

THE FAST MAIL SERVICE.

The following letter from the Allan Mail Line appears in the London *Times* of 11th inst.:

SIR,—The Canadian Government have now definitely voted the subsidy of \$750,000, which a few years ago they had provisionally offered to the late Mr. Bryce Douglas, of the Barrow Shipbuilding Company, for a 20 knot weekly service between this country and Canada (Quebec in summer, Halifax in winter), and they have made a provisional contract with Mr. James Huddart to provide the service, allowing him three months to raise the necessary capital. The subsidy is to be given for a period of ten years, after which it is to be reduced by one-third for a like period. The Finance Minister estimated the cost of running the boats at \$60,000 per round voyage, or \$3,120,000 per annum.

In the discussion of the vote in the House, Sir Richard Cartwright, the leader of the Opposition, and Mr. Laurier are reported to have dwelt upon the dangers attending the navigation of the Gulf and River St. Lawrence, and the impossibility because of these to maintain with safety the required speed; and, as the success of the service financially depended upon speed and safety, and as the payment of the subsidy was contingent upon speed and continuity of service, they predicted for it a failure.

Sir Charles Hibbert Tupper, on the other hand, maintained that the St. Lawrence was one of the finest and safest waters in the world, and added that in 20 years not a single mail steamer had been lost in the river or gulf. Had Sir Charles stopped here, or confined himself to justifying his opinions by reference to authorities engaged in the navigation, we might have remained silent on the subject, but he went out of his way to blame parties for circulating reports about the safety of the St. Lawrence, and pointed his allusion to the Allan Line by depreciating "the conduct all the more as it proceeded from those who feared their private interests would now be affected, and who from the very outset had been aided by Government subsidies."

Representatives in this country of the Allan Line, we feel aggrieved to be thus held up as opposing for personal reasons a scheme which is so generally desired, by misrepresenting the true character of the navigation, and we venture to ask the favor of a place in your columns to make their position in this matter clear.

When the Government sought to establish a service that would vie with those running to New York, they naturally looked in the first place to the Allans to supply it.

The Allans' knowledge of the business, their experience of the St. Lawrence navigation, and their personal interests, all indicated them as the parties to provide it, if the scheme were feasible. From the beginning of the mail service in 1855 they had provided it. Losses in the prosecution of the service, due to the dangers of the navigation, did not deter them from continuing it in earlier years, and their loyalty to the Dominion has made them cleave to it in later, long after it has ceased to be remunerative. When they could not undertake the more ambitious scheme on which the Government had set their heart, believing it would fail financially and disappoint the expectations of the Government, the Allans, without pressing it upon them, offered at less cost to the Dominion to provide the highest class of service which in their view is suited to the St. Lawrence.

It was therefore unfair for any one to say that the Allans opposed the scheme in other hands because they feared that their private interests would be affected. It was well known that they had an opportunity, if they wished, to share the new service, both Mr. Bryce Douglas and the present contractor having sought their co-operation.

Why could not the Allans, it may be asked, take part in it; is not the navigation all that Sir Charles Tupper describes it? It is true that the navigation has been improved by buoys and lights and beacons, which have in bounteous measure been provided by the ministry of marine. It is also true that in 20 years not a mail steamer has been lost in the river or gulf; but it is nevertheless the case that, barring mail steamers, every line trading for any length of time to the St. Lawrence has had serious marine disasters, and a new crop springs up every season.

What was the Allan history? In the earlier years of their contract, although the speed was not half that now required, it had to be maintained under penalties, and in trying to fulfil its

terms they lost between 1860 and 1864 six mail steamers. In 1864, when the contract was renewed, they got the following clause introduced:—

"That the steamers are never to approach Cape Race when the weather is so foggy or tempestuous as to make it dangerous to do so, and when the presence of fog or ice makes it dangerous to run the vessel at full speed, it shall be the duty of the captain either to slacken the speed or to stop the vessel as occasion may require, and the time lost by doing so, if proved to the satisfaction of the Postmaster-General, shall be allowed to the contractor in addition to the time specified for the length of the voyage."

When that proviso became operative the good record of the mail service began. The immunity from disaster is due to the fact that speed is now subordinated to safety. But speed under the new contract cannot be intermitted if the steamers are to compete with "Campanias" and "Lucanias."

When the warmth of the summer brings down Arctic ice into the ocean track the New York steamer can with little increase of mileage choose a southern route and career at speed through fog, fearless of ice or land, until she reaches off her port. But how can a vessel that must enter the St. Lawrence do this where the gateways are near Cape Race or the Straits of Belle Isle? It is impossible; and how can she safely go at 20 knots through fog when within land-bounded waters? If it be contended that navigation is now made safer than formerly, we answer that it is mainly due to increased watchfulness, for no beacons or lights can turn aside the dangers of ice and of fogs in land-locked seas.

What has our own experience been this very season, now not half over? One of our cargo steamers has been in contact with an iceberg, and had her bow stove in, escaping loss solely by her moderated speed—3½ knots. Another has had her bottom injured, and nearly ripped from stem to stern by being brought too near the headland of Father Point by an experienced pilot, and this against our express injunction to give headlands a wide berth. Two others coming out of the Straits of Belle Isle after midsummer passed through icefields, only escaping injury by going slow.

The St. Lawrence route, river and gulf, are not waters where a 20-knot speed can safely be maintained, and if speed be required to develop the passenger trade—that is, to provide the bulk of the earnings to meet Mr. Foster's estimated \$3,120,000 expenditure and yield a return of capital—it must be admitted that the outlook is not bright.

But this is only one branch of the difficulty the proposed service has to contend with.

A new terminus has to be found in winter. Unlike New York, which is in itself an enormous centre of population and commerce, with the whole railway system of the United States converging on it, Halifax, the winter terminus of the proposed line, and Quebec, the summer, have no local trade worth considering. Everything must be railway borne—in winter over the Intercolonial Railway, and in summer over one or other of the two trunk Canadian lines.

These railways are independent enterprises, with interests of their own to look to. Railway rates must be a first charge on all through earnings. The normal condition of things among railways is that they work at uniform rates under a combined agreement. When keen competitions arise among ocean carriers—which is, unhappily, the normal state of things with them, and would certainly await the advent of a new competitor—a fall in through rates has to be wholly borne by the ocean carrier. It was not, therefore, a cheerful look-out for a line that has to develop a great trade that it should be dependent practically upon the co-operation and good will of railways, however friendly they were, to have no stake in the undertaking.

Steamers of immense power and cost to build and run, and whose cargo-carrying capacity is in the inverse ratio of their speed, and whose speed cannot by reason of the character of the navigation be fully utilized, and which are to be run under the disadvantages we have indicated, are surely not hopefully circumstanced, and we appeal to you that the Allans should not be decieved because they could not countenance the scheme. We are yours truly,

JAMES AND ALEXR. ALLAN.
25 Bothwell street, Glasgow, August 9.

—To err is human; to forgive, diplomatic.—
Kate Field's Washington.

AUSTRALIAN BANK STATISTICS.

In the Australian banks deposits are increasing and gold is accumulating. "Proceeds are coming in freely these last three months, while the need for fresh advances is small," such is the account given by the Melbourne correspondent of the London *Economist*. It appears that the desire to strengthen the position still further this year has also led to a considerable calling up of loans, and full advantage has thus been taken of what is practically the closing of the season. The movement in aggregate advances is, therefore, a large one, the average amount for the March quarter being £123,870,079, against £128,769,173 for the previous quarter. The decrease shown for each colony is as follows: Victoria, £953,325; New South Wales, £1,886,313; New Zealand, £489,407; South Australia, £348,276; Queensland, £1,046,280; Tasmania, £147,111, and Western Australia, £27,382.

The movement in the aggregate amount of the deposits is also favorable, an increase of £1,362,601 for the quarter being shown, of which about one-half, the letter states, is due to the enlargement of the Government balances held by the banks in several colonies. "Owing to the transference during the quarter of all the colonial deposits of the English, Scottish and Australian Bank to the Melbourne register, the movement in deposits per colony is not at first clear, but in no case is it of importance. The accumulation of gold continues, the average amount held being £28,264,905, against £21,967,666 for the previous quarter, the increase being £1,297,239." The movement is to be accounted for partly by the low state of the import trade, the cheapness and ease prevailing in the London market, and the languid state of the circulation in the Australian colonies themselves, induced by the prevailing depression.

The movement in the note issue also suggests a restricted currency, being (for six colonies, Queensland not being included) from £4,394,244 for the December quarter to £4,060,338 for the March quarter. As the summary just reviewed brings to a close the first twelve months of the new banking era of Australia, the movements in deposits and advances for that period are worth noting. They are as follows:—

DEPOSITS.		
	March Quarter, 1894.	March Quarter, 1893.
Victoria	£32,711,530	£39,379,238
New South Wales ..	32,311,269	35,994,353
New Zealand	14,153,756	14,550,942
South Australia ..	7,543,181	7,649,718
Queensland	10,895,122	10,752,927
Tasmania	3,263,298	3,800,749
Western Australia ..	1,505,759	1,419,182
Total	£102,383,915	£113,553,709

ADVANCES, ETC.		
	March Quarter, 1894.	March Quarter, 1893.
Victoria	£44,989,273	£49,998,827
New South Wales ..	38,138,041	42,527,267
New Zealand	14,532,461	15,048,340
South Australia ..	6,152,205	7,068,076
Queensland	15,414,648	17,391,172
Tasmania	2,586,477	3,163,330
Western Australia ..	2,057,974	2,237,354
Total	£123,871,079	£137,484,366

[The comparison shows a decline in every case except that of Queensland and Australia, in the matter of deposits.]

The decrease in deposits is explained partly by conversion into preference shares, partly by withdrawals, and partly by the merging of accounts, which has been actively practised since the crisis. The decrease in advances is accounted for by writings off, reductions, merging of accounts, etc.

THE SIZE OF CHICAGO.

Mr. Graham's school census results have been announced. While many of the more interesting points have already been made public, certain facts shown by the complete report deserve more than a passing glance.

Chicago has 1,567,657 residents. Of these 949,092 are American born, and 618,565 are foreign born.

Among foreign nationalities the Germans lead with 216,324. Then follow the Irish with 111,037; the Swedes with 58,763; the Poles with 47,881; the Bohemians with 34,950; the English with 29,275; the Norwegians with 22,405; the Canadians with 17,535; the Russians with 15,251; the Italians with 14,194; the Scotch with 12,460, and the Danes with 9,754.