No. 7.

My dear Sir,

The second of this office it appears that the total number of emigrants who have entered Canada during the year 1858, amounts to 38,710, viz.:—

Landed at Quebec according to your report, including	
cabin passengers	12,810
From various ports on Lake Ontario, chiefly Oswego and	
Rochester	1,060
By the Suspension Bridge at the Niagara Falls, as per return	
made by T. C. Dixon, Emigrant Agent, Hamilton	24,840
Total	38,710

In order to ascertain the actual number of settlers the following deductions must be made, viz.: the number of emigrants landed at Quebec who proceeded direct to the United States, 5,200; and the number returned to Europe from Quebec, as estimated by you, 500. Of the 24,840 who came by rail to Hamilton, viá the Niagara Suspension Bridge, Mr. Dixon's report shows that the number who proceeded to the Western States amounted to 18,945, making a total of 24,645 who proceeded to the United States and returned to Europe; and showing 14,065 as the addition to the population of Canada by emigration during the year 1858. In my report for 1857, the total number of emigrants who settled in Canada during that year is stated at 31,423; the decrease this year is consequently 17,358.

In both years the greatest difficulty has been felt by the agents of this department to find suitable employment for emigrants; every branch of business has been unusually depressed; our crops have been much below the average, and lumber, our other great staple commodity, has found but a dull market at a reduced price. I am happy to say, however, that there are many unmistakable signs of returning prosperity.

The stock of lumber here and at home has been greatly reduced, while an increased

demand is anticipated for the supply of Europe and the United States.

Our farmers have sown a greater quantity of fall wheat, and made more extensive preparations for spring crops than usual. Money is also much easier obtained, and as business is rapidly reviving elsewhere, there can be no doubt of our being on the eve of better times.

With reference to the encouragement we are justified in holding out to emigrants for the ensuing year, I can only repeat the remarks I have recently inserted in the Colonisation Circular, viz., That until a change takes place in the condition of Upper Canada it will not be desirable for any considerable number of emigrants to come here. Farmers possessed of 400 l. or 500 l., being prudent and industrious, are sure to do well. Capitalists can always find good and safe investments. The legal interest is now 7 per cent., but 10 or 12 per cent. can be obtained on landed security.

Good farm servants stand the next best chance of settling to advantage, but clerks, porters, grocers, gentlemen's servants, male and female, and mechanics accustomed to the

highest kind of skilled labour, had better remain at home until the times change.

I also beg to call attention to Mr. Dixon's report, which I send you herewith. I was particularly anxious for him to give me the fullest information with reference to the condition of the large number of emigrants who enter Upper Canada by the Suspension Bridge. You will perceive from his tabular statement for 1857 and 1858, that the number who come by that route is greater than the number who landed at Quebec. In the causes which he enumerates as influencing so large a proportion of the emigrants to take the New York route in preference to that by the St. Lawrence, I fully concur, but these influences it is difficult if not impossible for us to counteract.

Mr. Shanley, Chief Engineer of the Grand Trunk Line, in his report, dated in September last, observes, "That emigrant business is one over which we in Canada cannot exercise much control as regards influencing the number coming cut. But we might, it appears to me, do a good deal more than we have done in directing the tide of emigration to the St. Lawrence. It is in Liverpool, the chief port for emigration, that the strongest efforts are made by our rivals to induce the emigrant to sail for New York; and the railway companies whose lines diverge from that port, always keep active and efficient agents in their employ, who leave no means untried to secure that most important and paying class of travellers. It would be well if we too were to be represented in Liverpool by a competent and experienced agent, especially engaged to make known the advantages of the St. Lawrence route."

Any such appointment contemplated by Mr. Shanley should be made by those directly interested in the passenger traffic. There is one piece of advice often given of great importance to the settler, but which is not so much attended to as it ought, viz., that the settlers should come out early; and, if they wish to avoid imposition, should come viâ Quebec or Portland. If anything goes wrong with them or their baggage it is impossible to obtain justice for them if they come by Boston or New York; by adopting the St. Lawrence route they will escape the evils I have enumerated, and save time and money.

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According to the returns sent to this office, 1,570 German and Norwegian emigrants settled in Canada during the season. Mr. Huber, German interpreter at this agency, and Mr. Fruhauf, interpreter at Hamilton, state that most of the German emigrants who settled in Canada or proceeded to the Western States, come by way of New York, very much to-

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