

into that Province in Bond or free of Duty, or levying an impost more than equal in value to the whole cost of the article, for the protection of an unimportant branch of manufacture in Nova Scotia, while the same article, manufactured in Canada, would still leave the burden of the whole Duty on raw Sugar.

The effect of such an exemption would, it is believed, cause the whole of the import of Sugar into this Province, to come from Nova Scotia, and the other North American Colonies, in a manufactured state. This Province would then lose the whole Duty, and the Customs Law would only operate to render the manufacture of refined Sugar in Canada, except at a vast loss, impossible.

A very considerable Duty is imposed by the Canada Customs Act on Tobacco. Under the Law, unmanufactured Tobacco can only be introduced on payment of 1½d. per lb. According to the proposed system of Free Trade in manufactures, manufactured Tobacco would be introduced Duty free from the Colonies; the consequence must be the loss of the Revenue of this Province, arising from Tobacco, and the destruction of the Tobacco manufactures of the Province.

The same observation would apply to the article of Leather, a very considerable quantity of which is now imported paying Duty, and there is a heavy impost upon Boots and Shoes, intended probably as protective of home manufactures; but were Boots and Shoes, manufactured in Nova Scotia, imported here free of Duty, the consequence must be, the loss of Revenue on Leather, and the existence of a Duty protecting not the manufactures of Canada, but that of Nova Scotia; for while the price of Leather used by our shoemakers is kept up by an import Duty, it may come through Nova Scotia free of Duty, in the shape of Boots and Shoes, a state of trade which mechanics of this Province would look upon as intolerable.

In short, as regards all articles subject to Duty in a raw state on importation into this Province, should Free Trade in manufactured articles be carried on between the Colonies, the Duties imposed would cease to be a source of Revenue, and would become protective to the manufactures and imports of the Sister Colonies to the exclusion of those of Canada.

In connexion with this subject, the Inspector General begs to remind His Excellency the Governor General, that since the transmission of the Customs Act to England for the signification of the Royal pleasure, numerous complaints have been made by British traders against that provision of the Customs Act under which the Governor in Council is authorized to admit the products and manufactures of the Sister Colonies on more favourable terms than those from the United Kingdom. These complaints are obviously founded in justice; and it would, in the opinion of the Inspector General, be highly inexpedient for the Canadian Government to adopt any measure which would induce the Imperial Government, or the people of the United Kingdom, to believe that their commercial interests were overlooked or disregarded in this Province.

It may possibly be contended, as regards the interests of the Province of Canada, that Canadians will have the same power of manufacturing for the other Provinces which these Provinces will have for Canada; but the effect of such an unnatural course of Trade would be to deprive the Government of Nova Scotia of Revenue which may be absolutely required for the public service there, and without affording any compensation to Canada for the loss of Revenue absolutely required here; and moreover it seems obvious that no good could arise to any of the Provinces from a state of trade so curiously artificial, as to force the manufactured articles in use in each Colony to be fabricated in the Sister Provinces, instead of being manufactured at home.

The Inspector General cannot believe that the con-

sequences which in his opinion would necessarily follow, were the Governor in Council to give effect to the provisions of the Customs Act, with regard to Inter-Colonial Trade, were foreseen by the framers of that Law. As a general principle, nothing could be more liberal and politic than free intercourse between the different Provinces forming Her Majesty's Dominions in this part of the world; and had the contemplated exemption from Duty been confined to the native productions of the respective Colonies, from which but a small Revenue is derived, and which under an enlightened system of Commercial Policy might with great propriety be freely exchanged between all Nations without payment of Duty, there could have been no objection to the intended relaxation of the Customs Law; but so long as the Revenues collected in each Province are for the benefit of that Province alone, and so long as the Duties levied in each bear no relation in amount to those collected in the others, and so long as the Customs in each may be evaded by the others, by the introduction of Foreign articles free of Duty, under the name of Colonial manufactures, it appears to the Inspector General that a provision so universal in its application as the one under consideration, must be impracticable.

It might have been desirable if the terms of the Act authorized such a course, that the Governor in Council of Canada should have enumerated such of the products of the Sister Colonies as might be interchanged free of Duty with mutual advantage; it does not however appear that such discretionary power has been conferred by the Act; the exemption, if made at all, must extend to all articles, the growth, produce or manufacture of the Provinces.

Under these circumstances the Inspector General is of opinion that no action should be taken by the Governor in Council in Canada on the subject of Inter-Colonial Trade until further communications have taken place between His Excellency the Governor General and the Lieutenant Governors of Nova Scotia and New Brunswick. In the meantime, to prevent embarrassment to the trade, it may be expedient to remit the Duty imposed upon the products of Nova Scotia and New Brunswick imported into Canada. His Excellency the Governor General has already, by virtue of the authority vested in him, by law, remitted the Duty on Fish imported from Nova Scotia, and a similar relaxation will doubtless be made in cases of a similar kind, until the subject can again be brought under the notice of the Legislature. This probably may answer all practical purposes. The Inspector General is not aware whether in case of the entire remission of Duty in the terms of the Act, manufactures would be largely introduced from the Sister Colonies. It would be highly desirable to obtain reliable information on this point, and especially with regard to Sugar, the Duty levied on which article in Canada amounts to about £100,000.

It is possible that the result of further communications between His Excellency and the Lieutenant Governors of the Sister Provinces may be to remove some at least of the objections stated above, but at present it would, in the opinion of the Inspector General, be highly inexpedient for the Canadian Government to give effect to that provision of the Customs Act which authorizes the free admission of the products and manufactures of the Sister Colonies. All which is humbly submitted.

(Signed) F. HINCKS, *Inspector General.*  
*Inspector General's Office, Montreal, 19th May, 1848.*

#### Died,

On the 3d instant, in the eleventh year of his age, after a short but severe illness of eighteen hours, supposed to be inflammation on the brain, Thomas Overton, youngest son of Robert Chestnut, Esquire. Truly "in the midst of life we are in death," and as truly "we know not what a day may bring forth."

This fine, cheerful and sprightly boy was as well as usual, and as lively as ever, until half past seven o'clock on Friday evening, and died a quarter before two o'clock on Saturday, despite all that parental attention and affection could suggest, or the most prompt medical skill accomplish.