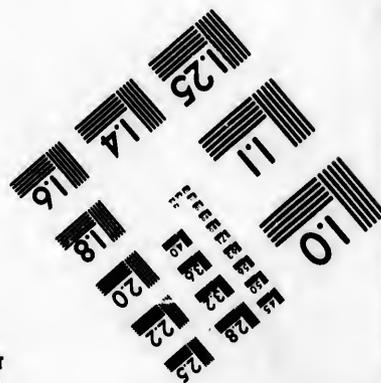
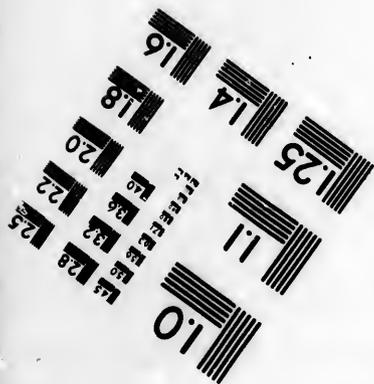
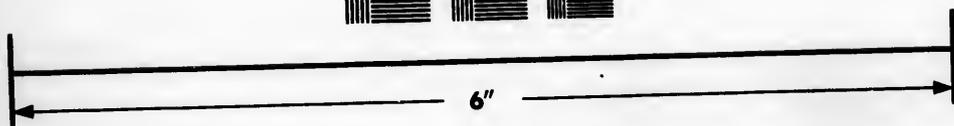
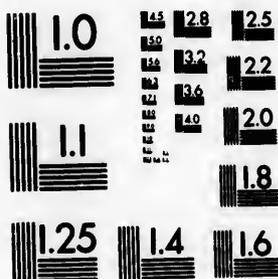


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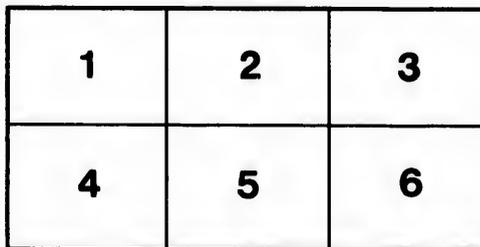
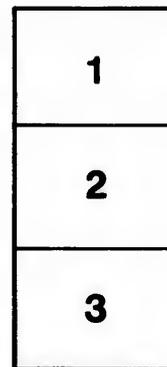
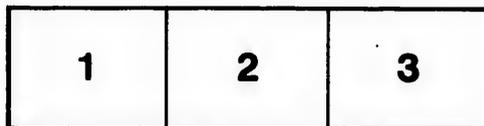
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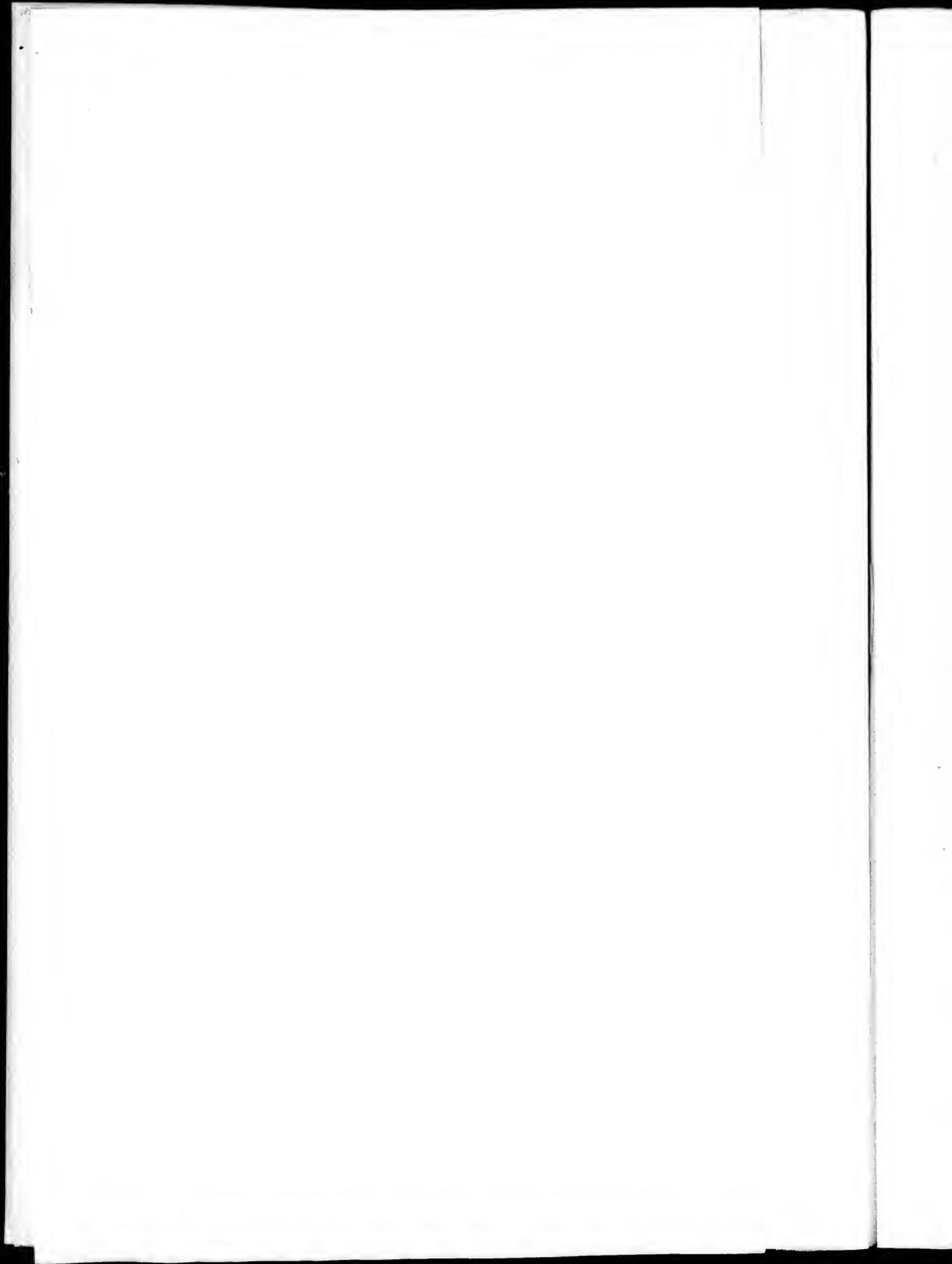


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GRAND TRUNK
RAILWAY COMPANY
OF CANADA.

PROSPECTUS

GRAND TRUNK



THE
GRAND TRUNK RAILWAY COMPANY
OF CANADA.

DIRECTORS IN LONDON.

THOMAS BARING, Esq., M.P.
GEORGE CARR GLYN, Esq. M.P.
HENRY WOLLASTON BLAKE, Esq.
ROBERT M'CALMONT, Esq.
KIRKMAN DANIEL HODGSON, Esq.
Alderman W. THOMPSON, M.P.

} Agents of the Province of Canada, and Directors of the Company, on behalf of the Canadian Government.

DIRECTORS IN CANADA.

The Hon. JOHN ROSS, Member of the Legislative Council, Solicitor-General for Upper Canada, *President.*

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The Hon. E. P. TACHE, M.L.C., Receiver-General.	GEORGE CRAWFORD, Esq., M.P., Brockville.
The Hon. JAMES MORRIS, M.L.C., Postmaster-General.	BENJAMIN HOLMES, Esq., Vice-President of the St. Lawrence and Atlantic Railway Company.
The Hon. MALCOLM CAMERON, M.P., President of the Executive Council.	W. H. PONTON, Esq., Mayor of Belleville.
The Hon. R. E. CARON, Speaker of the Legislative Council.	W. RHODES, Esq., Quebec.
	E. F. WHITTEMORE, Esq., Toronto.

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Messrs. SWIFT and WAGSTAFF, 30, Great George Street, Westminster.

SOLICITORS IN CANADA.

G. E. CARTIER, Esq., M.P., Montreal.
JOHN BELL, Esq., Belleville.

Applications for Shares to be made to Messrs. LAURENCE, CAZENOVE & PEARCE, Auction Mart, London, Brokers; or to
WILLIAM CHAPMAN, Esq., 2, Leadenhall Street.

THE government and legislature of Canada have by various Acts incorporated several Companies for the construction of different sections of the Main Trunk Line of Railway throughout the Province; and Acts of the Canadian Parliament have also been passed authorising the amalgamation of all the Companies whose railways intersect or join the Main Trunk Railway with the Grand Trunk Railway Company, so as to form one Company, under the name of the "Grand Trunk Railway Company of Canada." Arrange-

ments are accordingly in progress for a fusion of the Grand Trunk Railway Company of Canada East, the Quebec and Richmond Railway Company, the St. Lawrence and Atlantic Railway Company, the Grand Junction Railway Company, and the Toronto and Guelph Railway Company, with The Grand Trunk Railway Company of Canada, forming together 964 miles of Railway (including a Bridge over the St. Lawrence at Montreal, which will be constructed under the superintendence of ROBERT STEPHENSON, Esq., M.P., and A. M. Ross, Esq.), with a combined capital of nine million five hundred thousand pounds, and for a lease in perpetuity of the Atlantic and St. Lawrence Railway from the point of its junction with The Grand Trunk Railway to the City of Portland, 148 miles, whereby access is obtained to the Atlantic at one of the natural Harbours of the Western Continent.

The capital is	£9,500,000
made up as follows:	
Amount already raised in Shares, and spent on Works of the St. Lawrence and Atlantic and Quebec and Richmond Railways	£683,400
Amount already raised on Bonds	733,000
	<u>£1,416,400</u>
Reserved in Shares and Debentures for the Shareholders in the St. Lawrence and Atlantic and Quebec and Richmond Railways on the amalgamation, and for the Bondholders of the Ontario, Simcoe and Huron Railway Company	£837,600
	<u>2,254,000</u>
Leaving	<u>£7,246,000</u>
This amount will be created and apportioned as follows:	
Stock in 141,920 Shares of £25 each	£3,623,000
Debentures of £100 each, payable in 25 years, bearing interest at 6 per cent. per annum, payable half-yearly, in London, and convertible into Shares on or before the first day of January, 1863, at the option of the holder	1,811,500
And Debentures, convertible into Bonds of the Provincial Government of £100 each, payable in 20 years, bearing interest at 6 per cent. per annum, payable half-yearly, in London	1,811,500
	<u>£7,246,000</u>

Of these 141,920 Shares, it is proposed now to issue one-half, viz. £1,811,500 in Shares, and the same amount in Debentures, the other half having been agreed to be taken by the Contractors, who, however, engage to give to the holders of such Shares, on the 1st July, 1854 (twelve months after the anticipated opening of the St. Lawrence and Atlantic section of the Railway), the option of taking, in equal proportions, two-thirds of such remaining moiety; that is to say, every holder of 30 such Shares will, on the 1st July, 1854, be entitled to claim 20 Shares more at par, together with an equal amount of Debentures, also at par. Such additional Shares and Debentures to bear interest at 6 per cent., from the said 1st July, 1854.

£200 of Debentures (one-half of each description) will be issued at par with each £200 of Shares.

By the law granting the Provincial aid, it is provided that the bonds of the Province shall be issued as the works advance. These bonds will, therefore, be held in trust, to be delivered *pro rata* to the holders of the convertible debentures.

Interest at the rate of 6 per cent. per annum, from the completion of the amalgamation, until the entire works are finished, will be paid half-yearly, in London, in Sterling, on the amount from time to time paid up on each Share. The Dividends, as declared, will also be payable in sterling in London.

The first payment in respect of the Shares and Debentures will take place on allotment, as follows, viz:—£5 on each Share, and 20 per cent. on each Debenture, to be paid at the Company's Bankers in London, Liverpool, or Canada. The remainder will be called up by instalments, not exceeding £2 10s. per share, and 10 per cent. per debenture, at intervals of not less than four months between each call,

and the first call will not be made until the expiration of six months from the date of allotment. Subscribers will, however, have the privilege of anticipating the calls upon the Debentures, receiving six per cent. interest on the amount paid up in advance.

The description and objects of The Grand Trunk Railway are fully set forth in the appendix, to which especial reference is craved.

The more prominent points therein are:—

1. The completeness of the system of Railway, engrossing, as it does, the traffic of Canada and the State of Maine, and precluding injurious competition.
2. The large amount of Government guarantee and of Canadian capital invested—being two millions eight hundred thousand pounds sterling.
3. The fact that 250 miles of the Railway are now open for traffic—to be increased to 390 miles by the close of the present year.
4. The execution of the whole remaining works being in the hands of most experienced contractors; the eminent English firm of Messrs. Peto, Brassey, Betts, and Jackson, having undertaken six-sevenths thereof, including the St. Lawrence Bridge.
5. The cost of the Railway being actually defined by the contracts already made, whereby any apprehension of the capital being found insufficient is removed.

In the Appendix will also be found the data for the following *summary of probable revenue.*

ON 1,112 MILES, at an average of above £25 per mile, per week	£1,479,660	
Deduct working expences, 40 per cent.	591,861	£887,796
Interest on debenture debt £4,635,200	278,100	
Rental of Atlantic and St. Lawrence Railway	60,000	
		338,100
This showing a profit on the share capital, £1,861,800 of nearly 11½ per cent.		£519,696

Application for shares may be made to MESSRS. LAURENCE, CAZENOVE, & PEARCE; or to WILLIAM CHAPMAN, Esq., in the following form:

FORM OF APPLICATION FOR SHARES.

To the Directors of

THE GRAND TRUNK RAILWAY COMPANY OF CANADA.

I request you will allot to me

Shares of £25 each,

with the proportionate amount of Debentures of each class in the capital of the above-named Railway, and I agree to accept the same, or any less number, and pay the deposit of £5 on each share, and 20 per cent. on each class of Debentures, and to sign any Deed which may be required for giving effect to my Subscription.

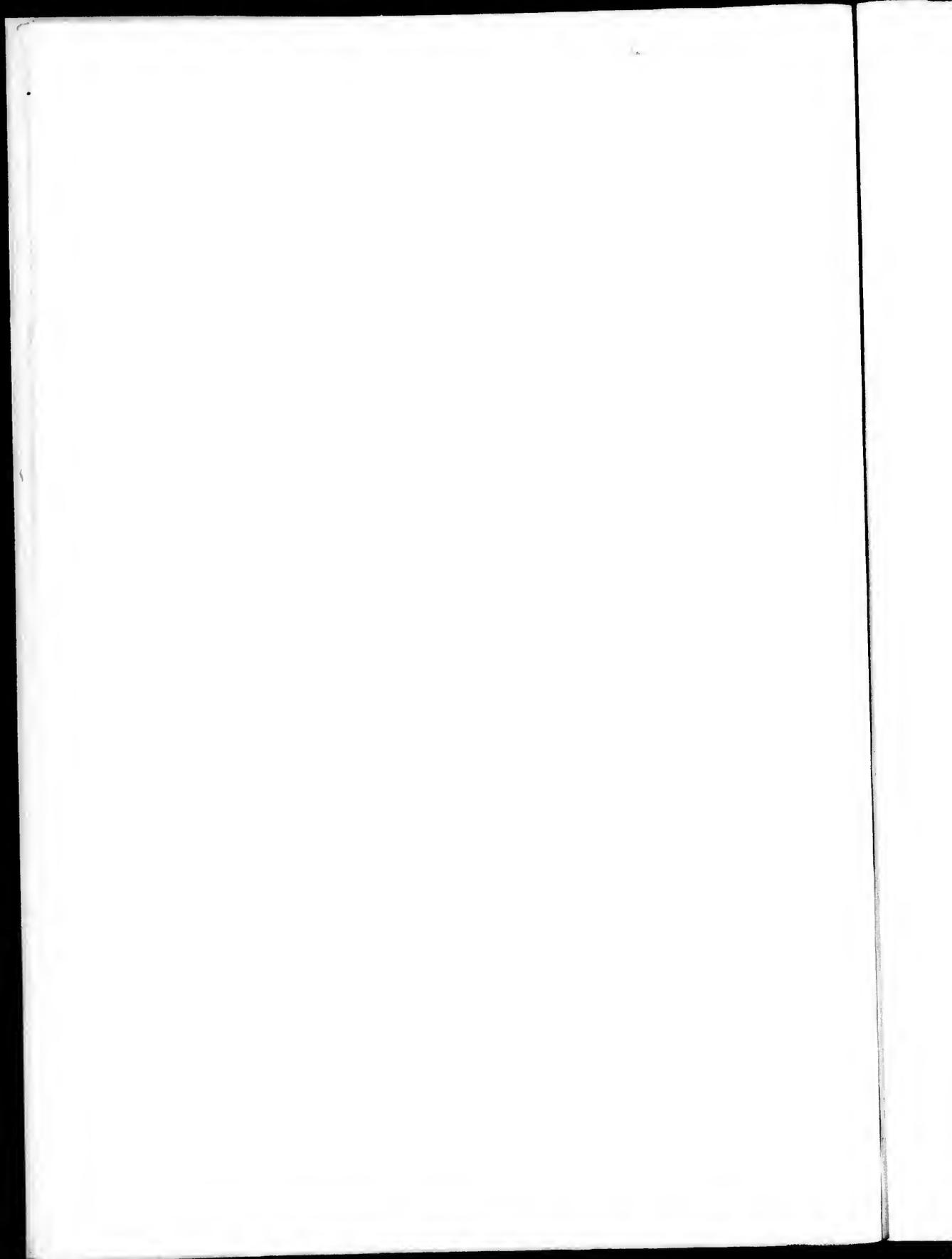
Dated the _____ day of _____ 1853.

Name _____

Address _____

Profession _____

Reference _____



APPENDIX.

The Grand Trunk Railway of Canada, with the Atlantic and St. Lawrence Railway of Maine, 1,112 miles in length, with an uniform gauge of 5 feet 6 inches, is now brought under the notice of the British public, offers the most comprehensive system of Railway in the world. Protected from the possibility of injurious competition, for nearly its entire length, by natural causes as well as by legislative enactment, it engrosses the traffic of a region extending 800 miles in one direct line from Portland to Lake Huron, containing a population of nearly three millions, in Canada, Vermont, New Hampshire and Maine. At Portland it connects with the system of railways reaching eastward towards the province of New Brunswick, and hereafter to Halifax in Nova Scotia, as well as southward, by lines already existing, to Boston and New York. At the frontier of Canada it again unites with other lines to Boston and the great manufacturing districts of New England. From Richmond it runs eastward to Quebec and Trois Pistoles, 253 miles, giving direct access to the great shipping port of Canada in summer, and hereafter by rail to the Atlantic at Halifax by Trois Pistoles and Miramichi, forming the only route to the great fisheries of the Gulf of St. Lawrence and the eastern timber, coal, and mineral district of New Brunswick. At Montreal it again meets three railways now in operation to Boston and New York. At Prescott it receives the tributary line from Bytown and the vast timber districts of the Ottawa, 60 miles, now in course of early completion; and on the opposite side of the St. Lawrence, the northern New York road to Ogdensburg will pour its stream of passenger traffic upon the trunk line. At Kingston, the Rome and St. Vincent railroad, also from New York, becomes its tributary. From thence to Toronto, it receives the entire produce of the rich country north of Lake Ontario, through the channels of Belleville and Peterborough branch, and several other new lines already in progress to construction, and all tributary to the main Trunk road. At Toronto, the Ontario, Simcoe and Huron railroad, 100 miles now nearly finished, pours on the traffic of the region around Lake Simcoe and Georgian Bay. At the same point is also met the Great Western railway by Hamilton to Detroit, 240 miles, now in a forward state for completion, by which communication is had with the southern part of Western Canada, as well as with the railways in operation from Detroit to the states of Michigan, Illinois and Wisconsin.

From Toronto, westward, the line passing through the heart of the western peninsula of Canada ensures to the grand Trunk the exclusive traffic of the finest part of the province; while at its terminus at Sarnia it debouches at the very outlet of Lake Huron, avoiding the shallows of the Detroit and St. Clair rivers below—a point the most favourably situated for the navigation extending through Lakes Huron and Michigan, and hereafter through Lake Superior. At Sarnia, the American railroads now in course of construction place the Grand Trunk line in the most direct communication with the arterial lines to the Great West and the Mississippi, a region whose advance in population and wealth has been regarded as almost fabulous, and yet whose resources are still very partially developed; while the traffic of the copper and iron districts of Lake Superior, the most valuable and extensive in the world, with the coal of Michigan, will accumulate on the railroad at this point, reaching ocean navigation at Montreal in much less time and by the same mileage that it can now pass by boat to the waters of Lake Ontario, 350 miles above that city.

The Grand Trunk Railway of Canada, it will be therefore seen, commencing at the debouchure of the three largest lakes in the world, pours the accumulating traffic in one unbroken line throughout the entire length of Canada into the St. Lawrence at Montreal and Quebec, on which it rests at the north, while on the south it reaches the magnificent harbours of Portland and St. John's on the open ocean. The whole future traffic between the western regions and the east, including Lower Canada, parts of the states of Vermont and New Hampshire, the whole of the states of Maine, and the provinces of New Brunswick, Nova Scotia, Prince Edward's Island, and Newfoundland, must therefore pass over the Grand Trunk Railway.

This great and comprehensive scheme of railway communication throughout the most wealthy, populous, and important colonial dependency of Great Britain, is not now offered as a new project to the public. It comes with the guarantee of the province of Canada, which has embarked upwards of two millions sterling in the enterprise; it is supported by the most intelligent, far-sighted men in the colony; and it has the security of nearly half a million sterling of private Canadian capital invested therein; while a conviction of the great benefits of unanimous action has provided a combination of railway interests probably never before seen, and ensuring such an energetic and harmonious working of the entire line, as cannot but produce the most satisfactory results.

The Grand Trunk Railway does not rest for its success altogether on anticipations. The entire section from Portland to Montreal, of 290 miles, is now in operation for 250 miles, and will in July next be fully connected, making the shortest and most easy communication between the river St. Lawrence and the Atlantic Ocean. This part of the line forms in itself a complete railway, opening up an entirely new channel for the western trade, and giving an outlet in winter for the produce of Eastern Canada, as well as of that of Western Canada east of Kingston. The line from Quebec to Richmond brings Montreal and Quebec within six hours of each other, and opens to those cities the most direct access to the ocean at Portland, Boston, and New York, passing through a most populous and fertile part of Eastern Canada. To Montreal, until the completion of the western section of the Trunk line, the produce of the countries surrounding the great lakes is brought through the most magnificent inland navigation in the world; and the opening of the line to Portland at once secures the

supply of the markets of Maine, New Brunswick and Nova Scotia with bread-stuffs, receiving in return, *via* Portland, British and American manufactured goods, West Indian produce, &c. The lines from Montreal to Portland, and from Richmond to Quebec, already known as the St. Lawrence and Atlantic and Quebec and Richmond Railways, will be in full and continuous operation in the course of the present summer, comprehending 300 miles of railway, for which the capital has been entirely provided, with a very small exception. The receipts on 72 miles, in Canada, from the mere local business, for the first twelve months from their opening at 20th October, 1851, were £34,000. On 91 miles of the line from Portland, now under lease, were, for the same period, £38,000. Assuming the same rate per mile on the entire distance of 300 miles, a gross income of £172,300 will be at once obtained from local business; while the total traffic, if estimated by the receipts per mile of the Ogdensburg road, £25 per mile per week, the latest American railroad offering any parallel, will amount to a sum of £507,000, independent of the great future development of the country opened up by the line. It may be assumed that the revenue of the Company, from the sections to be completed in 1853, will not fall short, at once, of £304,200 per annum, nett, allowing 40 per cent. for working expenses, and deducting £80,000 for lease of Portland line, would leave *nearly equal to the charge for the entire mortgage debt of the Company, and thus from actual present earnings securing to the bondholders their interest, on all the capital intended to be raised by debentures.*

It is proposed, simultaneously with the construction of the railroad westward, to proceed with the bridge over the St. Lawrence at Montreal. A work of this stupendous character, required to span a navigable river of two miles in width, can only be undertaken by a large combined capital, and is justified by its paramount importance. The site selected is at the sole point on the river St. Lawrence, from the great lakes to its mouth, where a bridge can be placed without interfering with the navigation. And also at that point no less than 1,505 miles of continuous railway, now in operation, with a very insignificant exception, from New York, Boston, Portland, and Quebec, arrive on the south shore of the river, opposite to Montreal, a city containing 60,000 inhabitants. On the northern shore, the railways either in progress or completed, including the western section of the Grand Trunk, number already 907 miles, exclusive of projected lines. The completion of this link is essential to the satisfactory and economical working of the Grand Trunk Railway; and it has therefore been incorporated with the entire line. It will be constructed according to the plans and under the superintendence of Robert Stephenson, Esq., C.E., (who is about to visit Canada for this purpose,) and Alexander McKenzie Ross, Esq., C.E.; and the structure will be of that substantial character which a work of such magnitude requires.

For the bridge an ample allowance of capital is made, and the work has been provisionally contracted for with Messrs. Peto, Brassey, Betts, and Jackson, on the estimate framed by Messrs. Stephenson and Ross. The Act, authorising the construction of this bridge by the Grand Trunk Railway Company, is now in progress through the Canadian Parliament, under the sanction of the government

The western section of the Grand Trunk line extends from Montreal to Toronto, 345 miles, and from thence to Sarnia, 172 miles. Contracts have been executed, with the approval of the Government and Board of Railway Commissioners in Canada, with the eminent English contracting firm of Messrs. Peto, Brassey, Betts, and Jackson, for the construction of the section to Toronto, 345 miles; from Quebec to Trois Pistoles, 155 miles, and the Grand Junction, 50 miles; and with the Canadian contracting firm of Messrs. C. S. Gzowski and Co., from thence to Sarnia, 172 miles.

The conditions of these contracts are for the construction of a first-class single-track railway, with the foundations of all the large structures sufficient for a double line, equal in permanence and stability to any railway in England, including stations, sidings, work-shops, ample rolling stock, and every requisite essential to its perfect completion, to the satisfaction of the Canadian Government.

By means of the arrangements entered into with the contractors, the proprietors of the Grand Trunk line are assured that, for the capital stated, they will secure the delivery of the whole railway, fully equipped and complete in every respect, and free from any further charges whatever.

The western section of the Grand Trunk commences at Montreal, and proceeds westward through the towns and villages of Lachine, St. Clair, St. Anne, New Longueil, Lancaster, Charlottenburgh, Cornwall, Osnabrock, Williamsburgh, Matilda, Edwardsburgh, Augusta, Elizabeth Town, Yonge, Landsdowne, Leeds, Pittsburgh to Kingston, at the outlet of Lake Ontario, and the principal naval and military station in Canada West. From thence, continuing along the north shore of Lake Ontario, it passes through Ernest Town, Napanee, Shanouville, Belleville, Port Trent, Brighton, Colborne, Grafton, Coburg, Port Hope, Bond Head, Bowmanville, Whitby, Pickering, Scarborough to the city of Toronto, which city contains 36,000 inhabitants.

At Toronto it meets the Great Western Railway, leading through Hamilton and the southern part of the western peninsula of Canada to Detroit; a connexion, of which the value may be judged from the favorable position in which the Great Western Railway of Canada now stands in London. This line itself forms a continuation of the Trunk line, although under a different Company, for 240 miles, now approaching completion. The Trunk road also here connects with the Northern Railroad to Lakes Simcoe and Huron, 99 miles, to be finished during 1853.

This section occupies the important position of connecting the chief emporia of Eastern and Western Canada, the cities of Montreal and Toronto, numbering together nearly 100,000 inhabitants, besides passing through the towns already enumerated; and it also passes, throughout its entire length, through the most populous and cultivated district of the province.

The section west of Toronto to Sarnia passes through the towns and villages of Weston, Brampton, Georgetown, Acton, Rookwood to Guelph, Berlin, Peterburg, Hamburg to Stratford, where it is intersected by a proposed line from Goderich, 45 miles north (for which £125,000 has been already raised by municipal subscription), thence through or near Downie, Fullarton, Blanchard, Osborne, Biddulph, Bosanquet, Warwick and Plymton, to the outlet of Lake Huron and the western extremity of the province at Port Sarnia; the whole course of the line being through the finest section of Western Canada, a district already well peopled, and most rapidly advancing in population and wealth.

It will therefore be seen that the western section of the Grand Trunk line, in its connexions, embraces the whole of Canada West, a district of 32,000,000 of acres, with a population doubling itself every ten years, and which, with a limited exception, must find in the Grand Trunk Railway their speediest, most direct, and cheapest intercourse; having neither local railroads nor canals to compete with.

The past and present position of Canada is so ably stated in the despatch from his Excellency Lord Elgin, the Governor-General, dated 22nd December, 1852, and published by order of the House of Commons, that it is printed herewith, together with other information bearing generally on the prospects of the railway.

The route traversed by the Grand Trunk Railway and its tributaries will be found set forth in the accompanying map.

That portion of the Great West, situate at the western extreme of the basin of the St. Lawrence, has received a larger share than any other portion of the country of the valuable addition to its riches, arising from the industry, intelligence and wealth of the hundreds of thousands who, within a comparatively brief period, have migrated to these regions.

Independent of the local traffic peculiar to this section, both in passengers and goods, through traffic of more than ordinary extent, consequent on its geographical position, may safely be calculated upon.

Not the least important branch of traffic will arise from the Ocean Steamers communicating with England, making Portland and, hereafter, Halifax, the port of embarkation, as the nearest and most accessible on the continent of America.

A further and important consideration in connexion with Portland, St. John's, and Halifax, is, that the navigation being never closed by ice, produce may, on the completion of the Grand Trunk Railway, be shipped there when otherwise there would be no ready means of forwarding it to Europe.

Thus, with the exception of that portion through Nova Scotia to the port of Halifax (about 150 miles), the entire length of 1,400 miles, both by the southern route through the state of Maine, and by the northern route by Trois Pistoles, is for a great part in course of construction, and the remainder will shortly be commenced under highly favourable auspices, the immediate prosecution of that portion through Nova Scotia being now under the consideration of the Government of that province, whose future interests are so largely compromised in the speedy and perfect completion of the project, as to ensure their best and strenuous efforts for its early accomplishment.

ESTIMATES OF REVENUE.

The revenue from local business has been demonstrated by A. C. Morton, Esq., the distinguished American engineer, in an elaborate report addressed to the Governor of the state of Maine, to average, on the New England and New York railways, brought within the sphere of their action, three dollars, or 12s. 6d. sterling per head of the whole population. To apply this result to the population of Canada, which is in no respect inferior, might be considered as assuming too much, and for local business the population of the districts actually passed through will alone be taken. They amount to 740,000, which, at 12s. 6d. per head, will afford £462,500.

In this estimate nothing is put down for the passengers and traffic flowing on the Trunk Railway from the Bytown, Peterborough, Ontario, Simcoe, and Huron, and especially the Great Western of Canada railways. These lines together embrace a population of 363,000.

The through passenger business from Europe and the American Atlantic states to the Great West is enormous, the emigration from Europe alone amounting to nearly half a million of passengers annually, almost all seeking a new home in the fertile regions around the Great Lakes; while the business intercourse between the American population around the Great Lakes and that in the seaboard states, embracing together a population of six millions, is already immense, and daily increasing. As the Grand Trunk Railway will be the only united line on which passengers can pass without interruption or detention, as it is the easiest and most direct, it may safely be assumed that the traffic arising from this source between Montreal and Sarnia will not fall short of £125,000 per annum.

Lord Elgin's despatch, shows the tonnago in the river St. Lawrence, in 1851, to have been 450,400 tons; while on the Erie Canal it amounted to no less than 1,141,892 tons, independent of the large amount passing through other channels and railways. These statements sufficiently demonstrate the amount of business within the grasp of the Grand Trunk Railway, of which a fair share will undoubtedly be secured by it, especially as the above channels for Trade are entirely closed by frost from 15th December to 15th April. The amount of through goods traffic may be safely taken at the low estimate of 300,000 tons, at 20s. per ton, yielding £300,000.

GENERAL ESTIMATES.

567 miles on Western Section, estimated at £30 per mile per week	£884,520 0 0
545 miles on Eastern Section, estimated at £21 per mile per week, until connected with the New Brunswick Road to Halifax	595,110 0 0
	<hr/>
	£1,479,660 0 0
Deduct Working Expenses, 40 per cent	594,864 0 0
	<hr/>
	£887,796 0 0
Rental of Atlantic and St. Lawrence Railway	60,000 0 0
	<hr/>
Nett Revenue	£827,796 0 0
Subject to 6 per cent. interest on Debenture Debt, £1,635,000	278,100 0 0
	<hr/>
	£549,696 0 0

Thus showing a profit on the share capital of £4,861,800, of
or nearly 11½ per cent.

COPY OF A DESPATCH

From the Earl of ELGIN AND KINCARDINE to the Right Honourable Sir JOHN PAKINGTON, Bart.

Government House, Quebec,
December 22, 1852.

(Received January 10, 1853.)

SIR,

I HAD the honour, with my Despatch No. 82, of the 9th September, to transmit two copies of "Tables of the Trade and Navigation of the Province of Canada for 1851," and I now enclose the Blue Book, together with a printed Copy of the "Accounts of the Province," and of a Report by the Commissioner of Public Works for the same year. These documents furnish much gratifying evidence of the progress and prosperity of the colony, and justify the anticipations on this head expressed in my Despatch No. 94, of the 1st August, 1851, which accompanied the Blue Book of 1850. Lest any misunderstanding should be occasioned by the want of correspondence between the sums stated in this Despatch and the same sums as they appear in the printed returns, it may be well, perhaps, that I should mention that in the former they are given in sterling at the real exchange of £1. 4s. 4d. to the pound sterling, in the latter, for the most part in currency.

2. The imports, or principal articles of British and Foreign merchandize entered for consumption in Canada during the year ending the 5th January, 1852, amounted in value to £4,404,409 0s. 3d., on which £606,114 5s. of duty was collected; and the goods in warehouse under bond on that day were valued at £233,545 15s., subject to £76,660 2s. 3d. of duty.

The corresponding figures for the year preceding were as follows:—

	£	s.	d.
Imports	3,489,466	3	4
Duty collected	506,050	8	6
Goods warehoused	150,709	18	7
Duties payable thereon	49,871	13	6

Of the imports entered for consumption there were imported from Great Britain:—

	£	s.	d.
In 1851, to the value of	2,475,643	14	7
In 1850	1,979,161	16	2

From the United States:—

In 1851	1,718,992	17	2
In 1850	1,355,108	6	4

On analyzing the returns for 1851, it would appear that the imports classed under the heads of "Goods paying specific and ad valorem Duties," and "Free Goods," are those which show the most considerable balance in favour of the United States as against Great Britain; viz:—

1st. "Goods paying specific and ad valorem duties," imported into Canada during 1851:—

	£	s.	d.
From Great Britain to the value of	70,957	18	6
From United States	407,360	12	10

2ndly. "Free Goods" imported into Canada during 1851:—

From Great Britain	60,254	3	10
From United States	284,389	16	1

The former class of goods comprises, among other articles, many of foreign origin, such as tea, sugar, coffee, which are introduced through the United States, but are not the produce of the country; for it may be proper to mention that goods are classed as imports from the country where they are purchased, and consequently, when introduced from the United States, are entered as imports from that country, unless they pass through it in bond. The latter includes books, coin, and bullion, and a considerable quantity of wheat. It is a fact of some interest as bearing on the subject of reciprocal freedom of trade between Canada and the United States, that so large a quantity of wheat should have been imported from that country into Canada during the year 1851.

3. Before I dismiss the subject of imports, it may be well that I should invite your attention to the evidence which these returns furnish of the extent to which, in certain departments, the manufactures of the United States have obtained a footing in the Canadian markets. They derive, no doubt, some advantage from contiguity; but I am disposed to believe, from all that I can learn on the subject, that their British rivals would keep their ground against them more effectually if they evinced equal zeal in acquiring a knowledge of the wants and tastes of their customers.

During the year 1851, there were imported into Canada, of cotton manufactures, to the value of:—

	£	s.	d.
From Great Britain	609,281	4	7
From United States	192,887	14	1
LEATHER.			
From Great Britain	11,140	12	4
From the United States	32,817	0	8
LINEN.			
From Great Britain	84,194	10	7
From the United States	9,204	4	5
SILK.			
From Great Britain	129,009	9	7
From the United States	29,202	14	7
WOOL.			
From Great Britain	486,030	9	3
From the United States	111,898	12	4
MACHINERY.			
From Great Britain	1,410	2	9
From the United States	33,103	17	6
IRON AND HARDWARE.			
From Great Britain	260,467	14	5
From the United States	118,969	14	9

Nevertheless, the imports from Great Britain into Canada for the year 1851 were valued, as I have already stated, at £2,475,643 14s. 7d., being at the rate of about £1 6s. per head on the total population.

4. The exports of articles of Canadian produce and manufacture during the year ending the 5th January, 1852. are valued in this return at £2,663,983 14s. 2d., as against £2,457,886 1s. d1., exported during the year which ended on the 5th January, 1851. These amounts fall very far short of the computed value of the imports during the corresponding term. This is, however, a constantly recurring characteristic of the annual trade returns made up in the province, as appears from the following table, which comprises a period of ten years.

Years.	Imports.			Exports.		
	£	s.	d.	£	s.	d.
1842	2,127,643	5	8	1,291,213	9	10
1843	1,990,115	3	11	1,317,958	14	3
1844	3,559,767	16	10	1,680,350	6	0
1845	3,144,925	6	8	2,084,930	6	9
1846	3,711,633	15	6	1,965,004	9	9
1847	2,966,870	15	0	2,203,054	3	8
1848	2,628,584	17	11	2,302,830	17	6
1849	2,469,130	6	9	2,193,078	0	3
1850	3,489,466	3	5	2,457,886	1	2
1851	4,404,409	0	2	2,663,983	14	4

The value of exports for these years are confined to Montreal and Quebec, no returns from the inland ports having been furnished.

Considerable sums are no doubt annually drawn on Great Britain, and expended in this province, both on account of the commissariat and of individuals who have incomes in England. It is probable also that a portion of the produce of the loans obtained in England for public works in the province may contribute to swell the amount of the annual imports. It may, moreover, very reasonably be conjectured that the lowest valuation is placed by exporters upon articles which are destined, as is the case with an annually increasing proportion of the exports of Canada, for markets where they are subject to ad valorem duties.

5. The articles which figure most largely on the list of Canadian exports are:—

1st. Products of the forest.

2d. Agricultural products, the latter being subdivided in these returns into,

a. Animals and their products.

b. Vegetable food.

c. Other agricultural products.

The following statement gives the value as reported of the exports of these articles in the years 1850 and 1851 respectively:

PRODUCTS OF THE FOREST.

In 1850.			In 1851.		
£	s.	d.	£	s.	d.
1,118,411	15	3	1,245,927	18	5

AGRICULTURAL PRODUCTS.

In 1850.			In 1851.		
£	s.	d.	£	s.	d.
a. 129,518	1	1	182,366	16	5
b. 859,754	4	8	773,916	2	2
c. 11,046	7	2	7,814	1	7
<u>£1,000,318</u>	<u>13</u>	<u>2</u>	<u>£964,097</u>	<u>0</u>	<u>2</u>

These figures would seem to indicate that at this period the exports of the products of the forest and of agricultural products are nearly balanced in respect of value, the advantage being still, however, with the former class of products. With reference to this subject, it may perhaps be well that I should mention that since the reduction of the duties which operated as a protection to Canadian timber in the British market the exports of red pine have considerably declined, while those of white pine have increased. This circumstance has led the Government to resolve this year to reduce the tax levied on red pine timber cut on the public lands so as to equalize it to that levied on white pine. Over and above these more considerable exports, it would appear from the official returns that there were exported from Canada during the year 1851—

	£	s.	d.
Products of the seas to the value of ..	51,225	5	6
Products of the mine	17,826	7	5
Manufactures	11,327	10	3

6. Further evidence of the growth of the trade and resources of the colony is furnished in the progressive increase in the revenue derived from tolls on the provincial canals, as indicated by the following return:—

CANAL TOLLS.

Years	Gross receipts.			Net revenue.		
	£	s.	d.	£	s.	d.
1848	33,214	1	3	30,259	1	9
1849	46,192	8	3	39,479	13	8
1850	54,059	12	3	45,296	7	8
1851	62,640	3	8	52,545	5	6

A still more striking result is obtained if the total movement of property in goods, wares, and merchandise on the principal canals, namely, the Welland, St. Lawrence, and Chambly, in each of these years respectively, be compared.

Years.	Welland.	St. Lawrence.	Chambly.
	Tons.	Tons.	Tons.
1848 ..	307,611½	164,267	18,835
1849 ..	351,596½	213,153	77,216
1850 ..	399,600	288,103½	109,040½
1851 ..	691,627½	450,400½	110,726½

7. It may probably be convenient that I should endeavour at this stage of my report to furnish as briefly as possible some information with respect to those public works which are now beginning to be productive, and in the execution of which the debt of the province has mainly been incurred; order, however, to render my observations on this head intelligible, it is necessary that I should premise, that before 1849, independently of the sums expended on works of great magnitude and provincial interest, such as the above-mentioned canals, the legislature of the province had been in the habit of annually appropriating amounts more or less considerable in aid of minor local works, such as roads and bridges. These works were rarely remunerative while in the hands of the Government, and the system was on other accounts objectionable. It was therefore wisely determined in that year to discontinue it, and an Act (12 Viet. c. 5.) was passed, authorizing the Government to take steps for the transfer, on such terms and conditions as might be agreed on, to municipalities, local corporations, or companies, of such works of this class as were then in the hands of the provincial authorities.

8. The total cost up to the 1st January 1852 of the public works of Canada under charge of the department of public works, classed as productive, and not affected by the resolution to which I have referred, amounted to £2,834,234 1s. 1d., and the net revenue derived therefrom in the year 1851 was £48,278 Os. 10d., being under two per cent. on the outlay. The revenue from this source, however, as I have already observed, is progressively increasing; and it is moreover obvious that the direct income accruing from such works is by no means an adequate representation of their value to the province.

9. As illustrative of this point, I may observe that the St. Lawrence and Welland canals complete a continuous inland navigation to Chicago on Lake Michigan, a distance of 1,587 miles from tide water at Quebec. The length of canal in this navigation is 68½ miles, with 550½ feet in lockages. These canals are not all of the same dimensions but properly constructed vessels conveying 4,000 barrels of flour, or from 350 to 400 tons of freight, can pass through them. The Erie Canal in the State of New York, which is the great rival water route from the west, is 363 miles in length, with 688 feet of lockages, and is not capable of transporting barges of more than seventy-five tons burden. The Chamblé Canal is a work of smaller dimensions, connecting Lake Champlain with the river Richelieu which flows into the St. Lawrence at Sorel. The traffic on this canal increased, as I have shown, rapidly up to the commencement of the year 1852; since which period it has suffered from the competition of an adjoining railway. A strong feeling exists in certain quarters in favour of the construction of a ship canal, on a scale at least equal to that of the St. Lawrence canals, from some point on the southern bank of St. Lawrence opposite Montreal to Lake Champlain; and the project of a similar work on the Sault St. Marie, to connect lakes Huron and Superior, is also pressed by many persons. The Government has not, however, yet engaged in either of these undertakings.

10. The increase which has taken place within the last few years in the movement of produce on these inland waters does not, however, it may be proper to remark, appear to have been met by a corresponding increase in the traffic of the seaports. The following is a statement of the number and tonnage of vessels from sea which entered inwards and outwards at the ports of Quebec and Montreal in each of the six years preceding 1852:

		Ships.			Tonnage.
1845	..	1,609	..	..	628,389
1846	..	1,699	..	..	623,791
1847	..	1,444	..	..	542,505
1848	..	1,350	..	..	494,247
1849	..	1,328	..	..	502,513
1850	..	1,341	..	..	485,905
1851	..	1,469	..	..	573,397

During the earlier years of this series, while the Canada Corn Act of 1843 was in operation, an impulse was given to the trade of Quebec and Montreal by the preference accorded in the markets of Great Britain to produce conveyed by the route of the St. Lawrence. Since that preference has been withdrawn, the facilities afforded by the Government of the United States for the transportation in bond of Canadian imports and exports through its territory, and the multiplication of railways connecting the southern bank of the St. Lawrence with different points on the coast, have diverted a portion of the trade of that river from the Canadian seaports to those of the United States. As this is, however, a point of considerable importance to the interests of the lower province especially, it may be well to look into it more closely with the view of inquiring whether there be anything in the nature of the route itself, or in the nature of the trade, which places the route of the St. Lawrence at a disadvantage in competing with others for the trade of the great west.

11. The inland navigation of the St. Lawrence route shares with the Erie Canal the inconvenience of being closed during about five months of the year, with this aggravation, however, that its seaport is subject to the same drawback. In all other respects, whether as regards size and shortness of canals, freedom from transshipment, rapidity of transport, or the capacity for doing extensive business, it has unquestionable advantages over its rival.

12. Again, maps on Mercator's projection, and the fact that indifferent ships, recklessly navigated, have not unfrequently been employed in the timber trade, have contributed to produce an exaggerated popular impression with respect to the length and the perils of the ocean route of the St. Lawrence. It is not sufficiently known, as regards the former point, that the sailing distance from Liverpool to Quebec is, if the Straits of Belleisle be taken, some 400 miles, and, if the southern course be preferred, from 100 to 200 miles shorter than that from Liverpool to New York; and that, as respects the latter, the ocean route of the St. Lawrence is by no means peculiarly hazardous to well-found ships, navigated by officers who are thoroughly acquainted with it, while it is especially adapted to screw or paddle steam-ships, from the circumstance that a considerable portion of the passage from one continent to the other is in smooth water. These remarks respecting the route would not be complete if I were to omit to add, that the Acts recently passed by the local legislature to encourage steam communication between Liverpool and Quebec, and to connect Quebec and Montreal by railway with seaports open during the winter, will tend materially to develop its capabilities.

13. There are some circumstances, however, arising out of the nature of the trade itself, which call for notice in this statement, inasmuch as the competency of the St. Lawrence route to maintain a successful rivalry in the transport of goods and passengers with other competing routes from the west is affected by them. Timber, as I have already remarked, still constitutes the principal article of export from Canada; and all the timber destined for Europe is shipped either at Quebec, to which point it is conveyed in rafts from the upper country, or at points lower down the river. Now, timber is an article of great bulk in proportion to value, and this circumstance has an effect on the shipping trade of the port, which the following return may serve to illustrate, showing, as it does, that while all the ships that sailed from Quebec in 1852 left it with cargoes, more than half on those which entered inwards were in ballast.

STATEMENT showing the Number and Tonnage of Vessels entered Inwards and Outwards at the Port of Quebec in 1852, with Cargoes or in Ballast.

INWARDS.			
		Ships.	Tons.
With cargoes	.. ..	560	224,525
In Ballast	.. ..	671	280,409
OUTWARDS.			
With cargoes	.. ..	1,223	518,580
In ballast	.. ..	None	None.

It is more than probable, therefore, that so long as timber continues to be shipped extensively at Quebec, freights outwards will have a tendency to rule higher at this port than at others, where the trade inwards and outwards is more nearly balanced in respect of bulk.

14. The same circumstances, however, which contribute to raise outward freights serve to enhance the advantages of the route of the St. Lawrence as a channel for traffic inwards. The admirable and capacious system of inland navigation extending from Quebec for upwards of 1,500 miles into the interior of the continent, and the certainty of obtaining outward freights, are calculated to cause a preference to be given to this over rival routes for the transport of heavy goods such as salt and iron, and of immigrants destined for the vast regions bordering on the great lakes. These advantages are not yet generally known, nor have they been appreciated as highly as they deserve. The following return gives the number of immigrants who arrived at the ports of Quebec and New York respectively in each of the four last years:

Years.	Quebec.	New York.
1849	38,494	220,603
1850	32,292	212,796
1851	41,076	269,601
1852	39,176	234,258 up to the 1st November.

Although there is no increase in the gross amount of immigration to Quebec during the current year, it is an interesting fact that it comprised an unusually large proportion (7,256) of foreign emigrants, who could have been attracted to this port only by the superiority of the route. I am also informed that during the course of the past season many vessels which conveyed emigrants to New York from Europe have come from that port in ballast to the St. Lawrence in search of outward freights.

15. To complete this subject, I append a return showing the number and tonnage of vessels built at Quebec in each of ten years ending with 1852.

	No. of Vessels.	Tons.		No. of Vessels.	Tons.
1843	48	13,785	1848	41	19,909
1844	48	15,045	1849	37	24,396
1845	53	26,147	1851	45	30,387
1846	40	19,764	1851	65	41,505
1847	70	37,176	1852	42	27,856

Few ports offer such facilities for ship building as Quebec, all materials employed in the construction of vessels being cheap, labour, during the winter months at least, abundant, and procurable at moderate rates, and outward freight at all times secured. The principal drawback attending the extension of the business is the increased temptation to desert from ships entering the port, occasioned by the demand for seamen to man new ships. Desertion prevails at Quebec to an extent that is much complained of. The subject is now under the consideration of the Government, with a view to the adoption of some remedial measure. A naval school is also about to be established, in the hope that it may indoctrinate some of the native youth with a taste for seafaring pursuits.

16. Before I pass on to other topics, it may perhaps be advisable that I should say a few words with respect to the pecuniary responsibilities which the province is assuming in connexion with the great railway enterprises now in progress or prospect within it. At the time when the resolution respecting local works to which I have already referred was adopted by the Government, it was urged with much force and justice, that the objections which unquestionably existed to the extension of public aid to undertakings of that class did not apply to works of great magnitude, to which an interest, provincial rather than local, attached, and which were, moreover, in the then circumstances of the province, clearly beyond the reach of private enterprise. Within this category, lines of railway of considerable length, linking together districts of the province remote from each other, and calculated materially to benefit its general trade, were held to fall. It was accordingly concluded that aid from the funds or credit of the province might, under proper conditions and restrictions, be afforded to these undertakings, without any departure from the salutary principle which had been adopted in the case of local works generally. It was resolved, however, that in administering such aid, the pecuniary interests of the province should be more carefully protected than they had been in respect of advances previously made for local works. The Provincial Act, 12 Vict. c. 29 (passed in 1849) was framed on the principle that the sums advanced on the credit of the province in furtherance of undertakings of this class should in no case exceed one half of the amount actually expended on the work, and that the whole resources and property of the companies should be pledged for their redemption,

and for the payment of interest upon them. In all the railway enterprises undertaken since that period, where public aid has been given, this principle has been substantially agreed to.

These comprise:—

- 1st. The St. Lawrence and Atlantic Railway, running from the St. Lawrence, opposite Montreal, to the frontier line, where it joins an American railway, which will extend, when completed, to Portland, in the State of Maine; length, 126 miles.
- 2nd. The Ontario, Simcoe, and Huron Railway, running from Toronto to Lake Huron; length, ninety miles.
- 3rd. Great Western, from Hamilton to Windsor; 228 miles.
- 4th. Quebec and Richmond; 100 miles.
- 5th. Main Trunk from Toronto to Montreal; 380 miles.
- 6th. Quebec and Trois Pivots, on the route to the Lower Provinces; 160 miles. The construction of the two last-mentioned lines is provided for in Acts passed during the present session of the provincial parliament.

17. That the increased facilities afforded by these and other measures to the internal and external trade of the province are called for by the growth of its population and resources is apparent from the returns of the census for the year 1851, which are herewith transmitted. These returns state the total population of the province at 1,842,265; 890,261 for Lower Canada, 952,004 for Upper Canada. In Lower Canada, 94,449 persons occupy lands, having under cultivation 3,605,517 acres, or rather arpents, which is the common measure of land in Lower Canada, and contains about six sevenths of an acre. In Upper Canada, 99,800 persons occupy lands, having under cultivation 3,697,724 acres. In certain agricultural products, such as flax and hemp and maple sugar, as well as in some domestic manufactures, as felled cloth and linen, the returns from Lower Canada exceed those from Upper Canada; but the produce of wheat and of agricultural products generally is much more considerable in the upper than the lower province.

18. The full import of these statistical results cannot, however, be apprehended unless a comparison be instituted between them and similar returns made up at former periods. As the censuses of the province which have been effected at different times, have been taken under different systems, and with varying degrees of correctness, it is not possible to draw from such a comparison inferences which can be considered rigorously exact. Sufficient accuracy may, however, be attained for practical purposes, and ample proof given that the province is advancing at a rate of progress which is highly satisfactory.

19. To begin then with the subject of population. At the period of the surrender of the country to Great Britain its population was estimated at from 60,000 to 65,000. The population was French or French Canadian, and was chiefly located in that part of the province now called Lower Canada. It has received since that period no accessions by immigration; on the contrary, the passion for moving westward, which prevails so universally in North America, has effected the French Canadians to some extent, and considerable numbers are scattered over other parts of the continent. Nevertheless the census of 1851 gives 665,521 as the actual number of the French Canadian population of Lower Canada, besides 26,417 resident in the upper province. Exhibiting thus an increase from natural causes alone of upwards of 1,000 per cent. in ninety years. By the side of this population has grown up another, amounting, in 1851, to 220,733, composed of immigrants from Great Britain and other countries, and of Canadians not of French origin; making the whole population of this section of the province 890,261.

20. The progress of Upper Canada in respect of population has been still more remarkable. In the year 1791, the date of the Constitutional Act, it amounted to

	..	..	..	50,000
In 1811	..	..	..	77,000
1824	..	..	..	151,097
1839	..	..	..	264,060
1842	..	..	..	406,055
1851	..	..	..	665,521

21. In the absence of systematic local assessments in Lower Canada (for the power of assessment given to municipalities by recent Acts is but partially exercised, and the compulsory assessments for the support of common schools are not yet universally enforced), it is difficult to obtain direct proof of the growth in wealth of that section of the province. In Upper Canada also, the changes which have taken place from time to time in the mode of levying assessments and of valuing assessable property, render the evidence furnished thereby with respect to this point less conclusive than it would otherwise have been. Enough, however, may be gathered from the assessment rolls to warrant the belief that the growth of wealth in Upper Canada, of late years, more especially, has not been less remarkable than that of population.

22. The first Act for laying and collecting local assessments in Upper Canada was passed in 1793. It divided the population for purposes of assessment into eight classes, according to property, excepting from assessment altogether all whose property was worth less than £50 currency. The highest class under this Act included persons with £400 currency and upwards, who were taxed by it at the rate of £1 currency a year. A further Act was passed in the following year, adding two classes to the top of the scale, and including in an "upper list" all persons believed to be possessed of real or personal property, goods, or effects above the value of £500 currency.

23. On the allegation that "the present mode of laying assessments has been found inconvenient," an Act was passed in 1803 defining "rateable property," and subjecting each description thereof to a fixed and uniform valuation. Under this Act cultivated land was valued at £1 currency an acre; uncultivated at 1s. currency. A second Act on the same subject, which passed in 1807, raised the value of uncultivated land for purposes of assessment to 2s. currency; and a third, passed in 1819, rated it at 4s. currency per acre. Assessments were levied under the valuation fixed by this last-mentioned Act until

the year 1851; but in 1849 the Board of Registration and Statistics report that the best information they have been able to procure after very extensive enquiry leads them to the conclusion that cultivated land in Upper Canada in the rural districts may be valued on the average at £3 10s. 10d. currency per acre; uncultivated, at £1 9s. 2d. currency. Positive inferences respecting the relative value of property at different epochs are not probably deducible from these data, but they are interesting in many points of view, and especially so as showing at how early a period the salutary practice of local self-taxation for local objects obtained a place among the customs of Upper Canada.

24. Another view of the assessment rolls throws further light on the question of the growth of wealth in the community. The first returns of the assessable property of Upper Canada, as taken under the act of 1819, which I have been able to procure, are those of 1825. Its total amount is estimated in that year at—

	£.	s.	d.
In 1830	at 1,054,965	5	0
In 1835	at 2,407,618	14	8
In 1840	at 3,119,862	14	11
In 1845	at 4,601,843	12	0
	at 6,393,630	16	0

Another Act (13 & 14 Vict., cap. 67) was passed in 1850, requiring the municipal authorities to assess property at its real value, and rendering certain descriptions of personal property rateable which were previously exempted from assessment. I have obtained statements which, although not strictly official, are, I believe, tolerably correct, of the amounts of the two valuations (those, namely, for 1851 and 1852), which have already taken place under the Act, and I find them to be as follows:—

Total value of assessable property in Upper Canada in the year—

	£.	s.	d.
1851	36,252,178	7	0
1852	37,695,931	4	8

In order to arrive at the real value, it is believed that 20 per cent. at least ought to be added to these amounts.

25. The census of the United States for 1850, the last that has been taken, exhibits a greater amount of property in proportion to "free population;" the numbers of the latter being stated at 20,000,000, and the assessed value of real and personal estate at 6,010,207,000 dollars, about £1,210,000,000, to which sum 20 per cent. is added to obtain the real value. It is to be observed, however, in the first place, that valuation according to actual value has been longer customary in the United States than in Canada, and is consequently, it may be presumed, more stringently carried out in the former country than in the latter; and in the second, that the labouring class in the southern states, amounting to 3,179,500 souls, instead of contributing to swell the aggregate of population, are cast as chattels into the scale of assessable property. Some other interesting points of comparison between the progress of the United States and Canada present themselves on a review of the census returns.

Total free population of the United States—

In 1840	14,582,102
In 1850	20,000,000
Increase 37.77 per cent.	

Total slave population of the United States—

In 1840	2,487,358
In 1850	3,179,587
Increase 27.81 per cent.	

Total population of Canada—

In 1841	1,156,139
In 1851	1,842,265
Increase 59.34 per cent.	

Total population of Upper Canada—

In 1841	465,357
In 1851	952,004
Increase 104.57 per cent.	

Wheat crop, Upper Canada—

	Bushels.	To each inhabitant.
In 1841	3,221,991	6.0
In 1847	7,558,773	10.45
In 1851	12,692,852	13.33

nearly quadrupling itself in ten years.

Wheat crop, Lower Canada—

	Minots.	To each inhabitant.
In 1843	942,835	1.36
In 1851	3,075,868	3.46

The minot is about one-twelfth more than the bushel.

Wheat crop, United States—

	Bushels.	To each inhabitant.
In 1850	100,479,150	4.31

Value of imports of British goods into Canada—

	British Imports.	Population.
In 1851	£2,475,043 1 <i>s.</i> 7 <i>d.</i>	1,012,265
	About £1 <i>ls.</i> per head.	

Value of imports of British goods into the United States—

	British Imports.	Population.
In 1850	75,159,424 dollars	23,246,301
	About 1 <i>ls.</i> per head.	

The British imports into the United States increased in 1851 to 93,017,880 dollars, making about 1*ls.* per head on the estimated population.

26. To return, however, for a moment from this digression to the point more immediately in hand, namely, the assessable property of Upper Canada (and in doing so I feel bound to say that I do not think much reliance should be placed on comparative statements such as those presented above, inasmuch as the data on which valuations and estimates are made in different countries are not always uniform), it is important to ascertain what amount of indebtedness for municipal purposes attaches to this property. The best information which I am able to obtain on this point leads me to believe that it does not at present exceed in all £572,115 12*s.* 4*d.* Very stringent provisions for the protection of creditors of municipalities, and for regulating and restricting the powers of these bodies in the creation of debt, were contained in an Act (12 Viet. cap. 41), passed in 1849. The Act of this session which provides for the establishment of a municipal loan fund for Upper Canada (16 Viet. cap. 22.) has the same object in view. It is hoped that by these means, while the credit of the municipal bodies in Upper Canada is placed on an unexceptionable basis, and made available for legitimate purposes, any tendency in particular localities towards incurring imprudent or excessive liabilities may be kept in check.

27. While such is the condition of the province in respect of material prosperity, its moral and intellectual interests are not neglected; independently of the clergy reserves—of the title levied in Lower Canada from the Roman Catholic population for Roman Catholic purposes—and of various endowments and special grants for collegiate institutions, normal schools, and other objects of a like character in both sections of the province, the sum of £31,005 17*s.* 10*d.* is set apart annually from the public funds for the support of common schools, and divided between Upper and Lower Canada in proportion to their respective population. Each school municipality, in order to entitle it to obtain the share of this fund allotted to it, is bound to raise by local taxation at least an equal sum. In Upper Canada the sums thus raised greatly exceed the required minimum. The returns for 1851 show that in that section of the province there were in that year 3,001 common schools in operation, attended by 168,159 pupils, and that the total sum available for teachers' salaries, and for the erection and repair of school-houses, was £98,226 15*s.* 7*d.*, of which sum £20,547 1*ls.* 11*d.* was parliamentary grant, the remainder being raised by local assessment and rate bills imposed by school trustees. In Lower Canada, where direct taxation is especially distasteful, the levy of a local rate was made compulsory, and attended for a time with some difficulty. The people in this part of the province are, however, becoming generally reconciled to a tax from which they derive so palpable a benefit, and the common school system is making satisfactory progress among them likewise.

28. The separation between ecclesiastical and civil affairs in this province is so complete, and the number of denominations in Upper Canada so considerable, that it is difficult to furnish precise information with respect to the amount of the provision for the religious wants of the community. The following statement is, I believe, tolerably accurate:—

Dioceses of the Church of England, three; clergy, 242; population, 268,592.
 Dioceses of the Church of Rome, seven; clergy, 543; population, 914,561.
 Clergy of all denominations in Lower Canada, 641; population, 892,261. Upper Canada, 169; population 952,004.

On this and many other points much interesting information is given in the excellent lectures on the growth and prospects of Canada, by the Rev. Mr. Lillie, a copy of which I had the honour of transmitting to you in my Despatch No. 35, of the 15th April. The following is a statement of the appropriation of the clergy reserve funds in 1851:—

Church of England, Upper Canada, £10,394 5*s.* 11*d.*
 Church of England, Lower Canada, £1,706 15*s.*
 Church of Scotland, Upper Canada, £5,047 16*s.* 7*d.*
 Church of Scotland, Lower Canada, £893 7*s.* 5*d.*
 United Synod of the Presbyterian Church, Upper Canada, £464 1*ls.* 4*d.*
 Roman Catholic Church, Upper Canada, £1,399 17*s.* 3*d.*
 Wesleyan Methodist, Upper Canada, £639 5*s.*

29. As very exaggerated impressions prevail generally with respect to the severity of the climate of Canada, it may not be amiss that I should in this place call attention to the fact that, although the annual range of the thermometer is undoubtedly very considerable in the eastern districts of the province, the great lakes, which cover in the aggregate an area of 91,860 square miles, materially temper the extremes of heat and cold in the western parts, and increase the humidity of the atmosphere, rendering the climate especially favorable to the cultivation of the cereals.

The following is a table of the mean maximum and mean minimum temperatures, with the range of the different months in the year, as observed at Toronto, in her Majesty's observatory. The mean being of eleven years from 1840 to 1850, both inclusive.

	Mean.	Maximum.	Minimum.	Range.
January	24.67	45.53	4.41	40.74
February	24.14	46.35	4.37	50.72
March	30.83	53.31	7.59	45.92
April	42.17	71.44	17.96	53.46
May	51.44	76.76	28.62	47.94
June	61.42	76.44	33.72	40.72
July	66.34	83.11	44.05	44.06
August	65.76	83.98	45.02	38.95
September	57.11	80.19	32.07	42.12
October	44.50	66.10	22.17	44.30
November	36.37	57.03	13.33	43.60
December	27.18	45.25	3.52	46.27

Annual mean, 44.39.

The climate of Toronto is greatly more temperate than that of other places in the same latitude which are situated to the east or west of the great lakes, and at a distance which removes them from their influence. A very useful pamphlet has been published on this subject by Mr. Henry Youle Hind, mathematical master, and lecturer in chemistry and natural philosophy at the provincial normal school, Toronto, under the title of "A Comparative View of the Climate of Western Canada, considered in relation to its Influence upon Agriculture."

30. As the Post Office exercises no mean influence on the social and intellectual interests of a community, I will close my report with a few remarks on the condition of that department, which was transferred to the control of the provincial authorities in the month of April, 1851. At the period of the transfer an uniform rate of 3*d.* currency (about 2½*d.*) the half ounce was substituted for the rates, varying according to distance, which were previously levied, and which amounted on the average to 9*d.* currency (about 7½*d.*) the half ounce on all letters passing through the office. The returns of the department show that in the year ending 5th April, 1852, 2,931,375 miles were travelled by the mail—an increase of 444,360 miles over the preceding year, and that 243 new post offices were added to the establishment. The gross postage revenue for the first year of reduced postage was £33,004 11*s.* 10*d.*, that of the preceding year having been £77,097 10*s.* 8*d.* It fell short of the expenditure by £9,362 0*s.* 11*d.*; but it is estimated that a sum of £3,237 13*s.* 5*d.* will cover the deficiency for the current year.

31. The condition of the Indians of Canada calls for a passing notice in this report. The legislature and government of the province have always been kindly disposed to them. They have readily, at circumstances required it, passed laws for their protection; and they have not had recourse to those measures of violence and fraud which have been adopted elsewhere in order to force them to recede before the advance of the white man. The Indians of the upper province, however, such of them at least as occupy the settled parts, are in many respects more favorably situated than those of the lower. They have always been held to possess certain territorial rights, which as population and settlement have progressed have been made the subject of negotiation.

In return for their formal cession of lands to the crown, they have received compensation in the shape of annuities, and been permitted to retain fitting tracts for their own occupation, or for sale for their benefit. The Indians of the lower province on the contrary, have no funds (one or two seigniories of little value excepted) save the annual presents which they owe to the bounty of the British Government. As a partial remedy for this evil, the provincial parliament in the year 1851 passed an Act (14 and 15 Vict. cap. 106), setting apart for their use some considerable tracts of land, and a sum of £121 18*s.* 4½*d.* per annum. In Upper Canada the Indians inhabiting the settled districts are estimated in round numbers at about 7,500; those inhabiting the unsettled districts at about 3,000. In Lower Canada the corresponding classes may be stated at 3,500 and 2,000 respectively. The numbers in the unsettled districts cannot be very precisely ascertained, and it is to be feared they are diminishing. The Indian population in the settled districts seems on the whole to be stationary, or perhaps somewhat advancing. They are also making in different degrees some progress in civilization. I am in hopes that the industrial schools for the young, to which I called Earl Grey's attention in my despatch to his Lordship No. 19, of the 31st January 1849, may prove of essential service in this respect.

32. Before bringing this report to an end, I think it right to offer a few remarks on the subject of the provincial debt, expenditure and income,

That portion of the public debt of the province which has been incurred in the execution of works of a productive character, which the Government proposes to retain in its own hands, amounts, as I have already shown, to £2,334,234 1*s.* 1*d.*, £1,500,000 of this amount was raised with the guarantee of the British Government, and bears interest at four per cent. At the close of 1851 the stock held on account of the sinking fund for the redemption of this loan, as appears from Earl Grey's despatch to me, No. 612, of the 22nd January 1852, was £119,334 0*s.* 10*d.*; since which period further sums, amounting to £180,000, have been paid into this account. The remaining debt of the province amounts to £390,666 2*s.* 6*d.*, and is partly represented by the local works which, in pursuance of the policy adopted in 1849, are being gradually disposed of; making the total amount of the provincial debt £3,639,146 15*s.* 1*d.* Over and above this debt are the liabilities which the province has incurred and is still incurring for the promotion of certain railway undertakings. I have, however, already stated the conditions on which these advances are made. It is by no means probable that they will ever entail any charge on the provincial treasury.

The total expenditure of the province for the year 1851 amounted to £521,643 11s. 2d., including—

	£	s.	d.
Interest on public debt	183,749	7	0
Sinking Fund	60,000	0	0
Expenses of the legislature	39,120	11	9
Education	54,380	4	0
Agricultural societies	10,617	4	2
Hospitals	14,447	4	1
Indian annuities	6,373	10	5

Leaving for administrative expenditure, properly so called, comprising the cost of the civil government, administration of justice, penitentiary, militia, pensions, and a variety of other miscellaneous charges, £152,946 13s. 1d., about 1s. 4d. per head on the population, an amount which cannot be considered excessive, for in instituting comparisons between expenditure under these heads in Canada and in particular states of the Union it must always be borne in mind that many charges which are defrayed out of the provincial revenue here are in the United States thrown on the funds of the federal government or of the municipalities.

34. The revenue for the same period was £302,206 4s. 9d., comprising—

- 1st. Revenue from customs, amounting, after deduction of duties returned, and expenses of collection, which were about five per cent. on the total receipts, to £570,843 2s. 9d.
- 2d. Revenue from excise, derived principally from duties on stills, spirit shops, hawkers and pedlars' licenses, and auction licenses, yielding in 1851, after deduction of expenses of collection (about twelve per cent. on the whole), £16,508 17s. 3d.
- 3d. Territorial consisting of rents of ferries and proceeds of public lands and forests, amounting, in 1851, to—

Gross revenue	£61,000	3	7
Net do.	16,406	10	10

The great discrepancy between gross and net revenue in this case is attributable partly to the necessarily expensive character of the duties devolving on the department, and partly to the redemption of land and militia scrip, which is received in payment of Crown lands. £31,395 14s. 2d. of scrip was thus redeemed during the course of 1851. In order to make this point clearer, it may be proper to mention, that by a Provincial Act, passed in 1841 (4 & 5 Vict. cap. 100), free grants of land in this province (with the exception of grants of fifty acres to actual settlers in the vicinity of public roads in new settlements) were put and end to. Persons who had claims to land (such persons being for the most part U.E. loyalists, militiamen, and military settlers,) were bound to present them before the 1st of January 1843, and, if they could make them good, were allowed scrip at the rate of 4s. per acre for such claims. This scrip being receivable as money in sales of Crown lands, the period for making these claims was extended by an Act passed in 1849 (12 Vict. cap. 31.); but all issues of scrip have now ceased. The total amount of scrip issued under these Acts is about £190,000, of which upwards of £170,000 have been redeemed, being to that extent a reduction of the public debt of the province.

	£	s.	d.
4. Revenue from lighthouses and tonnage duty	770	8	4
5. Revenue derived from a tax on the issues of banks	13,012	11	3
6. Revenue from public works, including interest on the purchase money of certain works which have been alienated by the Government	53,432	0	10
7. Militia fines	6	13	7
8. Fines and forfeitures	1,121	1	11
9. Casual revenue, including certain fees that are funded, interest on monies deposited with banks, and other miscellaneous receipts	9,154	12	9
10. Law fees, funded	3,330	11	2
The general result being—			
Revenue	302,206	4	9
Expenditure	521,643	11	2
showing on the financial transactions of the year an excess in revenue over expenditure of	170,562	13	7

35. The foregoing statements are submitted in the hope that they may throw some light on the present condition and prospects of this interesting community of our fellow-countrymen, which, under the protection of Great Britain, and in the enjoyment of British institutions, is growing up in the immediate vicinity of the United States, at a rate of progress, less ostentatious and vaunted it may be, but susceptible, notwithstanding, of no unfavourable comparison with that of the adjoining republic.

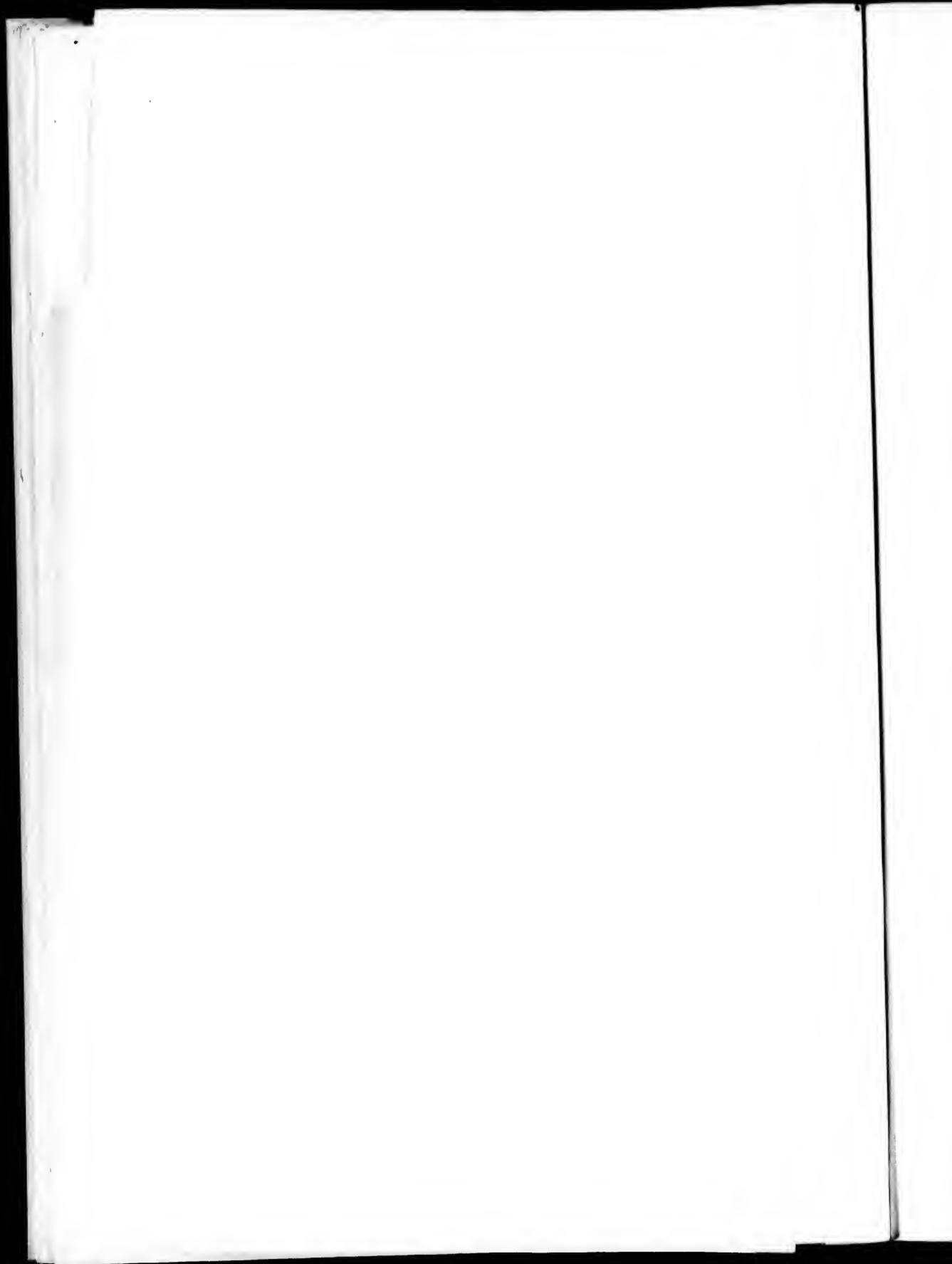
I have, &c.

(Signed)

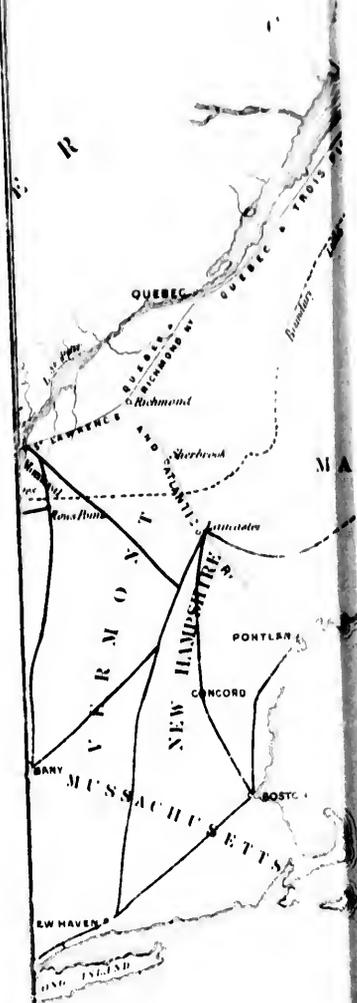
ELGIN AND KINCARDINE.

The Right Hon.
Sir John S. Pakington, Bart.,
&c. &c. &c.

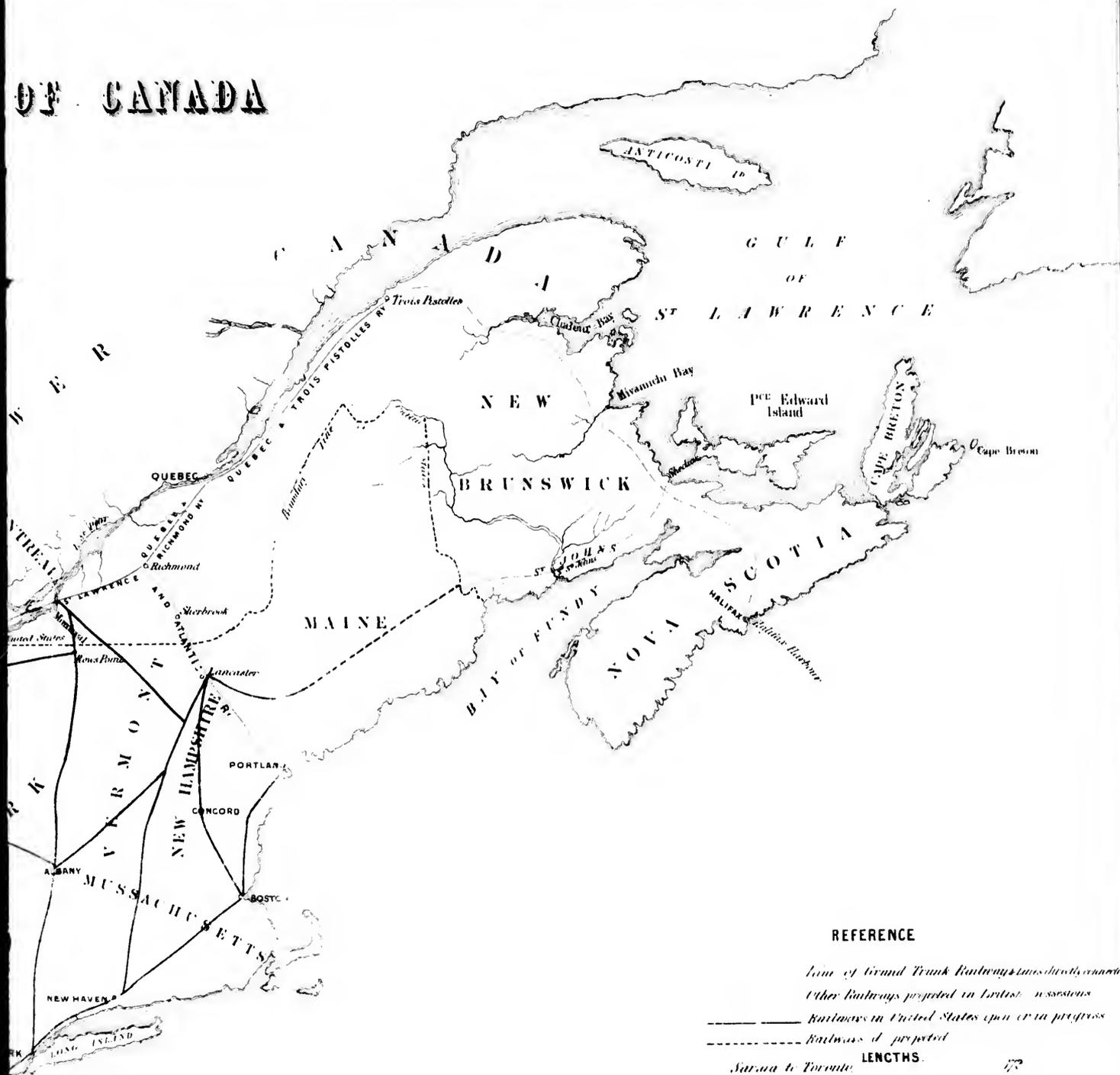
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CANADA



OF CANADA



REFERENCE

Line of Grand Trunk Railway shown directly connected with
Other Railways proposed in Letters of Session
 ——— Railways in United States open or in progress
 - - - - - Railways proposed

	LENGTHS.	
Sarawia to Toronto	172	
Toronto to Montreal	360	
St. Lawrence Bridge	2	
St. Lawrence and Atlantic	161	
N.B. Lined to Grand Trunk R.W.	120	
Quebec and Richmond	100	
Petersborough Branch	20	
Quebec to Trois Pistoles	165	
	1112 Miles	

