

By or before that time it is expected that their line of steamers to Japan and China will be placed on the ocean route.

A recent despatch from Ottawa, by the correspondent of a leading Chicago journal, states that "The reason why the Pacific Mail Steamship Company, of San Francisco, manifested so much anxiety to conclude an arrangement with the Canadian Pacific Railway for connecting the lines of the latter with San Francisco has leaked out, and, in consequence, ex-Governor Perkins' recent visit to Vice-President Van Horne, of the Canadian Pacific Railway, at Montreal, has a wider significance.

"It turns out that the Pacific Mail Steamship Company, which Mr. Perkins represents, receives a very large share of its earnings from the British Government for carrying the English mails; and that the company was notified a few months ago by the English authorities that such subsidy would cease in July next. This notification was sent out in pursuance of arrangements entered into between the English and Dominion Governments and the Canadian Pacific Railway for the transport of all English mail matter, now sent by way of San Francisco to Japan, China, and the New Zealand and the Australian Colonies, to go by the all-British route."

The same correspondent learned from a leading member of the House of Commons at Ottawa—Hon. J. J. C. Abbott—who is the chief solicitor of the Canadian Pacific Railway, that one of the most important measures to be submitted to the present session of the Dominion Parliament is the scheme settled upon by the British and Dominion Governments and the Canadian Pacific Railway for a continuous all-British line of transportation from Great Britain *via* Montreal and Vancouver to Japan, China,

New Zealand, Australia and the East Indies—a measure which must greatly change the course of trans-Pacific and trans-Continental trade. He adds:

"Latest reports from San Francisco indicate that the mercantile community there are deeply agitated over the possible results of the new arrangements."

I referred, previously, to the advantage which the more northerly location of the Canadian Pacific Railway gave it in a shorter distance from ocean to ocean over other and more southerly lines; but this land distance, so saved, is nothing as compared with the ocean distances saved by the water portion of the route of communication between Europe and Asia *via* the Canadian road over that between those continents *via* New York and San Francisco.

Vancouver, the Pacific terminus in British Columbia of the Canadian line, is some 800 or 900 miles nearer Japan than is San Francisco; and the Atlantic terminus (as yet unfixed upon, but which must necessarily be in Nova Scotia,) will be about the same distance nearer England than is New York, as Vancouver is nearer Asia than San Francisco; so that we have nearly two thousand miles of ocean voyage saved in favour of the Canadian route. This in the transportation of cargoes of teas means a great deal more than the mere saving of time and expense, for, as every one knows, the ocean voyage is more or less destructive of the fine flavour and quality of teas—the chief reason why they are so carefully encased in tin to keep out the saline effects of the sea water. The overland transport of teas from China into Russia is the chief reason for the superior quality of the tea drunk in the latter country over every other out of China. Hence from both these causes—the great shortening of the sea distance in transportation, and consequent lessening