

for the manufacture of Western Wheat for the Eastern Markets; as well as give greater facilities to the Summer trade of Lake Huron.

These are the views which were adopted by this Board eighteen months ago. It may be well to consider how far their correctness has been borne out by the various occurrences, more or less affecting the trade in question, which have taken place during this period.

The Free Trade measures of England, now coming into practical operation; and the bonded system of the United States, have a general effect, either by stimulating the trade or throwing it into new channels. The opening a direct line of road from New York must necessarily change the direction of the existing trade on the South; and the commencement of Mining operations on Lake Superior have opened up new interests on the North.

The free trade policy of England has not only given a great impetus to the provision trade generally, but has opened it to the American trader equally with the Canadian. This must drive the Quebec and Montreal merchants, especially, to seek not only a cheap, but the most rapid means of transit, for the produce of Western Canada, as well as of the Western States, to the St. Lawrence. Every reasonable facility that the British Government can give, may be confidently reckoned upon below, particularly as regards the safer navigation of the Gulf in the late autumnal months. The railroads must do the rest above. By affording an early means of transit, the harbor of Toronto will prove invaluable, as it is from that port that the first shipments can be made in spring, and the last in autumn. Could the produce of last harvest have been gotten to Toronto, instead of having to pass through the Welland Canal, or from the port of Hamilton, a far larger amount would have been sent down the St. Lawrence last autumn. All these circumstances must concur in stimulating traffic, and throwing it more and more on the Northern route.

Again, with respect to the Bonded system of the United States, by which unbroken packages are passed through duty free, one effect of this measure has already been, to throw the entire grocery trade of Canada and the North-western States into the hands of the merchants of New York; from whence all East and West India produce, as well as the tobacco and other products of the Southern States, must be necessarily forwarded by two routes,—the Hudson River and Erie Canal or Railroad, communicating with Ontario; and the Railroad already mentioned, from New York to Dunkirk, on Lake Erie.

Another effect of this measure has also been, to transfer the wholesale business of that part of the trade connected with the country round Toronto and west of it from the hands of the Montreal merchants to those of the merchants of Toronto. (Appendix 8.) In this change the Hamilton merchants have also, to a certain degree, participated; but should the contemplated road be accomplished, there will be this decided difference, that whereas the Toronto merchant will have no competitor, either north of him or along the whole line of his railway, the Hamilton merchant will have to contend, not only with the Toronto railroad on the north, but with the Buffalo and Dunkirk merchants on the south; who, receiving their goods by the cheapest and shortest routes, will compete for the supply of all places connected with Lake Erie, including not only London and Woodstock, but even Brantford, the nearest town to Hamilton, connected as it is with Lake Erie by its Canal.

With respect to the mining operations which have been commenced on Lake Superior and the upper waters of Lake Huron, the mineral wealth of this region has been proved to be very great—and the public attention has been so far drawn towards it as to secure their being earned on—thus increasing the importance, and therefore the profit of the more Northern line of Railroad.

Having thus set forth the general nature of the railroad traffic and interests of Western Canada, and the peculiar nature and interests of the line proposed by this Company, it now becomes necessary to consider how far, or in what manner a union with the Great Western Company may be beneficial—and if a union is found to be necessary, on what plan it may be based.

As far as regards the true interests of this Company, the foregoing statement clearly shows that a union, however it might benefit the Great Western Company, is of but little importance to this one; and any departure from the line first recommended by this Board must be deprecated. Still, however, as the London Board, representing the largest interest in the United Company, will have, under the terms of the union, to decide on the whole question, should it, either from taking another view of the subject arrive at a different conclusion, or from finding that the British capitalists, under the dread of the evils arising from the existence of two rival lines, refuse to subscribe the required amount of stock, decide differently, then this Board, rather than endanger the speedy commencement of the undertaking, will acquiesce in any arrangement that may be made, and to the utmost of its power carry it through, with reference alone to the general interests of the Company.

The views of this Board respecting the Western terminus, are confirmed by the opinion of the Board of Directors of the Great Western Company, expressed in their resolution dated, Hamilton, 6th January, 1847. "That one trunk line of railway, connecting the waters of Ontario with those of Huron, would confer the greatest benefit on the Province, and the largest advantage on the stockholders." There can therefore be no difficulty in settling the Western terminus of the United Company. It will be probably far otherwise, however, with respect to the first stage out of Toronto.

The road from Toronto to Guelph has been shown to be the most profitable part of the whole line, but the construction of such a road will have the effect of depriving Hamilton of a large amount of its most profitable business; and must therefore be viewed with jealousy, by a board composed entirely of people of that place. But what have they to offer, to induce this Company to sacrifice its best interests to those of a single town?

By consulting the map alone, the situation of Hamilton would appear to be the best for mercantile purposes, without any exception, in Western Canada. Situated at the head of the navigation of Lake Ontario, it is apparently the outlet of a larger and more populous tract of country than any other port West of Montreal. More than eighteen years ago it was a place of rising importance, and had the advantage of the Desjardins Canal to Dundas. Since then the country West and North of it has risen more rapidly than any other