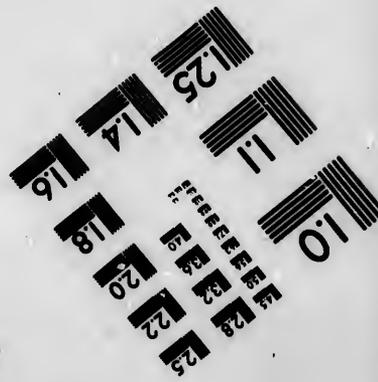
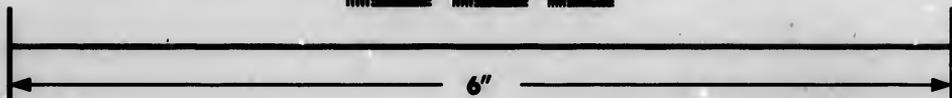
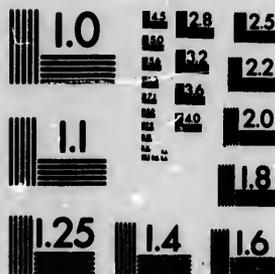


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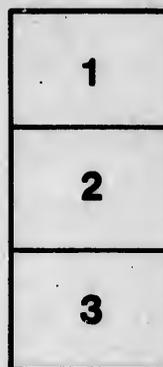
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COMMERCIAL PROSPECTS OF CANADA



A LECTURE

DELIVERED BEFORE THE

MONTREAL MECHANICS' INSTITUTE

ON

TUESDAY EVENING, JANUARY 19, 1860

BY

W. BRISTOW, Esquire.



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COMMERCIAL PROGRESS OF CANADA

A LECTURE

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1890

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THE
COMMERCIAL PROSPECTS OF CANADA.

A LECTURE,

Delivered before the Mechanics' Institute, January 20, 1850.

By W. BRISTOW, Esquire.

I propose to devote an hour to the examination of the Commercial Position and Prospects of Canada. The subject, it will be admitted, is, from its importance, deserving of the most ample consideration. I can only regret that the very limited space of time that I can pretend to engage your attention will not permit me to make my investigation so complete as I could wish, and as its intrinsic weight demands.

It may be necessary, before entering on the subject, to state that in treating it I shall take care to avoid trenching on any question connected with the party politics of the day. Acknowledging the propriety of the rule laid down for the government of this Institution, I shall, of course, take care not to violate it. My examination of the resources and prospects of Canada will be founded, not upon the position which she has held, or may hereafter hold, under this or that form of government, or connected with one or other nation, but on Canada as she is, with the resources now at her command, developed, in part, as they have been, and more fully as I trust they will hereafter be, by the energy and enterprise of her inhabitants.

I presume it is, on my part, perfectly unnecessary, addressing such an audience as the present, in a city which may as justly be described as the offspring of Commerce as the city of Venice was stiled the bride of the sea, to enlarge on the high advantages to be derived to a country from the cultivation of a commercial spirit, and to assert the equality of

Commerce with the interests of Agriculture and Manufactures, in the production of national prosperity.

It cannot, however, be denied that we have in Canada strenuous advocates for the encouragement and protection of particular classes, and who claim for the special object of their patronage a preference over other branches of industry. Thus, one party is vehement for agriculture, as the great producing power of the country, and is eager to enforce in this country the maxims which have been exploded in Great Britain. The cry of these parties is Protection to Agriculture; the object which they profess to be desirous to obtain is remunerating—in other words, high rates for the farmers. Now, all this is highly patriotic, but the question is, how is it to be effected? How is the spirit of competition which prevails in every other branch of business, and which reduces prices to their just level, to be prevented from exercising its due influence on the farming as on the other great interests of the country? The thing is impossible, even were we to admit it to be desirable. Canada produces more agricultural commodities than she consumes, and she, therefore, disposes of the remainder to other countries. It is self-evident that there cannot be two different prices for the same article in the same market at the same time, and the consequence is, that the price obtained for the surplus quantity, which is exported, regulates the price of that sold for home consumption. Any attempts, therefore, that may be made to bolster up the price of agricultural produce within this Colony, by prohibitive or protective duties, must be unavailing.

Of one thing we may rest assured, that the laws which regulate demand and supply, apply in their full force to agriculture. The latter will not exceed the former: if agricultural productions be in excess, agriculture will be found an unprofitable occupation; a portion of those engaged in it will devote themselves to other pursuits, and manufactures will spring up as a matter of course. With the increased demand for, and the diminished supply of agricultural productions, occasioned by the transfer of so much labor from agriculture to other pursuits, the depression of the agricultural interest will subside, and it will become an equally lucrative pursuit with other branches of trade. This is the natural course of trade, and had the demand for agricultural produce been confined to Canada alone, we must long ere this, have

arrived at the epoch in which it would be necessary to withdraw a portion of the capital and labour engaged in agriculture, and to have employed it in manufactures.

But here commerce has stepped in, and by finding a market for the surplus of our agricultural produce, has enabled the farmer, with the proceeds, to purchase, wherever he finds it to his advantage, those manufactured articles that he requires. That to the agriculturist, commerce is highly advantageous, therefore, needs no proof. Our farmers, generally, now see what they were blind to a few years since, the importance of finding as many markets as possible for the sale of their produce;—hence, their anxiety that it should be admitted free of duty into every part of the world. And they are, doubtless, in the right—and consult their true interests—in advocating this principle; although I believe the causes which have led, in some measure, to their present conviction, are not so powerfully operative as they imagine. One great reason for their desire that our agricultural products of Canada should be admitted free of duty into the United States market, and their willingness that United States products of a similar character should be received here free, is doubtless the fact, that for the last two or three years, owing to causes which are no longer in existence, the prices on the other side the lines have been considerably higher than in Canada. But a very little reflection will convince any one, that for the future no such disparity, to any considerable extent, can exist. Both the United States and Canada produce more agricultural commodities than they consume; and both, therefore, export their surplus produce. Each country has the use of the means of internal transport which the other possesses; and the produce of one country can be exported through the other country, free of duty. If, therefore, the produce of the foreign article be even a shade lower in price than that of the home article, the exporter ships the foreign. This is not theory, but an established fact,—known to every one engaged in commerce. The price of Canada wheat and flour last summer and autumn, was lower than that of the United States; our enterprising neighbors, therefore, purchased largely in our market for the United States—not to supply the home demand, where it would have had to pay duty, but the export demand, for which it answered the same purpose, besides possessing the property of being free of duty. But do not imagine that the difference

in value between that Canadian and United States flour in the New York market, was any thing like 20 per cent, the amount of duty to which the farmer is subject in the United States. No, the difference was scarcely, 5 per cent: perhaps not over 6d. a barrel on flour. So long as Canadian flour was to be got at the lowest fraction below United States flour, it was of course taken in preference for shipment. The consequence was, as might be foreseen, the value of the two became closely assimilated; United States flour having declined in about an equal rate as Canada flour advanced. The effect of these operations manifested itself throughout the Western States and throughout Canada, in a reduction of agricultural produce on the other side, and an enhancement of value on our side of the line. The duty thus became a nullity, except in so far as the obstruction to commerce, which the vexatious forms and delays of Custom House proceedings produce.

Do not, however, imagine that the foreign merchant derived all the benefit from this export demand in the United States. Our Upper Canada merchants and farmers reaped their full share. They were found just as sharp and wide-awake to the operation of the United States Tariff as our neighbours, whom it is just now the fashion to extol as monopolizers of the qualities of shrewdness and activity; and they generally availed themselves of the United States market instead of our own for the disposal of their produce. That this detracted from the productiveness of our public works, and that it diminished the commerce of Montreal, cannot be denied—two great evils, on which, however, this is not the place to enlarge—but beyond these evils and the small disparity, in price to which I have referred, it is evident that Canada did not suffer from the duty levied in the United States on her produce.

I have been thus particular in detailing the effects of these duties; not with any desire to undervalue the importance of the measures, which I am aware are now being adopted with every prospect of success, to obtain their abrogation, but to rest the question on its proper foundation. I trust I have clearly demonstrated, that to imagine there can be any very great disparity in the value of the same commodity on the two sides of a geographical line—each country having to supply a large export demand, for which the produce of the other country is available, free of duty—is an absurdity; and

that, consequently, all those calculations by which the farmers of Canada have been attempted to be deluded into the notion, that with the withdrawal of the duty in the United States, Canadian produce will advance 20 or 30 per cent., are fundamentally erroneous.

The extent of the evil arising from these fiscal impediments are these :—There are articles such as coarse grains, oats, barley, cattle, &c., and produce of the dairy, which Canada produces cheaper than the United States, and for which the free admission there would be desirable ; as on the other hand there are commodities, such as Indian corn and heavy pork, such as is used to a great extent for our lumberers and for our fisheries, which it would be advantageous to the American farmer to have admitted free here. Such an interchange of commodities would be advantageous to the people of each country, without weighing injuriously on the agriculture of either. Again, there are various local demands which would be more conveniently supplied from foreign markets, than from the markets of their own country. A reciprocally free intercourse, untrammelled by Custom House difficulties, would thus be mutually beneficial, and a reciprocity treaty so far as regards agricultural productions between the two countries is therefore evidently to be desired.

I fear I may be considered as trespassing too much on your time by these necessarily dry details, but my object in the present lecture is not to tickle the ears of my auditory with well rounded periods in favor of this or that particular branch of science or industry, but to confine myself to practical remarks on matters bearing on the subject of my essay,—“ The Commercial Condition and Prospects of Canada.” Taking commerce in its most extensive acceptance—the interchange of commodities—not confining it either to the internal or external trade of the country, it is evident, that every thing which bears on either the agricultural or manufacturing interest is analogous with it.

Having thus, I trust, shewn the identification of the interests of the Agriculturist with the extension of the foreign commerce of the country in agricultural productions, it may be expected that I should make a few remarks on the cry that is attempted to be raised in favour of some special encouragement being accorded to the manufacturing interest by our Legislature. I shall not enter at any length on this subject. It seems to me sufficient to observe, that manufac-

tures will spring up and extend in this country without such extraneous aid, whenever there shall exist a reasonable probability of their proving a more profitable pursuit than agriculture; and that without there be such a probability, it is not advisable to foster them by Legislative enactments. Individual enterprise may safely be left to pursue its own course unimpeded by artificial barriers—it cannot fail to swell the full tide of national prosperity. But to imagine that Legislative interference is requisite to instruct the capitalist how best to employ his own money, does seem the height of presumption. If four-fifths of the people of Canada agree to cultivate agriculture, it is fairly to be presumed that it is a lucrative employment, or that there is no room for more than one-fifth in other pursuits. I would not be understood to undervalue manufactures; on the contrary, they, equally with, but not more than, agriculture and commerce conduce to the prosperity of a nation, and are therefore entitled to equal encouragement, but not to special protection, from the Legislature. The practice of raising by Customs duties the sums necessary for the expenses of the Government, gives indeed incidentally a protection to manufactures, denied to the Agriculturist or the merchant, and these considerably stimulate manufactures to a great extent. These duties, which in Canada are generally $12\frac{1}{2}$ per cent., together with the cost of transport and the expense of purchasing the foreign manufacture, make the virtual protection to our Home manufacture fully 20 per cent. This ought to prove a strong inducement to domestic manufactures—and no doubt it does, since they are daily springing up and, I rejoice to see, rapidly extending. This good to the community is effected solely through self-interest, the most powerful stimulus that can be employed to excite the industry, and sharpen the intellect and ingenuity of man; and I, therefore, hold for true, the proposition that to each person can be safely confided the task of judging for himself, how best to apply the talents and means which he possesses. “The statesman,” says Adam Smith, “who should attempt to direct private people in what manner they ought to employ their capitals, would not only load himself with a most unnecessary attention, but assume an authority which could not safely be trusted, not only to a single person, but to no council or senate whatever, and which could no where be so dangerous as in the hands of a man who had folly and presumption enough to fancy himself fit to exercise it.”

These remarks on what is called protection to Agriculture and to Manufactures, and which you will observe are in accordance with the known principles of Free Trade, bear strongly on the subject of this Essay—our Commercial Prospects—because it is on the success of these principles that our future prosperity will mainly depend. You are all aware that, so far as Great Britain is concerned, the days of protection to Colonial Agricultural productions is at an end. It has been withdrawn, never to be restored. As well may you expect the course of the St. Lawrence to be reversed, and its waters which now thunder down the Falls of Niagara, to remount its steeps, as hope that Great Britain will retrace her steps, and tax the food of her already over-burdened artisans for the purpose of enriching her great landed proprietors, and perhaps incidentally benefitting the Canadian Agriculturist. The repeal of the Corn Laws in Great Britain I hold as an *fait accompli*: like the laws of the Medes and Persians, irrevocable. The question, therefore, to me appears solely to be,—What are our Commercial Prospects, under the new system of policy adopted by Great Britain?

To answer this question correctly, we must examine what are the resources of Canada, and how far those resources have been developed or are capable of development? Thoroughly to fathom the depths of this subject, would require more time than I can command. I regret that the limits of this Lecture will only permit a rapid glance at some of its prominent points.

That the Commercial Prospects of Canada should be a matter involved in doubt and uncertainty, can scarcely excite surprise, since there is a complete discordance of opinion as to her present actual condition. With the same evidence before the eyes of all, there is a most wonderful diversity in the conclusions drawn from it. Whilst one party draws a sombre landscape in Indian ink, the other paints a smiling one, dipping his pencil in *couleur de rose*. The one travels from Dan to Beersheba—from Gaspé to Sandwich—and cries, "All is barren," whilst the other finds nothing but civilization and fertility. The one calls Canada a veritable Kanata—a collection of huts—its original designation—the other points to the public edifices of Montreal, Toronto, or Kingston, in disproof of the appellation. The one tells us that Canada is in a state of "ruin or rapid decay;" the other, that she is in a state of rapid advancement. Those who take the

gloomy side of the picture differ in the details. With some the disease is of old standing, dating I know not how long since—but progressively advancing—with others it is but of recent origin, bursting out at the time of the repeal of the British Corn Laws; whilst according to some it only broke out in May or September last—which of the months is a matter of considerable uncertainty. All of this temperament agree that the only specific lies in one single word, which I will not whisper in this Hall, or in any other place. The supporters of the bright side of the picture, also, generally admit that difficulties and distresses have occasionally beset the Colonial path, but they look with confidence to their ultimate removal.

Non nostrum tantas componere lites: it is not for me to reconcile such differences of opinion. It is possible that both parties may overcharge the picture. It may be, that as the poet says of the two travellers who having seen a chameleon, described it—the one as green, the other blue—that

“Both are right and both are wrong.”

the difference being in the object itself when seen in different places. Or, more likely still, the difference may arise not from the object presented to the visual organs being different in appearance, but seen through a different medium—the one spectator looking through green, the other through the blue spectacles.

I shall endeavour, however, my sympathies may be enlisted on the bright side of the picture, not to throw any tint—except a neutral tint—over the landscape, but to draw it as it appears in the clear light of truth.

Dropping metaphors, let us consider calmly and dispassionately how far Canada possesses, within herself, the elements of commercial prosperity.

The first point to be considered is her productiveness; that is her capacity of producing such articles as are or may be advantageous objects of commerce.

Here we are not left to wander in a labyrinth of conjectures, we have solid realities to deal with.

First, as to the country itself. We are all of us perhaps too apt, in considering the resources of Canada, to draw our inferences rather from what she is than from what she may hereafter become. With a large strip of territory bordering on the river St. Lawrence, the Ottawa, or on the Great Lakes, thinly settled in comparison to older countries, we are

apt to consider this territory as the "be-all and end-all" of Canada; scarcely giving a thought to that hereafter, when these primeval forests which never yet felt the stroke of an axe shall be felled, and the lands which they cover shall bring forth a plenteous harvest—when busy towns and villages, the marts of industry, shall spring up in plains where the foot of man, as yet, has, perhaps, never trod.

The superficies of Canada, be it remembered, covers an area of 350,000 square miles, or 225,000,000 of acres—this includes land and water. It is within 6 per cent. of being equal in size to the whole thirteen original States of the Union, at the time of their obtaining their independence: it is nearly three times the size of the United Kingdoms of Great Britain and Ireland; two-thirds larger than France; and one-half larger than the Austrian Empire, including Hungary. Its population now amounts to upwards of one-and-a-half millions, being equal to two-fifths of the whole population of the United States, at the time from which they date their independence; and about equal to that of the Northern and Western States at that time.

Of the immense area of Canada, not more than about five-and-a-half millions of acres, or about one-fortieth part, are as yet brought under cultivation; which, taking the population, as before mentioned, gives the produce of $3\frac{1}{2}$ acres cultivated land for the sustenance of each inhabitant; being more than double the ratio of cultivated land to population in Great Britain. So small a portion of the lands of Canada has as yet been surveyed,—only about thirty-five millions of acres,—that it is impossible to estimate the total amount of lands susceptible of cultivation for agricultural purposes. It suffices, however, to remark, that immigration may continue, to an immense extent, for ages before the country will be fully peopled.

As testimony to the fertility of the soil in Canada, and its capabilities of production, I shall quote the language of Martin. In his history of the British Colonies, he says:—"The quantity of good soil in Canada, compared with the extent of country, is equal to that of any part of the globe; and there yet remains locality for many millions of the human race. The best lands are those on which the *hardest* timber is found—such as oak, maple, beech, elm, black walnut, &c.; though bass-wood, when of luxuriant growth, and pine, when large, clear, and tall, also indicate good land. Many of the

cedar swamps, when the cedars are not streaked, and ingled with ash of a large growth, contain a very rich soil, and are calculated for the finest hemp grounds in the world. So great is the fertility of the soil in Canada, that fifty bushels of wheat per acre are frequently produced on a farm, where the stumps of trees, which probably occupy an eighth of the surface, have not been eradicated; some instances of sixty bushels per acre occur; and near York, in Upper Canada, one hundred bushels of wheat were obtained from a single acre! In some districts wheat has been raised successively on the same ground for twenty years, without manure."

With such inducements to the cultivation of the soil, it cannot be wondered at that agriculture has taken the lead of all other occupations, and that the proportion of the people of Canada, engaged in agriculture, should be greater than in other countries. That proportion, I have already stated, amounts to 80 per cent of our entire population.

Another large item of the productive power of Canada, I need scarcely add, is her forests—almost boundless in extent—and promising for ages to be a source of wealth to the inhabitants. It has been the practice of a certain class of our political economists to undervalue this branch of commerce. In my opinion it yields to none in importance. The hardy lumberman has, indeed, been the pioneer of civilization; beyond all other classes he has contributed to develop the agricultural capabilities of different portions of the country. The Lumber Trade is, in many respects, particularly advantageous to a country situated as is Canada. Nearly the whole value of the article consists in the labour bestowed upon it in its manufacture, and its transport to the shipping market: the amount of money capital, in proportion to the amount of labour, invested in it is, therefore, comparatively limited. The impetus to our foreign commerce which this trade has given I need not describe: the thousand large ships which annually visit Quebec for their Timber cargoes, and the growing trade with our neighbours in the United States, are the only exemplification necessary.

The other principal productions of Canada are her ashes, and the produce of her fisheries; the latter have never been cultivated to any thing like their full extent, from the cause it is to be presumed, that other employments have been found more lucrative.

These have up to this period formed the principal exports of Canada, and they have increased in a ratio far beyond the increase of the population, until they now amount to upwards of two millions and a half pounds currency. This is the surplus wealth which Canada annually produces, beyond her annual consumption; and this forms the measure of her productiveness. Now, comparing Canada with certainly the two greatest commercial nations in the world—Great Britain and the United States—it is apparent that she is scarcely, if at all, inferior to either of them in this respect.

From Canada the exports in 1848 amounted as follows:—

From Montreal and Quebec, to	£1,749,167
Inland Ports	772,432

Total	£2,521,599
-----------------	------------

or equal to £1 13s. 4d. or \$6½ for each individual of our population. Now that was a year of unexampled depression occasioned by the losses of 1847; there is no doubt that this year the total value will be about 3 millions; equal to £2 currency per head. All this export consists of articles the produce of Canada.

In the United States, the value of the exports for 1848, was:—

Native Products	\$132,904,121
Foreign do.	21,132,315

Total	\$154,036,436
-----------------	---------------

\$6 1-3 per head of native produce, or \$7 1-3 if foreign produce be included.

In Great Britain, the export of 1848 was £46,407,939 sterling, £1 10s. 7d. per head, equal to about \$7½ per individual.

Thus it appears that Canada—notwithstanding the sombre accounts with which our papers have lately teemed, equals in productiveness the most prosperous nations of the earth—in other words, that she has a surplus of her products annually to dispose of, equal, in proportion to the number of her population, to the surplus produce of any other country. How Canada can be in the deplorable condition in which she has been depicted, I leave to abler casuists to determine.

Of course the measure of the exports of a country is that of her imports; and as Canada exports largely she must import to a similar extent. The one trade involves the other.

Another point on which the commercial prosperity of a country must be admitted mainly to depend, is its geographical position with regard to other nations, and the nature of its internal and external communications.

In these respects Canada may justly claim a pre-eminence over many countries, and an equality with the most favored nations. With one main channel of communication, the St. Lawrence, stretching from the entrance of her territory, fifteen hundred miles into the interior, navigable during the whole of that distance by ships of bulk and dimensions, suitable to brave the stormiest oceans: with inland seas, capable of bearing on their bosoms thousands of ships; with innumerable lakes dotting her surface; with rivers traversing the country in every direction, and thus connecting the interior with the banks of the main stream; commerce with every part of his own country, and with foreign nations, may emphatically be said to be brought to every man's door in Canada. Again, with regard to her neighbors, the United States, Canada possesses an advantage conceded perhaps to no other country. She possesses the most convenient, the speediest, and the cheapest channel of transport to and from the Western States, whether in their trade with the United States, or with foreign countries; and she holds in her own hands the key of this channel, and can at her own pleasure seal up and close the embouchure. With regard to her sister colonies of North America, Canada is equally favorably situated; whether they require Canadian produce or the produce of the Western States, the Canadian waters are the direct medium of conveyance, and the Canadian revenue must be enriched by the tolls on the transport.

Nature provided for Canada the means of securing these advantages, but the energies of her inhabitants were required to give them full efficacy. To remove the obstacles which lay in the way of the navigation of our inland waters, required exertions and sacrifices, such as the oldest countries might have shrunk from. But the prize was worthy of the effort; and we cannot but feel a pride, now that the object has been virtually accomplished—that Statesmen have been found, even in Canada, with minds capable of grasping in anticipation the great advantages which would flow to the commerce of the country from the construction of public works of a magnitude adapted to the transport of the produce, not only of our own country, but of the whole Western States.

In the conception of these great works, Canada took the precedence of her neighbours. Taking into consideration the greater wealth and larger population of the United States, it would have been no disparagement to our Canadian character for enterprise, had we lagged behind in the race of rivalry. But it was not so; Canada actually outstripped her rival, and in connecting the waters of Lake Erie with Ontario, actually accomplished a great work, from which the United States with all their "appliances and means to boot" shrunk almost from contemplating.

Volumes have been written, lauding our neighbours of the United States for their great undertaking, the Erie Canal, and we cordially join in the just tribute paid to the genius which conceived, and the industry and energy which completed that mighty work. It was dictated by the soundest policy, and has produced the most beneficial results, by bringing into close proximity the Western States with the seaboard, and thus consolidating that Union amongst the different sections of that great nation, which it is alike the desire of their eminent statesmen, and the interest of the world should be maintained inviolate. But whilst thus paying deserved homage to our neighbours, let us not forget the gratitude that is due to those amongst us, who, amidst difficulties such as would have deterred less ardent lovers of improvement, have persevered until they have accomplished a line of Canals, before which that boasted Erie Canal sinks into insignificance. The Erie Canal is doubtless a costly undertaking; the original outlay was about eleven millions of dollars—but beside our Canal it is a mere ditch. An immense outlay has been expended on it; and before it is completed to the full dimensions contemplated, the additional expenditure will have amounted to twenty-three millions dollars. But during the whole of the time that has elapsed since the completion on the original scale, immense revenues have been derived from it, and the additional outlay may well be spared out of the increasing tolls. The wealth of the State of New York, moreover, being taken into consideration, the burthen of such an outlay is inconsiderable. But in Canada it is altogether different. Our population is not one-fourth of the number of those interested in the Erie Canal; and yet they have had the public spirit to expend upwards of eleven millions of dollars in the Welland and St. Lawrence Canals. Canada may well boast of those works as unequalled in the world.

That those Canals are destined to prove the key-stone of the arch of our commercial eminence, no one now, I believe, will deny. It is on their success as public undertakings, in drawing to them the bulk of the transport of produce to and from the Western States, and to the tolls derived from that produce, with that on our Upper Canadian trade, that the immense outlay on them is expected to be reimbursed, and that ultimately a large revenue to the country is expected to accrue. It becomes, therefore, in considering the resources of Canada, necessary to examine what is the extent of that trade from which so large an increase is expected to be derived.

With regard to Canada, I have already referred to the increased value of our exports; and the progressive increase on our tolls is a pleasing omen of what is to follow. The following is the rate at which they have hitherto advanced:—

They were in 1842.....	£24,232
“ 1843.....	34,604
“ 1844.....	44,259
“ 1845.....	41,039
“ 1846.....	61,486
“ 1847.....	83,335
“ 1848.....	about 75,000

The accounts for 1849 are not made up, but, I believe, they will display a considerable increase. To this time our revenue has been nearly entirely derived from Canadian produce, with the exception of that through the Welland Canal, which is in part drawn from the United States vessels and produce. At the ratio of increase of the past years, and considering the rapid extension of agriculture and commerce in Western Canada, we may fairly anticipate that that trade will almost immediately suffice to pay the interest of the money invested in the Canals, and that all the tolls derived from foreigners will be so much profit to the country.

Let us, then, briefly consider what will be the extent of foreign commerce which may be expected to pass through our territory. The Western States to which I have alluded, are Illinois, Indiana, Ohio, Michigan, and Wisconsin. They have all burst into existence as but of yesterday. In 1800, there were not in these States fifty thousand inhabitants; now they number about five millions. Such an advance is unparalleled in history; nor is its march stopped. In all appearance the population and the productions of those countries will go on increasing with equal rapidity. That produce

must be forwarded through our waters: the Erie Canal has not the capacity for its transport. These States are the great granary of the United States; the sources whence she derives those immense supplies requisite for the maintenance of her manufacturing population in the Eastern States, and for her export trade with Great Britain and the rest of the world.

I have not been able to procure statistical information of the amount of produce annually shipped from the whole of these States; but there is not the least doubt that the great bulk of the produce—probably 7-8ths of the amount which passes down the Erie Canal—is from that country. In 1848, it amounted to upwards of three millions barrels of flour, seven millions bushels of grain, twenty-three millions pounds of butter, forty-three millions pounds of cheese, one hundred and fifty thousand barrels of provisions, with other articles, as the catalogue describes, too numerous to mention. From Michigan alone, in 1847, one million barrels of flour, one million bushels of wheat, with other articles, were exported: the total value of her exports for that year being upwards of \$7,000,000.

Now, the advantages which our line of communication offers over the Erie Canal, are unquestionable. On this subject, I shall quote an extract from the Report of the Commissioners of Public Works of Canada, for the year 1848, which places this matter in a clear point of view:—

Transport of a barrel of Flour from Buffalo to Albany, paid in 1849:—

Tolls on the Canal.....	31 cents.
Freight on the Canal.....	46 "
Total.....	77 cents.

Whereas by the St. Lawrence route, from Port Maitland to Montreal, there was paid in the same year on a barrel of Flour:—

For tolls.....	15 cents.
For freights.....	20 "
Total.....	35 cents.

Leaving a profit in favor of our navigation of 42 cents, or nearly 2s. 1½d. on each barrel of Flour.

Now, as to the freight upwards, we have the following result:—

3

On each 100 lbs. of goods from Albany to Buffalo there was paid in 1847—

For tolls.....	24 cents.
For freight.....	15 "
Total.....	39 cents,

or \$7.80 cents per ton.

During the same year, on the river St. Lawrence, from Montreal to Lake Erie, there was paid—

For tolls, 6d.....	10 cents.
For freight, 3d.....	5 "
Total.....	15 cents,

or \$3 per ton.

Thus we have \$4.80 cents per ton in favour of the River St. Lawrence, without including the storage and transhipment at Albany and Buffalo, nor the freight from New York to Albany.

Another means of comparison also, perhaps even more important than that of money, and which has not been so much appreciated, and is only just now beginning to be thought of, is that of time. If we establish the point of departure at Chicago, the distance to Quebec is 1600 miles. Of this long route, which is now navigable throughout, seventy miles only are by means of canals.

Steamers capable of carrying 300 tons, can, and really have run from Chicago to Quebec, and *vice versa*, with facility, in ten days, that is, six days from Chicago to Port Maitland, and four days from that Port to Quebec.

From Chicago to New York, the distance is also 1600 miles, but the distance which the boats have to run through the canals, is 364 miles, and the tonnage of these boats, being only one-fifth of that of the vessels using the Canadian route, a vessel of 300 tons burthen arriving from Chicago at Buffalo, in six days, will be obliged to divide her cargo among five boats, nearly the half of which will go straight to New York, and the other half will tranship their cargoes at Albany, into vessels of heavier burthen. Thus, the proportion of transhipments by the American route, as compared with ours, will be as 2½ : 1. Now, the time required for the transport of a cargo from Chicago to New York being 18 days, whereof 12 are spent in going through the canals, we shall have a saving of eight days, nearly one-half of the time, in favor of the St. Lawrence, which will save us 8 days expenses on the charges of the vessels, and secure us a profit of 8 days interest, on the value of the cargo; all of which are great advantages, and, with the heavier freight and tolls on Lake Erie, must more than counterbalance the inconveniencies of the remainder of our navigation, from Quebec to the Gulf.

It is manifestly impossible to estimate correctly the amount of revenue that may be expected to be derived from this foreign use of our internal communications, but some idea of its magnitude may be formed when we reflect, that the nett revenue derived from the Public Canals, of the State of New

York, amounted, last year, to \$2,348,000. Surely, to insure the conversion of such a trade, or any considerable portion of it, to our Canals, is deserving of the most strenuous exertion by our Legislators and Ministry.

When we consider the immense proportion of the productions of the Western Country that is intended for the British Market, it cannot be doubted that if once it were clearly shewn that such produce can arrive more expeditiously, more cheaply, and in better order, at its destination, *via* the St. Lawrence than by the Erie Canal, great part of that produce would take this route. That such produce can be brought to Montreal or Quebec far cheaper, and more expeditiously, than to New York, we have already shewn—the difference between Montreal and New York, in favour of the former, being about 2s. 1½d. per barrel, in Flour, and other articles, of course, in proportion. It may, therefore, fairly be presumed that the St. Lawrence route will be preferred, provided freights can be procured from Canada to Great Britain at rates nearly equivalent to those from New York. The recent change in the Imperial Navigation Laws will, I think, establish that equality in freights that we so much desire, and which is so essential to our trade. Under our old system, although foreign vessels could trade up the St. Lawrence to Quebec, they were virtually excluded from our commerce—being prohibited from carrying British Colonial produce to the British dominions. If, therefore, they arrived with immigrants or cargo, they could get no cargo back. The consequence, of course, was, a foreign vessel never entered our ports, except on the temporary suspension of the British Navigation Laws in 1847. But, all this is changed by the new policy of England. We are no longer compelled to use a British vessel for the transport of our Colonial produce, but can select our ships in the cheapest market; there can, therefore, be no longer that disparity in freights between Canada and New York which formerly existed. Some idea may be formed of the tax which the British Navigation Laws have constantly imposed on our commerce, when I state that in the freights from New York and Montreal respectively to Liverpool, there was an average difference, for four years—from 1844 to 1847—of three shillings sterling per barrel. Now, taking into consideration the comparative length and expenses of the two voyages, from 1s. to 1s. 6d. is the utmost extent of the difference that should have existed.

Thus our agriculturist was regularly taxed 5 to 7½ per cent., on his produce, for the benefit of the British Shipowner. Sometimes when there was a scarcity of shipping in our ports the difference of freight between Montreal and New York was as much as 5s. per barrel, or about equal to 25 per cent, or one-fourth of the cost of the produce.

Fortunately for our future commerce this burden is removed, and our chance of success in the race of competition with New York is thereby greatly enhanced. We can now ship our own produce, or that of any other nation, to any part of the world in ships belonging to any nation. Some of the effects of the new system it may be well to describe.

Formerly, there being little outward freight from Britain to Canada, more than three-fourths of the vessels came out in ballast, being chartered for a return cargo of timber. The profit on the return voyage must then of necessity be sufficient to repay the cost of the voyages out and hence. In other words, had it been possible to secure cargoes both ways, the freights might have been reduced nearly one half, and paid the shipowners equally well. This, in part, explains the difference in freights between New York and Montreal. To New York, ships generally arrive with cargoes—to Canada, in ballast. With the extension of our commerce with the West, this will no longer be the case. In the first place, the opening of the trade with the Western country, will lead the inhabitants to appreciate the superior cheapness and expedition of our route over the Erie Canal, and the Western merchant will order his supplies *via* the St. Lawrence. This will give outward freights to our ships, and thus reduce, as I before showed, homeward freights. But there is another trade now about to open upon us, which must infallibly equalize the freights between Canada and New York. I allude to the transport of immigrants from the continent of Europe to the Western States. About two hundred sail arrive annually in the Port of New York loaded with immigrants, to seek a home in the far West. That the bulk of these immigrants will hereafter pass through Canada to their destination, seems no longer a matter of doubt. Arrived at Montreal, they can at once be forwarded on their upward route, in capacious steamers capable of accommodating four or five hundred passengers, and pass up to the head of Lake Ontario in four days, instead of being cooped up in small Canal boats in the heat of the summer, during a

tedious journey of almost as many weeks, through the Erie Canal to Buffalo. The cost alone of providing for their sustenance by the latter route, is probably greater than the whole fare upwards by our Upper Canada steamers or propellers. This advantage, alone, must suffice, I am convinced, to bring nearly the whole amount of the German emigration this way. It affords me much pleasure to state, that I am aware that houses largely engaged in the forwarding trade, are now making arrangements for the reception by this route, of a large number of foreign immigrants; and I believe that there is reason to hope that Governmental regulations will be made to relieve the transient immigrants of a part of the taxation, to which, under our present fiscal laws, he would be liable. With so great an increase to the immigration to Canada, the tax imposed on immigrants may well be reduced one half.

Now there cannot be the least doubt that if from 100 to 200 vessels of the description which visited us in 1847, during the temporary suspension of the Navigation Laws, should come to Quebec and Montreal, our outward freights would be reduced at least to the same rates as those in New York; and that with this stimulus the Canadian route must engross that portion of the Western produce which is intended for the British markets.

Another trade, in which we can now defy competition from New York, is that in agricultural productions with our North American Provinces. There cannot be the least doubt that Provisions, Flour, &c., can be landed at any port in the Lower Provinces at least as cheap as in New York or Boston, and of course those markets must be superseded in this branch of their trade. These are some of the fruits that must immediately spring, partly from the completion of our public works, and partly from the repeal of the British Navigation Laws.

The power that is given to our Legislature, in like manner, to open our coasting trade to foreigners, if acted on in a truly liberal and enlightened spirit, will produce similar reduction in river freights, and will extend our commercial intercourse with our neighbours.

Whilst thus enumerating some of the new trades that are only now bursting on us, I must not omit to refer to that with the States of Vermont, New Hampshire, Massachusetts, and New York. It is but of yesterday, yet it has already become

of such importance, that the propriety, nay, the absolute necessity, of constructing a Canal to connect the St. Lawrence with Lake Champlain, has of late, as you are all aware, occupied a large share of public attention.

In a Report of the Proceedings of a Convention recently held at Saratoga, for the purpose of furthering this undertaking, much valuable information on the subject of this trade is published. It appears that even under the present costly mode of transit our exports to the United States are rapidly increasing. In 1847 they amounted to \$250,000; in 1848 they had increased ten-fold, being \$2,500,000. (See Report of Proceedings, &c., p. 18.)

From the information there collected, it is evident that the Canal in question could not fail to prove a highly profitable investment; and forming, as it will, another link in our great chain of national internal communications, I can only express my sincere hope, that the Government may themselves undertake the work. I believe that it would be safer in their hands than in those of any private individuals; that the public would be better served; and that there would be less fear either of the trade of the country being embarrassed, or of sectional interests being subserved at the expense of the general good. The whole cost of the work would not exceed £500,000, and the returns from it would far exceed the annual interest on the capital invested.

This measure is not called for to promote any sectional interest; every district, each section of the Province is alike interested in the completion of a work which would open a trade, of the amount of which we can only form a faint conception. The produce of the coal mines of the Lower Provinces; the gypsum of Nova Scotia; the lumber alike of the Ottawa and of the country below Quebec; bulky articles, such as iron and salt, from Great Britain; the Agricultural produce of Western Canada, and of the Western States, must flow through this channel to an enormous amount.

Another subject to which I cannot omit alluding, is the Portland Railroad; which, through the energy and public spirit of a few individuals—and especially of two gentlemen, whose names the public voice has inseparably associated with the success of the measure—has now been placed on such a footing as to become no longer a matter of speculation, but a certainty. In less than three years, the journey between Montréal and the seaboard of the State of Maine, will

be accomplished in a few hours. No longer will our Western produce be hermetically sealed up during a whole winter. No longer will the Western merchant, whether of the States or Canada, fear to send his produce to Montreal, lest it should arrive after the close of the navigation, or so late as to be subjected to enormous freight or Insurance. If not shipped at Montreal, it can be forwarded to Portland. Supplies for our merchants can then be received during the whole winter, and goods for the Western country stored in Montreal to await the first opening of our navigation, then to be forwarded to their destination. As our Canals ordinarily open at least a fortnight before the Erie Canal, and as the transport upwards to a point at the head of Lake Ontario can be effected in two or three days, whilst from New York it takes almost as many weeks—can it be doubted that that trade is almost at our own command?

Such are a few of the reflections which spring up in our minds when reflecting on the future commercial condition of Canada.

I am sensible that in entering into all these details I must have fatigued your attention; but they are essential to the discussion of the subject, and its importance must plead my justification. My object has been to shew that Canada is not yet plunged in that state of utter misery and despair in which she is described by some: that she has powers and resources within herself, and at her own command, which she has only rightly to put forth in order to elevate her to a high pitch of commercial prosperity. It has, of late, been too much the practice to decry Canada, and to depreciate the character of her people. She is represented as devoid of energy, and weighed down with difficulties, "checked in the full career of private and public enterprize," and "standing before the world in humiliating contrast with our neighbours." I need not say, that, were this true, to publish it is neither consistent with patriotism nor sound policy. Nations, like individuals, have their honest pride, and to stimulate them to noble actions the wisest course is surely not to degrade them in their own estimation. *Une patrie d'hier, n'aura pas de lendemain*: the country that cannot look back with pride to the past, is not likely to look forward with hope to the future. It is the glorious reminiscences of past actions that form the most powerful stimulus to future exertions.

But, I deny that Canada deserves the reproach of sluggishness, with which some of her sons have unworthily assailed her—for reproach it is on her national character, to allege that whilst all around has been rapid progress, she alone has retrograded or remained stationary. On the contrary, I contend, and, I believe, I have proved the truth of my assertion, that her progress has been at least—taking into consideration the paucity of her population and the migrating character of a portion of them—as rapid as that of her enterprising neighbours, whom I certainly would be the last to depreciate. Looking back on the difficulties which she has surmounted, the wonder is not that so much has been left undone, but that so much has been effected. If any one doubt the truth of this assertion; let him only compare our public works and public buildings with those of other countries of equally recent origin, and we cannot doubt the result.

In thus hopefully, as I have done this evening, expressing my opinion of our future commercial prospects, I have been led to do so under the conviction that I entertain of our population, as second to none in all the qualifications that conduce to national greatness. It is not—and history abundantly proves the fact—in proportion to the natural advantages of a country, that her material interests are at all times elevated. It would almost appear that the advancement of nations has been in an inverse ratio to their natural capabilities. Whilst those countries peculiarly favoured by soil and climate have languished, never emerging from obscurity, others, destitute of equal natural advantages, have reached the summit of national elevation. Hoiland affords a striking illustration. It has been observed of her, that without arable land her cities became the granaries of Europe; without possessing any of the materials for shipbuilding, she built navies that swept the ocean; without possessing either stone or timber, she constructed spacious cities and superb edifices. The country itself was in constant danger of being submerged, and it required all the skill of its inhabitants to protect it against sudden inundations. Yet the mind of man triumphed over these obstacles; and that people, with every physical difficulty to encounter, rose to be one of the first and most powerful nations of Europe.

Great Britain also—our father-land—presents the most memorable instance of the victory of mind. Little could the

Roman poet—when he described the British as cut off from communication with the whole world—imagine that the nation whom he thus despised was to attain to an eminence “above all Greek, above all Roman fame;” to extend her sway over regions unknown to Rome,—the so-called mistress of the world,—to plant her flag, and spread civilization, and diffuse Christianity in every quarter of the world—and not her least glory to plant Colonies in distant lands, whose proudest boast will ever be that they are not unworthy of their parentage!

Why do I make these observations? but that I would impress this truth for our practical government—that the commercial prosperity of a country depends upon the mental and moral character of the inhabitants. All the advantages of nature may be rendered nugatory by man. It is equally in the power of a people to transform fertile plains into a howling wilderness, or “to plant a garden in the desert waste.” The same causes which act on individual act on the national welfare. It is by honesty, by industry, by prudence, by frugality, and by perseverance that individuals thrive. The aggregate of these qualities in a people, joined to public spirit, form the basis of national prosperity. I would not have you confound, however, party spirit with public spirit. Their effects are as different as are their objects. Whilst party spirit is exercised in the furtherance of private or individual advancement, or in seeking to obtain an ascendancy of one part of the population over the remainder, public spirit is engaged in the promotion of the general welfare. One is sometimes mistaken for the other, but on a careful analysis it will be discovered that the one is pure gold, the other merely a gilded counterfeit.

Well does the poet say, with reference to what constitutes the real strength of a country:—

What constitutes a State?
 Not high-raised battlement or labored mound,
 Thick wall or moated gate;
 Not cities proud with spires and turrets crown'd,
 Not bays and broad-armed ports,
 Where, laughing at the storm, rich navies ride;
 But MEN, high-minded MEN.

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 national scale. It is by the property industry, by industry
 by the way of every man that the nation prospers.

ROLLO CAMPBELL, PRINTER.

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