

BRITISH
NORTH AMERICAN ASSOCIATION.

S P E E C H

OF

THE HON. A. T. GALT,

AT THE

CHAMBER OF COMMERCE,

MANCHESTER,

SEPTEMBER 25, 1862.

LONDON.

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1862.

THE HON. A. T. GALT

ON

CANADIAN AFFAIRS.

ON the 26th Sept., the Hon. A. T. Galt, late Finance Minister of Canada, gave an address in the Town Hall, Manchester, to the members of the Chamber of Commerce. A requisition, signed by the principal Manchester merchants and manufacturers, had been previously addressed to the chamber, requesting them to invite Mr. Galt to afford them information respecting Canada and its Government. The Chamber of Commerce acceded to the request, and this meeting was the result. The Mayor of Manchester (Mr. T. Goadsby) presided and Mr. Galt was introduced by Mr. H. Ashworth, the President of the Chamber of Commerce.

The Hon. Mr. GALT, after a few prefatory remarks, spoke of the progress of Canada, in the Government in which he had had the honour for several years to hold a place. It was the largest and most important of the British colonies, having a population of 2,600,000, most of whom had proceeded from this country to find a home. It was desirable that in such a colony there should not be any misapprehensions entertained as to the sympathies, intentions, and acts of the mother-country. Taking the last census, it was found that the population of Canada West had increased from 952,000 to 1,398,000, being an increase of 40 per cent.; the lands held had increased from 9,825,515 acres in 1852 to 13,354,907 in 1861. The acres under cultivation in 1852 amounted to 3,702,788 and in 1861 to 6,051,619, being an increase of 63½ per cent. The wheat products had increased from 12,082,550 bushels in 1852 to 24,640,435 in 1861, being an increase of 108½ per cent. Canada was now producing results which in a few years must greatly enhance the importance she bore towards Great Britain, and which rendered the connection of the colony with the mother-country all the more important. This was a further reason why no mistakes should occur between them. Those points where

difficulties occurred should be brought into harmony. The points upon which objections had been taken in England might, he thought, be summed up into three—namely, that the tariff legislation—the commercial legislation—was not consistent with the present views of political economists here, and that it had not been advantageous either to Canada or this country; secondly, that the cost of maintaining the colonies by this country had been large, while the result had been small; and lastly, that even assuming that the tariff question was settled and that the question of cost was satisfactorily adjusted, there were gentlemen in England who said that both England and the colonies would be better off if they were separate. The first point had excited the greatest attention in England and in the northern district—he referred to the commercial legislation adopted by Canada. It would, however, be well to refer to the causes which had necessitated the imposition of customs' duties at all, because it was now generally admitted that, where it was possible, direct taxation might be the cheapest and best mode of providing for the wants of an estate. In England the largest part of the revenue was still raised by indirect taxation; and, notwithstanding the vast amount of realised capital and the general intelligence of the people, it had not yet been found practicable to raise more than one-third of the revenue by direct taxation; it might, then, be readily understood what the difficulties were in Canada, where they had not equal advantages. The incomes of the people residing there were so small that it was scarcely possible to impose an income tax that would yield any large amount, and the fact that the country generally was settled upon by poor and in many respects uneducated persons was a reason why it was more difficult to make them acquiesce in the visits of the tax gatherer. He did not consider it possible to raise for the ordinary purposes of the Government any considerable part of the revenue by direct taxation, though a system had been introduced—a municipal system—for local wants, providing for education, highways, and other objects. Consequently they had had to look to indirect sources of revenue, and amongst them the customs' duties had naturally been the principal. Revenue was derived from the postal service, the sale of lands, the public works, and other items. But the revenue derived from public lands had been wholly devoted to the settlement of those lands, it being necessary to survey the forest, to lay it out into lots, to open roads, and to take steps which were absolutely necessary for the benefit of the thousands who were in the habit of seeking their shores. The public works had not yielded the revenue which was expected from them, although the amount was something considerable. Policy had

compelled the Government to forego a large portion of the tolls, but the prospects for the future in this respect were better. They were, therefore, brought to the necessity of considering the means of raising revenue by duties imposed upon the imports of the country. It was plain that the first question to suggest itself would be whether the expenditure of Canada had been judicious—whether, in fact, a large expenditure for public works and other objects should have been undertaken. The public debt in Canada was about twelve millions sterling. Of that, four millions had been expended in canals for the purpose of rendering the navigation of the St. Lawrence complete, about four millions had been advanced in aid of the railway system, and the remaining four millions had been expended partly in the construction of lighthouses, in the formation of provincial roads, and in a variety of minor charges. The two great items were those of canals and railways, making together two-thirds of the public debt of Canada. The position in which Canada stood originally was that of a country possessing no roads whatever, having her principal water communications interrupted by rapids which completely barred the navigation, having no lighthouses in the lower part of the gulf, and their trade consequently being subjected to very heavy insurances. When the goods formerly arrived in Montreal they were handed over to the forwarder, who had to pass them through a variety of communication, from carts to boats, and from boats to carts again, so that the rate of charges to the consumer was very great indeed, he necessarily paying the whole cost up to the time the goods reached him. In Canada, then, whilst the cost of the goods was largely augmented by the insufficient means of communication, the produce which was sent to this country for the purpose of paying for these goods was, from the same cause, greatly diminished in value. The effect of the improvements had been that all the charges upon those goods and upon that produce had been largely decreased. Instead of being, as in many cases, augmented 100 per cent., they were now taken to the most distant part of Canada at a minimum cost. The navigation of the St. Lawrence was the finest in the world; and the railway system, especially the Grand Trunk and the Great Western lines, had greatly facilitated communication. The policy of Canada in undertaking those public works had therefore not only been beneficial to the country itself, but it had placed it in a better position to carry on business with England (hear, hear). A very important question might arise as to whether the policy which had been adopted with regard to the imposition of the customs' duties had been governed by

sound principles, or an approximation to sound principles, even supposing the duties themselves were necessary. It must be perfectly clear that with a long frontier like that between Canada and the United States, in a comparatively unsettled country, large facilities would exist for the carrying on of an illicit trade. It was, therefore, plain that if Canada imposed duties upon articles which were imported free into the United States, from America the supply by smuggling would come and the Treasury would not receive the duties. The same result would apply if the duties in Canada were high and those in America low. The articles which formed the bulk of the indirect revenue of England had been, until the American war broke out, free from duty in the United States. There had been no excise duty on spirits; there had been no duty on tea except when imported in foreign ships; and there had been no duty upon sugar and tobacco. These, whence the bulk of the British revenue was derived, were admitted to be fair articles of taxation, and the only limit that could be put upon them was that regulated by consumption. In Canada, although some advocated it, they did not adopt the American principle; duties had always been imposed on tea, sugar, and tobacco, and limited excise duties on spirits. These duties had formed an important part of their revenue, but they had never been so high as absolutely to encourage smuggling from the United States. Having got as much from these articles as they could get, they had to supply the deficiency from the other articles imported into the country. The principle adopted in Canada had been that of admitting all raw materials free. The next class of articles were those which had received a certain amount of manufacture, but which could not be used till they had received a certain amount of re-manufacture, and upon them a 10 per cent. duty was imposed; and upon articles fully manufactured the duty was 20 per cent. The main bulk of the customs' revenue was undoubtedly derived from the 20 per cent. duty, but the result of the whole was an average of 17 per cent. Had they imposed a lower duty, they would still not have been sufficiently low to have heretofore produced a demand from the United States, whose duties had averaged 24 per cent. The object of the Government was to obtain the means of keeping up the credit of the country, and it was not intended, as had been stated, to introduce a protective system. He confessed, however, there were some articles, not of very great importance, that bore that character. The best evidence that could be offered against the charge of protection was that the effect of the tariff had not been to produce manufactures. The manufactures in Canada were those which might be expected in a new country—nails, steam engines, coarse woollens, and other articles necessary in

a newly-settled country. There was not at this moment a single cotton mill in Canada, nor a silk manufactory. The imports of earthenware and glass, hardware and iron, and woollen cloths had gone on steadily increasing every year from 1859 to the present time. Having thus briefly shown the causes for import duties, the principles upon which they were imposed, and the effect which they had produced on trade, he would now draw the attention of the meeting to the policy proposed by himself on behalf of the late Government, and which would no doubt have been adopted by the Legislature had not the Ministerial crisis upon the Militia Bill interrupted the ordinary business of the session. When the American war broke out, the necessity of providing for a vast outlay compelled the United States to alter their fiscal system and to impose excise duties upon spirits, tobacco, and other articles, and large customs' duties upon tea and sugar. Under these circumstances, it was proposed by the late Canadian Government that the duties upon tea, sugar, tobacco, and spirits in Canada should be brought as nearly as possible to the rates the Americans themselves had imposed, and they expected to obtain by these means an increased revenue on the articles referred to, and to apply the additional amount to a reduction in the duties upon imported goods. It was proposed to reduce the first class goods from 10 to 7½ per cent.; others from 20 to 15 per cent.; and the three articles at 25 per cent. they also proposed to reduce to 15 per cent. It was proposed to raise a considerable sum—imitating the Americans—by means of stamp duties, with the view of making it a permanent source of revenue afterwards. But the Government resigned on the question of the Militia Bill, and their successors had not had time to consider fully the steps to be taken. While they might, therefore, have made mistakes in their fiscal legislation, their object had been to reduce the charges upon trade, to increase the imports of the country, and thereby to augment the export trade and develop the resources of Canada. It was, he must say, a source of great disappointment to many of them to find that they had been misinterpreted with regard to their intentions. It was no doubt true that there was a strong Protectionist party in Canada, but it had not been in the ascendant, and he believed it never would be (hear, hear). It must, however, be remembered that the system formerly adopted in the colonies was one of protection, and it need not cause much surprise if time were required to produce strong convictions on the subject of free trade. The people of Canada had before them the progress in wealth, population, and intelligence of the United States, especially of New England, under a protective system, and

they might very naturally attribute to that system results which had really been obtained despite of it, and which were truly attributable to the vast resources of the American continent and the wonderful energy and ability of its people. In referring to the second point he had mentioned at the outset, namely, the cost of the colonies, he said that in the old times, when the colonies were governed from Downing-street, they were a constant source of vexation and expense to this country. More particularly would this apply to Canada. The result of that old system was expensive to England and distasteful to the colonists. When Earl Russell was Colonial Secretary in 1846, the question of responsible or self-government was conceded to the important colonies. The result had been most satisfactory, and there had been no serious dispute since between Canada and this country, and the same might be said of all the North American colonies. Except for Imperial purposes, there had not—till the American war broke out—been the necessity for maintaining a single soldier in Canada. Although troops were sent out, they were never wanted for the purpose of preserving peace and order in the colony. That had been always done, and would always be done, by the ordinary Government. In times of peace, therefore, there was no necessity for military expenditure, except indeed for occupying the important fortresses which existed. The whole of the expenses of the Civil Government were borne on the Canadian budget. There might be, and he thought there were, one or two small sums still which the English Government bore—such as the expenses, under agreements with the Society for the Propagation of the Gospel, of one or two Bishops of the country and one or two Indian treaties, but the sums were very small indeed, and were such as the Imperial Government had not thought could be applied for to the colony. The expenses of the Governor-General's salary, his secretary, and the whole staff were borne on the Canadian estimates. It might be well to state what Canada did on the breaking out of the American war, when in a state of uncertainty what Great Britain would do. No application whatever, up to the time he left the Government, had been made by the Colonial Government for a single soldier to be sent out, but they did ask the Imperial Government to send out and store in Quebec a large quantity of those arms which were stored in Woolwich. That was three months before the *Trent* difficulty occurred; and that was the only application that had been made, except it had been very recently. What they desired was to have arms in the country, to be able to supply them to the militia for the defence of the colony. When the *Trent* difficulty arose, it became the duty of the Imperial Government—and it nobly performed

that duty—not to leave Canada unprotected. It was impossible that Canada could, in such a contest as was then threatened, defend herself. She could not raise an army of 100,000 men. England herself would have found a difficulty in maintaining such an army in addition to her present expenditure. The difficulty, therefore, became Imperial in its character, but as members of the empire they thought it their duty to do their share. They were quite willing to furnish all the strength of the country, and to pay as far as they could under the circumstances, but it would be perfectly idle to assume that they could do all the work should a war break out. The proportion in men and means which Canada ought to contribute in the event of a war with the United States could be, he believed, readily settled by negotiation with the Imperial Government, provided difficulties were not made through unjust and acrimonious attacks upon Canada, such as unfortunately had not been infrequent and which could not fail to cause exasperation and to obscure sound judgment on both sides. His own views and those of the late Canadian Government were expressed in the defeated Militia Bill, and are, briefly, that Canada should at her own cost maintain an organisation whereby 50,000 men could be at once placed in the field, thoroughly officered and with a certain amount of drill; and that a reserve of 50,000, in a less forward state of discipline, should be provided, with further provisions for additional draughts upon the militia if required. If war actually occurred, it must be plain to every one that the ability of Canada to pay such a force would almost wholly cease if her territory became the battle-field; and the financial burden would necessarily have to be borne by the empire at large. The question whether colonies were of any value at all was a very important question. Its importance could not be exaggerated, because if a mistake were once made it could not be remedied. For two hundred years England had been obtaining colonies in all parts of the world; and if they were once given up it was clear that they could not be brought back again. In speaking of the colonies of British North America, it had been assumed that Canada could be given up with the most perfect good feeling on either side, and that everything would go on as at present, while responsibility on each side to the other would be wholly removed. Now, a very slight knowledge of human nature would tell gentlemen that if an important community was in this way turned adrift, without notice or warning, that was not the best way to produce good feeling. It was scarcely possible it could exist under such circumstances. There would be great irritation; and in the case of Canada another result would follow. It being impossi-

ble for her to maintain herself in her position to the United States, such a policy would be tantamount to surrendering her to the United States; and the people of England would not, therefore, have created a new and friendly nation, but would have very greatly augmented the strength of a country that had latterly shown extreme animosity towards them. This was plain English; and the same might be said of the West Indies, who could not long remain independent communities. He contended that before advocating or taking a step which could never be retraced, the present colonial policy of self-government should be thoroughly worked out and exhausted. It had thus far been eminently successful, though only in operation for a very few years. Quarrels between the colonies and the mother-country had almost wholly ceased. The Imperial expenditure had in time of peace been reduced to literally nothing, so far as the wants of the self-governing colonies were concerned, and he believed the question of self-defence admitted of easy solution. He thought the present policy should be further developed and extended, and he would venture to suggest the direction which it ought to take. Much difficulty arose, and must always exist, from the number and variety of the colonies. Many had adjusted their own tariffs and established their own fiscal systems; the consequence was, that if difficulties arose with one requiring the imposition of taxation, it might be in opposition to the policy of the others and of the mother-country. He thought, then, it would be desirable so to harmonise and federate them as to bring them into different groups, so that instead of fifty colonies there would be five or six groups. It was clear that by joining the resources of all, the strength of the whole would be increased for defence, and thus the burden of defending them would be reduced to the mother-country. As to the North American colonies, the question had been brought under the notice of the Imperial Government three years ago, but no progress had been made. Canada, with a population of 2,600,000, was debarred from the ocean during the winter season, and even in summer she had little connection with the lower colonies. New Brunswick had a population of 300,000. Canada had no coal; New Brunswick was one natural coal field. Nova Scotia had a population of 330,000; she possessed valuable mines of iron, coal, and even of gold. Newfoundland was celebrated for its fisheries. If these colonies could bring together the resources which each possessed for the benefit of the whole, the strength and influence of the whole would be increased. Instead of five different systems and tariffs, there would be only one; instead of lines of custom-houses along each frontier, there would be

none, and the expenses of collecting the duties would be reduced; and instead of maintaining half-a-dozen different Governments, there would be only one. The expenses of administration would also be reduced and the result would be productive of general benefit to all. Even as regarded Great Britain, it certainly would not be considered an unimportant object to have available in case of need the sailors and fishermen of those countries, 60,000 of whom were there employed. In ten or fifteen years the present population of 3,500,000 would probably be doubled—its strength united and developed—and if ultimately it were found necessary to separate, they might then be both ready and able to stand alone and resist foreign aggression. But if, as he hoped, the result were to show that the union of these colonies with Great Britain could be maintained with increasing benefit to both, then how much would the strength of the empire be increased by the possession of such a powerful dependency? After some further observations to the same effect, Mr. Galt concluded by saying that all parties would rejoice at the success of such a policy. He then sat down amidst applause.

Mr. H. ASHWORTH said there was a great deal of misapprehension with regard to the advantages of colonies, and especially with regard to the tariff of duties imposed by the colonies. This part of the country had been very restive lately under the Indian duties of five per cent., and it was a still more anomalous circumstance that Canada should impose much higher duties. We had some 50 colonies upon our hands, which appeared very different judged by the standard of Imperial requirements to what they did when weighed in the balance-sheet of advantages. Suffering as the people did, we ought not to confine ourselves to the Imperial advantages of having a dominion upon which the sun never sets. We ought to consider whether or not we were in a condition to allow the taxes which were charged so heavily upon us to be expended at the rate of some four or five millions a year in upholding colonial governments in all parts of the world, and where the people were much better off than the people of this country (hear). Mr. Galt had spoken of the Canadians as a poor people, but previously he had enlarged upon the progress of the colony in wealth and population, remarking that while the governmental charge per head in Canada was 5s. 2½d.,* in Great Britain it

* N.B.—The Hon. Mr. Galt, in a letter addressed to the *Times* on the 29th Sept., corrected these figures. He states that the annual charge in Great Britain for interest on public debt was 19s. 10½d., while in Canada it was 6s. 2½d.; and that the whole annual expenditure of Great Britain was 21. 8s. 9d., while in Canada it was 1s. 10½d., and not, as erroneously quoted by Mr. Ashworth, 6s. 2½d.

was 2*l.* 8*s.* 9*d.* (hear, hear). Was it likely, then, that we should be prepared to sanction a further outlay? Our North American colonies were largely composed of lands which were waste, and which would probably remain waste to the end of time. The climate was such that little could be done on the surface of the country for six months of the year. The population was put down at 2,600,000, which was rather more than the population of Lancashire. He had himself taken observation of a large portion of the population of Lower Canada, and he could assure them that so far from their being at all to be compared to the working people of this country, they were about the most imbecile class of people he had ever seen. They were French, and had subdivided their lands into mere strips and small patches, and they had nothing to sell and no money wherewith to buy. It had been the policy of Canada to fix high duties, and their conversion to free trade principles was of recent date. A newspaper published in that country during the present year exulted in the number of cotton, woollen, and other manufacturing establishments formed in the colony. Was it wise of us to sustain a policy which excluded our commerce by high tariffs and exulted in the idea of becoming our rival? He had no objections to the Canadians growing their own corn, spinning their own cotton, and manufacturing their own wool, and, as soon as convenient, taking themselves to themselves. It was admitted that taxation could be raised for Canadian schools, then why not for the remission of the tariff upon European manufactures? The tariff had been reduced to 15 per cent., but that was no great advantage. If lowered further the Canadian labourers would be able to buy our goods (hear). When the French treaty was negotiated, it was put forward as an unanswerable argument against a less duty than 15 per cent. that our colonies charged 20 per cent. (hear, hear). Mr. Galt told them that the Canadians paid for their own bishops. (Mr. Mason—"No.") The Duke of Newcastle, our Colonial Secretary, had told a deputation the same. He (Mr. Ashworth) had gone into the subject, and had found that the payment was not entered in the colonial but in the miscellaneous estimates.

Mr. GALT—It is a mistake.

Mr. ASHWORTH could refer him to the treasury book containing the sums. There was a point beyond which human nature could not bear hard dealing, and the time had come for plainer language to be used towards Canada. Mr. Ashworth quoted the following as the sentiment of Canada:—"It is the duty of the present Government to affirm the right of the Canadian Legislature to adjust the taxation of the people in the way they deem best, even if it should happen to meet the dis-

approval of the Imperial Ministry." This was not very becoming language from a country which was so largely under obligation to ourselves. Mr. Ashworth concluded by quoting the following observations by that pertinent writer, Professor Goldwin Smith:—"We are keeping the colonies in a perpetual state of political infancy, and preventing the gristle of their frames from being matured and hardened into bone. We are making them extravagantly democratic. There is but one way to make Canada impregnable, and that is to fence her round with the majesty of an independent nation" (applause).

Mr. HUGH MASON said that no one in this country wished abruptly to snap the ties which bound Canada and this country together; but, at the same time, he believed that there was a growing feeling in favour of our colonies, and especially Canada, assuming at no distant day the power, dignity, and responsibility of independent nations. If there was any country in the world which ought to do with a low amount of taxation, it was Canada. The International Exhibition showed that Canada possessed the richest mines of undeveloped wealth of almost any country. Both the mother-country and the colony had special grievances. Mr. Galt said they paid the salary of their Governor-General, but they were not allowed to engage or dismiss him; the mother-country, without paying the cost, demanded the patronage. On the other hand, he understood that the salaries of a brace of bishops were saddled upon the mother-country. These were two special grievances. The corn of Canada was admitted into England duty free, but duties were imposed upon our manufactured goods which were almost prohibitory (hear). These were not the kind of relations that ought to exist between a parent and a child. He thought the fear of dismemberment was visionary, for in the case of Ireland the sale of estates had been the greatest blessing to that country. If the honourable gentleman's mission was in the slightest degree to put Canadian hands into the pockets of British taxpayers, he hoped Mr. Galt would leave Manchester at all events with an unmistakeable impression that this was not the time for Canada to ask the Lancashire operatives and millowners for a portion of their taxes. (Mr. Galt—Certainly not.) Canada was like a son who wished to start life where his father stopped. If Canada wanted a perfect system of railroads, she must go through the early stage of road-making which we went through in this country. We ought not to be expected to give any money for Canadian railways. He cordially endorsed the opinion of Mr. Ashworth, and sincerely hoped, for the sake of Canada and England, that the time was not far distant when the former would be an independent nation. In a time of peace it did not matter what Government a coun-

try had, because everybody was flourishing, but Canada perhaps saw that some day she might have difficulties to encounter from neighbouring States, and then what would Canada be to us? He should most decidedly object to the retention of Canada as a battle-field between this and any other country (hear). If we must fight, he hoped it would be upon the sea.

Mr. FERGUSON hoped it would be fully understood that Mr. Ashworth's opinions were not those of the majority of the Chamber of Commerce (hear, hear). Both the gentlemen who had spoken expressed merely their individual opinions (hear, hear from Mr. Mason).

Mr. MALCOLM ROSS did not go to the full extent of either Mr. Ashworth or Mr. Mason. On the subject of the proposed railway guarantee, Mr. Ross expressed a decided opinion that it was most impolitic to ask for such a guarantee while the Canadian Government were talking about increasing the duties upon imported goods. In disproof of what Mr. Galt had said, Mr. Ross quoted the following from an American paper:—"The trade in home manufactured woollens has been large and very successful. There are now a great number of first-rate mills in the province, the productions of which are eagerly sought for and bear a high character. The production of our manufactured cloth is rapidly on the increase. We are rejoiced at this favourable indication, and hope to see the importation of woollen goods steadily decline." Exactly the same process was going on in Canada that led to the erection of cotton mills in Bombay. We had not the slightest desire to prevent their erecting mills, but it was scarcely fair to ask us to contribute to the support of a country that excluded our manufactures by a taxation of 20 per cent. He wanted both countries to go hand-in-hand with kindly feelings, and asked nothing that he was not prepared to grant. He had no desire to turn Canada away without a moment's notice, but he wished the two countries to act as members of the same family (hear). England was prepared to do her duty, provided her efforts were appreciated by the colonists. Even if Canada were dismembered, he hoped that kindly feelings would still prevail. If we sent soldiers to fight for the Ottoman, how much stronger was the claim of Canada to our support? (hear.) He hoped that this meeting would show that the question of our colonies was not altogether a consideration of pounds, shillings, and pence.

The MAYOR referred to the fact that the high tariff in Canada had been a bar to the reduction of the Indian duties. When the duties to India were 10 per cent., the deputation was asked, "How can you require the Government to reduce the taxes upon cloths imported

into India, when in Canada they are 30 per cent., remembering that India pays the cost of her Government and Canada does not by a considerable amount?" The troops lately sent to defend the frontier of Canada certainly cost a million of money. How could Canada expect England to do that, when she put a positive interdict upon the importation of our industry? (hear.)

Mr. GALT, in reply, said that Mr. Ashworth, in speaking of his personal acquaintance with the French inhabitants of Lower Canada, had done, no doubt unintentionally, the people very great injustice. He had called them imbecile. That was a term that was most unjust to their intelligence and industry (hear, hear). He asserted, on the contrary, that they had made great progress, and that this fact was shown by statistics. The last census showed the progress made in Lower Canada during the last ten years. In 1852 the population of Canada East was 890,000; in 1861 it was 1,111,000, being an increase of 25 per cent. In 1852 the land held by these people was 8,112,000 acres; in 1861 it had increased to 10,223,000, being an increase of 27½ per cent.; thus showing that the proportion of land appropriated had increased more than the increase of population. The number of acres under cultivation was 3,605,000 in 1852; whereas it was 4,678,000 in 1861, being an increase of 29½ per cent. With regard to production, that had also increased. The bushels of wheat raised in 1852 were 3,078,000 and in 1861 2,363,000, being a decrease of about 16 per cent.; but on this point he had to say that it was well known that the farmers of Lower Canada had turned their attention to the growth of other grains. In other grains, for example, the number of bushels raised in 1852 was 12,147,000, but in 1861 it had increased to 23,534,000, being an increase of no less than 93½ per cent., or very nearly as much as was shown by the whole British population of Upper Canada (hear). He felt it his duty to make these statements in justice to French-Canadians, and to add that it should be remembered that they had not had the advantages of the other portion of the Canadian community, that they had been settled for a very long period of time and had not had the advantages of a fresh influx by immigration, and that all their advances had proceeded from themselves. He contended, then, that as they had been able to introduce improved municipal systems, and that as there was a school in every parish, where every child received a free education, they were, or ought to be, beyond the reach of any stigma (hear). Mr. Ashworth had referred to the cost of the colonies being 500,000*l.* a year. This referred to

the whole of our North American possessions. He could only repeat that the troops kept in Canada in time of peace were not kept there for the purpose of the colony. England kept them there for Imperial purposes; that was an Imperial act in connection with the distribution of the Imperial forces, and he thought, too, that the hon. gentleman was mistaken as to the proportion of charge due to Canada. With regard to the clergy reserves, the hon. gentleman must have been under some misapprehension. He (Mr. Galt) would not go into the history of this question, but there could not possibly be more than two bishops connected with this charge, and the whole salaries were 1,000*l.* per annum each. As to the correspondence with the Duke of Newcastle in reference to the proposed law concerning shipping, that law was certainly not designed for the purpose supposed by Mr. Ashworth. Great Britain had always been desirous that the coasting trade of America should be thrown open, as hers was, and Canada was also desirous of it, but the Americans were not disposed to make the concession. The idea then occurred to the Canadian Legislature that the imposition of a small duty on vessels receiving a British register would be a fair charge, and might tend to procure a settlement of the question; but the bill was expressly reserved for the consideration of the Imperial Government, who, in disapproving of it, might have spared Canada an unmerited lecture. As to the Sheffield memorial, that involved the principle of self-taxation, for which the Canadians had always contended and which they would uphold. Mr. Ross and Mr. Mason had referred to some possible mission which he (Mr. Galt) might have to this country in reference to a guarantee for colonial works. He could only assure the chair that his mission was purely private. He was glad to have had the opportunity of visiting Manchester, but he neither professed, nor did he in fact hold, any official connection in reference to this visit. He had come only to afford an opportunity of making some explanations. Certainly he had no mission to the Imperial Government about railways or anything else. He should be satisfied if any good resulted from the removal of the mistake or misapprehension that, whilst some gentlemen were in England seeking a guarantee to some public works, the Canadian Government were at that time discussing the question of increasing the import duties. He could assure the chamber as a fact that during the last four years, since the tariff of 1859, there had been not only no such discussion, but no such intention (hear, hear). On the contrary, the late Government, as already stated, took the first opportunity of proposing a reduction of the import duties (hear,

hear). With regard to the proposed guarantee to the International Railway from Halifax and Nova Scotia to Canada, he was strongly in favour of that railway, believing that it would be of great advantage to Imperial as well as colonial interests. But the proposal of the Duke of Newcastle was that the colonies themselves should pay the whole cost. His Grace certainly proposed that the guarantee of the Imperial Government should be given to a certain amount of the cost, but the colonies themselves were expected to pay the interest upon the whole cost. As to Canada, he might here mention that the Imperial Government gave a guarantee of 1,500,000*l.* sterling for Canada sixteen or seventeen years ago, for the purpose of enabling her to complete her canals. From that day to this there has never been sixpence advanced or paid by the Imperial Exchequer. The whole amount had been raised by Canada three years ago, and it was now in the hands of the British Government to be paid as the bonds fell due. This was the way Canada met her obligations; and if it was the interest of Canada to undertake further responsibilities, they would be met in an equally honourable and straightforward way. Canada, however, thought that her interests might have been better protected in the matter of the subsidies to the ocean steamers. Upwards of 180,000*l.* a year was paid to the Cunard line. The effect was to reduce the cost of goods sent by that route to that extent, thus taking Canadian trade away and enabling the Americans to build their railways and improve their communications. The necessity of having direct communication between the St. Lawrence and England compelled Canada to pay 80,000*l.* a year for the purpose of maintaining her intercourse with this country, when she need not have paid anything if Canadian interests had been properly consulted at home. Under these circumstances, he hoped gentlemen would believe that he had visited Manchester from a sincere desire to remove misapprehensions as to the feeling and the policy of Canada; and though he was sorry at the tone of Mr. Ashworth's remarks, he must say that it was much better that Mr. Ashworth should have made his statements there where he (Mr. Galt) had an opportunity in his presence of answering them, than that they should have been made where they could not be answered (hear). What was wanted was frank and free discussion, and, with Mr. Ross, he believed the result would be the removal of those differences which were often so injurious to harmony (hear). All he would add was—Let the experiment of self-government in Canada be worked out to its legitimate conclusion. If that conclusion was that it would be better to separate, so be it; they could then separate without any danger of heart-burnings or animosity. But if the conclusion favoured those who believed in the

importance of colonies to the empire, then they could go on with the certainty of the strength and prosperity of the empire being increased and not diminished by the connection (cheers).

A vote of thanks to the Mayor brought the proceedings to a close.

