

Technical and Bibliographic Notes / Notes techniques et bibliographiques

The Institute has attempted to obtain the best original copy available for filming. Features of this copy which may be bibliographically unique, which may alter any of the images in the reproduction, or which may significantly change the usual method of filming, are checked below.

L'Institut a microfilmé le meilleur exemplaire qu'il lui a été possible de se procurer. Les détails de cet exemplaire qui sont peut-être uniques du point de vue bibliographique, qui peuvent modifier une image reproduite, ou qui peuvent exiger une modification dans la méthode normale de filmage sont indiqués ci-dessous.

Coloured covers/  
Couverture de couleur

Coloured pages/  
Pages de couleur

Covers damaged/  
Couverture endommagée

Pages damaged/  
Pages endommagées

Covers restored and/or laminated/  
Couverture restaurée et/ou pelliculée

Pages restored and/or laminated/  
Pages restaurées et/ou pelliculées

Cover title missing/  
Le titre de couverture manque

Pages discoloured, stained or foxed/  
Pages décolorées, tachetées ou piquées

Coloured maps/  
Cartes géographiques en couleur

Pages detached/  
Pages détachées

Coloured ink (i.e. other than blue or black)/  
Encre de couleur (i.e. autre que bleue ou noire)

Showthrough/  
Transparence

Coloured plates and/or illustrations/  
Planches et/ou illustrations en couleur

Quality of print varies/  
Qualité inégale de l'impression

Bound with other material/  
Relié avec d'autres documents

Continuous pagination/  
Pagination continue

Tight binding may cause shadows or distortion along interior margin/  
La reliure serrée peut causer de l'ombre ou de la distorsion le long de la marge intérieure

Includes index(es)/  
Comprend un (des) index

Title on header taken from: /  
Le titre de l'en-tête provient:

Blank leaves added during restoration may appear within the text. Whenever possible, these have been omitted from filming/  
Il se peut que certaines pages blanches ajoutées lors d'une restauration apparaissent dans le texte, mais, lorsque cela était possible, ces pages n'ont pas été filmées.

Title page of issue/  
Page de titre de la livraison

Caption of issue/  
Titre de départ de la livraison

Masthead/  
Générique (périodiques) de la livraison

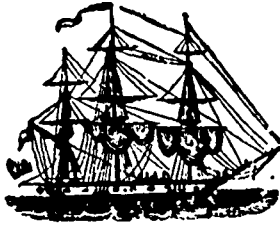
Additional comments: /  
Commentaires supplémentaires:

Wrinkled pages may film slightly out of focus.

This item is filmed at the reduction ratio checked below /  
Ce document est filmé au taux de réduction indiqué ci-dessous.

10X	14X	18X	22X	26X	30X
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
12X	16X	20X	24X	28X	32X

# CANADIAN ECONOMIST.



## FREE TRADE JOURNAL, AND WEEKLY COMMERCIAL NEWS.

Vol. I.]

MONTREAL, SATURDAY, 19TH DECEMBER, 1846.

[No. 31.]

### CONTENTS.

- |  |   |
|--|---|
| 1.—The Provincial Tariff.                | 7.—Progress of Free Trade.—Report of the Secretary of the Treasury to Congress. |
| 2.—Beauties of Custom-Houses.            | 9.—Miscellaneous Articles.  |
| 3.—President of the U. S. on Free Trade. | 10.—Intelligence—General and Local.   |
| 4.—Mines and Mining Companies.           | 10.—The Markets.  |
| 5.—Sketch of the Navigation Laws.        | 12.—Advertisements:   |
| 6.—The Navigation Laws again!            |   |

## THE CANADIAN ECONOMIST.

MONTREAL, SATURDAY, 19TH DECEMBER, 1846.

### THE PROVINCIAL TARIFF.

In our last article on this subject we showed, that, while the consumption of raw and bastard sugars had increased in spite of the augmented duty imposed in 1842, under the Government of the late Lord Sydenham, that of refined had fallen off in a much greater ratio—that, in fact, while the consumption of the former increased at the rate of about twenty-four, that of the latter fell off at the rate of about thirty-five per centum per annum. And from these facts, taken in connexion with other material concurrent circumstances, we concluded that the duties in question “might be reduced without detriment to the revenue on the one hand, and with well founded hope, on the other, of promoting the commercial and general interests of the Province, at large.” The extent to which, in our opinion, this reduction should be carried we will state in a future number, when we place our digested revenue scheme, in its complete form, before the country. Meantime, to pave the way for it, we continue our analytical comparison of the importations of the more important articles of consumption under present duties, and the more moderate rates which prevailed previous to 1842.

The article which comes next in order for investigation, is spirits.

The duties levied on articles comprehended under the term spirits since 1842, are as follows:—

On British Rum,	- - - -	6d stg. per gall.
Foreign do.,	- - - -	1s. do. do.
All other Spirits, British,	- - - -	1s.3d. do. do.
Do. Foreign,	- - - -	2s.3d. do. do.

The foreign article being subject to an abatement of a fourth of the differential duty, when imported (ex warehouse) from the United Kingdom.

Previously to 1842 the duties levied on them, were as follows:

On British Rum,	- - - -	6d. stg. & 6d. cy. per gall.
Foreign do.,	- - - -	1s. do. & 6d. do.
British Whiskey,	- - - -	3d. do. & 3d. do.
Foreign do.,	- - - -	1s. do. & 6d. do.
All other Spirits, Foreign, from the United Kingdom or British Colonies,	1s. do. & 6d. do.	
From the place of growth,	1s.3d. do & 6d. do.	

Our readers will not fail to remark, from the foregoing, that the duty on rum is now materially lower than it was previous to 1842, and that that on foreign spirits (other than rum) is materially higher than it was up to that period. At the same time it may not be amiss to remark, that since 1838 the importation of rum has been quite insignificant, compared with what it was previously, owing in a great degree, if not entirely, to the abolition of slavery in the West Indies, from whence our supplies, with the exception of a trifling quantity of East India rum imported from England, were almost wholly derived. To show the extent to which that trade has fallen off we may mention, that the importation of British Plantation Rum in 1838 was 637,465 gallons, while

in the five following years it was reduced to the following quantities:—

1839,	- - - -	110,135 gallons,
1840,	- - - -	45,220 do.
1841,	- - - -	7,356 do.
1842,	- - - -	26,027 do.
1843,	- - - -	23,799 do.

We call our readers' attention to these facts, because it might otherwise appear anomalous to them to see the consumption of an important article fall off rapidly and extensively, concurrently with and even in spite of, a considerably reduced rate of duty.

The importation of spirits in general, under the two systems of duty that have prevailed since and previously to 1842, are as follows:—

1839,	-	777,550	galls.	1843,	-	233,772	galls
1840,	-	617,978	do.	1844,	-	502,875	do.
1841,	-	389,543	do.	1845,	-	369,568	do.
		<u>1,785,071</u>				<u>1,106,215</u>	

Average, - 595,024

Average, - 368,738

From the above table it will be perceived that since the duty on foreign spirits, rum excepted, was increased, the entries for home consumption have diminished on the average to the extent of 226,286 gallons per annum, or nearly forty per cent. on the average quantity imported during the three previous years with which the comparison is made! This is a startling fact, and we may remark that it is not attributable to the falling off in the supply of rum, inasmuch as the importation of that article did not vary much from year to year from 1839 up to 1845, and consequently that it might be struck out of the table altogether without altering the material feature of our comparison. To what then is this great falling off in the consumption of foreign or imported spirits to be attributed? Is it owing to the increased duty augmenting the cost to the consumer? We say the increased duty, for we take upon ourselves to affirm that the prime cost of the article at the place of production has not on the average increased during the years in question, but rather the reverse! Or is it, on the other hand, owing to the superior habits and increased temperance of the people? Or, lastly, is it owing to the cheap spirit of domestic manufacture, viz. whiskey, having displaced the more costly and superior article of foreign production?

We cannot at the present moment take upon ourselves to answer these questions, not knowing the quantity of domestic spirits manufactured in Canada since 1839, and being likewise deficient of other data which would be necessary to enable us to come to a sound conclusion. We may remark, however, that the very striking falling off in the consumption of imported spirits affords *prima facie* evidence to suspect that the duties now levied on them check consumption, and are consequently too high for the simple and legitimate purpose of raising revenue.

We now come to the consideration of Wines. The duties on these previously to 1842 were as follows:

*In wood from the United Kingdom.*

Madeira,	. . . .	10s. stg. per tun, and 9d. cy. per gallon.
French,	. . . .	6d. do.
All other kinds,		10s. stg. per tun, and 6d. cy. do.

*In wood from place of growth.*

Madeira,	. . . .	£7 stg per tun, and 9d. cy. per gal.
All other wines except French,		£7 stg. per tun, and 6d. cy. per gal.

On bottled wines, if bottled in the United Kingdom, the duties were the same as in wood; but, if in *foreign bottles*, there was an additional duty of £7 7s. stg. per tun, and 1s. more for every dozen bottles.

In 1842, the duties were altered by the Act which then came into force, to the following rates:—

*From the United Kingdom.*

Madeira,	. . . .	5½ per cent, and 1s. stg. per gal.
All other kinds,		5½ per cent, and 6d. stg. per gal.

## From place of growth.

Madeira, . . . 7 per cent, and 1s. 2s. per gal.  
All other kinds, 7 per cent, and 6d. 6s. per gal.

These duties were again tinkered in the last session of Parliament, but as our comparison of imports will not embrace 1846, we need only remark for the information of our readers that the provincial duty was then altered to 10 per cent and 8d. per gal. on all wines, the Imperial duty remaining as before.

We shall now compare the importations from 1839 to 1841, and from 1843 to 1845, respectively, requesting our readers to bear in mind, what we have already shown, that during the latter, the duty was considerably higher than during the former period:

1839, . . . 392,994 gals.	1843, . . . 248,668 gals.
1840, . . . 310,950 "	1844, . . . 393,825 "
1841, . . . 214,721 "	1845, . . . 224,562 "
<u>918,671</u>	<u>867,055</u>

Average, 306,223 gals. 289,018 gals.  
Thus during the first period the average importation  
per year was - - - - - 306,223 gals.  
And during the second only - - - - - 289,018 "

Showing a falling off of - - - - - 17,205 "

Or nearly six per cent on the importation of the first period! And that too notwithstanding the increase of population and wealth which are known to have taken place during the second period! To what then are we to ascribe this falling off, knowing, as we do, that the average prime cost of wine in the place of production was not meanwhile enhanced? We hold that we are justified in attributing it to the increased duty—there being no other obvious cause sufficient to account for it; and therefore we hold it to be manifest that our commerce in these important articles has been crippled and restricted by injudicious legislation, in other words, by founding our fiscal regulations on erroneous principles. Let us hope then that every individual interested in the welfare of his country will second the exertions of the Free Trade Association to obtain the necessary reforms in the system in question. The Legislature will probably meet in February, and we would suggest to every constituency in town and country to hold a public meeting (at which their representatives, if possible, should be present) to express their views in unequivocal terms, respecting the alterations required in the Provincial Tariff, and also with respect to the Navigation Laws.

The Boards of Trade throughout the country should also be up and doing. They have already memorialized Her Majesty respecting the Navigation Laws and the Differential Duties; and as to the latter, Her Majesty and the Imperial Parliament have already graciously responded by inviting us to do away with them. In referring thus, however, to the Boards of Trade, we must be allowed pointedly to except the Board of Trade of Quebec. From it nothing has yet appeared worthy of merchants of the present day nor do we think that anything can be expected from it but what is selfish, narrow-minded, and full of prejudice. The other Boards of Trade, therefore, should, we conceive, be the more active in order to counteract the mischievous influence which its erroneous views may possibly exert upon the non-mercantile members of our Provincial Legislature.

A high duty now rests upon every individual in the colony—that of expressing his views publicly and openly upon the momentous questions about to engage the attention of the Legislature. Let there be no shrinking from this responsibility. Let the humblest as well as the highest in the land take pride in forming and expressing an opinion upon these momentous questions, viz.:

1. The revision of the Provincial Tariff;
2. The Free Navigation of the St. Lawrence; and
3. The Repeal or modification of the British Navigation Laws so far as Canada is concerned!

At the present crisis, Canada expects every man to do his duty.

The Free-Trade Association will continue to do theirs in spite of every obstacle, and in a few days will add to what they have already contributed by placing before the country a well-digested Tariff scheme, founded on the nearest approximation to Free-Trade principles which the system of indirect taxation will admit of.

Meantime, we recommend our Free Trade brethren throughout the province to organize in order to give full effect to the expression of their opinions.

## BEAUTIES OF CUSTOM HOUSES.

The following letter affords a striking illustration of the loss, inconvenience, and ultimate discontent, that attend a rigid Custom-House system. The poor man who lost his apples may well utter a fervent prayer, that "freedom of traffic and govt-will shall soon prevail over the intelligent commercial world." The Provincial duty of 6d. a bushel which is levied on apples, is one of those trifling affairs which contribute scarcely anything to the revenue, but occasion much loss and inconvenience to the importers.

It throws impediments in the way of a trade which, if left to itself, would furnish the means of subsistence to hundreds:—

[To THE EDITOR OF THE GLOBE.]

Toronto, Dec. 7, 1846.

SIR,—It has afforded me much gratification to read from time to time, in your ably conducted journal the exposure made of the mismanagement in most of the public departments in these Provinces, but more particularly the capricious and nefarious system of conducting that of the Custom House; and from having been a severe sufferer by the indifference to their duties displayed by the officers at this port, I can vouch for the correctness of your late remarks as applied to them, from dear-bought experience, especially in a transaction which took place last year.

I had for several previous seasons brought over a cargo of American fruit for this market, and, as usual about the close of the navigation, last fall, (1845,) I brought across a cargo (*ex Enterprise*) of as fine apples as ever came into Toronto harbour, which I forthwith reported in the usual manner at the Custom House,—got the Surveyor's permit,—and had the fruit discharged from the vessel into store, when I was forbid by Mr. Roy from parting with a single apple, until every barrel was emptied over in his presence, a proceeding which never occurred to me before; still this might have been all very well, had I been able to procure Mr. Roy's attendance, who seemed from his manner to command at the Custom House,—and who was the officer, I was told, appointed to look into such matters. But although I steadily travelled from day to day, from the store to the Excise-office, it was barely possible to get this official (strange as it may appear to some), to condescend even to speak to me. In the mean time I had sold all my apples, and had the barrels open ready for inspection, when a most severe spell of frost set in, and what with the exposure to it, and the ultimate delay, and bruising, from the tossing the apples from one barrel to another, I lost more than two-thirds of my entire vessel load.

Now, had Mr. Roy on the part of the Crown, acted like any man with pretensions to business habits, had gone into his duty at once, I would have to-day been a richer man by one hundred pounds, currency, about the amount I knew I lost at the time, not taking into account what I could by this time have made of the money, and the great inconvenience it has caused me, for I do assure you it has fallen very heavy upon me,—who am a poor man, as one instance amongst the many others, of the manner I was made to suffer. Mr. Post looked at the fruit, and was so satisfied with its superior quality and soundness, that he at once purchased of me fifteen barrels, cash, at a good price, for his household use for the winter; and I instantly went in pursuit, again and again, of Mr. Roy, who did not make it convenient to come, after repeated promises of just to be on the spot immediately. When ere the next morning, by his neglect, my beautiful apples were every barrel of them completely destroyed by the frost, and totally unfit for Mr. Post's purpose; for you must understand I could have had my apples all delivered, and they were not in a situation where they could be protected from such severe weather. I was, from these circumstances, forced to dispose of my cargo partly to the buyers at any price they chose to offer me, but the greater portion, I had to throw into the Bay. I was advised to apply to Mr. Stanton, in order to see if he would recommend the duty to be returned to me, who, after consulting with Mr. Roy in my presence, and detaining me for a considerable time, told me "I might go." I said what? Nothing! "That's your answer," he added. I considered this hard—very hard indeed—that the two men who I knew to be the cause of all my misfortunes to treat me so ungraciously; and after some days brooding over my sorrows and losses, I resolved to petition the Governor General, and accordingly forwarded one to His Excellency, to which, after a delay of several months, no answer was received. I again petitioned for redress, both times simply for a remission of the duties I had paid, yet no notice was taken of my supplications. On remarking to my Agent my surprise that the Governor did not notice my petitions, to my great astonishment he informed me that all such petitions were sent back to the Custom-house for answer. So the last resource I now understand I have left, is to bring my case before the Provincial Parliament, through some independent member, and which I am getting prepared for next Session. In the end, I confess I have little hope of redress, but I do trust that "free trade" will very soon drive these obnoxious vipers from our harbours, and that freedom of traffic and good will, shall prevail over this intelligent commercial world, and that these would-be gentlemen who hold office shall be taught a lesson to make them understand they hold their situations, and receive their pay from, and for behoof of the public interests, and for the purpose of forwarding and not for ruining the pursuits of the fair trader,—and above all things (if the Government cannot be carried on without the Custom-house revenues for a year or two to come,) it is the earnest prayer of every one, that a change of its servants will early be made at this station. I am not the only individual who has been deterred from making their usual fall speculations in fruit this season; indeed had I subjected myself to the same vexatious process, and incurred such another serious loss, I would have been a totally ruined man; as it is, I am not near over my last year's troubles, caused by the Custom-house mode of doing business. The complaint, too, is general among the people all along the opposite side, not of the strictness of our excise-men, but that at this part they are so uncivilly and rudely used by Her Majesty's harbour officers when they come across to deal with us;—surely the Government can never permit this. Is it our interest that men in authority should place obstructions in the way of commerce with our neighbours? In conclusion, Mr. Editor, I shall only say, that this kind of system creates much more dissatisfaction than you are possibly aware of, and we may have sent out here Governor-Generals with the very best intentions to do good, but unless they make justice be done between the poor man and the authorities, their efforts will prove totally fruitless.

I remain, with respect, MR. EDITOR,

Your most obedient servant,

SAMUEL LAW,

Master and Owner of the Schooner Highland Chief, of Toronto.

## THE PRESIDENT OF THE UNITED STATES ON FREE TRADE.

In the Message with which Mr. President Polk opened Congress, we find considerable space devoted to the consideration of the new Tariff, taken in connexion with the recent commercial changes in England. The remarks of the President on this subject are so important that we give them at length. It is scarcely necessary to point out that, with every apparent desire to be a Free Trader, the President is forced into some inconsistencies. His facts do not agree with his arguments: the former are far from being as liberal as the latter. Thus, whilst he lays it down as a principle that the true object of duties is to raise revenue, and repudiates the idea of affording advantages to favored classes, he is compelled to admit that the effect of the present tariff is to raise the price of domestic manufactures "to more than one-third of the value of the imported article, and in some cases to almost one-half its value." That such a duty is within the "revenue principle" we think no one will attempt to assert; nor is it a matter of surprise that, with such advantages, manufacturers should be "making greater profits than can be derived from any other regular business." It is remarkable, too, that whilst apparently approving of the existing tariff, and referring to it as something with which the country will remain satisfied, the President points out with much force and truth what has been the effect in England of pursuing an exactly similar system. The argument is so pat that we cannot help suspecting that the President intended it should have a home application. Indeed, the whole tenor of his remarks leaves the impression that he was arguing against conviction, and that his facts were selected rather to show the absurdity of "protection" than that it is necessary.

The following is the portion of the Message to which we refer:—

The Act passed at your late Session, "reducing the duties on imports," not having gone into operation until the first of the present month, there has not been time for its practical effect upon the revenue, and the business of the country, to be developed. It is not doubted, however, that the just policy which it adopts will add largely to our foreign trade, and promote the general prosperity. Although it cannot be certainly foreseen what amount of revenue it will yield, it is estimated that it will exceed that produced by the Act of 1842, which it superseded. The leading principles established by it are, to levy the taxes with a view to raise revenue, and to impose them upon the articles imported according to their actual value.

The Act of 1842, by the excessive rates of duty which it imposed on many articles, either totally excluded them from importation, or greatly reduced the amount imported, and thus diminished instead of producing revenue. By it the taxes were imposed not for the legitimate purpose of raising revenue, but to afford advantages to favoured classes, at the expense of a large majority of their fellow-citizens. Those employed in agriculture, mechanical pursuits, commerce and navigation, were compelled to contribute from their substance to swell the profits and overgrown wealth of the comparatively few who had invested their capital in the manufactures. The taxes were not levied in proportion to the value of the articles upon which they were imposed; but, widely departing from the just rule, the lighter taxes were, in many cases, levied upon articles of luxury and high price, and the heavier taxes on those of necessity and low price, consumed by the great mass of the people. It was a system the inevitable effect of which was to relieve favoured classes and the wealthy few from contributing their just proportion for the support of government, and to lay the burden on the labour of the many engaged in other pursuits than manufactures.

A system so unequal and unjust has been superseded by the existing law, which imposes duties not for the benefit or injury of classes or pursuits, but distributes, and, as far as practicable, equalizes the public burdens among all classes and occupations. The favoured classes, who, under the unequal and unjust system which has been repealed, have heretofore realized large profits, and many of them amassed large fortunes, at the expense of the many who have been made tributary to them, will have no reason to complain if they shall be required to bear their just proportion of the taxes necessary for the support of Government. So far from it, it will be perceived by an examination of the existing law, that discriminations in the rates of duty imposed, within the revenue principle, have been retained in their favor. The incidental aid against foreign competition which they still enjoy, gives them an advantage which no other pursuits possess; but of this none others will complain, because the duties levied are necessary for revenue. These revenue duties, including freights and charges, which the importer must pay before he can come in competition with the home manufacturer in our markets, amount, on nearly all our leading branches of manufacture, to more than one-third of the value of the imported article, and in some cases to almost one-half its value. With such advantages, it is not doubted that our domestic manufactures will continue to prosper, realizing in well conducted establishments even greater profits than can be derived from any other regular

business. Indeed, so far from requiring the protection of even incidental revenue duties, our manufacturers in several leading branches are extending their business, giving evidence of great ingenuity and skill, and their ability to compete, with increased prospect of success, for the open market of the world. Domestic manufactures, to the value of several millions of dollars, which cannot find a market at home, are annually exported to foreign countries. With such rates of duty as those established by the existing law, the system will probably be permanent; and capitalists who have made, or shall hereafter make, their investments in manufactures, will know upon what to rely. The country will be satisfied with these rates, because the advantages which the manufacturers still enjoy, result necessarily from the collection of revenue for the support of Government. High protective duties, from their unjust operation upon the masses of the people, cannot fail to give rise to extensive dissatisfaction and complaint, and to constant efforts to change or repeal them, rendering all investments in manufactures uncertain and precarious. Lower and more permanent rates of duty, at the same time that they will yield to the manufacturer fair and remunerating profits, will secure him against the danger of frequent changes in the system, which cannot fail to ruinously affect his interests.

Simultaneously with the relaxation of the restrictive policy by the United States, Great Britain, from whose example we derived the system, has relaxed hers. She has modified her corn laws, and reduced many other duties to moderate revenue rates. After ages of experience, the statesmen of that country have been constrained, by a stern necessity, and by a public opinion, having its deep foundation in the sufferings and wants of impoverished millions, to abandon a system, the effect of which was to build up immense fortunes in the hands of the few, and to reduce the labouring millions to pauperism and misery. Nearly in the same ratio that labour was depressed, capital was increased and concentrated by the British protective policy.

The evils of the system in Great Britain were at length rendered intolerable, and it has been abandoned, but not without a severe struggle on the part of the protected and favoured classes to retain the unjust advantages which they have so long enjoyed. It was to be expected that a similar struggle would be made by the same classes in the United States whenever an attempt was made to modify or abolish the same unjust system here. The protective policy had been in operation in the United States for a much shorter period, and its pernicious effects were not, therefore, so clearly perceived and felt. Enough, however, was known of these effects to induce its repeal.

It would be strange if, in the example of Great Britain, our principal foreign customer, and of the evils of a system rendered manifest in that country by long and painful experience, and in the face of the immense advantages which, under a more liberal commercial policy, we are already deriving, and must continue to derive, by supplying her starving population with food, the United States should restore a policy which she has been compelled to abandon, and thus diminish her ability to purchase from us the food and other articles which she so much needs, and we so much desire to sell. By the simultaneous abandonment of the protective policy by Great Britain and the United States, new and important markets have already been opened for our agricultural and other products; commerce and navigation have received a new impulse; labour and trade have been released from the artificial trammels which have so long fettered them; and to a great extent reciprocity, in the exchange of commodities, has been introduced at the same time by both countries, and greatly for the benefit of both. Great Britain has been forced, by the pressure of circumstances at home, to abandon a policy which has been upheld for ages, and to open her markets for our immense surplus of bread-stuffs; and it is confidently believed that other Powers of Europe will ultimately see the wisdom, if they be not compelled by the pauperism and sufferings of their crowded population, to pursue a similar policy.

Our farmers are more deeply interested in maintaining the just and liberal policy of the existing law, than any other class of our citizens. They constitute a large majority of our population, and it is well known that when they prosper, all other pursuits prosper also. They have heretofore not only received none of the bounties or favours of Government, but, by the unequal operations of the protective policy, have been made, by the burdens of taxation which it imposed, to contribute to the bounties which have enriched others.

When a foreign as well as a home market is opened to them, they must receive, as they are now receiving, increased prices for their products. They will find a readier sale, and at better prices, for their wheat, flour, rice, Indian corn, beef, pork, lard, butter, cheese, and other articles, which they produce.

The home market alone is inadequate to enable them to dispose of the immense surplus of food and other articles which they are capable of producing at the most reduced prices, for the manifest reason that they cannot be consumed in the country. The United States can, from their immense surplus, supply not only the home demand, but the deficiencies of food required by the whole world.

That the reduced production of some of the chief articles of food in Great Britain, and other parts of Europe, may have contributed to increase the demand for our breadstuffs and provisions, is not doubted; but that the great and efficient cause of this increased demand, and of increased prices, consists in the removal of artificial restrictions heretofore imposed, is deemed to be equally certain. That our exports of food, already increased and increasing beyond former example, under the more liberal policy which has been adopted, will be vastly enlarged, unless they be checked or prevented by a restoration of the protective policy, cannot be doubted. That our commercial and navigating interests will be enlarged in a corresponding ratio with the increase of our trade is equally certain; while our manufacturing interests will still be the favored interests of the country, and receive the incidental protection afforded them by revenue duties; and more than this they cannot justly demand.

## MINES AND MINING COMPANIES.

TO THE EDITOR OF THE ECONOMIST.

SIR,

As an attentive and regular peruser of your paper, I have looked with some anxiety for your opinions on the subject of the companies now in process of formation, or already associated, for the working of the mines on the borders of Lake Superior. The importance of fully developing the resources of this country, I am aware, has ever been insisted on in your pages, and every undertaking calculated to effect this object has received your support; it has therefore struck with surprise, not only myself, but others, that the meeting of the Montreal Mining Company held on the 16th ultimo, should have received merely the passing notice which you gave it in your summary of Local Intelligence. That meeting, together with the discussions to which it has given rise in the public journals, has been the means of bringing out certain facts, so vitally interesting to the future welfare of Canada, as to render apology unnecessary on the part of any persons who may comment on them.

I beg in the outset to state distinctly, that I am neither connected, nor in any way interested, in any of the companies established, or about to be established. They have, however, my best wishes for their success in extracting the mineral treasures which they seek. I sincerely hope that their most sanguine expectations may be realized, and that they may reap a rich reward for the labour and capital which they may employ. Any remarks therefore which may fall from my pen tending to impugn the conduct of the Government in their arrangements with the companies, or any observations on the organization or management of the companies themselves, I trust will not be considered as dictated by a spirit of hostility either to them or to the enterprise in which they purpose to embark. It would be unworthy of any colonist to entertain such feelings, and as foolish as unworthy, since in a country where capital is so scarce, there is hardly an individual who does not suffer when it is, to any considerable extent, unprofitably or injudiciously directed. It is this consideration which renders it a duty to watch narrowly the progress of every public enterprise of magnitude which may chance to have a tendency to divert the capital at present employed in the commerce of the country, to other channels.

The first point which strikes any one speculating on the consequences of the formation of the mining companies just bursting into existence, is the amount of capital which they will require to give them a thoroughly efficient character. Government, the public are aware, have already issued a large number of licenses to individuals, each license authorizing the holder, either now or any time within two years, to purchase the location of ten square miles at the rate of 4s. per acre, payable one fifth down, and the remainder in five yearly payments, with interest.

Now of these license holders, eighteen form the Montreal Mining Company, whose stock consists of 50,000 shares, at I believe five dollars each share, making a capital stock of £62,500. Within the last few days, the Canada Company, whose stock also I believe consists of 50,000 shares, has, it is said, formed a junction with the Montreal Mining Company, and their joint capital when paid up will amount to £125,000.

The number of shares of the Quebec Company has not, that I am aware, been published, but presuming the capital stock to be also £62,500, and adding a number of small companies said to be in embryo, it seems not unlikely that there will, at least, be a quarter of a million of the capital of the country subscribed for mining operations. No data have been published by which to ascertain the actual extent of ground as yet appropriated to the various applicants, but enough transpired at the meeting of the Montreal Mining Company to shew that it is very great.

The questions which naturally arise, with reference to the conduct of the Government, are:—first, Ought so enormous an amount of the public lands be ceded to any persons, however respectable, without ample security that the purpose for which the grant is to be made shall be effectually carried out? and second, Are the terms of the grant such as, whilst they combine a liberal encouragement to parties proposing to invest their capital, will yield an equivalent to the people of the Province for the property of which they will be divested.

On these points all that we are informed at present is, that the Montreal Mining Company have paid up the magnificent sum of £5,900, which, with £1,000 additional, has been already expended "in salaries, wages, and provisions for the officers and servants of the company engaged in explorations, and in the purchase of machinery and necessary tools, boats, &c." To this company, without one farthing of paid up capital on hand, we are informed the Government has granted the fee simple (and that so unconditionally as to render any interference by Parliament, with the terms of the grant, a breach of faith in the opinions of Mr. Moffatt and Mr. Meredith) of 180 square miles of territory,—comprising, from the sinuosities of the coast, nearly 100 miles of the lake shore, 20 or 30 of the finest harbors, numerous mill sites, with great water power, together with a supply of timber sufficient for the wants of the company. And all this at the price of 4s. per acre, payable

by instalments as already observed, in five years, with a right in the allottee to accept or not his location within two years, without any forfeiture except the small sum which has been expended in explorations, &c. Well might Mr. Moffatt admit, that "the terms are undoubtedly liberal"; but it is doubtful if the public, whose property is thus disposed of, will agree in his assertion, that they are "not more liberal than wise"!

We have not the same detailed information as to the holders of other location tickets as that furnished by the Montreal Mining Company, but if they have been equally fortunate or equally judicious in their choice of locations, it is apparent, that the most valuable portion of the Canadian shore of Lake Superior, including the principal harbors, and the most valuable water power, has passed from the people of Canada to a few speculating companies, without any paid up capital.—And who are the parties who compose these associations? We admit the high respectability of the names set forth before the public. But how many shares do these individuals hold, and how many of them look to mining stock as a permanent investment? Is it not notorious, that shares in these companies have been offering in the market, and actually sold at premiums of six to eight dollars per share, being from 120 to 160 per centum premium, on the whole capital when paid? And this, on the stock of companies not yet really in existence, of which the shares are not yet all appropriated, and without, I again repeat, any of its capital paid in! Now, what do these transactions prove? Surely, either that the buyers of shares are carried away by that mania which too often leads men to embark in wild and random speculations, reckless of consequences; or that they believe that the Government have agreed to cede the lands at prices ridiculously below their intrinsic value, for mining purposes.

If the latter belief should prove well founded, what enormous loss to the country is sustained by the sale of so large a portion of the public property for so trifling a sum! Four shillings per acre for 180 square miles, claimed by the Montreal Mining Company, are £12,240; and so highly is the right of purchase to such an extent of land estimated,—which, including the right of rejection of any portion, will probably reduce the whole amount of purchase money,—that the public are willing to pay for that right a bonus of £75,000, that being the premium of six dollars per share on 50,000 shares. If the lands allotted to the other licensed holders be considered equally valuable, the loss to the public is, of course, in proportion.

Whilst it must be admitted that the Government were justified in holding out favourable terms of purchase to such as might be disposed to work the mines, it must also be conceded, that it is rather too great a stretch of liberality to sell the lands at not one seventh of their value in the market. If, however, this sacrifice were defensible, it could only be for small lots, and with the distinct understanding that the speculators should be bound to provide means for the actual working of the mines, and that fully throughout the whole extent of the land ceded. Now this it appears has not been done. To work the mines effectively on the location of the Montreal Mining Company, if they be as fertile of ore as the representations of Mr. Shepherd would lead the shareholders to expect, would require I am informed a capital far beyond the sum proposed to be subscribed. The effect of this monopoly of such extensive tracts of land by companies with such insignificant capitals, must therefore, if the mines be so numerous and valuable as the speculators imagine, tend rather to retard, than to encourage the drawing out of our mineral resources.

A good deal has been written about the claims which the Montreal Mining Company, and the other companies, have on the Government on account of their being to a certain degree pioneers, and having invested capital in exploring the country, &c. There may be some force in this claim, but by no means to the extent to which it is urged. Ten square miles of land, at a mere nominal price, is rather too large a compensation for the discovery of a mine. In Peru, the right of working rent free two hundred and forty-six feet in length by half that in breadth, is the remuneration to such a discoverer; and in Cornwall there is not a privilege of some such nature. It is by no means clear, however, that any of the mining companies are entitled to be ranked as discoverers. That such mines existed, was known long before the conquest of Canada by the British, and the Provincial Government, by sanctioning the geological survey, are the parties most entitled to any merit on that score.

The Montreal Mining Company have certainly evinced a praiseworthy zeal in selecting their locations before any other parties could interfere with them, and the harmony between their Geologist, Mr. Shepherd, and the Provincial Geologist, Mr. Logan, was really delightful; the former furnishing the latter "with a part of his force, to assist him to carry on the duties of surveying and locating, to which his (Mr. L.'s) force was unequal, in the time that remained to him to accomplish all that he had to do." It is perhaps on this account that Mr. Moffatt remarked at their meeting that the Montreal Mining Company "would appear before Parliament as a benefactor." Whether such be the case or not, it will be for Parliament to judge. They may perhaps be of opinion, that the character of the Government for impartiality would have been better sustained, had their servant

availed himself solely of the force at his own command, and steadily performed the duty entrusted to him, instead of employing the force of the Montreal Mining Company to facilitate apparently the attainment of their object, the selection of the best locations before other licensed holders could come in competition with them. The conduct of the Provincial Geologist is very probably susceptible of a satisfactory explanation, but it is unfortunate that any circumstance should have occurred calculated to give strength to the reports which are pretty generally in circulation, that there has been a good deal of favoritism manifested with reference to these licenses.

There are some other points connected with the subject of the present communication, which it was my intention to have adverted to, but my remarks have been unavoidably extended to so great a length, that I must defer their consideration to a future occasion.

Meantime, I am, &c.,  
MERCATOR.

Montreal, 18th December, 1846.

### SKETCH OF THE HISTORY AND PRINCIPLES OF THE NAVIGATION LAWS.

[CONTINUED.]

(From McCulloch's Commercial Dictionary.)

It may however, be very fairly doubted, whether, in point of fact, the navigation law had the effects here ascribed to it, of weakening the naval power of the Dutch, and of increasing that of this kingdom. The Dutch were very powerful at sea for a long period after the passing of this act; and it seems natural to conclude that the decline of their maritime preponderance was owing rather to the gradual increase of commerce and navigation in other countries, and to the disasters and burdens occasioned by the ruinous contests the Republic had to sustain with Cromwell, Charles II. and Louis XIV., than to the mere exclusion of their merchant vessels from the ports of England. It is not meant to say, that this exclusion was altogether without effect. The efforts of the Dutch to procure a repeal of the English navigation law show that, in their apprehension, it operated injuriously upon their commerce.\* It is certain, however, that its influence in this respect has been greatly overrated in this country. Excessive taxation, and not our navigation law, "as the principal cause of the fall of profits, and of the decline of manufactures, commerce, and navigation, in Holland. "Les guerres," says the well-informed author of the *Commerce de la Hollande*, "terminées par les traités de Nimegue, de Ryswick, d'Utrecht, et enfin la dernière par le traité d'Aix-la-Chapelle, ont successivement obligé la République de faire usage d'un grand crédit, et de faire des emprunts énormes pour en soutenir les frais. Les dettes ont surchargé l'état d'une somme immense d'intérêts, que ne pouvoient être payés que par une augmentation excessive d'impôts, dont il a fallu faire porter la plus forte partie par les consommations dans un pays qui n'a qu'un territoire extrêmement borné, et par conséquent par l'industrie. Il a donc fallu faire enlever et enlèvement la main-d'œuvre. Cette cherté de la main-d'œuvre a non seulement restreint presque toute sorte de fabrique et d'industrie à la consommation intérieure, mais elle a encore porté un coup bien sensible au commerce de fret, partie accessoire et la plus précieuse du commerce d'économie: car cette cherté a rendu la construction plus chère, et augmenté le prix de tous les ouvrages qui tiennent à la navigation, même de tous les ouvrages des ports et des magasins. Il n'étoit pas possible que l'augmentation du prix de la main-d'œuvre ne donnât, malgré tous les efforts de l'économie Hollandaise, un avantage sensible aux autres nations qui voudroient se livrer à commerce d'économie et à celui de fret."—Tome II. p. 211.

This extract, which might, were it necessary, be corroborated by others to the same effect from all the best Dutch writers, shows that it was not to our navigation law, nor to the restrictive regulations of other foreign powers, but to the abuse of the funding system and excessive taxation, that the decline of the commercial greatness and maritime power of Holland was really owing. Neither does it appear that the opinion maintained by Dr. Smith and others, that the navigation law had a powerful influence in augmenting the naval power of this country, rests on any better foundation. The taste of the nation for naval enterprise had been awakened, the navy had become exceedingly formidable, and Blake had achieved his victories, before the enactment of this famous law. So far, indeed, as it from being certain that the navigation act had in this respect, the effect commonly ascribed to it, that there are good grounds for thinking it had precisely the opposite effect, and that it operated rather to diminish than to increase the mercantile navy. It is stated in Coke's *Treatise on Trade*, published in 1671 (p. 53), that this act, by lessening the resort of strangers to our ports, had a most injurious effect on our commerce; and he further states that we had lost, within 2 years of the passing of the act of 1659, the greater part of the Baltic and Greenland trade—(p. 38). Sir Josiah Child, whose treatise was published in 1691, corroborates Coke's statement for while he decidedly approves of the navigation law, he admits that the English shipping employed in the Eastland and Baltic trades had decreased at least two thirds since its enactment, and that the foreign shipping employed in these trades had proportionally increased.—(*Treatise on Trade*, p. 89, Glasg. edit.) Exclusive of these contemporary authorities, it may be worth while to mention, that Sir Matthew Decker, an extensive and extremely well-informed merchant, condemns the whole principle of the navigation act; and contends that, instead of increasing our shipping and seamen, it had diminished them both; and that, by rendering the

freight of ships higher than it otherwise would have been, it had entailed a heavy burden on the public, and been one of the main causes that had prevented our carrying on the fishery so successfully as the Dutch.—*Essay on the Causes of the Decline of Foreign Trade*, p. 60. ed. 1756.

There does not seem to be any very good grounds on which to question these statements; and they are at all events sufficient to show that the assertions of those who contend that the navigation laws had a prodigious effect in increasing the number of our ships and sailors, must be received with very great modification. But, suppose that all that has been said by the apologists of these laws were true to the letter; suppose it were conceded, that, when first framed, the Act of Navigation was extremely politic and proper.—that would afford but a very slender presumption in favour of the policy of supporting it in the present day. Human institutions are not made for immortality: they must be accommodated to the varying circumstances and exigencies of society. But the situation of Great Britain and the other countries of Europe has totally changed since 1650. The envied wealth and commercial greatness of Holland have passed away: we have no longer anything to fear from her hostility; and "he must be, indeed, strangely influenced by antiquated prejudices and by-gone apprehensions, who can entertain any of that jealousy from which the severity of the law principally originated." London has become, what Amsterdam formerly was, the grand emporium of the commercial world—*universi orbis terrarum emporium*: and the real question which now presents itself for consideration is, not what are the best means by which we may rise to naval greatness; but—what are the best means of preserving that undisputed pre-eminence in maritime affairs to which we have attained?

Now it does not really seem that there can be much difficulty in deciding this question. Navigation and naval power are the children, not the parents—the effect, not the cause—of commerce. If the latter be increased, the increase of the former will follow as a matter of course. More ships and more sailors become necessary, according as the commerce between distant and distant countries is extended. A country, circumstanced like Great Britain in the reign of Charles II., when her shipping was comparatively limited, might perhaps be warranted in endeavouring to increase its amount, by excluding foreign ships from her harbours. But it is almost superfluous to add, that it is not by any such regulations, but solely by the aid of a flourishing and widely extended commerce, that the immense mercantile navy we have now accumulated can be supported.

[TO BE CONTINUED IN OUR NEXT.]

### PROGRESS OF FREE TRADE.

#### REPORT OF THE SECY OF THE TREASURY TO CONGRESS.

We have given elsewhere in this day's "Economist," an extract from the message of President Polk to Congress, in which the operation of the new Tariff is referred to. Since reading that document, we have received a report of the Secretary of the Treasury, in which the same subject is taken up, and dealt with in a spirit of true intelligence and statesmanship. There is not a word of this document to which we are not willing to subscribe, and no one can read it without perceiving how closely, under a system of Free Trade, the interests of England and the United States are allied. We have before remarked, that there is no country in the world which has more interest in forwarding a system of unrestricted commerce than the great modern Republic; and her departure from the simple rules of common sense in this respect, furnishes another proof of the contagious influence of bad example on nations, as on individuals. Whilst, however, such opinions as are expressed by the Secretary of the Treasury, find their way into the public prints, and become a portion of the political creed of a great national party, we need be under no apprehensions that the selfish policy of less enlightened days will be persisted in; and with this feeling we look forward to see the United States, ere long, emulating the policy of Great Britain, and sweeping away the whole system of protective duties which has been reared up.

The following is an extract from the Report:—

We are beginning to realize the benefits of the new tariff, many imports having been warehoused in anticipation of the new duties, and some already paid. By freer interchange of commodities, the foreign market is opened to our agricultural products, our tonnage and commerce are rapidly augmenting, our exports enlarged, and the price enhanced; exchanges are in our favor, and specie is flowing within our limits. The country was never more prosperous, and we have never enjoyed such large and profitable markets for all our products. This is not the result of an inflated currency, but is an actual increase of wealth and business. While agriculture, commerce, and navigation, released from onerous taxes and restrictions, are thus improved and invigorated, manufactures are not depressed. The large profits of manufacturers may be in some cases somewhat diminished; but that branch of industry, now reposing more on its own skill and resources, is still prosperous and progressive. New manufactures are being erected throughout the country, and still yield a greater profit, in most cases, than capital invested in other pursuits.

Commerce between nations is but an exchange of their respective products, specie liquidating only the occasional fluctuating balances, and cannot long be maintained to any great extent by sales for specie only. Thus, if England opens her markets to our products, whilst we exclude by high duties most of the fabrics she would sell in exchange, her specie

\* In the treaty of Breda, agreed upon in 1667, between the States General and Charles II. the latter undertook to procure the repeal of the navigation law. But the subject was never agitated in either house of parliament.

would rapidly diminish, and such a commerce would languish and decline. She might still, from necessity, purchase a portion of our products; but a necessity, equally stern and irresistible, from exhausted means, would soon compel her to reduce the purchases and price, and thus diminish the balance demanded from her in specie. To maintain, then, permanently a profitable commerce with England, the barriers must be broken down on both sides—her corn laws repealed, and our duties reduced, so as to permit an exchange of her fabrics for our products. With high duties on our part, we could realize but little permanent advantage from the repeal of her corn laws. Such high duties would continue in force, as against our farmers, the British corn laws, nearly as effectually as though they had never been repealed. Before the repeal of those laws, the advocates of our protective policy conceded that, if England would open her markets for our breadstuffs and provisions, we should receive her fabrics in exchange. Now her markets are thus opened to these products; and the friends of a protective tariff, abandoning their former position, would still arrest by high duties the exchange of English fabrics for our breadstuffs and provisions. If the reduced duties are continued on both sides, so as to permit a reciprocal interchange of commodities, the foreign market, now opened for our breadstuffs and provisions, must be maintained.

Our farmers now have and must retain our home market, with or without the tariff, because breadstuffs and provisions cannot profitably be imported here. The few diverted from farming to manufactures, by a high tariff, bear no comparison in number with the people of the world, whose markets are lost, in whole or in part, by high duties. Nor is it chiefly the farmers, but the merchant, the ship-builder, and the ship-owner, the seaman, and the thousands of laborers in the marts of our foreign commerce, that furnish much the larger portion of those who are driven by a high tariff from existing pursuits into manufactures; and consuming, as they all did, our own breadstuffs and provisions, as well before as after this change of their pursuits, no additional market is thereby secured to the farmer. Indeed, there is an absolute loss, so far as the machinery of the manufacturer, which consumes no breadstuffs or provisions, is substituted for the manual labor engaged in agriculture, commerce and navigation. The number of manufacturers would not be increased (if increased at all) more than one-tenth by the difference between the tariff of 1842 and that of 1846; and of that tenth more than one half would not have changed from agricultural pursuits.

In the meantime, when commerce and navigation flourish under low duties, a larger number of consumers of breadstuffs and provisions are diverted to those pursuits from agriculture, than would be driven from it into manufactures by high duties. Nothing, then, is gained in a home market to the farmer by high duties, while the markets of the world are lost or diminished. The population of the world is now one thousand millions, increasing at the rate of ten millions per annum, with but little augmentation anywhere of breadstuffs and provisions, except in our own country; yet our farmers are asked to abandon this immense market, in the vain attempt to create an adequate home market, by sacrificing agriculture, commerce, and navigation, for the benefit of manufactures.

Experience is against the protective policy. In England, after a long trial and ruinous results, it is abandoned; and here, under the tariff of 1842, the prices of breadstuffs and provisions fell, and have now risen with the reduction of duties and the opening of a foreign market. From a long peace, Europe is becoming so densely populated, that her poorer soil and more uncertain climate afford a less adequate supply of food from year to year for her rapidly increasing population. Under a system of low duties, and a reciprocal interchange of commodities, it will be the interest, not only of Great Britain, but also of most of the continent of Europe, to take a large supply of food from us; but by arresting this exchange of their fabrics for our products, it becomes their interest, and in fact a necessity to look for and encourage markets elsewhere; and also, by extraordinary means and high governmental bounties, to drive capital into agriculture there, to supply the wants of their people, unable to purchase our products, for which, by high duties, we demand payment in specie.

If we receive the fabrics of Europe in exchange for our products, it will be their interest to encourage and enlarge that commerce; and it must go on rapidly augmenting, until our country becomes the granary for Europe, and our export there of food shall even exceed that of cotton, great as that is destined to be under a system of low duties.

If the ship-builder constructs, and the navigator freights more vessels—if the farmer sells more breadstuffs and provisions, and the planter more cotton, and at better prices—if the merchant transacts a larger and more prosperous business—if the seamen increase in number and receive better wages—if the working classes employed in connexion with trade in our American marts of foreign commerce are increased and rendered more prosperous, they must all be enabled to purchase more of our own manufactures, and at better prices. Under such a system of reciprocal interchange of commodities with all the world, the great city of New York would become (what she now is for the States of the Union) the great mart for the commerce of the various nations of the earth. Located nearer the centre of the commerce of the world than any European city, she would go on augmenting until she had surpassed them all, and within her own limits and suburbs would afford a larger home market for our breadstuffs and provisions, than the whole number whom a protective tariff would drive from agriculture to manufactures.

Such would be the effect on New York as a market for breadstuffs and provisions—while New Orleans, Philadelphia, Boston, Baltimore, and our other great commercial marts, would move onward in an accelerated progress, augmenting the demand for agricultural products, as well as for foreign and domestic manufactures. This is the true method of building up a home market for the products of our industry. This is the most equal, just, certain and permanent, as well as the most effectual and comprehensive protection and encouragement, not only of manufactures, but also of agriculture, commerce and navigation, and the labour connected with every branch of American industry.

Table I., hereto annexed, shows that the aggregate value of cotton, rice, wheat, rye, Indian corn, oats and barley was, on the 30th July 1846, under the old tariff, \$193,331,906, and on the 1st December 1846, when the new tariff went into effect, £170,237,363,—making an aggregate difference in the price of \$115,955,649.

It is true that the failure of certain crops in Great Britain and the continent has, to some extent, affected prices; but then there are opposing causes,—such as the enormous freight, low exchange, &c.—which, in the absence of reduced duties, must have kept the prices on 30th July and 1st December more nearly the same.

If, however, but sixty millions be added by the new tariff to the value of the products of agriculture and the profits of commerce and navigation, more than one half would be employed in purchases of domestic fabrics, which, in the absence of those augmented means and profits, could not have found a market at fair prices at home or abroad. While vast sums have been and still are being expended by the construction of rail-roads, canals, and other improvements, to transport our products to our great seaboard cities, when they reach those points, the farmer and the planter, instead of finding the ocean as a highway prepared to carry their crops, free of all toll or tax, to all the world, meet the laws of their own government closing in whole or in part that highway to those markets for their products, by heavy duties on nearly all the fabrics that can be sold in exchange.

The labor employed in agriculture, commerce, and navigation is as much American labor as that engaged in manufactures, with less of machinery as a substitute. As you depress these three great interests, the demand for workmen in those pursuits is diminished. The labor thus deprived of employment is thrown into the power of the manufacturers, and must enable them to bring down wages to the lowest point which will afford a scanty subsistence; whereas, if agriculture, commerce, and navigation are improved, as the result of low duties, there must be increased competition and demand for labor, and its wages must be enhanced.

The home market can never be sufficient for our rapidly increasing agricultural products; but it is for all our manufactures, and for a vast amount besides, which is imported yearly from abroad. Let us enlarge the market for our own manufactures at home, by removing taxation and restrictions from agriculture, commerce and navigation, and with augmented means, those engaged in these pursuits will furnish a larger and better home market for our manufactures than they can ever derive in a series of years by diminishing the profit of other pursuits by high duties and onerous restrictions. The great body of American consumers not engaged in manufactures, are the customers of the manufacturer, and to affect injuriously the means of those who purchase, must eventually diminish the profits of those who sell the manufactures.

By extending our own commerce and navigation, by increasing the profits of those engaged in those pursuits, by relieving them from heavy taxes, and opening to them unrestricted exchanges with all the world, a far larger, and better, and more permanent, and eventually more profitable home market will be secured to the manufacturers than they can ever derive from diminishing the means of their customers engaged in other pursuits. When the farmer and planter, the merchant and navigator, are more prosperous, they will purchase more American as well as foreign manufactures. In this manner labour, untaxed and unrestricted by legislation, will find its way into the most natural channels and prosperous pursuits, and the aggregate wealth of the whole nation will advance most rapidly. Thus, while a large and profitable market, not dependent on legislative bounties, or restrictions, or taxes, will be built up at home for our own manufactures, the foreign market for them will be opened by freer exchanges.

The export of our manufactures last year amounted to \$9,560,349, which must go on rapidly augmenting under a more liberal commercial policy. Such of our manufactures as, from their interior location or other causes, do not require high duties, constituting for the larger portion of the whole, are, especially, greatly injured by the protective system; and the higher the duties, the greater the resulting injurious effects. They are injured both in the home and foreign market. The injury arises in the home market, by diminishing the means of their customers here to purchase their fabrics; and they are injured in the foreign market, by restrictions upon exchanges there of their exports of home manufactures for foreign imports.

It is as unwise and unjust, as it is repugnant to equal rights and republican principles, to force, by legislation, any class of the community to buy from and to sell only to another. High duties are equivalent to a legislative resolve that the farmer shall buy and sell only in the home market, and not to any extent in any of the other markets of the world. Such a system necessarily brings into conflict the interests of the various classes composing the Union; and one class is depressed for the benefit of another. But, by opening all the markets at home and abroad to all our people engaged in every pursuit, agriculture, commerce, manufactures, and navigation, instead of being antagonist interests, would soon all be united and harmonized in advancing together the public welfare. Such a tariff must soon satisfy all classes and all branches of industry, placing this great question on a permanent basis, taking it, as well as all the pursuits of business, out of the arena of politics, and out of the struggle to advance or depress rival political parties or aspirants.

So long as it is sought to advance particular branches of industry at the expense of others, by high duties, the tariff will be a source of never-ending political agitation, rendering uncertain all the pursuits of business, defying all calculation as to the investment of capital, fluctuating with every election, and rising or falling with the successive elevation or downfall of political parties. No tariff ever can be permanent which forces the American people, for the benefit of any class or portion of them, to buy or sell only in such market as may be prescribed by law. Such a system, although it might for a time obtain a transient victory, cannot ultimately and permanently be sustained by the American people.

The British corn laws and our tariff of 1842 were identical in principle, although applicable to different imports. In England, the effort was,

by the corn laws to build up a home market for agricultural products at the expense of manufactures. Here, the effect was, by protective duties in favour of manufactures, to impair the market abroad for our surplus agricultural products. In England it was called the protection of agriculture; here, the protection of manufactures. In England the blow was aimed at manufactures; here, the injury was inflicted on agriculture, commerce and navigation. To build up an adequate home market here, for our vast and rapidly-augmenting agricultural products, by taxes on the exchange of our exports in foreign markets, was as impossible as it would be to establish a sufficient home market for British manufactures by the corn laws.

Manufactures are the great British exports, and agricultural products the chief American exports, and restriction upon the exchanges of either in the foreign market, to which exports must always look for a purchaser, must be disastrous in its effects. The ruinous consequences of the protective system having been proved in England by her own most enlightened statesmen, and demonstrated by experience, it has been surrendered there, by most of those who sustained it heretofore under the lead of its own most able and distinguished advocates; and now, when it has failed abroad, after reducing millions there to want and misery, we are asked, after its overthrow there and here, to re-establish at home the condemned and abandoned British protective policy. At the very time when the markets of Great Britain are opened to our products by the repeal of her corn laws, we are desired to prevent their operation in favour of those products by high or prohibitory duties on the only fabrics for which they can be exchanged.

It is remarkable that all the able and philosophical writers on this great question, both in Europe and America, unconnected with party or politics, and influenced only by a regard for truth and the best interests of all nations, have long and faithfully advocated the great doctrine of free exchanges, even when the practice of Governments was opposed to their views; and they now enjoy the high satisfaction of seeing what they regarded as axiomatic truths incorporated into the policy of the two greatest powers of the world, and moving onward to the great and final victory of universal peace and unrestricted commerce.

THE NAVIGATION LAWS AGAIN!

Another important colony, we are happy to observe, has spoken out emphatically and boldly against the usurpation of the British shipowner, whose monopoly we trust has now but a short time to survive.

At Port of Spain, Trinidad—we read in the *Colonial Gazette* of the 11th ultimo—a public meeting was held to consider what measures should be adopted for the colony to adjust their commercial system in relation to the Free-Trade policy of the mother country.

A series of resolutions were adopted with reference to the free introduction of labourers, and the repudiation of differential duties; but what we wish most especially to call the attention of our readers to, is the following resolution touching the Navigation Laws:—

“That this meeting would now gladly hail such an approximation to the general principles of Free Trade as, by a modification of the existing Navigation Laws, would enable British colonists to avail themselves of the cheapest ‘bottoms’ for carrying their produce to the home market, as well as bringing their outward supplies; an advantage at present denied to them, though at the command of their opponents the slaveholders.”

We trust that every colony in the British dominions will ere long advance a similar claim, in order that this last restriction in favour of a selfish class, may be swept without reserve from the British statute book.

LEGAL INTEREST IN THE UNITED STATES.

The following table, exhibiting the legal rates of interest allowed in the different States and Territories within the Government of the United States, and the punishment inflicted for usury by each State, may prove of service as a matter of reference.

- MAINE.—6 per cent. Punishment, forfeit of the claim for the usury.
- NEW HAMPSHIRE.—6 per cent. Forfeit of three times the amount taken.
- VERMONT.—6 per cent. Recovery in an action with costs.
- MASSACHUSETTS.—6 per cent. Forfeit of three-fold the usury.
- RHODE ISLAND.—6 per cent. Forfeit of the usury and interest of the debt.
- CONNECTICUT.—6 per cent. Forfeit of the whole debt.
- NEW YORK.—7 per cent. Usurious contracts void.
- NEW JERSEY.—6 per cent. Forfeit of the whole debt.
- PENNSYLVANIA.—6 per cent. Forfeit of the whole debt.
- DELAWARE.—6 per cent. Forfeit of the whole debt.
- MARYLAND.—6 per cent., and on Tobacco contracts 8. Usurious contracts void.
- VIRGINIA.—5 per cent. Forfeit double the usury taken.
- NORTH CAROLINA.—6 per cent. Contracts for usury void. Forfeit double the usury.
- SOUTH CAROLINA.—7 per cent. Forfeit interest and premium taken, with cost to debtors.
- GEORGIA.—8 per cent. Forfeit three times the usury, and contracts void.
- ALABAMA.—8 per cent. Forfeit interest and usury.

- MISSISSIPPI.—8 per cent. By contract as high as 10. Usury recoverable in an action for debt.
  - LOUISIANA.—5 per cent. Bank interest, 6, and conventional as high as 18. Beyond that, contracts void.
  - KENTUCKY.—6 per cent. Usury recoverable with costs.
  - OHIO.—6 per cent. Usurious contracts void.
  - INDIANA.—6 per cent. On written agreements may go as high as 10. Penalty of usury, a fine of double the excess.
  - ILLINOIS.—6 per cent. By contract as high as 12. Penalty, threefold the amount of the whole interest.
  - MISSOURI.—6 per cent. By agreement as high as 10; beyond that, forfeiture of the whole interest due and usury taken.
  - MICHIGAN.—7 per cent. Forfeit of usury taken and one-fourth of debt.
  - ARKANSAS.—6 per cent. By agreement, any rate not exceeding 10. Amount of usury recoverable, but contracts void.
  - DISTRICT OF COLUMBIA.—6 per cent. Usurious contracts void.
  - FLORIDA.—8 per cent. Forfeiture of interest and excess in case of usury.
  - WISCONSIN.—7 per cent. By agreement, not over 12. Forfeit for usury treble the excess.
  - IOWA.—The same as Wisconsin.
- On debts of judgments in favor of the United States, interest is computed at 6 per cent.

GENERAL, PROVINCIAL, AND LOCAL INTELLIGENCE.

The Message of the President of the United States on the opening of Congress has been received this week, and we have given elsewhere an extract, which will be interesting to our commercial readers. The principal feature, however, of the Message is the Mexican war, of which the President recommends a vigorous prosecution, as the best means of securing an early and honourable peace. For this purpose, he asks a loan of \$19,000,000 until the 30th June, 1848, one half to be used during the year 1847, and the other half in 1848, should the war be continued. He recommends the Tariff to remain as it is, except levying a war duty on free articles, to last during the war. He recommends a graduation and reduction of the public lands, the sale of mineral lands, and that no appropriations be made for objects which can be postponed without injury to the public. The whole Message is strongly attacked by the Whig journals.—The *Erie Canal* is closed. A large quantity of merchandise has been caught by the ice in transitu. Produce is now sent from Buffalo to New York by the railroad.—The Welland Canal was to be closed on the 15th. “The exertions made by Mr. Keefer, the Engineer,” says the *St. Catharines Journal*, “in repairing the late breach in the canal, have produced a very favourable impression on all parties interested in the navigation of this communication, as but for such exertion nearly one hundred vessels with large cargoes would have been prevented from reaching their destination this season.”—The wires for the magnetic telegraph intended to connect Toronto and Hamilton with Buffalo, have been laid between the two former places.—The *Hamilton Journal and Express* announces that the agreement entered into by Sir A. Macnab, on behalf of the Great Western Railroad Company, with the Corresponding Committee of the Company in London, has been approved of; and adds, “We understand that the arrangement is, that ten individuals were enreregistered for 10,000 shares, on which they have paid 25s. per share; and that they have paid 5s. per share on the remainder, with a determination to dispose of them as soon as possible. In the meantime, the company here are authorised to draw immediately for £30,000. It is said that no unnecessary delay will be made in commencing operations.”—There is very little local news. The Lake Superior Mining Companies have been attracting some attention, and a strong feeling is expressed by a portion of the press that the course of the Government in the disposal of these mineral lands has not been marked by the necessary prudence. A letter on this subject appears in our number of to-day, to which we beg to draw attention.—Intelligence has been received of the loss of the *Baie de Verte* (N.B.) packet, during the late gales. She was cast on a ledge of rocks off Sackville, and all hands are supposed to have perished.—The *Quebec Canadian* states that the Commissioners of Public Works are taking active steps to obtain the opinion of competent persons as to the most eligible situations for erecting lighthouses on the shores of the Lower St. Lawrence.

☞ No. 7 of the “Post Office Department” will appear in our next. In the last number of this article an erratum occurred, in the last line but two, by the omission of the word “not.” It should read, “which their successors are not to have after them,” instead of “are to have after them.”

THE MARKETS.

MONTREAL. Friday Evening, 18th Dec.

We have nothing to notice in change of markets in New York, and there is no business whatever doing here requiring to be noticed.



FORWARDING NOTICE.

1847.

ON the OPENING of the NAVIGATION, next Spring, the Undersigned will charge the following RATES OF FREIGHT between Montreal and Kingston:—

UPWARDS.

Table listing freight rates for various goods like Pig Iron, Coal, Salted Fish, etc., with rates per cwt.

DOWNWARDS.

Table listing freight rates for goods like Flour, Park and Beef, Tobacco, etc., with rates per barrel or cwt.

Other Property in proportion. Insurance, extra. MACHPHERSON, CRANE & Co. HOOKER, HOLTON & Co. H. JONES & Co. December 11th, 1846.

St. Lawrence & Atlantic Rail-Road.

NOTICE TO TIMBER CONTRACTORS.

TENDERS will be received at the Office of the ST. LAWRENCE AND ATLANTIC RAILROAD COMPANY, till the 9th day of JANUARY next, for the following description of TIMBER, for the superstructure of the Road from the St. Lawrence River to a point in the Township of Acton...

LONGITUDINAL SILLS, Sawed, 8 by 12 inches square, in lengths of 18, 27, and 36 feet, to consist of best quality merchantable Pine or Tamarac Timber. Also, Oak or Tamarac Plank for Cross Ties 2 1/2 inches thick, 6 inches wide, and 8 feet long. The whole to be good sound merchantable Timber, and Plank free from black knots, shakes, and wanes, and in no case to be sapling Timber.

The TIMBER to be delivered at Points not exceeding one-fourth of a mile apart, on the following Division of the Road, viz.:

- FIRST DIVISION, extending from the St. Lawrence River to the Richelieu, at Belœil. SECOND DIVISION, extending from the Richelieu River to the Village of St. Hyacinthe. THIRD DIVISION, from St. Hyacinthe to the Point above mentioned in the Township of Acton.

Persons Proposing will state—1st, The amount and kind of Timber they will furnish; 2nd, Upon which of the above Divisions they will deliver it; 3rd, The price per running foot of Sills of each kind of Timber; 4th, The price of each Cross Tie of Oak or Tamarac.

Persons offering to contract for Timber or Ties who are unknown to the Engineer or to the Directors, will be required to accompany their proposals with references as to character and ability, and in all cases where any proposal shall be accepted and a Contract entered into, the Contractor will be required to give the names of responsible persons as sureties for the faithful performance of the Contract according to the terms agreed on.

For further information, apply at the Company's Office, No. 18, Little St. James Street. THOMAS STEERS, SECRETARY.

NOTICE IS HEREBY GIVEN that application will be made by the COMPANY OF PROPRIETORS of the CHAMPLAIN and ST. LAWRENCE RAILROAD, at the next Session of the Provincial Parliament, for an Act to amend and extend certain provisions of the Act 2 Wm. 4th, chapter 58, entitled, "An Act for making a Railroad from Lake Champlain to the River St. Lawrence" and particularly the provisions of the 47th Section of the said Act, so as to authorize the said Company to extend and construct a Branch of the Champlain and the St. Lawrence Railroad from some point on the present line of the same West of the River commonly called La Petite Riviere du Montreal, in as direct a line as may be found practicable to any point upon the River Saint Lawrence at which a Bridge shall be constructed under the authority of any Act to be passed by the Legislature over the said River to communicate with the City of Montreal, and also to empower the said Company to carry their said Branch Railroad over such Bridge and thence to the City of Montreal, upon such terms and conditions as shall be fixed by Legislative enactment.

JOHN E. MILLS, Chairman. WM. B. LINDSAY, Commissioner. RAIL-ROAD OFFICE, Montreal, November 2, 1846.

NOTICE.

AFTER the Closing of the LACHINE CANAL, the Subscribers will Land and Deliver the Carriages of their Craft at Lachine, subject to the same Rates of Freight to that place as are now charged to Montreal.

MACHPHERSON, CRANE & Co. HOOKER, HOLTON & Co. H. JONES & Co. R. C. INNES. Agent Quebec Forwarding Co. Montreal, November 19, 1846.

ST. LAWRENCE AND ATLANTIC RAIL-ROAD.

NOTICE.

THE STOCKHOLDERS of the St. Lawrence and Atlantic Rail-Road Company, having, at their Special General Meeting, held on the 2nd instant, unanimously resolved upon the immediate commencement of the Rail Road, whereby the Subscribers for Shares of Stock conditional upon that resolve (received subsequent to the 30th ultimo) have become absolute. The New Stock-holders are requested to PAY the FIRST INSTALLMENT of £4 16s. Currency per Share, to the Treasurer, at the Company's Office, 18, Little St. James Street.

By order of the Board, THOMAS STEERS, Secretary. Office of the St. Lawrence and Atlantic Rail-Road Company, Montreal, 25th August, 1846.

NOTICE.

WE the Undersigned hereby give notice, that application will be made by us at the next meeting of the Legislature to obtain a CHARTER for the purpose of CONSTRUCTING A BRIDGE ACROSS THE ST. LAWRENCE, say from the South side of said River to a point on St. Paul's Island (Isle St. Paul), and from said Island to the North bank with right of way across the said Island, and from the North bank of the River to a convenient terminus on the Canal.

- H. STEPHENS, HUGH ALLAN, JAMES C. PIERCE, B. DAVIDSON, WILLIAM DOW, JOHN LEEMING, WM. LUNS, J. B. SMITH, J. PROTHINGHAM, JNO YOUNG, JOHN E. MILLS, I. H. HOLTON, B. L. MACDUGALL, BENJ LYMAN, R. CORSE, DAVID TORRANCE, ANDREW SHAW, JAMES GILMORE, WM. EDMONSTONE, MACKAY HAYS, JOSEPH MANSOY, ROBERT MACKAY, O. BERTHELETT, H. J. BAIL, A. LAUROUQUE, B. HART, JOSEPH BOIRETT, A. M. DEWICK, W. ERMATINGER, W. C. MEREDITH, JOHN J. DAY, GEO. ELDER, JUNR.

Montreal, September 14, 1846.

NOTICE.

ON and after the 15th instant, the Subscribers will charge the undermentioned RATES OF FREIGHT, from Kingston and places below, to Montreal.—

Table listing freight rates for Flour, Park, Axes, Wheat, and other articles in proportion.

Insurance, as usual, will be charged on all property downwards, in addition to the Freight.

H. JONES & Co. R. C. INNES. Agent for the Quebec Forwarding Co. MACHPHERSON, CRANE & Co. HOOKER, HOLTON & Co. Montreal, Nov. 14, 1846.

NOTICE.

THE Partnership heretofore existing between HARRISON STEPHENS, JOHN YOUNG and ROMEO H. STEPHENS, under the Firm of STEPHENS, YOUNG & CO., was this day DISSOLVED by Mutual consent.

All Debts due to and by the said Firm, will be settled by JOHN YOUNG and BENJAMIN HOLMES.

HARRISON STEPHENS, JOHN YOUNG, ROMEO H. STEPHENS. Montreal, 31st August, 1846.

NOTICE.

THE BUSINESS heretofore carried on by Messrs. HARRISON STEPHENS, JOHN YOUNG, and ROMEO H. STEPHENS, will be CONTINUED by the Subscribers, under the Firm of STEPHENS, YOUNG & CO.

JOHN YOUNG, BENJAMIN HOLMES. Montreal, 31st August, 1846.

FOR SALE.

TEAS—Twankay, Young Hyson, Gunpowde and Souchong, in boxes, Molasses, Henry, Martel's Cognac Brandy, Sicily Marsala Wine, Boiled and Raw Linseed Oils, Olive Oil, English Glue, Plug Tobacco, Pimento, and Pepper. Patent Sperm Candles, from the Manufacturer. STEPHENS, YOUNG & CO. 20th August, 1846.

"CANADA" WINDOW GLASS.

THE Subscriber is now prepared to supply Orders for all sizes and qualities of WINDOW GLASS, manufactured at the "Canada Glass Works," St. John, C. E., to the extent of 10,000 BOXES. EDWIN ATWATER, 2nd May, 1846. 193, ST. PAUL STREET.

THE Business heretofore carried on by D. P. JANES will, from this date, be continued by the Subscribers, under the Firm of D. P. JANES & CO. D. P. JANES, W. W. JANES. Montreal, 9th April, 1846.

THE Subscribers have constantly on hand.— FLOUR, INDIAN MEAL, PORK, SALMON, CODFISH, BUTTER, CHEESE, LARD.

A few Boxes Patent Hare HONEY, and a Choice Assortment of DRY GROCERIES, for the supply of Families. D. P. JANES & CO. Corner of St. Paul & McGill Streets.

NOW OPENING, AND FOR SALE By the Subscribers.

ONE Thousand Pieces ALPACA LUSTRES, 2500 Pieces 3-4 and 6-4 Plain and Twilled CASHMERE, 1500 Pieces Black and Colored ORLEANS, 500 Pieces GALA PLAIDS, 1000 Pieces WINTER BONNET RUBONS. ALISON & CO. August 28.

COMMISSION AGENCY.

THE undersigned beg to inform Purchasers in the QUEBEC MARKET that they are prepared to execute ORDERS for FISH, OIL, or WEST INDIA PRODUCE, at a Moderate Commission. ALPORT & GLASS. Quebec, 3rd Sept. 1846.

BIRMINGHAM AGENCY.

THE SUBSCRIBER, AGENT for SAML. A. GODDARD & CO. is to be found in the Rooms of the FREE TRADE ASSOCIATION, No. 3, St. Sacramento Street. WILLIAM HEDGE. Montreal, 30th May, 1846.

GLOBE INSURANCE CO. OF LONDON

LIFE, FIRE, AND ANNUITIES. CAPITAL, ONE MILLION STERLING. The whole paid up and invested, thereby affording to the Proprietors security against further calls, and to the Assured an immediate available fund for the payment of the most extensive losses, and therefore no person insured by this COMPANY is liable to be called upon to contribute towards the losses of others, as with Societies established on the principle of MUTUAL INSURANCE. No Entrance Money or Admission Fees required from persons effecting Life Insurances. Officers in the Army or Navy are not charged with any additional Premium, unless called into active service. Policies for the whole term of Life will be purchased on Terms to be agreed on with the parties interested, should they be desirous of surrendering them to the Company. The undersigned are authorized to insure Fire and Life Risks on very advantageous terms, and to settle Losses without referring them to England. Consulting Physician.—DR. CRAWFORD, Montreal. RYAN, CHAPMAN & CO. Agents for Canada, MONTREAL. 1st May, 1846.

DONOGHUE & MANTZ have REMOVED their Printing Establishment from Great St. James Street, to THAYER'S BUILDINGS, No. 142, Notre Dame Street, two doors East of the French Cathedral. Montreal, 9th May, 1846.

JOHN LEEMING, AUCTIONEER, BROKER, COMMISSION AND GENERAL AGENT St. Francois Xavier Street, Montreal.

C. J. DUNLOP, BROKER IN PRODUCE, BILLS OF EXCHANGE, &c No. 3, St. Sacramento Street.

"THE CANADIAN ECONOMIST," A Weekly Newspaper, DEVOTED TO THE INTERESTS OF COMMERCE

PRICE of Subscription, 10s. per Annum,—payable in advance. RATES OF ADVERTISING. Six lines and under, 2s. 6d. first insertion, and 7/2d. each subsequent insertion. Ten lines and under 3s. 9d. first insertion, and 1s. each subsequent insertion. Above ten lines 4d. per line first insertion, and 1d. per line each subsequent insertion. The usual discount is made where parties advertise by the year, or for a considerable time.

OFFICE.—No. 3, ST. SACRAMENT STREET, where all Communications are requested to be directed. Montreal, 16th May 1846.

PRINTED FOR THE COMMITTEE OF THE Montreal Free Trade Association, DONOGHUE & MANTZ, PRINTERS.