

are sufficient and those the most expensive on the line.

If the State should not abandon her policy of making the canals self-supporting by the abolition of all tolls on the commerce of the canals, or by so low a rate of tolls as only to keep them in repair, I am satisfied that a very brief term of years would see every dollar expended from this great improvement returned to its treasury.

But I have not dwelt upon this consideration, for it is of such vital importance, in my judgment, to the future weal of this State, its continued prosperity and its retention of its leading position in the nation, that I believe its construction is demanded, were there never a dollar of the outlay to be so returned, for it would be returned a hundred fold in the immense benefits which would flow from it to the whole people of the State when once in active operation and bearing on its bosom the cereal product of the great world granary, the west and north-west.

An argument used by some of its opponents is, that when freight on this route was so near Montreal, it would never continue on its route to Montreal, is about as sensible as the Montreal opposition to the Caughnawaga canal, on the ground that it will divert from Montreal traffic that would otherwise go there, and which Mr. Shanly disposes of very summarily by stating that Montreal cannot lose what she never had, and in this case we need feel no alarm that products will stop short of their market, the great money centre, unless we are so foolish as to fail to provide the necessary facilities for their transit, in which case only need we fear an improper diversion of our own trade.

I had intended to have submitted herewith some tables showing the receipts of grain at Buffalo, Oswego and Montreal for the past few years, but am unable to obtain as full and accurate statistics for the season just closed as I could have desired, and am, therefore, unable to present the subject in the full detail I wished, and must, therefore, leave this branch of the subject, with reference to the comparative statement of receipts at the various ports, contained in the extract from the Buffalo Board of Trade Memorial on page 170. Owing to the low prices and stagnation

of business there seems to have been a falling off in the receipts at each of the ports named, and about in proportion to the amount received in 1873. Calculations based on the statistics of 1873 and a term of years preceeding, would seem to show a large and marked increase in the receipts at Montreal, and a large relative gain there, which would indicate a serious diversion of the trade legitimately belonging to us, and which sound policy would require us to check, if in our power. The statement is well calculated to alarm those who know that the diversion of this traffic and its accompanying benefits will be fatal to the prosperity of the state.

Impressed with a sense of the grave importance of this subject to the people of this state, and of the necessity of prompt, vigorous and decided action in the premises, I have written earnestly on this subject, and I trust the legislature may take such action in the matter as will not only secure in perpetuity to the Empire State her leading position in the nation, but also afford to the great west the outlet for their produce, which is the only clog and obstacle in the way of their development to the fullest extent of their wonderful resources.

"The opening of the Caughnawaga route would not only afford cheap water transport, but also the reduction in rates of said transport which such competition would induce.

The Senate committee on transportation routes were most favorably impressed with this route, as all must be who have personally examined it, as the following extract from their report will show :

"The committee also express the hope that the state of New York will recognize the expediency of constructing this line by the way of the Champlain canal and the Hudson river to the city of New York, or in the event of the state declining to enter upon the work, that the United States Government shall give the subject that attention to which its manifest merits entitle it."

A survey has been made, and a full and exhaustive report on this route, as well as the Oswego and Erie canals, are now being prepared by U. S. engineers, under the direction of Col. Wilson, U. S. engineer corps, for which we may