

two ships is not compensation for carrying the mails. The work of carrying the mails will be paid for separately, the figure being fixed at £68,000 per annum for the 20 years during which the agreement will run. This represents about £6,000 per annum more than the Company were receiving under the old poundage arrangement. With this separate payment being made for mail services, the £150,000 a year practically resolves itself into a merchant-cruiser retaining fee. Prior to the agreement, however, the Cunards had been receiving a considerable sum, nearly £30,000 per annum, on merchant-cruiser account. When this is deducted from the present subvention, there remains £125,000 a year for the cruiser subsidy, which, added to the higher remuneration for mail-carrying, gives the Company about £130,000 a year more than it received before, though against this must be set the interest on the loan and the payments on account of sinking fund. The two new ships are to maintain an average speed of not less than 24½ knots in moderate weather.

This remarkable bargain with the Cunards raises the old issue that England, without intending to do so, is helping New York at the expense, in some degree at least, of the St. Lawrence ports. It so happened that shortly before the Cunard agreement was adopted, the question of establishing an All-Red route was brought before the Colonial Conference by the late Mr. Seddon of New Zealand, a very enthusiastic Imperialist. His plan was to place fast steamers between England, Canada, Australia and Hong Kong, with the view, as he expressed it, of solidifying the Empire, although judging by the recent Australian tariff, the All-Red cable, which costs Canada a good deal, has not done much in that direction. But an All-Red route has been in existence for a long time, namely, from Liverpool to Canada by the *Empresses* and *Allans*, across Canada by the Canadian Pacific to Vancouver, from Vancouver to Australia by the Canadian-Australian steamships and from Vancouver to Japan and