

## INTERCOLONIAL RAILWAY.

WE subjoin an important despatch, on the route of the Intercolonial Railway, from the Secretary of State for the Colonies, to the Governor General of the Dominion. The Imperial Government expresses their satisfaction at the route selected, and intimate that the guarantee could not have been afforded for any line south of the St. John:—

“DOWLING STREET, 22nd July, 1868.

“MY LORD,—I have received your Lordship's telegraphic message that the route by the Bay of Chaleur has been selected by the Canadian Government, as the one to connect Truro with Rivière du Loup, and thus complete the Intercolonial Railway.

“I understand three routes to have been under the consideration of the Government of Canada, namely: one crossing the St. John River, either at Woodstock or Fredericton; the second in a more central direction through New Brunswick, and the third following the line selected by Major Robinson in 1848.

“The route crossing the St. John River, either at Woodstock or Fredericton, is one to which the assent of Her Majesty's Government could not have been given; the objections on military grounds to any line on the south side of the St. John River are insuperable.

“One of the main advantages, sought in granting an Imperial Guarantee for constructing the railway, would have been defeated if that line had been selected.

“The remaining lines were the central line and that following the general course of the route surveyed by Major Robinson; and Her Majesty's Government have learned, with much satisfaction, that the latter has been selected by the Canadian Government. The communication which this line affords with the Gulf of St. Lawrence at various points, and its remoteness from the American frontier, are conclusive considerations in its favour, and there can be no doubt that it is the only one which provides for the national objects involved in the undertaking.

“I have, &c.,

“(Signed)”

BUCKINGHAM AND CHANDOS.

“Governor the Right Hon. Viscount MONK.”

From the foregoing it appears that the Imperial Government looked for little other advantage from the construction of the Intercolonial Railway than its use as a military road; but however narrow a view this may have been to take of the matter, as the successful floating of the loan has been mainly due to the Imperial guarantee, we suppose we must not object to the decision, especially as it was approving of the selection made by our own Government.

We are afraid, however, the Railway will not for many years to come turn out a paying investment, and we shall esteem it fortunate if the running expenses and renewals do not absorb more than the earnings of the road. We do not doubt that some time in the glorious future of this Dominion, the through and local traffic from the sea-board to the interior and *vice-versa*, will be enormous, and amply sufficient to enable our Government to pay interest, and provide a sinking fund for the extinguishing of the Railway loan; but our cool judgment leads us to believe that that time is yet far distant, and that by the Major Robinson route, no paying traffic will spring up for many years to come. We fear the position of the Railway will be worse than the River du Loup section of the Grand Trunk, and although naturally inclined to take a hopeful view of all undertakings calculated to develop the resources of the country, we must confess we see no reason to be sanguine in this instance of anything but loss from the construction of the Intercolonial Railway, through a country from which so little local support is to be obtained. As a purely commercial enterprise, we should look upon any serious expectations of a profitable return as little short of insanity; but while we thus express our opinions, we do not desire to see them justified by results, and would willingly submit to loss of credit for the sake of finding our predictions falsified by the event.

## THE HURON AND ONTARIO SHIP CANAL.

TWO petitions are at this time being numerous signed, more especially in Toronto, the one to the Ontario Legislature, the other to the Dominion Parliament. The Ontario Legislature is asked to grant to the Canal Company 10,000,000 acres of wild lands, and any marsh or waste Government lands on the line of the canal, as a bonus, to secure the subscription of their capital stock by American and English capitalists who are prepared to come forward so soon as the grant of land and right of way for the canal are secured. The second petition, to the House of Commons, sets forth the belief of the petitioners that the projected canal will contribute largely to the consolidation and prosperity of the Dominion; that the extension of western communication is a feature of the avowed policy of

the Government; that the construction of the Canal will most effectually secure the object, as reducing the distance between the upper lakes and the sea some four hundred miles; that the Canal will not only be a powerful agent in the development of the North-western portion of Canada, now almost waste and unproductive, but that it will make Canada the highway for immigration to the West and North-west, and facilitate and hasten the settlement of the Assiniboine and Saskatchewan Valleys; that the interests of the Maritime Provinces will be promoted by reducing the cost of transportation of breadstuffs, and opening an extensive market for their coal; that the Provisional Directors of the Canal Company have the most satisfactory assurances that with the aid of a grant of land from the Province of Ontario, and equitable arrangements with the Dominion Government for the necessary enlargement of the St. Lawrence Canals and improvement of the channel of the river, the capital for the construction of the Canal, estimated at \$40,000,000, may be readily obtained without the incurring of any debt by the Dominion or Provincial Governments; and prays the House to take the premises into their most favourable consideration, and to adopt such measures and grant such aid and facilities as, in their wisdom, they may consider meet and necessary, to enable the Huron and Ontario Ship Canal Company to carry into effect, as promptly as possible, the important object of their charter.

Concerning the assistance sought by the Canal Company from the Province of Ontario, we do not see on what grounds the Legislature of that Province could possibly refuse to grant it. A majority of its people are without any doubt in favour of the construction by foreign capitalists of a work which, in itself beneficial will also be the direct means of ensuring the circulation of large sums of money during the period of construction, and as the Legislature is popularly supposed to be the representation of the popular will, it should carry out that will as set forth in the memorial now being signed. It is also evident that in granting the land the Government will give away that which will not impoverish the country, but which will give some return to the American and English capitalists, who can of course look for no direct returns from their outlay until the Canal works are entirely completed. And not only will the country not be impoverished by granting these lands, but the great object of attracting immigration will be facilitated, and prosperous settlers will be adding year by year to the real wealth of the country in a degree far beyond any trifling revenue which might arise from the sale of these lands.

Concerning the aid to be given by the Dominion Government for the enlargement of the St. Lawrence Canals and the deepening of the channel at various points, we cannot pronounce at present, as it is asked in a general way, leaving the mode in which it is to be granted to the discretion of the Government. The cost of enlarging the St. Lawrence Canals so as to give a depth of 13 feet on the sills and to make the locks of a size uniform with those of the proposed Huron and Ontario Ship Canal, and of deepening and widening the channel of the St. Lawrence at various points so as to permit vessels to go down the rapids without passing through the canals, is estimated in round numbers at \$5,000,000; and there is no reason to fear that the Company, having ability to carry out the greater work, involving the expenditure of Forty Millions, would have any difficulty in providing Five Millions for the lesser but necessary portion of the scheme. It is claimed that the tonnage passing down the St. Lawrence will be sufficient to give in the shape of tolls a revenue large enough to pay interest and sinking fund on the proposed outlay, and if the estimates of cost be correct, we do not see how on purely financial grounds there should be any difficulty on the part of Government in coming to a mutually satisfactory agreement with the Canal Company.

There is one point, however, that we hope our Government will not overlook in any arrangement they may make. They must be careful not to bind themselves in any way whereby they would be deprived of the right to close the St. Lawrence to foreign vessels if it were a matter of colonial or imperial policy to close that river. There is no doubt that the value of the St. Lawrence route to American shippers would be very greatly enhanced by the construction of the Huron and Ontario Canal and the enlargement of the existing canals; and its possession by Canada might enable our Government to negotiate a Commercial Treaty with the United States on terms more favourable even than would be the case at present.

We trust therefore they will always retain in their own hands the undisputed right of saying whether or not foreign vessels shall have the right of way down the St. Lawrence, and on what conditions. We wish all success to the Canal Company and the gigantic enterprise it has undertaken, but we nevertheless do not wish to see this country placed for any reason in a false position, or one that would hamper our Government in their dealings with the United States.

From an English point of view, the shortening of the route from Lake Superior to the sea is but the first step towards the establishment of such a route across the Continent to British Columbia as would secure the enormous trade of the East, now in the hands of England, but which seems destined to pass into those of the United States, on the completion of the Pacific Railroad. The possession of the trade of India and China is a commercial prize of the very greatest magnitude, and one which England will not surrender without a struggle; hence we may expect to find it a part of Imperial policy to provide for the construction over British territory, and by the shortest practicable route, of a railway to connect Lake Superior with Fraser River, and to place steamers of largest capacity to ply between Victoria and the East. When this is done we may hope to see the now widely separated portions of British America brought more closely together, and the borders of the Dominion extended to embrace all the Colonies owing allegiance to the Crown of England.

## THE UNITED STATES DEBT.

IT is stated by the New York papers that the Hon. Alex. Delmar, of the United States Treasury Department, in reply to a letter from Messrs. Hunt and Grinnell, of New York, asking for information, makes known the fact that there is a deficiency of \$154,839,202 in the revenue of the fiscal year ending June 30, 1868, and as a consequence that the public debt has increased a similar amount. As Mr. Delmar's position enables him to speak with authority, we can but give credit to his statement, badly as it tells against the skill with which the finances of the United States are managed. We imagine that the cause of the deficit may be found in the fact that taxation previously to the last session of Congress had become excessively onerous, and that certain classes whose interests were suffering from the burden placed upon them, had obtained at least a portion of relief; another cause being in a falling off in imports from the amount put down in the estimates. Whatever the reason for the falling short in the revenue the fact is important, and when it becomes generally known must exercise a depressing influence on United States bonds wherever held.

## NORTH-WEST PROSPECTS.

*Recent Excursions to Fort William—New Mining and Land Policy needed—Red River Road and Trade.*

THE splendid region around the north shore of Lake Superior seems no longer destined to remain a terra incognita. Never before has it received from Canadians so much attention as during this season, although American miners and others have often gone to “spy out the riches of the land,” and lamented that it did not belong to their own country. Most of the visitors this summer, have gone up to Lake Superior, principally for pleasure and pastime; but pleasure-seekers have also acquired much information about the region, and not a few have gone with the latter object mainly in view. The visit of the Press Association was a most fortunate event for the whole North-west. It has done more to enlighten the public as to the importance of the territory we possess there, than any other agency which could have been employed, and we feel convinced that the many well-written reports published on the return of the excursionists, has awakened an interest in the Algoma district never before felt.

Very great good, we think, must also arise from the recent excursion of Members of Parliament. This trip had been projected for some time by the Hon. Messrs. Richards and Carling, of the Ontario Government, and they were accompanied by a large number of the representatives comprising the Local Legislature, and a few connected with the House of Commons. They were conveyed by the steamer *Chicora*, which has been subsidized by the Ontario Government to run upon the line. After this summer, we suppose both the *Algoma* and the *Chicora* will run between Collingwood and Fort William. It is to be hoped that