

is to enable them, on the security so afforded, of the continuance of the Government subsidy to embark additional capital in the construction of still more powerful steam ships by which to outstrip all competitors, and maintain the superiority of the British line. This object appears to my Lords of national importance, and in the maintenance of this line considerations of greater moment than those of a postal nature must have weight when it is borne in mind that it is the connecting link between this country and her vast possessions across the Atlantic, and that in the event of the withdrawal of adequate support, the British line will be supplanted by foreign competitors, whose Government would probably again grant to them larger subsidies than those paid by this country."

It will not, I trust, be considered unreasonable if I express my profound regret that one of the most important of these possessions was precluded from the opportunity of showing in what way the objects aimed at could be best accomplished; and that the course actually taken is more calculated to destroy than maintain the true connecting link between England and that possession.

It is with equally painful emotions that Her Majesty's Canadian subjects have become aware that another line, known as the Lever Line, has been subsidised by the Imperial authorities, which is likewise intended to ply to United States ports. The establishment and continuance of such a line cannot fail to augment the injury to the commerce, and continue the unsatisfactory and irritating arrangements by means of which the postal communications with Canada are effected. Whatever Imperial considerations may have induced Her Majesty's Government to provide for a direct communication between Ireland and America, the Canadian Government cannot believe that it was intended thereby invidiously to foster the commerce of and emigration to the United States, to the distinct injury of Canadian interests, a result which must necessarily follow, if the cities of New York and Boston are made the terminal ports of this line on the American side.

It would certainly seem that Canada is placed in a much less favourable position than other English Colonies in regard even to the postal intercourse with Great Britain. Lines are maintained by large subsidies to the British possessions in Australia, in South America, in the West Indies, and in the Mediterranean; but with respect to Canada, her mails are conveyed first to a foreign country, and then through that foreign country at a heavy expense to her own territories.

Having thus adverted to the more general considerations which affect the question, I deem it my duty respectfully to point out to your Grace the consequences which, in my opinion, must follow the failure of the Canadian line. The fact that an enterprise so essentially tending to promote the general interests of an important Colony, and necessary to prevent its trade from being diverted into foreign channels, is crushed by the superior advantages conferred by England on lines whose interests are avowedly and exclusively with a foreign country, cannot but produce deep and general dissatisfaction; and in the absence of more cogent reasons than have yet been assigned for the renewal of the one, and the establishment of the other, give rise to an opinion that Colonial prosperity has been needlessly sacrificed to promote the interests of private companies. Apart from this, the considerations that many millions of English capital are invested in the Grand Trunk, the Great Western, the Northern Railways of Canada, and other private undertakings of a similar character, which undertakings it has been the effort of Canada to make productive, by attracting, through the means already adverted to, a direct trade between Europe and the West, and that the future prosperity of these enterprises will be most disastrously affected by the withdrawal of the Canadian weekly steam service, ought not to be without their weight. A return to the former service to New York and Boston, maintained by Imperial subsidy, will continue to make every inhabitant of Canada a direct contributor to the United States revenue. The amount of postage on the Canada mail matter by the Cunard Line is\* estimated at from 32,000*l.* to 39,000*l.* a year, of which the United States transit charge is about one-third, or from 11,000*l.* to 13,000*l.* a year. When it is considered that not only need no portion of this amount be paid, that it is a tax on the Canadian people, directly attributable to the continuance of the Imperial subsidy to United States lines, and moreover, that delay in the receipt of the mails to the Canadian community is entailed by the circuitous route, so fostered, through a foreign country, it will not be surprising if a state of things so anomalous, which the colony is struggling to the full measure of its resources to

\* I understand, though I cannot vouch for the exact figures.