

Communications.

HOW TO MAKE THE ST. LAWRENCE THE COMMERCIAL HIGHWAY OF THE WEST.

No. 3.

Halifax, N.S., Aug. 7, 1868.

Before dealing with the wider subject of our ability to compete with the Erie Canal for the trade of the Western States, let us glance at a less important point, but one that more immediately concerns the present—the importance of the St. Lawrence in developing our trade with the Maritime Provinces and with the West Indies. Our exports to the latter are met by the products of the Western States, and of the western portions of the Dominion, of which New York becomes the factor. Our exports to the Maritime Provinces by the St. Lawrence have to contend with a formidable competitor, the Grand Trunk Railway, to the energy and enterprise of which we are under great obligations. It has now an advertisement in the Halifax newspapers, that it “will, at all times, take freight for Montreal or Toronto at the lowest rate for which any steamer then in the port of Halifax will sign bills of lading.” This is an anomaly that deserves enquiry. Either the Grand Trunk must lose by such low rates of freight, or the facilities for transport by the St. Lawrence must be very imperfect or greatly impeded. It is manifest, at the outset, that a water highway which nature, without cost or charge, keeps in working order for seven months of the year, must, while navigation is open, be cheaper than an iron road, built and maintained at a heavy cost, which requires constant repairs, and should pay not only its working expenses, but also some return for the millions that were expended in its construction. *Every ton sent by rail which could be conveniently forwarded by water, represents a certain loss to the public—so much deducted from the productive capital of a country.* Somebody must pay for railways. Somebody must keep them in repair, and the expense of railway traffic must fall ultimately on somebody, the producer, the consumer, the merchant, or the railway company. But the results of the trade by the Grand Trunk are not as beneficial as might be expected. The flour and other products of Western Canada are forwarded by rail from Montreal to Portland, and thence to Halifax by a steamer, which carries back but little in return. Hence the flour has to be paid for in cash, and the drain on the Lower Provinces is very heavy, the trade being altogether one-sided, and unsatisfactory, in spite of the very low rates at which flour is landed by the Grand Trunk at Halifax. It would be slightly ungracious in any one except a stockholder in the Grand Trunk to enquire whether the public are not gaining more than the company by this traffic. It is, however, perfectly clear that if facilities are afforded for transport by large propellers direct from Toronto to Pictou, and the low down freights are lowered still more by remunerative return freights, the Grand Trunk, during the summer months at least, cannot pretend to compete with our water highway; and such an advertisement as that which I have quoted, would be simply an offer to do business on that proverbially unprofitable principle of “working for nothing and finding yourself.” The proposal to encourage return freights of fuel by temporarily giving a bounty on Nova Scotian coal, and taking off canal dues on provincial coal,

though at first sight it might appear to be simply a boon to Nova Scotia, would have in the long run proved of greater importance to the grain grower and manufacturer of Canada West. Very many public men in Ontario, Quebec and New Brunswick, who opposed a duty most strenuously, were favorable to the other proposition, holding, not unreasonably, that any imposition for the general benefit should be equally borne by the Dominion at large. As the measure would have had the support of Mr. Galt and other independent members, it rested with the Government to say whether it should be adopted or not. But there were political considerations of the utmost urgency that rendered the measure advisable, apart from its commercial bearing. The Nova Scotians were fretting under some real, and many imaginary grievances, and were, with singular unanimity, about to appeal to the Imperial Parliament to dissolve the union. The adoption of the proposed measure would have cut the ground from under the feet of the Nova Scotian delegation, and would have given the beleaguered friends of union among us, a weapon by which they could have defeated the opponents of confederation. On returning to Nova Scotia, after the public meeting at Toronto, in April last, I urged most strongly upon the Finance Minister my belief, that the agitation in Nova Scotia was likely to increase in intensity, and that the proposed concession, if immediate, would shut the mouth of discontent, but that it would come too late, if deferred until another session. Time will show whether the impression was erroneous or not. That the Nova Scotian members did not urge a measure which would have had the effect of stultifying themselves, was the strongest argument to spur the Government on, and is certainly the last reason which can be alleged for no action having been taken. Why nothing was done, is still a mystery to us. The only parties who could, by any possibility, be injuriously affected by it, were Pennsylvania coal owners, and the Grand Trunk Railway. The former, though omnipotent in the United States, are powerless here; while even the great ability and zeal of those who manage the latter, can hardly have raised it to such a formidable position, as to render the peace and even the permanence of the Dominion a matter of secondary consideration.

As we cannot find in either of these influential interests a clue to the difficulty, we must assume that it will be found in some urgent political necessity not yet confided to the public.

Though there may appear to be a competition between the Grand Trunk and the St. Lawrence route, it is only temporary, and arises from the limited amount of business that is accommodated. That the traffic has assumed even its present dimensions, is due more to the energy and enterprise of the Grand Trunk, and to American legislation, than to our appreciation of the facilities for trade which nature has bestowed upon us, in our great water highway to the West. Were our trade by the St. Lawrence developed, the Grand Trunk would in time be equally the gainer. During seven months of the year it would secure most of the passenger traffic, and even if the heavy freights should be attracted by the St. Lawrence route, the Grand Trunk would have a reversionary interest, which would for five months in the winter, give it the monopoly of the trade, and enable it to reap the benefit of any impulse which had during the summer months been given to intercolonial trade by way of the St. Lawrence. Whether the Intercolonial Railway will prove a more troublesome competitor I need not here enquire. It is difficult for the casual observer to see that the Grand Trunk has anything to fear from it, and even if it has, by the time that that formidable undertaking is accomplished, the traffic to be accommodated, if we put our shoulders to the wheel, will tax the capabilities of all the outlets for our trade.

There is, however, room enough for all, and but little need for jealous rivalry, in that wider

field, the West Indian and South American trade. Its capability for almost unlimited extension I have imperfectly sketched in my pamphlet on Intercolonial Trade. At present more than sixty millions of dollars worth of products is exported by the United States, most of which we could produce more cheaply than themselves. We have been so long inured to being “hewers of wood and drawers of water” to the Americans, that like their bondsmen in the South, we prefer relying upon our taskmasters for existence, and dread the liberty of independence when it is bought at the price of energy and self-reliance. We have hitherto had but little ambition to rise to a more lucrative and honorable position in the scale of nations, and are now forced, by the repeal of the Reciprocity Treaty, that commercial Emancipation Act, to face the somewhat startling fact, that we can compete on favorable terms with our overtaxed neighbors. There are some markets in the West Indies to which we export nothing, the Americans enjoying a monopoly. How long they will be able to remain our factors, purchasing our products in the face of a 20 per cent. duty, and making a profit by exporting them to markets, which are as open to us as to them must depend upon time, or at least upon our capabilities for sedentary inaction. Our freedom from taxation is a great advantage in our favour, and if we supplement it by increasing our facilities for moving our products cheaply to the seaboard, the gains will be so plainly ours, as to preclude any indifference on our part.

We have the necessary class of vessels, intelligent and reliable shipmasters, and merchants familiar with the West Indian trade—all the machinery that is required for developing this field of enterprise, so soon as the manufacturers and producers of the West begin to covet the large profits which reward the enterprise of our neighbors in the markets of the south.

The trade will be carried on by means of propellers running to Pictou. Mr. Patterson, the Secretary of the Corn Exchange of Montreal, in his very able and exhaustive report on the trade of that city, suggests that the canals should be deepened and improved, and that produce for Europe should be transhipped at Montreal from barges into sea-going vessels, while that intended for the Maritime Provinces and the West Indies should be carried direct to Pictou by propellers from the lakes. This proposition, which is a very sensible one, goes a good deal farther than he intended. If it is possible to send produce to Pictou in lake propellers, it is equally practicable to send the products intended for Europe to the same convenient point of transhipment. This proposal opens up a more interesting and important field than the West Indian and South American trade, and that is the possibility of making a port near the eastern limits of the Dominion the point of transhipment for the exports to Europe from the Western States and from Western Canada, a subject which I will treat of in my next.

R. G. HALIBURTON.

WASTED INVESTMENTS.

Editor Canadian Monetary Times.

But two years ago Ontario had one of its remittent speculative fevers. Oil had been discovered in the township of Enniskillen a few years before; prejudice had at last been overcome; enthusiasts proclaimed that a source of wealth had been discovered which would enable this Province to compete with any other country in the globe; money was being made, and everyone was determined to make it. The most stingy County Councils voted bonuses to the companies that would sink a deep shaft for oil. Many tried it, and “rowed up Salt river.” One or two, the Goderich one for instance, were fortunate enough