

eastern and western connections ; and the formation, therefore, of a capacious water route eastwards could draw away no western produce, either water-borne or rail-borne, that would otherwise stop there, though, on the other hand, it is not unreasonable to suppose that the closer communications with the country around Lake Champlain, through the intervention of the Caughnawaga Canal, would enable Montreal to tap a portion, and probably a growing and considerable portion, of New York trade.

The idea that Caughnawaga Canal ought not to be constructed, unless the State of New York, or a company formed in that State, should be willing immediately to complete the Champlain Canal and Hudson communications, deserves possibly to be treated with more respect than the former grounds of opposition, because it is through the want of an understanding between the two countries, that Sir Francis Hincks accounts in some measure for the failure of the scheme, and Sir Francis Hincks is an ex-premier of Canada, and reputed to be the highest financial authority in Montreal. On that account I will, previous to discussing objections of this character, give the result of an interview which I was favoured to have with Sir Francis on the 29th of November last.

Interviewer.—Is the projected Caughnawaga Canal to be regarded, in your opinion, as a thoroughly practicable scheme ?

Sir Francis Hincks.—Yes, quite, under certain circumstances ; that is, provided the State of New York performed its part in improving the Channel of the Hudson, and completing the Lake Champlain communications.

I.—What do you consider to have been the principal hindrance to its construction ?

Sir F. H.—The consciousness in Montreal that unless water-communication was established with