,846		56,515		110,294
Brass Manufactures, not specified.....		3,849		510		
Breadstuffs: Indian Meal.....	130 brls.	832	580 brls.	3,991	770 brls.	3,758
Oats.....	242,560 bush.	118,037			36,957 bush.	25,790
Wheat.....	287,092 "	287,861	42,162 bush.	63,107	371,721 "	428,984
Flour of wheat.....	55,646 brls.	294,115	40,636 brls.	251,909	49,501 brls.	252,342
Other small grain and pulse.....		102,667		648		
Macaroni, Vermicelli, & all other preparations from breadstuffs, used as food.....				7,075		38,223
Copper, Manufactures of.....		3,532		475		161
Cordage, Ropes and Twines of all kinds.....			61 cwt.	1,072	133 cwt.	2,702
Cotton, Manufactures of, uncolored.....			6,500 yards	1,300		
" " all other.....		3,491		1,353		5,063
Drugs, Dyes, and Medicines.....		129,393		111,514		127,007
Fruits, Green or dried, including dried Apples.....		32,680		71,468		32,001
Hops.....	81 lbs.	45	3,492 lbs.	1,837	180,024 lbs.	31,765
Glass and Glassware. Cut, and Plain.....		109,056		101,452		84,294
India Rubber & Gutta Percha Manufactures:						
Boots and Shoes.....	5,336 pairs	13,227	1,720 pairs	8,545		33,715
Other Manufactures of.....		2,664		4,940		
Iron, & Iron & Steel & Steel Manufactures of:						
Nails and Spikes.....	760,778 lbs.	53,830	1,651,342 lbs.	94,553	931,350 lbs.	53,005
Muskets, Rifles, Pistols & Sporting Guns.....		4,424		1,300		1,170
Steel Ingots, Bars, Sheets, and Wire, Cutlery, Files, Saws and Tools.....		19,174		66,348		94,711
Hardware.....						321,293
Machinery other than Sewing Machines.....		14,468		14,629		38,284
Manufactures of Iron and Steel, not specified.....		270,345		239,593		32,358
Leather, and Manufactures of:						
Boots and Shoes.....			144 pairs	180	404 pairs	1,527
Saddlery and Harness.....		3,974		400		3,778
Manufactures not specified.....		300		1,157		630
Lumber and Manufactures of Wood:						
Boards, Clapboards, Dea's, Planks, Joists and Scantling.....	7,884 M feet	200,186	3,592 M feet	120,928	9,158 M feet	299,373
Laths, Palings, Pickets.....		9,135		4,875		18,778
Logs, Masts, Spars and other whole Timber.....		1,466		119		1,245
Staves, Headings, and Shooks.....		234		4,859		13,622
Boats and Oars.....						

Laths, Palings, Pickets.....		9,135		4,875		18,778
Logs, Masts, Spars and other whole Timber.....		1,466		119		1,245
Staves, Headings, and Shooks.....		234		4,859		12,994
Boats and Oars.....		2,840		3,422		
Househo'd Furniture.....		91,322		136,873		133,666
All other Manufactures of Wood, not specified.....		153,158		213,221		292,562
All other Lumber.....		134,188		111,749		101,270
Books, Pamphlets, Maps, Engravings, & other publications.....		3,785		1,888		2,824
Brooms and Brushes of all kinds.....		69,294		31,749		37,941
Carriages and parts of, not elsewhere specified.....		78,426		108,742		104,703
Clocks, and parts of.....		19,801		30,929		48,341
Musical Instruments.....		3,775		4,128		
Paper and Stationery.....		2,036		1,304		
Sewing Machines.....		91,758		57,763		120,776
Resin and Turpentine.....	1,936 brls.	13,113	8,666 brls.	37,890	6,759	39,872
Spirits of Turpentine.....	45,841 gals.	26,353	16,260 gals.	10,002	51,189 gals.	28,516
Tar and Pitch.....	120 brls.	1,012	75 brls.	367	383 brls.	1,632
Oils:						
Lard.....	4,647 gals.	5,878	5,500 gals.	6,801		
Petroleum Refined.....	2,411,379 "	1,105,653	2,749,001 "	1,024,237	1,649,346 gals.	604,253
" Crude.....	24,400 "	7,000				
" Benzine.....	7,910 "	2,604	2,770 gals.	1,039	2,440 gals.	665
Butter.....	10,775 lbs.	4,400	700 lbs.	140		
Cheese.....	26,071 "	4,756	1,793 "	315		
Pork.....	121,262 "	15,025	70,200 "	8,376		
Oysters.....		47,576		25,560		
Fish, Fresh.....		46,911		27,002		
Pickled.....	1153 kegs and 1752 brls.	26,465	1157 kegs and 2593 brls.	25,545	3,212 brls.	26,421
Other cured Fish.....		4,353		5,210		36,403
Starch.....	4,700 lbs.	575	5,800 lbs.	6,604	34,000 lbs.	4,510
Meats, preserved.....		16,590		3,400		
Quicksilver.....	19,125 lbs.	9,375	101,700 lbs.	41,566	42,075 lbs.	16,500
Tin, and Manufactures of.....		9,246		308		
Spirits, distilled from Grain.....	3,997 gals.	2,300	2,470 gals.	1,585	4,200 gals.	6,400
" " Molasses.....	10,742 "	35,367				
" " Other material.....	76,655 "	28,440			2,082 gals.	1,395
Cigars.....	694 M	22,208	60 M	3,622		
Tobacco, Unmanufactured leaf.....	648,004 lbs.	130,949	218,709 lbs.	25,073	174,355 lbs.	48,592
" Manufactured.....	2,697,507 "	936,794	4,134,444 "	1,473,115		825,736
All other Articles Unmanufactured.....		1,551		5,758		17,822
" Manufactured.....		131,101		87,965		51,251
Total Value of Exports to Australia.....\$		\$5,102,353		\$4,848,984		\$4,619,313
" " Re-Exports " \$		\$24,137		\$41,150		\$58,652

12. AN EXPORT TRADE IN ICE.

It is only convenient, at present, to hint at a possible export trade in ice from the River St. Lawrence. The subjoined table shows the quantities and values of that commodity shipped from Boston, Mass., during the last six months of 1869, and the whole of the year 1870. It will be observed that the shipments in both years from that one port to British Possessions, formed a very large proportion of the traffic :

EXPORTED TO	Last half of 1869		1870	
	Quantity, Tons.	Value.	Quantity, Tons.	Value.
British West Indies	5,514	\$18,182	10,800	\$39,653
Cuba	5,679	18,023	8,106	28,259
P. rto Rico .....	.....	.....	733	4,149
Hayti and San Domingo	101	421	387	1,658
Dutch West Indies and Dutch Guiana ..	4,924	23,072	400	1,555
Denmark and Danish West Indies	1,067	3,509	1,083	4,424
Chili .....	.....	.....	440	1,543
Brazil	1,400	5,600	1,550	7,150
British East Indies	6,731	35,240	12,896	63,482
Dutch East Indies	4,924	23,072	3,198	17,068
China	1,232	6,160	1,533	7,665
British Possessions in Africa .....	.....	.....	434	1,468
France .....	.....	.....	600	2,372
French Possessions	412	1,237	1,563	5,875
United States of Columbia	1,641	5,796	1,865	7,119

The total value of the ice exported from the United States in 1869 was \$279,028,—viz., from New York, \$6,351; from Boston and Charlestown, \$267,284; from all other ports, \$5,393.

The imports of ice into the United Kingdom during two years were as follows :

WHERE FROM	1868		1869	
	Tons.	Value.	Tons.	Value.
From Norway	82,973	£74,677	107,005	£96,305
From other Countries ..	291	262	.....	.....
Totals	83,264	£74,939	107,005	£96,305

The estimated average price of ice (for the purpose of valuation in the British Customs) is 18s. sterling per ton.

It is understood that attention is now being turned to the shipment of ice from Canada as a profitable branch of commerce,—the foregoing figures show approximately the extent of the market;—care combined with enterprise may possibly give respectable dimensions to an export ice trade from the Gulf ports, or from the sea-boards of Nova Scotia and New Brunswick.