

The geographical position of Canada places its territories between those of Western America and the Atlantic Ocean. The great river St. Lawrence and the vast inland lakes with which it is connected offer a natural and convenient highway for the traffic of the West. Were it not for the ice of winter and certain difficulties in the navigation, it is probable that Quebec would have become the great emporium of this commerce in spite of all competition. But the people of the United States, fully alive to the interests at stake and animated by the importance of the contest, omitted no efforts to give this lucrative traffic a turn towards the south. A slight deflection would do the work, and carry it off to the ocean by New York and Boston, instead of through the waters of the St. Lawrence. At first the Americans succeeded. While Canada was engaged with locks and lighthouses, canals and tugboats, the United States pushed on their chain of railways, and Boston and New York became fairly the *termini* of Atlantic navigation. Canada, however, was keen, resolute and unconquerable. She held on her course with steady pertinacity, and the British Government encouraged her exertions by guaranteeing a loan. At last, after an expenditure of millions, the route was complete, and the course of traffic to the mouth of the St. Lawrence was as clear as to the American ports. But here there arose another difficulty. The Americans had, as it were, possession of the ocean. Liverpool had been linked by great steam navigation companies to New York and Boston; in those ports, therefore, would commerce still tend—that of corn from the West, that of men from the East. Not to be outdone in the struggle, Canada then built steamers of her own, and suddenly appeared with an Atlantic fleet, like the Romans against the galleys of the Carthaginians. Thus, at length, the field seemed fair, and if, other things being equal, Canada had really the best ground, now was the time for Canada to win.

In these days, however, commerce, like war, is an affair not merely of courage and resolution, but of loans and subsidies. Canada found arrayed against her not only steamers, but subsidized steamers—not only rival lines, but rival lines established and maintained by the contributions of her own natural protector and ally. The Cunard line and the Galway line both running from British, not to Canadian, but to American territory, were founded upon subsidies from the British Government, so that our own loyal dependency was likely to be worsted in the race through the aid which we ourselves contributed to her competitors. What was Canada to do? She had already pushed abreast of her rival at all points; she had opened communications, constructed always, and launched a steam fleet. There was only one thing more to be done, and that was to subsidize her own line, as we had subsidized the lines against her, and this she did. She had spent £650,000 in building her steamers; she now paid £45,000 a year to put them on a level with ours, and the enterprise has succeeded. The Canadian line is as good as the Cunard line, and it would be hard to say more. One of its vessels—the "*Hungarian*"—has actually made three consecutive voyages across the broad Atlantic in less than 28 days altogether.