offer numerous mill sites of which no use has as yet been made. It has been proposed also, though objections have been raised to the scheme, to make use of the waste water flowing from the great aqueduct of the new water works for manufacturing purposes. A large number of factories might be furnished with motive power from this source. Another advantage Montreal possesses is found in the density of the population of the surrounding districts. many places the land has been subdivided until the holdings of each man are too small for profitable agriculture, and the people, deeply attached to the soil, are unwilling to leave the older settlements in the valleys of the St. Lawrence and Richelieu so long as they can obtain subsistence there. Some, indeed, have wandered off to the prairie lands of the West and to the Eastern townships, and some have sought and obtained employment in the factories of New England, whence we may hope to see them come back to our own factories already trained to this new industry. No where are there found people better adapted for factory hands, more intelligent, docile, and giving less trouble to their employers, than in Lower Canada. Twenty or twenty-five years ago this population was most prosperous in agricultural pursuits; large crops of wheat were grown here, and a considerable surplus exported. The fly came, the wheat crops ceased, and the surplus for export of the coarser grains which have since been grown, has proved less remuner-These coarse grains, roots, and all those other crops which find a most profitable market in large cities are grown here in great abundance. The supplies of all these necessaries for a manufacturing population can be drawn from the immediate vicinity of the city. The island of Montreal now exports, from year to year, considerable quantities of them to the other parts of the Province. Owing to the causes above alluded to, agricultural wages are not so high here as in those portions of the Province where wheat is more largely grown, and hands can be obtained to work in the factories at more reasonable rates than there. All these causes concurring make this the best site for a manufacturing city in Canada, perhaps the best on this Materials required from abroad can be brought here without transhipment.* Numerous beds of iron ore exist within easy distance for carriage hither by water. The Hull mines on the Ottawa, not far from the City of Ottawa, are now worked; and the iron from the St. Maurice mines near Three Rivers has long been manufactured. Both irons are of the most excellent description. Here we have abundant water-power, and cheap and abundant labor. The same appliances and facilities, also, which, have been elsewhere described for the distribution of imported goods to consumers in the West, will be of as great assistance to our manufacturers, some of whom already feel the benefit of the opening of the Grand Trunk Railway in the increase of western orders. The sole difficulties with which they have to contend are a restricted market, and the competition of the larger, wealthier and longer established factories in other countries. The mode of removing these difficulties has of late occupied a good deal of public attention; but as the Committee deem it to be within the scope of the duties assigned to them to state facts only, not to suggest remedies, they do not enter upon any consideration of this subject.

^{*}Cotton, too, can be brought here from the more northern cotton growing States more cheaply and safely by our system of inland navigation than by the coasting route, or by the to Boston, for the New England Factories. We have already cited an instance of cotton brought from Tennessee by this route for New York.