

The Examiner.

"THIS IS TRUE LIBERTY, WHEN FREEBORN MEN—HAVING TO ADVISE THE PUBLIC, MAY SPEAK FREE."—EURIPIDES.

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IMPORTANT DESPATCH.

TRADE OF THE BRITISH AMERICAN PROVINCES— POST OFFICE ARRANGEMENT, AND RAILWAY COMMUNICATION.

[In order to re-publish the following very important Despatch, from the Right Honorable Secretary of State for the Colonies to the Governor General of British North America, we are compelled to defer the third letter of "Reflector," which we intended for this page. The Despatch embraces topics of deep interest to the Colonist, and we doubt not, will command the thoughtful consideration which it so strikingly merits.]

DOWNING STREET, 31st December, 1846.

My Lord.—Your Lordship is about to assume the Government of British North America at a time when a change of policy is in progress, which is of no ordinary importance to the interests of every part of the British Empire, and perhaps of none more than of that large portion of the Queen's Dominions in which her Majesty has been pleased to select you as her Representative. I need scarcely say, that I refer to those Commercial changes which in the last session, after long and anxious deliberation, received the sanction of Parliament. By the acts then passed, it has been provided that, with respect to some of the chief articles of national consumption, there should be a considerable immediate reduction, and an eventual abolition of those Duties upon Imports from Foreign Countries which have hitherto been imposed, not for the purpose of raising revenue, but with the avowed object of giving an advantage in the markets of this country, to the domestic or Colonial producer, over his foreign competitor. It has been enacted, that after a brief interval, the Canadian, in common with the British farmer (and in common also with the Sugar Planters of the British Colonies) must encounter in the sale of his produce in this country, the unrestricted competition of the foreign grower. The same relief from the burthen of differential duties which has thus been granted to the British consumer, one of the statutes to which I have alluded (the 8 and 9 Victoria, c. 94) has enabled their respective Legislatures to extend to the British Colonies, by empowering them to repeal the differential duties in favour of British produce imposed in those Colonies by former Imperial acts.

This is not an occasion upon which I could, with propriety, enter into any discussion of the grounds upon which this change of policy has been adopted, but without doing so, I may express my firm conviction that, eventually, the welfare of the Colonies, even more than that of the Mother Country, will be promoted by the abandonment of a system of artificial restrictions upon trade.

Looking to the great natural advantages possessed by the British Colonies, and especially by the fine Provinces of North America, I cannot doubt that, adopting a policy of which the object is to render industry productive, by leaving it to follow its natural channels of employment, and by affording every possible facility to commerce, must lead to their rapid advancement in wealth and prosperity. But with a view to this result, it is of the utmost importance that the Provincial Legislatures should strenuously co-operate with the Imperial Parliament. So far as the repeal of the differential duties hitherto imposed upon Imports into the Colonies from Foreign Countries, for the purpose of favoring the British producer, I can have no doubt that the Colonial Legislatures will gladly avail themselves of the power conferred upon them, by at once putting an end to these duties; indeed so obvious does it appear, that this measure ought to be the consequence of repealing differential duties imposed in this country to favour the importation of Colonial produce, the Parliament instead of merely enabling the Colonial Legislatures to abolish the duties alluded to, would probably have at once proceeded to do so by its own authority, had it not been

for the late period of the Session at which alone it was possible that the subject should be considered, and the difficulty of determining without more information, than could at that time be procured, how far the simple repeal of these duties, unaccompanied by any precautions, might have affected the finances of some of the Colonies.

I assume, therefore, that these duties will be speedily put an end to; but it does not appear to me, that this is, by any means, the whole of what is required in order to give to the Commerce of British America all the facilities it ought to enjoy. At present, each of these Colonies has its distinct establishment of officers for levying them, the trade between one Province and another being burthened by duties like that between countries entirely unconnected with each other. From their geographical position, relatively to each other, Canada, New Brunswick and Nova Scotia being divided only by arbitrary, and in some points still unsettled lines of boundary, and Prince Edward Island being separate from them only by a narrow strait; it is obvious that this state of things must be attended with very great inconvenience. While different rates of duty are levied upon the same articles in Provinces thus bordering upon, and closely connected with, each other, and while one Province imposes duties on the produce of another, it is obvious that a considerable expense must be incurred in maintaining inter-Colonial Lines of Custom Houses, that much encouragement must be given to smuggling—and what is of still more importance, that great difficulties must be thrown in the way of mutual intercourse of Provinces so well fitted by nature for carrying on with each other an active and beneficial commerce. The correspondence recorded in this office, proves this to be merely a speculative inconvenience, but one which has been practically, and very seriously felt; nor can any reasonable doubt be entertained, that if the duties levied in the different Provinces of British America could be assimilated, if the establishments for collecting them could be consolidated, and the net produce of the duties, after defraying the cost of collection, then divided upon some equitable principle, and placed at the disposal of the several Legislatures, the result would be in the highest degree advantageous to these Colonies, and materially contribute to enable them successfully to meet the difficulties which, for a time, are not unlikely to arise from the removal of commercial restrictions hitherto maintained in this country for their supposed advantage. Your Lordship will not fail to perceive that the original idea of the policy I have now suggested, is derived from the German Customs Union, or Zoll-verin. It is true that in many very important particulars, the circumstances of the German States, which formed this Union, were altogether unlike those of the British North American Provinces: and that, therefore, what was done in the one case forms no precedent for the other; but still the example of Germany proves that there is no insuperable difficulty in effecting an arrangement by which not merely different Provinces of the same Empire, but a large number of Independent States, may combine together for the purpose of establishing a common system of Custom House duties, and dividing the revenue which these duties produce. And further, this example also proves that in spite of no inconsiderable faults in the mode of effecting such an arrangement, and above all, the great one, having adopted a scale of duties far higher than is consistent with sound commercial and financial views, this Union is admitted to have exercised a highly beneficial influence upon the trade and industry of the States which belong to it. Information with respect to this remarkable institution will not therefore be without its value to Your Lordship, and I have accordingly the honor of transmitting to you with this Despatch, a copy of a Report upon the subject, which was a few days ago laid before Parliament by Her Majesty's command.

I do not anticipate that the intelligent inhabitants of British America will differ from me as to the advan-

tages which would arise from the adoption of such a measure.

They will readily perceive that by moderate duties upon Imports thus levied, the revenue required for the public service in the several Provinces, might be raised at less cost for collection, and with infinitely less of obstruction to commercial enterprise, than by the existing system: and I am convinced that they will fully appreciate the importance, at this particular time, of giving such stimulus to industry and to trade. But though the importance of the object to be effected will no doubt be universally recognised, I fear that there will be much practical difficulty in accomplishing it.

Such a change can only be carried into operation by the authority of the Provincial Legislatures, since that of the Imperial Parliament could not be made use of for this purpose, without an amount of interference with matters of purely internal concern in the several Provinces, which would be utterly inconsistent with the principles upon which they are now governed. But to obtain the concurrence of four separate Legislatures in passing a law involving the arrangement of many details, upon which, no doubt, great diversities of opinion will arise, and upon which a complete agreement of these different authorities would be indispensable for the success of the measure, seems hardly to be looked for. Even though persons should be appointed by each Province to meet and consider the arrangements it would be proper to make, and should agree upon a Report containing a draft of a bill which should be recommended to the several Legislatures, it seems to me rather to be hoped than expected that they would all concur in passing such a bill without amendment; and unless they did so, the whole labour which had been incurred would be fruitless.

In considering how this difficulty may be surmounted, it has occurred to me that the best course which could be adopted would be for the different Legislatures to pass Acts, recognizing the principle of consolidating their Custom House Establishments, but which, instead of entering into detail as to the arrangements to be for that purpose adopted, should give, by anticipation, the force of law to such arrangements as might be agreed upon by persons empowered to act for them in that behalf.

I purposely avoid expressing any opinion as to the manner in which the persons empowered to represent and act for the different Provinces should be appointed—whether they should be Committees from the two branches of the several Legislatures, or Commissioners named in the Acts which would require to be passed, since these are questions upon which, if the suggestion I have made should be entertained by the Legislatures, they are more able to form a judgment than myself; but I think it right to point out that in whatever manner they may be appointed, the representatives of the several Provinces should meet together at Montreal, where their deliberations could be conducted with the benefit of Your Lordship's advice and assistance, and that it would be indispensable to provide in the Acts from which they would derive their authority, that no arrangements to which they might agree should come into force without the previous confirmation of Her Majesty in Council.

In what manner this important subject should be brought under the consideration of the different Provincial Legislatures, and how it would be expedient to submit to them the question of delegating to some central authority a portion of their constitutional power, I must leave it to Your Lordship's judgment to determine upon the spot. I may, however, remark that should such an authority be created, its functions need not be confined to the single subject to which I have already referred. There are two other subjects at this moment requiring attention, and with regard to which the co-operation with each other of the different Pro-