

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 extensive and costly works of internal communication.

So important were these 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 among them stands the improvement of the navigation of 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 *l.* 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 *l.*”

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 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 Colony, without the exaction of any dues on shipping for their support. There is likewise maintained, by the payment of a large provincial subsidy, a line of powerful iron tug steamers, in the Gulf of St. Lawrence, which are available, at almost nominal rates, for the towage of vessels trading to Canadian ports. It may fairly be asserted that the