

two lines subsidized by Great Britain to foreign ports were fully pointed out. I would here, however, briefly again advert to them.

The avowed intention of the first contract entered into with Mr. Cunard was to facilitate communication between the parent State and her North American dependencies, and the mails for Canada were for some time conveyed by a branch steamer from Halifax to Quebec. The Cunard Company, however, finding it difficult and expensive to keep up this branch steam service, it was discontinued. The great bulk of the Canada mails have since been conveyed from England direct to New York and Boston, and thence across the United States territory to the province.

No objection was made in Canada at the time to this arrangement, both because the enterprise was a new and deserving one, and because the Colony did not then possess any railway communication of its own from the sea-board to the interior of the country, nor had the new interests arising from the completion of the public works of Canada then come into existence. During the continuance of the various Cunard contracts, the province felt that it could not ask in its own interest for any change which might involve the slightest breach of faith towards the contractors, but a confident expectation was indulged that when the period arrived for considering the continuation of the service, no renewal of the agreement would take place without negotiations to which Canada might be a party, and that the new and important relations of a national character which had arisen in the meantime would be fully discussed.

That she was justified in indulging this expectation will, I think, be abundantly manifest by referring to the communications which have taken place between the two Governments to some of which I will presently advert.

It is not merely with reference to the postal requirements and convenience of Canada, however; that this question is to be considered. It involves considerations of a higher and more extensive character, which affect as well the future prosperity of the province as the extensive and various interests of British subjects existing there. To these general considerations I would first very briefly call the attention of your Grace.

The efforts of Canada have for many years been directed to develop the trade of the St. Lawrence, and attract the commerce of the western states of America to Europe through her territory, by the construction of extensively and costly works of internal communication.

So important were the works considered, that in the year 1842 Her Majesty's Government called on Parliament to afford its assistance in aid of the undertakings, and a loan was accordingly raised on the Imperial credit for that purpose. I cannot better point out to your Grace the importance of these works than by quoting the words of Lord Derby, then Principal Secretary of State for the Colonies, in a Despatch addressed to the Governor General of Canada, on the 2d April 1842: "It remains to be considered what are the public works towards the accomplishment of which it would be most desirable that the credit of this country should be applied; and I apprehend that there can be no doubt as to the principle to be applied in selecting such as partake least of a local, and most of a general character, as tend most to the extension of the great lines of communication, and the promotion of trade and intercourse, rather than such as tend more to the immediate local advantage of particular districts. These last are objects perhaps for aid from the provincial treasury, but primarily to be promoted by local exertion. The former are objects of colonial, and I may even add, of national interest and importance.

"Foremost amongst them stands the improvements of the navigation of the St. Lawrence this mighty stream, with its chain of lakes and its tributary rivers, forms the great natural highway of Canada; and not only of Canada, but also of a great portion of the United States, and of very extensive tracts of unoccupied fertile country, belonging both to ourselves and our neighbours, which will form flourishing states and provinces in the time of our children and grandchildren.

"To throw this great highway completely open, by means of substantial and permanent public works, would be an undertaking worthy of British enterprise, and one which, although chiefly and primarily essential to the advancement of Canada, would probably, both in a commercial and political point of view, not be without its advantage to the mother country.

"I do not at all question the propriety of a public expenditure for objects of this description, and in authorising you to state to the Provincial Parliament that Her Majesty's Government will be prepared to sanction a loan of 1,500,000 £. for the improvement of the public communications in Canada, whether by land or water, you will understand that the Legislature will exercise a discretion as to the works to be undertaken, so that the improvement of the St. Lawrence and the lakes be the first object, and that the total amount to be raised on British credit do not exceed the stipulated sum of 1,500,000 £."

It may not be improper to add that the same course of policy had been approved of and adopted by Lord John Russell, who preceded Lord Derby as Colonial Secretary, and that he addressed Despatches of similar import to Lord Sydenham, in January and in May 1841.

Since that period Canada has steadily pursued the policy of extending her works of internal improvement to the full measure of her resources. Canals uniting the Great Lakes, and affording uninterrupted navigation, even for sea-going vessels, to the foot of Lake Superior, have been constructed. Numerous lighthouses, extending from the western frontier of the province to the coast of Labrador on the Atlantic, a distance of nearly 1,600 miles, have also been erected, and are maintained at a very heavy annual charge by the