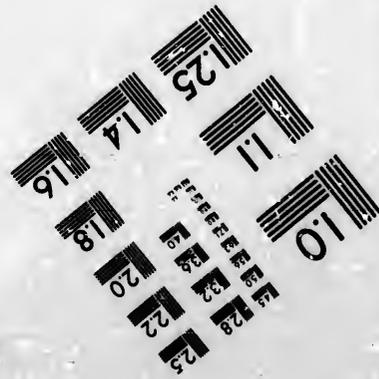
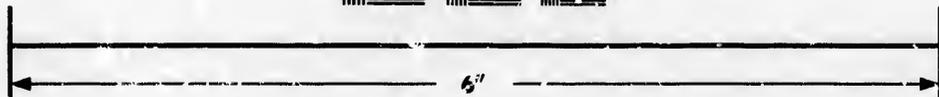
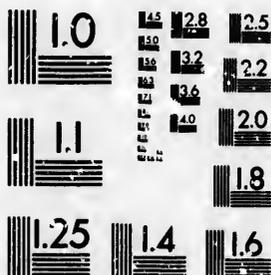


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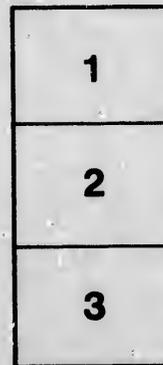
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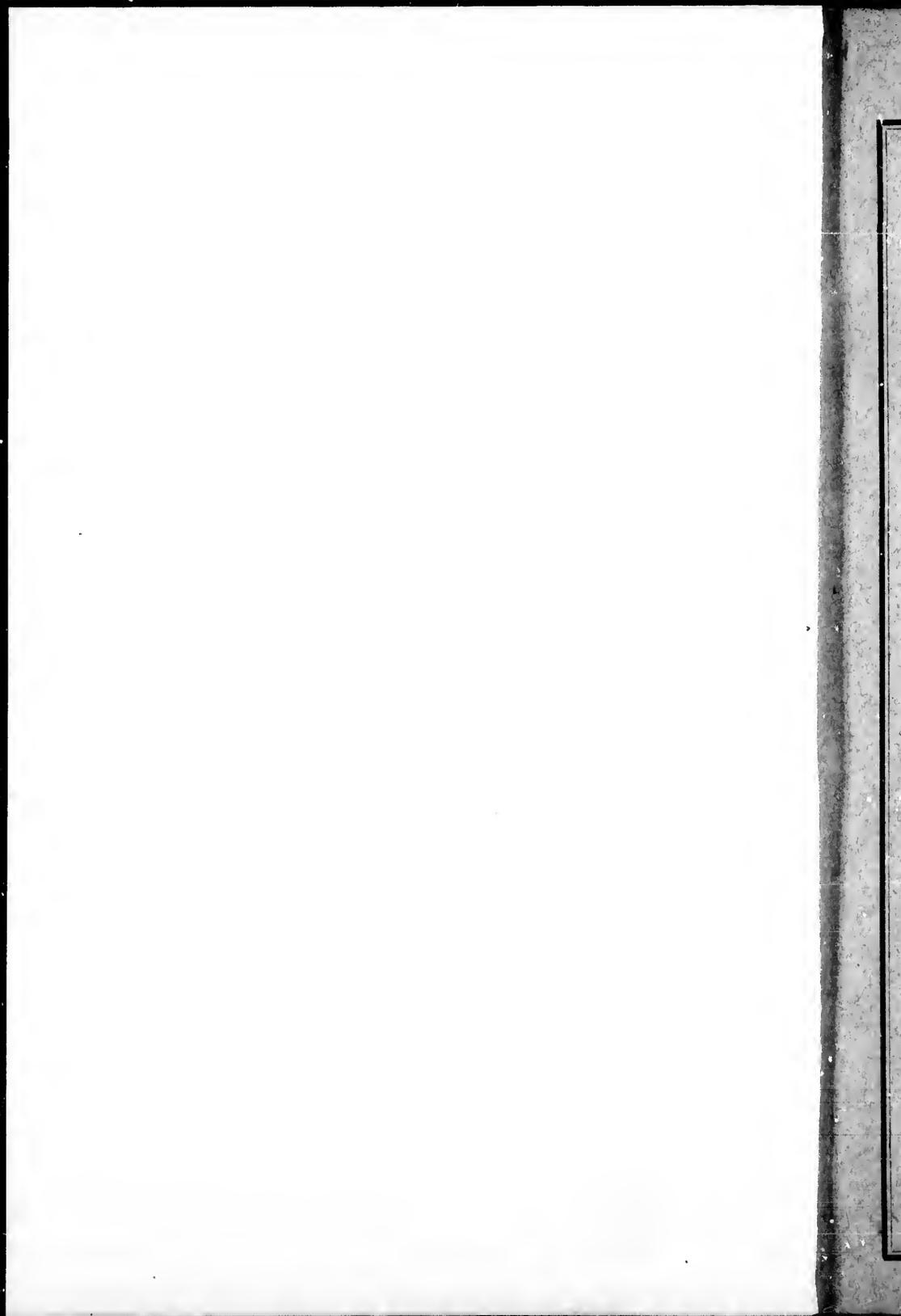
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THE ORIGIN
OF THE
OCEAN MAIL STEAMERS
BETWEEN
LIVERPOOL AND THE ST. LAWRENCE
AND THE
ADVANTAGES OF THE NORTHERN ROUTE.

BY THE
HON. JOHN YOUNG.

Montreal:
D. BENTLEY & CO., PRINTERS, 364 NOTRE DAME STREET

1877.

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THE ORIGIN
OF THE
OCEAN MAIL STEAMERS
BETWEEN
LIVERPOOL AND THE ST. LAWRENCE.

In consequence of remarks made at a Meeting of the Montreal Board of Trade, by Thomas Cramp, Esq., as to the promoters of the Victoria Bridge across the St. Lawrence, I deemed it necessary, in July last, to publish an account of the origin of that important undertaking. I said that the facts concerning events, which have occurred some twenty-five and thirty years ago, are soon forgotten, and that it might be useful for those younger than I am to be informed—not only of the early history of the “Victoria Bridge”—but also of other projects, which have been instrumental in developing the value of the St. Lawrence as a route, connecting the commerce of Canada, and of the Western United States, with England and Europe. I promised, too, that as soon as I possibly could, I would correct statements which have been made in official papers, and elsewhere, as to the origin of ocean mail steamers to and from the St. Lawrence.

In a despatch addressed by His Excellency Lord Dufferin, Governor-General, in August, 1873, to the Right Honorable the Earl of Kimberley, Secretary for the Colonies, on the subject of

the Pacific Railway, and of the part taken in that enterprise by Sir Hugh Allan, he mentions that Sir Hugh "*was the originator of the ocean line of communication between Great Britain and Canada.*" In several periodicals and newspapers similar statements have been made; and as I am aware that such representations are not correct, nor have any foundation in fact, I, therefore, think it a matter of justice to declare that Sir Hugh Allan had nothing whatever to do in establishing, or commencing steam communication between the St. Lawrence and Great Britain; and that whatever credit is due for beginning that important enterprise belongs to myself. How correct this assertion is, can be judged of by the proofs I will give of it, in the following pages.

It is almost a quarter of a century since the first ocean mail steamer arrived in the port of Montreal. The circumstances which led to that event will, in a few years, be entirely forgotten; and as few now know the effort that was required to establish ocean mail steamers, the facts appertaining thereto cannot fail to be interesting to the young merchant and to others, more especially as this steam communication with Britain has proved very advantageous, not only to the trade of Montreal, but to that of the whole Dominion.

The North American Royal Mail Steamers, or the Cunard Line, were established in 1839, and, in 1846, ran fortnightly to Halifax and Boston. In 1856, this line of steamers ran weekly to Boston and New York, at an annual cost to the British

Government of £186,000 stg. for carrying the mails. The Canadian merchant, previous to 1846, in consequence of the American Post Office arrangements, could not send a letter, *via* the United States, to England by mail, but had to enclose it to an agent in the United States, to be mailed there. It was this difficulty which originated the Cunard Line to Halifax, in 1839. From Halifax, the Canadian mails, during navigation, were carried by steamer to Quebec, and, in winter, overland *via* Fredericton, to Quebec. Arrangements were entered into, in 1849, between the United States and the British Governments, for a free exchange of mail matter. The Mail Steamer "Unicorn," from Halifax to Quebec, was, therefore, withdrawn, and the Cunard Line went direct to Boston and New York, and alternately to each port. Such were the disadvantages under which Canada had to enter into competition with her intelligent and active neighbours, without railroads (except about 23 miles), few light-houses, and, therefore, high insurances; her canals unfinished, and the British and American Governments paying together a sum exceeding £350,000 per annum as a subsidy to mail steamers sailing between American and British ports. Under these circumstances, it is not surprising that trade should have been attracted away from the St. Lawrence route, and that freights should have been cheaper by the one route than the other. The actual results were in perfect accordance with the circumstances. The imports and exports of the Western States, and of Western Canada, had vastly increased since 1846;

but the imports and exports by the St. Lawrence, in 1855, were not greater than in 1846, and the average cost of freight in these nine years from New York to Liverpool was 2s. 0½d. per brl., while the average cost from Montreal, in the same period, was 4s. 11d.—or more than 100 per cent. than *via* New York. But whatever were the disadvantages against which Canada was thus compelled to contend, certainly she did not long mourn over her position; and there are few who will not now admit, that the increased energy and self-reliance of her merchants, since the commercial policy of the late Sir Robert Peel was inaugurated in 1846, has far outweighed all the advantages which then existed from the previous inervating policy of protection to our products in the markets of the Mother Country. In 1847, public works of various kinds, necessary to enable Canada to contend for the interior trade, were commenced. In 1850, the St. Lawrence and Welland Canals were completed. Railroads, in 1854, were constructed to the ocean, from the St. Lawrence. Those designed to tap the Western trade, were begun from Quebec and Montreal, and light-houses on the Lower St. Lawrence were projected and commenced in 1852. Of the £799,735 sterling paid annually, in 1850, by the Government of Great Britain for the mail steam packet service to her various Colonies, Canada, the most magnificent of the whole, not only received no part of this enormous amount, but the influence and weight of the British Government was thrown into the scale against us, by a subsidy of £186,000 stg. given to the "Cunard Line," the effect of which

was to lead British and Colonial commerce captive into American ports.

The late Hon. Wm. H. Merritt, and others, did their best in the House of Assembly to point out the injustice of this course ; and, in 1848, an Address to Her Majesty was passed, praying that the Imperial Government would give some aid for the establishment of a line of steamers to the St. Lawrence. No result followed this application to the Imperial Government. In June, 1851, I became a member of the Hincks-Morin Administration, as Chief Commissioner of Public Works. My colleagues were Sir Francis Hincks, the Hon. Mr. Morin, the Hon. Judge Drummoud, the Hon. P. O. Chauveau, Chief Justice Richards, Judge Caron, the late Sir E. P. Tache, Dr. Rolph, James Morris and Hon. Malcolm Cameron. I conceived the idea that this begging, cap in hand, at the Colonial Office to give Canada aid by a subsidy from the Imperial Treasury ought not to be any longer pursued, and that we ought not to ask for that, which we could do ourselves.

Under this idea, I brought the subject before my colleagues in Council, and suggested that Canada alone, out of the Public Funds, should pay a sufficient subsidy to establish an ocean mail line of steamers between Liverpool and the St. Lawrence during the period of navigation, and to Portland in winter. I regret to say that, although I urged with all the force I could, the enormous importance of the project, and that I thought a fortnightly line could be established at an annual cost of £20,000 stg.,

the majority of the Cabinet would not consent to any such amount being given for such a purpose. The Governor-General, the late Earl of Elgin, warmly approved of it, and urged me to persevere,—while Sir Francis Hincks was equally emphatic in his opinion of my scheme. Subsequently, in February, 1872, I received a note from the Hon. Thomas Ryan, stating that his friend, Mr. Cunard, would, he thought, accept a bonus, or subsidy, of £10,000 stg. per annum, to place a line of steamers to the St. Lawrence. I again brought up the subject in Council, and ultimately succeeded in obtaining authority to advertise for tenders; but on the well understood condition, that no sum greater than £10,000 would be given by the Canadian Government as a subsidy. On the appearance of the advertisement, which was published in different cities of Great Britain and in Canada, numerous enquiries were at once made, asking particulars of the kind of vessels required—their tonnage, power, &c. As a sample of these letters, I give the following extracts from the present Sir Hugh Allan, dated 6th March, 1852:—

“ With reference to your advertisement, asking tenders for seven steamers, I am desirous of obtaining information from you on one or two points, which I shall be obliged if you will give me.

“ 1st. Whether there is any restrictions on the size or speed of the vessel ?

“ 2nd. Has any scale of trips been framed, or is each party to furnish the scale he proposes ?

“ 3rd. Whether the vessels will carry steerage passengers or not ?

“ My own opinion is, that the same vessel cannot carry cabin and steerage passengers, as the former will not go where the latter are in large numbers. This is seen in the New York packet ships. I think, therefore, they should only be obliged to carry chief and fore-cabin passengers.

" 4th. When will the vessels require to begin running? It takes about a year to build one of these vessels, if of large size, and perhaps not more than two could be built in 1853; will parties, therefore, have time to have their vessels built?"

" 5th. Will iron vessels answer, or will wooden ones be required?"

" 6th. How long will the contract last?"

" 7th. Would a Mail Officer have to be carried?—and if so, would an allowance be made for his passage?"

" If there is any other information you can give, which may be of service in tendering, I shall be much obliged."

"(Signed,) HUGH ALLAN."

Only three tenders were received for the service required:—

Mr. Allan tendered at.....	£36,000 stg.
Messrs. McKean, McLarty & Co., represented by the late Mr. David Bellhouse, of Montreal, at	24,000 "
Another Firm—a London Firm—whose name I do not recollect, for.....	52,000 "

The result was, that the Government deemed the amounts demanded for the service too high, and none were at the time accepted. Being actively engaged with Sir A. T. Galt, as a Director of the railway to Portland, it occurred to me that the proposed line of steamers would largely benefit the railway, and be of great service to the City of Portland. I, therefore, asked the late Mr. Bellhouse, representing Messrs. McKean, McLarty & Co., whether, in the event of my securing him £5,000 stg. from the St. Lawrence and Atlantic Railway, he would be content to receive from the Government £19,000 per annum. He said, if you can do this, I am willing, on the part of Messrs. McKean, McLarty & Co., to accept the contract. I at once brought the subject in this changed form before my

colleagues, who gave me the necessary authority to act; but none of them, I believe, thought for a moment that I could succeed. I went to Montreal from Quebec, where a meeting of the Directors of the St. Lawrence and Atlantic Railway was called, who at once passed a resolution, binding the Company to aid to the extent of £2,000 stg. I proceeded with Mr. Bellhouse to Portland, where also a meeting of the Atlantic and St. Lawrence Railway Co. was called; when it was agreed to guarantee an additional £2,000 stg. per annum during the contract, while the City of Portland agreed to give annually the other £1,000—making £5,000 stg. in all—thus leaving the Canadian Government to pay £19,000. This arrangement of mine will be best understood by the following letter of the Secretary of Public Works, dated Quebec, 16th July, 1872, addressed to D. Bellhouse, agent for Messrs. McKean, McLarty & Co., of Liverpool:—

“ 16th July, 1852.

“ SIR,

“ I have to inform you, as agent for Messrs. McKean, McLarty & Co., of Liverpool, that their tender for the establishment of a line of steamers, to run every fortnight between Liverpool and Quebec and Montreal during the season of river navigation, and between Liverpool and Portland, in the State of Maine, monthly, while the St. Lawrence is closed, has been accepted, with the exception that the contract shall exist, and be, for a period of only *seven* years, instead of ten, as conditioned for in the tender, and that you shall raise a sum of *five thousand pounds sterling* from the St. Lawrence and Atlantic Railway Company in Canada, the Atlantic and St. Lawrence Railway Company in Maine, and from the City of Portland, as part payment on your contract, leaving the balance thereon to be paid by the Canadian Government; it being further understood that you are to look to the parties referred to, and not to the Canadian Government, for the payment of this annual sum of five thousand pounds.

" Will you be so good as to state whether you are prepared, on the part of Messrs. McKean, McLarty & Co., to confirm and complete a contract drawn up with the suggested alterations in their tender ?

" I have the honour to be,

" Sir,

" Your obedt. servant,

" JOHN YOUNG,

" *Chief Commissioner.*

" DAVID BELLHOUSE, Esq.,

" *Agent for Messrs. McKean, McLarty & Co.,
of Liverpool,*

" QUEBEC."

" QUEBEC, 16th July, 1872.

" SIR,

" I beg to acknowledge receipt of your letter of this day's date, informing me that Messrs. McKean, McLarty & Co.'s tender, for the establishment of a line of steamers, to run every fortnight, between Liverpool and Quebec and Montreal, during the season of river navigation, and between Liverpool and Portland, in the State of Maine, monthly, while the St. Lawrence is closed, has been accepted,—with the exception that the contract shall exist, and be, for a period of only seven years, instead of ten, as conditioned for in the tender, and that I shall raise a sum of five thousand pounds sterling from the St. Lawrence and Atlantic Railway Company in Canada, the Atlantic and St. Lawrence Railway Company in Maine, and from the City of Portland, as part payment of the contract, leaving the balance thereon to be paid by the Canadian Government; it being further understood that I am to look to the parties referred to, and not to the Canadian Government, for the payment of this annual sum of five thousand pounds.

" On behalf of Messrs. McKean, McLarty & Co., I beg to state I will accept the contract with the alterations suggested, and provided the Corporations, above alluded to, consent to pay the said sum of five thousand pounds.

" I have the honour to be,

" Your obedt. servant,

" DAVID BELLHOUSE.

" The Hon. JOHN YOUNG,

" *Chief Commissioner of Public Works.*"

" PUBLIC WORKS, QUEBEC,

" 28th July, 1852.

" SIR,

" I have to acknowledge the receipt of your letter of yesterday, enclosing copies of resolutions passed by the Directors of the St. Lawrence and Atlantic Railway Company, and of the Atlantic and St. Lawrence Railway Company, guaranteeing to you the payment of £2,000 sterling each, in all *four thousand pounds*; further, that you had made such arrangements with the City of Portland for the other £1,000 sterling as are satisfactory, and that you now desire to know when it will be convenient for this Department to complete the contract. In reply, I have to inform you that I shall give orders for this being done at once.

" I am,

" Sir,

" Your obedt. servt.,

" JOHN YOUNG,

" *Chief Commissioner.*

" D. BELLHOUSE, Esq.,

" *Quebec.*"

The part I took in the negotiations with the Canadian railway and with the City of Portland, will be best understood by the following action of the Atlantic and St. Lawrence Railway:—

" In consequence of the representations of the Hon. John Young, Chief Commissioner of Public Works of Canada, that the Government of Canada are willing to establish a line of efficient (seven) steamers between the ports of Liverpool, England, and Quebec and Montreal, Canada, during the period of navigation of the River Saint Lawrence, and between the ports of said Liverpool and Portland, in the State of Maine, U. S. of America, during the suspension of navigation on the River St. Lawrence; to run every fortnight during navigation to the St. Lawrence, and every month to Portland: provided the sum of five thousand pounds sterling is contributed for seven years, leaving the Government of Canada to pay all the balance of the contract necessary to establish the line;

" *It is hereby Resolved*—That, considering the great advantages which must result to this Company by a regular line of steam packets, to run from and to Portland even during the suspension of navigation on the River St. Lawrence, affording, as it will, certain means of shipping produce, as well as the means by which the Spring imports for Canada, which now go *via* Boston, can be carried;—considering also the facilities which the establishment of

such a line of steamers will afford to emigrants and passengers, this Company hereby binds itself to pay to the contractors, Messrs. McKean, McLarty & Co., the sum of two thousand pounds sterling per annum, for the term of seven years after the commencement of the running of said steamers, at such period as may be fixed by the Government of Canada, and *pro rata* with the payments to be made by said Government on the same; *provided* said contractors shall cause to be made not less than five monthly trips of said steamers, in each year, from Portland to Liverpool, and from Liverpool to Portland; said sum of two thousand pounds sterling, herein provided for, to be paid according to the provisions of a contract hereafter to be entered into with said McKean, McLarty & Co., for the establishment and maintenance of said line of steamers upon the general terms and conditions of their tender for the same to the Government of Canada; *provided* this Resolve shall *first* be approved by vote of the stockholders of this Company, and the necessary and requisite authority to make said contract, on the part of this Company, shall be obtained from the Legislature of the State of Maine.

"B. CUSHMAN,
"Clerk."

The contract, as I have intimated, was formally accepted by Mr. Bellhouse on the 16th July, 1853. The first vessel of the line arrived in Quebec, as per the *Quebec Mercury*, of 10th May, 1853, which states that "the Steamer 'Genova,' Captain Paton, arrived with the mail and passengers at half-past two P.M. yesterday, giving and receiving a salute of cannon as she entered the port. She is a smaller vessel than the contract for the line of new steamers provides; but it so happened that no larger or better vessel could be provided, in consequence of the demand for vessels for the Crimea. It was thought best to send her out to Canada in May, rather than wait to September."

The "Genova" arrived at Montreal on the 12th of May, 1853. Being the first ocean mail steamer which had ever come into the port of Montreal, from England, There was considerable public ex-

citement on the occasion, and the Corporation of the city invited Capt. Paton, her commander, to a public dinner at Donegana's Hotel, on the 15th. Before the dinner, the following address was presented to Capt. Paton, (afterwards commander of the "Great Eastern,") as is reported in the *Montreal Gazette*, of the 16th May :—

"There were present, besides the members of the City Council and the guests of the evening, the President, Officers and Members of the Council of the Board of Trade, the Masters of the Trinity House and their Secretary, the Harbour Commissioners and their Secretary, the Collector of H. M. Provincial and the Comptroller of H. M. Imperial Customs, the Surveyor and other Officers of the Customs at this port; the Presidents, Secretaries and Vice-Presidents of several of the leading Railway Corporations, the Presidents of the several National Societies, the City Recorder, and several of our leading merchants, and a goodly number of representatives of the Press and Bar.

"After the guests had assembled, His Worship the Mayor presented the following Address to Capt. Paton, to which he made a happy reply :—

"Sir,—Your arrival at the Port of Montreal in charge of the 'Genova,' the pioneer steamer of the ocean line, is an event of too much importance to Canada to be allowed to pass without notice.

"To mark the sense which the City Council entertains of this very gratifying token of our country's advance, I have been instructed to welcome you with heartfelt congratulation, and to offer you the hospitalities of the city.

"It is now happily beginning to be understood that the high-ways which nature has provided for access to the interior of countries are usually the shortest and most practicable; and a single glance at the map of North America should convince the most sceptical, that the St. Lawrence, with its chain of lakes, is the true channel for the commerce of the Great West. To divert into other outlets the products of the vast granaries which skirt our waters for thousands of miles, has employed the talents, energies and resources of our great rival and neighbour, and not without success. The time, however, is fast approaching, when the tide of trade and travel will take its proper and destined course. Canada begins to feel its strength and to value its advantages. Its pupilage has not been mis-spent. Arrived at the maturity which demands self-reliance, it is ready to take its place, as a full-grown worker, and little doubt need be entertained of the vigour which it is prepared to bring to the task.

“What the future of Canada will be, the largest minds have not adequately conceived. A knowledge of its unbounded resources—the tithe of which has not been developed—an appreciation of its salubrious climate, and the essentially liberal character of its institutions—offer guarantees to the emigrant for the successful pursuit of competency and happiness, which no other country can exceed.

“The disturbance of our waters by your excellent vessel is one of those strong pulsations which indicate the high health of Canada; and the time cannot be very distant when this pulse will beat, not once in a month, but with greatly increased power and frequency. Nevertheless, dear Sir, the “Genova” and Capt. Paton will ever be associated in the history of a note-worthy era; and when the first steamer of the ocean line is referred to, these names will stir up the most pleasurable reminiscences.

“Again, then, we hail your advent among us; and we may express the hope, that your connection with this enterprise will be sufficiently prolonged to place you in competition with other rivalries in the same honourable strife.

“About 150 persons then sat down to a most sumptuous repast. The Mayor presided, having on his right Captain Paton; the President of the Board of Trade; Col. Duchesnay, Deputy Provincial Aide-de-Camp; William Molson, Esq., Vice-President of the Lachine Railway Company; and John Rose, Esq., President of the St. Andrew’s Society. On his left, the Hon. P. McGill, President of the Montreal Bank and first Mayor of the city; the Hon. John Molson; the Hon. John Young, M.P.P. for the city, and one of the Harbour Commissioners; the Collector of Customs; A. M. Delisle, Esq.: Clerk of the Crown and President of the Montreal and Byton Railway Company; and J. Ryan, Esq., President of the St. Patrick’s Society. Alderman Leeming acted as croupier at the centre table, supported on the right by one of the contracting firm, D. McLarty, Esq.; and on the left by Mr. Bellhouse, the Montreal agent of the ship. Alderman Whitney and Councillor Coursol acted as croupiers at the other tables. After proper justice had been done to the good things which were profusely provided for them, the attention of the guests was claimed by the Chairman for the first toast, for which he demanded bumpers. He had much pleasure in proposing the toast, which was drunk here and everywhere throughout the British Empire with pleasure and with loyal enthusiasm—“The Queen.”

After the toasts of “The Queen” and “Governor-General” were given, the Mayor said:—

“Gentlemen, you are now called upon to fill your glasses, and to drink bumpers. The toast I am about to propose is one that will elicit your approbation and your hearty cheers. Capt. Paton

is the gentleman whom we are now called upon to honour and congratulate on his safe arrival in our harbour; and we, this evening, tender to him the hospitalities of the city. It is gratifying to the commercial community to see a steamer, for the first time, laden with goods for our merchants, and we hail this first arrival as a harbinger of better times. Although the Steamer "Genova" was longer in her voyage than we anticipated, still there is a striking contrast between this and the old system. I speak from facts. Our goods left Liverpool by her, and in twenty-one days we had them for sale in our establishments. It would have taken a sailing vessel sixty days, and decidedly we have reason to rejoice. The toast was drunk amid deafening cheers, with the utmost enthusiasm. Band—'Life on the Ocean Wave.' Song—'The White Squall.'

"Captain Paton, on rising to reply, was greeted with prolonged applause. He said he felt he was placed in such a position as he had never before found himself in. When he looked around him on the brilliant assemblage which had met there to greet him, he found he lacked words adequately to convey to them the gratitude he felt for their enthusiastic reception of his name. He felt highly honoured that he had been selected to bring out the first steam packet to such a country as Canada—England's greatest colony—still a young country, but so fast rising to greatness. He assured them that that was indeed the proudest moment of his life, when he was welcomed as the first who had brought a steam packet to a new and rising country, more especially to such a country as Canada. It was quite true that the 'Genova' was but a small steamship, but she had many good qualities. He had sailed her for 14 months in the Mediterranean, and she was there esteemed the pet or favourite steamer. He had there had the pleasure of having several distinguished personages in Britain as passengers in her, who all pronounced a favourable opinion concerning her. Unfortunately, upon this voyage, they had used a kind of coal which had caused them to take 20 days in crossing the ocean, instead of 14 or 15, as they should have done. He could not tell them how much vexation and annoyance this had caused him; but he was happy to say that they had secured good Scotch and Newcastle coal for the return voyage, and he asked them to take note of the time when he should arrive in England. He begged to return his most sincere thanks for the hospitality so generously proffered him, and for the cordial welcome given his ship, which was, for the time, his better half. He hoped and believed she would redeem her good character in going home. He hoped that as long as he was at sea, he would sail between Britain and Canada. He hoped to be able to serve the Canadian merchants so that they should be satisfied with his management. They would find that their goods entrusted to him would be kept safe from chafing or damage, and he would use his best endeavours to make his passengers comfortable and happy. Again he thanked them for the cordiality of his reception.

"The Mayor called upon Alderman Leeming to propose the fifth toast—who said that he had great pleasure in obeying the orders of his Chief in that regard. He should not preface the toast with any lengthened remarks, as it did not require any, as all would admit when he announced, 'Ocean Steamships and the Foreign Trade of Canada.' It would be responded to by a gentleman who had done more than any man in Canada to get this line of steamships established between this country and Britain, and to promote commerce from the West and to Europe *via* the St. Lawrence—he referred to the Hon. John Young. (Cheers.)

"The Hon. John Young responded. He said he had heard it remarked at Quebec that we made too much demonstration here about the arrival of a steamship. With all due respect to his worthy friends at the capital, he thought they were very much mistaken. It marked the union of Canada with Great Britain by steam—a new era in our commercial history. It did not matter much whether the vessel was a large one or small one; whether she made a long voyage or short one; whether she came on to Montreal or stopped at Quebec. The fact alone that the 'Genova' was the first of a line of Canadian mail ocean steam-packets was one worthy of commemoration. (Hear, hear.) Only seven years ago, England changed her commercial policy without consulting us in any way. At that time we dealt with her almost exclusively, and were protected in her markets. That was totally changed; we were now freed from her navigation laws; the Differential Duties were abolished, and we no longer enjoyed a protection in her markets. We traded where we liked; and many believed, as he did, that they were better off now than under the old system. At the time the Differential Duties were abolished, he had considered that the time had arrived to consider the subject of a line of ocean steamers, to be supported independently of Imperial aid; and his efforts had since been directed, not only as a merchant, but as a member of Her Majesty's Government, to secure such a line. He thought that with a country such as Canada, they need have no fear for the future. A great problem has to be solved—whether we, living here under the British Government, and with British institutions, could keep pace in our rate of progress with the neighbouring Republic. He was assured we could. We had a better location here in Montreal for business, than was possessed by any city in the United States. We were 200 miles nearer to Liverpool than was Boston, and 420 miles nearer than New York. There was no reason why we should be dependent upon foreign countries for the transport of our goods; and, with proper management, we could supply many of the neighbouring States with imports. Baltimore, Philadelphia, New York and Boston have all lines of steamships successfully trading with Europe, and why should ours not also be successful? He believed that this would not be the only line established between this country and Britain. He fully expected to see steamers of 2,500 tons come

here. As he had before said they would not have Canada alone to supply, but parts or the whole of the States of Pennsylvania, Ohio, Michigan and Iowa. If proper exertions were made, that trade would be secured, a trade with a population of 7 millions, which at the present rate of increase would in a short time grow to 50 millions. The West must exchange its agricultural products for the manufactures of Britain or New England, and ours was the best route to either. Nay he looked forward to the time when cotton would be sent from the plantations of the South-West by the St. Lawrence route to the great seats of manufacture. Much had to be done. We had but one light in the Lower St. Lawrence, and none from the Straits of Belle Isle to Quebec on the north shore, while the coast of the United States was lit up almost like a street. If they would look at the trip of the *Genova* and compare the facilities afforded even by this long passage, as compared with any other route, they would find that the goods by her would be laid down in Toronto in 22 days from the time they had been shipped at Liverpool, and he believed that would be found the shortest time ever taken between these two ports. If so, what would be the results when they were delivered here in 14 days and at Toronto in 16. Again, he believed that when the nature of the navigation is properly understood, it will be found that vessels can come up to Quebec a month earlier than they were wont to do. A great disadvantage felt here, as all mercantile men knew, was the high rate of freights. Vessels going to New York had freights both ways. Last year 2,500 vessels arrived at that port with 300,000 emigrants on board. These reduced the rates of freight upon the return voyage. Here vessels came out in ballast, and the freight home has to pay for both voyages. These steamers he believed would secure large numbers of emigrant passengers, and full cargoes of outward freight, and thus diminish the rates which had proved so injurious to our commerce. Reference had been made to the foreign trade. This was as yet small. We had, indeed, a few vessels trading directly with Cuba and China, but these could be increased. The trade of Cuba with the United States amounted to \$5,000,000, and was such a trade as we might secure, if the nature of our tariff were properly represented at the Court of Madrid. He concluded by pointing out the benefits to be obtained from making the navigation of the St. Lawrence free.

The Hon. gentleman, then, by permission of the Mayor, proposed the next toast. It had devolved upon him as a member of the Government to make the necessary arrangements to secure tenders for the mail service, and enter into the contract with Messrs. McLean, McLarty & Co. He might say he believed, that had it not been for their tender, no line of steamships would have been now established. He would therefore, call upon them to drink to the health of the enterprising contractors, Messrs. McLean, McLarty & Co. Received with all the honors and much enthusiasm.

D. McLarty, Esq., responded. He was imperfectly heard in the beginning of his remarks. He was understood to say that he was deeply grateful for the honor done him, and would convey to his partners the tidings of the manner in which their health had been drunk that night,—though comparatively a young man, he had been long investigating the subject of steam navigation, and he was happy when he heard through Mr. Bellhouse, of the opportunity of entering upon so promising an enterprise as the starting of a Canadian line. But he had no idea of the kind of place Canada was until he came here. The country had very far exceeded his most sanguine anticipations, and he should carry back to his friends the assurance that Canada was not the outlandish place which many of them in their ignorance imagined it to be. He was convinced from what he had seen and heard, that the St. Lawrence was far before any other channel between the Great West and the Atlantic and that eventually all the trade of that fertile region must flow through it. Instead of small steamers such as the *Genova*, they must put on vessels of twice her size propelled by engines of twice the power of hers, which would enable them to reach Quebec and Montreal sooner than the Collins' and Cunard steamers reach New York. As he had said, he had given much attention to the subject of steam navigation, and was convinced of the superiority of a screw over paddle wheel, which it was year by year displacing; and lately the *Boomerang* had increased the speed of their steamer from 9 to 11 knots per hour, and they believed it would be shortly so adapted as to increase it to 14 or 15. He again thanked them for their cordial welcome of him. He should ever remember with grateful feelings the kind hospitalities extended to him, not only here in Montreal, but by many members of the Provincial Legislature at Quebec.

"Alderman Whitney proposed the next toast. He thought that after all the recent horrible railway accidents they had heard of, many people would prefer to take a safer, although much slower course, and travel upon canals. A man might very well think that the delay in arriving at the end of his journey would be fully counterbalanced by the greater certainty of getting there at all. Another advantage of our canals is, that they are already built, while many of our railways are mere schemes which may be executed or may not, though they seem to be almost the only one's which meet people's views now. A few years ago, it was thought a good thing to see a vessel like the '*Lord Sydenham*,' come down direct from Lake Ontario. Now, with our enlarged canals, it was nothing extraordinary. We had a system of inland navigation of which we might well boast. He would not detain them longer, but would propose '*The Canals and Inland Navigation of Canada.*'"

"T. C. Keefer, Esq., responded. After alluding to the propriety of such an entertainment as the present, emanating from the Mayor and Common Council of the first commercial city in British

America, given in honour of an event of the first importance in the commercial history of the country, he then said that he thought this toast should have preceded the one drunk next before it, since canals had the priority over railroads in point of birth, and in Canada, he thought, in point of importance. Sufficient attention was not paid in these railroad days to our internal navigation. A few thousand pounds judiciously expended on the rapids of the St. Lawrence would go far to turn the stream of Western traffic through it. Montreal was better situated for a large trade than any other city in the world that he knew of. It was a sea-port 250 miles from salt water; nearer to the West—either by measuring by miles or by length of canal navigation—than any other sea-port on the continent. The only obstacle to securing that trade was the high rate of ocean freights. They must take advantage of their unrivalled facilities for steam navigation, the still water, numerous coal depots, &c., to effect a reduction. When that was done, this would be the best route, not only for Western products, but for cotton of the South-Western States. It might seem absurd, but he hoped in five or ten years to see large quantities of cotton shipped from Montreal. It is now sent by way of Buffalo and the Erie Canal. He looked to a line of ocean steamers as certain to bring about that result. He would not detain them longer at that late hour. The 'Genova' came to them propelled by an instrument adapted from a weapon used by the natives of another British Colony—the antipodes of Canada. When used by them it had two forces—the projectile and the revolving; and when thrown up, and the projectile force had ceased, it screwed its way back to the place whence it started, sometimes to the very great astonishment of the unwary thrower. It was a happy emblem. He hoped when the good steamer got her impulse from the hands of Montreal merchants, and had safely shot across the ocean to Britain, she might safely and speedily screw her way back to us again. (Loud cheers.)"

It may seem to some that it is unimportant to publish these proceedings of a quarter of a century ago, but, in connection with the subject, they, I trust, will be found interesting.

The Messrs. Allans were not present at the above banquet.

The "Genova" was followed by the "Lady Eglinton," the "Sarah Sands," the "Cleopatra," "Ottawa" and "Charity." It is true that, owing to the Crimean War, there was great difficulty of

obtaining steam vessels; and, at that time, they could only be built at a great advance over usual prices. It may be well here to state that the object I had in view by the establishment of these ocean mail steamers will be better understood by my quoting an extract from my Public Works Report, dated August, 1852 :

“ A contract has been completed (subject to approval by Parliament) with an eminent firm in Liverpool, by which a line of powerful screw steamers, of not less than 1,500 tons burthen, and capable of carrying 1,000 tons of cargo, will commence running on the opening of the navigation next Spring, between the ports of Liverpool and Quebec and Montreal, every fortnight during the season of navigation; and to Portland, in the State of Maine, during the Winter months, at a cost of £24,000 stg. per annum, for fourteen fortnightly trips to the St. Lawrence and five monthly trips to Portland; or for £16,000 stg., for twelve monthly trips. The St. Lawrence and Atlantic Railroad Company, in Canada, the Atlantic and St. Lawrence Railroad Company, in the United States, and the City of Portland, pay to the contractors a sum of £5,000 stg., as part of the above sums, leaving the annual cost to the Province, for the period of the contract, to be £19,000 stg. for the fortnightly line to the St. Lawrence and monthly line to Portland in Winter; or the sum of £10,000 stg. should the line run only once per month to the St. Lawrence during navigation, and once per month to Portland in Winter. The contract is to extend over a period of seven years, to commence from the starting of the first steamer from Liverpool. The cabin passage shall not exceed the sum of £21 sterling; the second cabin the sum of £12 12s; and the steerage passage the sum of £6 6s., and to be found in everything required. The rate of freight from Liverpool not to exceed 60s. per ton measurement; nor the freight of produce not to exceed the current rates demanded by sailing vessels. It is believed that the establishment of this line of steamers from Liverpool will have the effect of diverting, through the St. Lawrence, a portion of that vast stream of emigration destined for the Western States, which now pours into the Atlantic cities of the United States, and of turning public attention to the superior facilities now existing on the St. Lawrence for transport of freight and passengers. Upwards of 300,000 emigrants arrived in 1851 at the Port of New York. These emigrants arrived in 2,211 vessels, measuring, on the aggregate, over one million of tons. The return freight of these vessels to Great Britain consists chiefly of flour and grain; and the competition among so large a number has reduced the prices of freight to more than one-half of the aver-

age rates of former years. The rates of freight from Quebec to Great Britain are about 100 per cent. higher than from New York, which is to be accounted for by the fact, that the great bulk of the ships coming to Quebec arrive in ballast, carrying no emigrants, and the home freight alone has to remunerate for two voyages. The influence, therefore, of emigration in reducing the expenses of transport of our great agricultural staples, and in promoting the interests of our railroads and canals, by which they will be brought to shipping ports, ought not to be overlooked; but, on the contrary, every means should be adopted to secure such vast advantages. The cheap, speedy and commodious accommodation for passengers afforded by this line of steamers, will do much to turn attention to the St. Lawrence route, where, on the arrival of the ocean steamer or sailing vessel, the emigrant may be met by large and comfortable steam vessels, in which he can be carried to any port on any of the upper lakes. It is believed, however, that this line of steamers will only be a commencement of this trade, and that, under a policy of freedom from all restriction in our navigation, the route of the St. Lawrence will annually grow in public favour.

“Arrangements have also been made with the contractors for the circulation in Britain and in other parts of Europe, of such books, pamphlets, or maps relating to Canada, as the Government may see fit to send for that purpose; and also to have the same translated into any desired language, and distributed without any other charge than the cost of printing. Some such course as this is actually necessary, from the great ignorance prevalent abroad as to the mineral and agricultural resources of Canada, and of her progress and advantages as a place of settlement. The contractor is also obliged to carry a mail and a Mail Officer, free of all other charge than the sum already named. From extensive enquiry, we believe that a safe route exists for vessels and steamers through the Straits of Belle Isle. The distance from Liverpool to Quebec, coming through these Straits, is nearly 400 miles less than from Liverpool to Boston; which, in conjunction with the smooth water from the Straits to Quebec, will enable a saving to be made of fully two days in the voyage; and as the English mails usually arrive in Quebec at some 39 to 48 hours after their arrival in Boston, there is no good reason why the proposed line of steamers should not be able to deliver their mails in Quebec and Montreal in less time than they are now delivered coming through American territory; and with vessels of the same speed as those now plying to Boston and New York, why the mails from England, with railroads from Quebec to Detroit, should not only be delivered throughout Canada in less time than at present, but that this would also be the best route for mails destined for the Eastern and Western States. To make the route, however, through the Straits of Belle Isle effective, more light-houses are required. At present, there is only one light from Quebec, along the whole north shore, to the en-

trance to the Straits of Belle Isle, a distance of some 800 miles. It is, therefore, recommended that a light be placed on Belle Isle—one at Cap Normand; one at Forteau Bay; one at the west point of Anticosti: one on the north shore of Anticosti, and another on the main north shore, nearly opposite. Authority for the erection of some of these lights would have to be obtained from the Government of Newfoundland. These, with the other lights, for which appropriations have already been made, will do much to improve the navigation of the Lower St. Lawrence, and lessen the cost of insurance on both ships and cargoes, in all of which improvements none are so much interested as the agriculturists of Canada."

The first vessel which arrived under this contract was the "Genova," as already stated, on the 10th May, 1853, commanded by Capt. Paton. This steamer was followed by other vessels in the same year; but were merely hired vessels of from 600 to 1,300 tons, and were not all of the class, which the Company intended to place on the line, the standard being that of the "Cleopatra," of about 1,500 tons. The "Genova" was 20 days on the voyage, still showing the advantage for Toronto and other places, by having goods delivered in so much shorter time than before. The advantages of the line were at once made apparent, and general satisfaction was expressed by the city authorities and the mercantile community throughout the Province. The line, however, had scarcely got into operation, when Sir Hugh Allan began to attack the contractors for the inefficiency of their vessels. On the 23rd March, 1854, he being then President of the Board of Trade, called the attention of the members, at a Special Meeting, to the inadequacy of the line, as follows:—

"The attention of the Council has frequently been called to the very inadequate manner in which the contract granted by the Province, for the transmission of mails to and from Great Britain by ocean steamers has been carried out. Memorials were addressed by the Council to the Government, representing that while the

establishment of an efficient line of large and powerful steamers, monthly, in 1853, making the passage outwards in fourteen days, and homewards in thirteen days, and carry freight at sixty shillings per ton outwards, and at the current rates of sailing ships homewards, for all of which the contract provides, would have been of great benefit to the trade of the Province. The manner in which the contract has hitherto been managed has been exceedingly unsatisfactory to the whole community, not one of the provisions in it having been ever properly observed. The Council, therefore, prayed that the contract might be again thrown open to public competition, but they are not informed that the Government has taken any action in the matter."

These representations were successful; and a new contract was entered into on the 29th September, 1855, with Hugh Allan, *without public competition*, for the same service and for the same cost, £24,000 stg.; but the whole amount was to be paid by the Province. The first steamer under this new contract arrived in the Spring of 1856, three years after the "Genova." This fortnightly line was changed into a weekly line from the St. Lawrence and Portland, *again without any competition*. For this service the contractor, Mr. Allan, was to receive the sum of \$220,000 per annum. The first steamer of this weekly line arrived in the Spring of 1859. At the end of that season, there being but little freight from this side, the contractor made representations to the Government, that unless the subsidy was increased, he would be compelled to throw up the contract. I was deputed, with Mr. Cramp from the Board of Trade, to represent to the Government that the business of 1859 was exceptional, and ought not to be made the basis of changing the contract and of giving an increased subsidy. On arrival in Quebec, we found that the contract was already made and

completed, and *without any public notice*, or asking others to perform the service; and instead of \$220,000, the sum of \$416,000 was given to the contractor. This new contract was made on the 1st April, 1860.

A Special Meeting of the Board of Trade was held on the 8th November, 1863, and was called "to consider the subject of the ocean mail service, between Canada and Great Britain, in view of the early termination of the existing contract." This Meeting was very numerously attended, and was reported in the city papers at that time. At that meeting both Mr. Andrew Allan and Sir Hugh Allan were present.—The following Resolution was moved from the Council of the Board of Trade :—

"That an efficient line of ocean mail service, by full-powered, high-classed, large-carrying steamships, has become a necessity to the Province.

"That the service should be continuous, regular (at least weekly), and direct (from Liverpool, via Port of call in Ireland), to Montreal in summer, and to Portland or Boston in winter, and that preference should be given to a contract, or contracts, providing side-wheeled wooden vessels.

"That in the opinion of this Board, the ocean postages alone might be sufficient consideration to offer for the establishment of such ocean service, were a minimum amount guaranteed by the Government, the Board is further of opinion that the contracts should be for as short a period as may be consistent with efficiency.

"That the Council be instructed to prepare a Memorial to the Gov. General in Council, embodying these Resolutions, urging the importance of maintaining an uninterrupted mail service, and the necessity for immediate action."

To which I moved in amendment :

"That this Board recommend to the favorable consideration of the Government, the policy of affording encouragement to all parties who may place suitable steam vessels in the Canadian trade, by allowing each seamanship or line of steamships, subject to certain conditions of regularity, size and power, to carry mail bags, and become entitled to the sea postage money, thereby earned; it being

the opinion of this Board, that without any charge upon the public chest, such a system would secure to the country greatly increased facilities for steam communication with Great Britain, stimulate competition in rates of freight and passage money, and thereby develop the commercial advantages of our position, to an extent not hitherto attained."

In moving my amendment, I gave a brief history of the various contracts and subsidies which had been made by the Government for this ocean mail service, as already described, and I continued as reported to say :

"Such, Sir, is a brief history of the Ocean lines of Steamers to the St. Lawrence. The subject, as I have already said, is one of great importance. It is one in which, *from being the originator*, I feel a deep interest. When I heard that the present contract was to be broken, I wrote and stated to parties that no time should be lost in asking other parties for tenders, or by taking means to induce a new Company to be started; but a careful investigation of the whole subject convinced me that the principle of giving a subsidy, however correct in starting the line, was not any longer necessary for Canadian interests. Of course, you are aware that the Imperial Government has subsidized the Cunard Company from the commencement to the present time, and they now receive about £186,000 sterling. The American Government also subsidized the Collins Line of Steamers up to 1860, when it was discontinued and the principle established of allowing any line of ships sailing regularly for the amount of the sea postage. The subject of ocean mail contracts was considered by a committee of the House of Commons in 1853, of which Lord Canning, then Postmaster-General, was chairman. They stated their opinion 'that when provision has to be made for the conveyance of mails, in cases where steamers employed for passengers and commerce are available, it is not necessary for the Government to subsidize the contractors by contributing a considerable portion of their receipts, since it may fairly expect to get the service done for a payment which will cover the freight of the mail bags, and compensate for the prescribed punctuality of departure and arrival, and for any increase of speed that may be agreed on.' Mr. Inman offered the British Government to convey the British mails between Britain and New York for the Ocean Postage. The committee over which the late Richard Cobden presided say that they 'cannot conclude their Report without recording their conviction that it is quite practicable to dispense with large subsidies in cases where ordinary traffic supports several lines of steamers,' and that in the circumstances which have for several years existed in regard to the communication be-

tween this country and North America, no such subsidies are required to secure a regular, speedy, and efficient postal service.' You will observe, Mr. President, that the committee state 'that although Mr. Inman's offer was not accepted by the British Government, the Company nevertheless took up the days of sailing of the Collin's Line, and under subsequent arrangements with the Government of the United States, they carried mails for that Government and to its satisfaction for the amount of the Ocean Postage.' Now, Sir, it is well known that the Inman Line is one of the most successful Ocean Steamship Lines afloat; it is well managed, divides large profits, and carries large mails; it is a favorite line for passengers, and carries freight at low rates. On the St. Lawrence we have two lines running to Glasgow without any subsidy; and as the number of vessels are increasing, it must be taken for granted that the ordinary freight and passengers pay the owners. Now, what is the result of the Canadian Mail Line? In the first contract signed by me there is a condition that inward measured freight shall not exceed 60 shillings per ton, and that outward freight shall not exceed the rate charged by sailing vessels. In all subsequent contracts no condition of that kind was made. The contractor was left at liberty to get as much freight as he could, and he has exercised that power, for every succeeding increase of subsidy only increased his power to drive off any competitor. People would suppose that with \$416,000 a year freights to the St. Lawrence would be less than by the Inman Line to New York, which has no subsidy; but such is not the case. Large quantities of Canadian goods, destined for Upper Canada, are actually now sent to New York, and from thence over American Railways and Canals to Upper Canada, at less rates from Liverpool than Mr. Allan, the present contractor, would carry these goods. James Law, Esq., of the firm of Law, Young & Co., mentioned to me that their saving in freight of their Fall import of goods this season alone, by taking the New York route to Hamilton, will exceed £250 sterling. What is the cause of this, Mr. President? It is simply that, with a subsidy of \$416,000, or even \$220,000, there can be no free competition. A monopoly is created thereby, and such a monopoly we now have in the Montreal Ocean Steamship Company, who can demand any rates they choose for either home or inward freights. This state of things is adverse to every interest in the country—it is adverse to the harbour interests, to our public works, and to the agricultural interests. This city depends for its growth on the increase of its commerce. We, as merchants, standing here as the factors for exchanging the products of the interior with the outer world, are bound to express an opinion on this subject, and I have no hesitation in saying, and urging the opinion on you for adoption; that if the Government of this country would adopt the policy followed by the United States of giving the Ocean Postage to any line of ships which would agree to a regular time of sailing, a great good would be effected. In this way all

would be placed on an equal footing. Private enterprise and competition would stimulate the several Companies (for there would be several lines) to secure public favor. Each of these Companies would be active agents to secure the carrying of emigrants to Canada, and the advantages of the St. Lawrence route would thereby be developed. So far this has not been done. It is true that nearly all the Lighthouses which were suggested in 1851 and others have been since built, but many are still wanted. Fog-whistles on several points are necessary, and these have been largely supplied by the energetic action of the Hon. Minister of Marine and Fisheries. With these needed improvements there is no better route to this Continent from Europe; and in my opinion the Straits of Belle Isle is the route which should be followed, as the shortest, safest, and best for most of the months of navigation. Only one steamer out of the six which the present contractor has lost, has been lost in the St. Lawrence out of pilot ground. The distance from Quebec to Liverpool by this route is 400 miles shorter than from New York, and if the mails were delivered at Bic, or some point near there, that would be increased to 590 miles, or fully 36 to 48 hours' less sailing time. With steamers adapted to the service, there is no reason why letters between Europe and America should not be delivered by the St. Lawrence route to all parts of the States in 40 hours less time than by any other route; and when the Intercolonial Railway is built, and should the line surveyed by Major Robinson be built, which passes at the head of the Bay of Chaleur, then from that point mails may be sent by steamer to Europe in two and a half to three days less time than it is possible to do so from any other."

Sir Hugh Allan rose and said, "that in the Post Master General's Report for this year the ocean postage was put down at \$80,000. That was what the Post Master General says was received last year, and would be the actual amount to be divided among the different lines. In New York it was 16 cents per half ounce for ocean postage, while here it was but 8 cents per half ounce. Now, if they had to divide 8 cents they would find it a very different thing from dividing 16 cents. There was a very strong attempt in England at present to revise the postage rates, and reduce the ocean postage to one penny. It was quite possible some modification might take

place. The moment they changed the system to that proposed by Mr. Young they might bid good-bye to service by the St. Lawrence."

There being frequent cries of "Question" when Mr. Allan sat down, the President, Mr. Cramp, rose to make some concluding remarks. "He thought the discussion of the day had been quite clear upon one point, that they did not wish to abandon the ocean mail service by the St. Lawrence route. One of the chief objects they had in view in establishing the line of vessels was to increase the facilities of communication with Europe. But the result had been to pay \$416,000 to advertise that we had one of the most dangerous modes of communicating with that country. We paid \$416,000 to parties who turned the business that ought to come up the St. Lawrence to the Erie route. We paid that \$416,000 to delay our mails, as our letters frequently came by the Cunard Steamers before those received by the Canadian. We have by this system of monopoly prevented that advancement of our trade which another system would promote. In conclusion he said that he did hope that in any new arrangements some provision might be necessitated which will prevent such fearful sacrifices of life as have already taken place."

My amendment was lost on a division of 18 to 27—but on the main motion being put—an amendment for adjournment was carried, so that neither of the resolutions passed.

At this public meeting in the presence of Sir Hugh Allan and his brother, Mr. Andrew Allan,

I asserted that I was the originator of the ocean mail line of steamers, and to this statement no dissent was made by either of these gentlemen, and from the facts already related, the public can judge how far I am correct in advancing that claim. If further proof of this was necessary, the following letter from the late Mr. David Bellhouse would be sufficient.

“ MONTREAL, 24th November, 1873.

“ HON. JOHN YOUNG, M.P.

“ Dear Sir,

“ I am in receipt of your note of the 21st inst., in reference to the origin of ocean mail steamers between England and the St. Lawrence, and asking me to state, as agent for Messrs. McKean, McLarty & Co., what I know of the matter.

“ Some years ago, I published a letter in the *Montreal Herald* on this subject, and the facts I then related were never contradicted. Although I have mislaid that letter, I still retain a lively recollection of the circumstances and of your unceasing perseverance and energy in bringing that undertaking to maturity.

“ When my attention was first directed to the subject of steam communication with the St. Lawrence, I immediately put myself in communication with my friends in England; and, in a very short time, received the needful instructions to enable me to negotiate with the Canadian Government. As soon as I announced that I held the necessary authority, you at once gave the scheme all the countenance and aid which your exalted position, as Minister of Public Works, enabled you to do. The members of Government were all favourable to it; but you so identified yourself with it, and in such a manner as ultimately proved successful, as follows:—

“ The scheme was submitted to Government to ascertain what amount of subsidy they would give. The largest sum they could be induced to offer was £10,000 per annum for a fortnightly line; say fortnightly during open water to the St. Lawrence, and monthly to Portland during Winter. Tenders were then advertised for. I offered, on behalf of Messrs. McKean & Co., to do the service for £24,000 stg. I understood at the time that Messrs. Edmonstone, Allan & Co., of Montreal, had also tendered for £36,000, whilst a London firm tendered at £52,000 stg. Some days after, you asked me if you could succeed in getting £5,000 stg. from other sources, whether I would accept £19,000 from the Government? I at once assented to this; and when I asked you what security you would

give me for the £5,000, you told me that you intended to see whether the St. Lawrence and Atlantic and the Atlantic and St. Lawrence Railway Companies would not agree to give this amount. You asked me to accompany you to Montreal and Portland about the matter. A meeting of the Directors of the Railway at Montreal was called, and they at once agreed to grant you £2,000 stg. for five years in aid of establishing steam communication from the St. Lawrence. We then proceeded, to Portland, where there was more difficulty; but by your firmness, zeal and sound arguments, you at last succeeded in inducing the Directors of the Atlantic and St. Lawrence Railway to grant the £2,000, as had been done in Montreal; the City of Portland also promised £1,000. I well recollect your extraordinary exertions at Portland, and your threats to go to Boston if they did not agree, and how fatal it would be to Portland if this opportunity of establishing steam communication with Portland was lost. The result was (much to my surprise) you effected your object, and hence the commencement of ocean steam mail service to the St. Lawrence, and but for you it would not have been established at that time. I formally accepted the contract on the 16th July, 1852, and the official document was completed shortly afterwards; and the first vessel of the line, the "Genova," arrived, I think, in May, 1853, at Montreal, where an address was presented to the Captain of the steamer by the Mayor, Corporation and Citizens, who also invited him, you, and the officials of the Company, to a Public Dinner on the occasion of this first arrival of an ocean steamer at Montreal from England. The "Genova" was followed by the "Cleopatra," "Charity," "Ottawa" and "Sarah Sands." These vessels ran for two years, and without the loss of a single life or ship; but, in consequence of the Crimean War, the Imperial Government asked for these ships to convey troops, &c., to the seat of war. I asked and obtained the consent of the Canadian Government that they should be so employed, and they were accordingly. During the time these vessels were employed by the British Government, the Company built four larger and more powerful vessels than were originally contemplated by the Canadian Government, as they had discovered by experience that the country would not be satisfied without having such; and, in consequence, they sought to obtain additional subsidy; but, failing to do so, the contract was given up, and forthwith transferred to the Montreal Ocean Steamship Company, who undertook to perform the duty for £24,000, but they very soon obtained £50,000 for the fortnightly service, and afterwards £104,000 for the weekly service.

"In reply to your question as to whether, in my opinion, Sir Hugh Allan was the originator of the line between England and the St. Lawrence, I have to say that, beyond tendering for the service as I did myself, he had nothing whatever to do with the enterprise. The "Genova" arrived in May, 1853, while the first ship

of Sir Hugh Allan's did not arrive in the St. Lawrence from England till the Spring of 1856.

"You are at liberty to make what use you please of the above remarks; and further, to my knowledge, you, and you alone, are entitled to the credit of starting the line of ocean mail ships to the St. Lawrence.

"I am, dear Sir,

"Your old friend,

"DAVID BELLHOUSE."

Since writing this paper, I have received the following letter from Sir Francis Hincks on this matter, which fully confirms all my statements:—

"413 ST. ANTOINE STREET,

"MONTREAL, 23rd Dec., 1876.

"To the HON. JOHN YOUNG:

"*My Dear Sir,*

"With reference to our conversation on the subject of the establishment of an ocean mail service, I have no hesitation in confirming your statement, that, when filling the office of Chief Commissioner of Public Works, in the Administration of which I was the leader in 1852, you originated the scheme of securing ocean mail service by the aid of a subsidy from the Government. I have a vivid recollection of the difficulties with which you had to contend, and which were surmounted by your well-known energy and perseverance. I recollect that it was found necessary to advertise for tenders, and that the tender of Messrs. McLean, McLarty & Co., whose agent was Mr. Bellhouse, was considerably lower than that of Mr. Allan. I regretted this very much, as I had infinitely more confidence in the satisfactory execution of the contract by Mr. Allan. I likewise recollect the trouble that you had to procure a supplemented subsidy in aid of the largest amount which you could induce the Government to grant, and which was, I think, considerably in excess of their original estimate. I have a clear recollection of the enthusiasm manifested, both in Quebec and Montreal, on the occasion of the arrival of the pioneer steamer, the 'Genova.' The facts I have mentioned must be well known to many now living; though I believe Chief Justice Richards and Mr. Drummond are the only survivors of the Administration besides ourselves. Although my confirmation of them is almost superfluous, I can have no hesitation in doing it.

"I am,

"Respectfully yours,

"F. HINCKS.

In the contract for ocean steamers prepared by me as Chief Commissioner of Public Works, the Contractors were limited to the rate of payment, to be charged on the goods from Liverpool to Canada, the same not to exceed 60s. stg. per ton of 40 feet; and for coarse goods, 40s. per ton of 40 feet. This clause was struck out of the contract with the Messrs. Allan. The outward freight in the contract prepared by me, was not to exceed "a fair average rate of what was charged by sailing vessels." This also was left out in the new contract. It was provided in the first contract, that "should there be sufficient water, and no difficulty to prevent the steamers going to Montreal, then it was understood that Montreal is to be the Port of final destination on the voyage out from England." This was also left out in the "Allan contract," and it was thus left to the decision of the contractor whether he should come to Montreal or stop at Quebec.

Mr. Allan, on July 14th, 1855, wrote the Harbour Commissioners that he had obtained the new contract, and stated that as there was not sufficient accommodation for his ships in the upper part of the Harbour, he would require to have a wharf built at Hochelaga, and if not, he would have to terminate his voyage at Quebec. The Commissioners at once agreed to build the Wharf at Hochelaga, "provided he would bind himself to bring his steamers to Montreal, as the terminus of his voyage during his contract with the Government."

Some months after, in January, 1856, the difficulty about bringing up the steamers to Montreal

continued, when the Harbour Commissioners present, Messrs. Starnes, Whitney, and His Worship the Mayor, (Mr. Allan being also present) declared unanimously that "The Board having examined "and read over the correspondence which had "taken place between the Commissioners and Mr. "Allan regarding the construction of a wharf at "Hochelaga Bay, find that Mr. Allan distinctly "promised, and they as clearly understood that he "is bound to bring up his steamers to Montreal."

The terminus of the steamers being Montreal instead of Quebec, was, therefore, entirely owing to the Harbour Commissioners, and not to Mr. Allan. In the whole of that period from 1856, not one of Mr. Allan's steamers ever went to the wharf built for them at Hochelaga. There are now five lines of regular steamers arriving in Montreal, trading from London, Glasgow and Liverpool, besides steamers from other places for casual trade; and when it is considered that the "Genova" was the first steam vessel in 1853, the change in that time is very remarkable; the arrivals having been 266 large steamships in 1874, from various places, of a gross tonnage of 262,076 tons, while the largest steamer now in the Trade is 3,600 Tons.

Although I have contended for the credit of being the originator, or the means by which through my exertions mail steamers were established between Britain and the St. Lawrence, three years *before* any of Mr. Allan's steamers commenced to run, I am quite aware, that the Messrs. Allans, including Sir Hugh, have managed their line with

great ability, and in the face of severe losses of several of their ships have courageously contended with these disasters. It is not therefore with the view of lessening the credit due to them for their enterprise that I write this brief account of the origin of ocean mail ships to the St. Lawrence, but to correct statements which have been made officially and in several periodicals and newspapers—which statements in alluding to the subject—have invariably given the Messrs. Allan credit, for establishing ocean mail steamers to the St. Lawrence, with which enterprise, as I have shewn, they had nothing whatever to do beyond tendering for the original contract. I, with every other Canadian, ought to have a feeling of pride, in the magnificent line of steamers under the control of the Messrs. Allans, but at the same time it has to be borne in mind that the Public of Canada have granted and paid to the Messrs. Allans in subsidies from the time of their first contract with the Canadian Government to the present time, a sum exceeding \$5,000,000. While this large sum has been given for this mail service since 1856, other lines, almost equal in speed, have been established without receiving any subsidy whatever; nor have they demanded or asked for any. It would be some satisfaction to the Public to know, that with the subsidy paid in the past, and now being paid by the people of Canada to the Messrs. Allans for this ocean mail service, that the character of the ships as regards speed equalled those now trading to New York. But this however is not the case. The different lines trading to New York receive no subsidy from the American Govern-

ment, but each line has the advantage of the ocean postage and the public patronize that line for this purpose, which is the speediest and safest. This creates competition and emulation among the different lines to have the most complete steamers. As soon therefore as the present contract for ocean mail service by the St. Lawrence has expired, we must hear no more of fostering, and nursing any line for the benefit of any one Company. It is for the Post Office Department to consider in what manner the transit of Ocean mails can be accomplished, in the speediest, in the securest, and, generally speaking, in the most efficient manner. This once done, then they have but to decide on the best plan of doing so, and whether that is best, of giving to each and every line who will leave at a certain time, and on certain days, the ocean postage.

As a matter of fact, the subsidized lines of steamers on the St. Lawrence have not kept pace with those trading to New York, as conducted of late years on a different principle. There has been great advancement, it is true, both in speed and in the size of the ships to the St. Lawrence, since Mr. Allan first obtained the ocean mail contract, on the 28th Sept., 1855; but this advancement has not kept pace with the best lines to New York, nor has the geographical advantages of the St. Lawrence, as a route to all parts of this continent from Europe, ever been developed, or taken advantage of, to the extent it should be. To illustrate this, I give the following figures:—

	Geo. Miles.
Distance from Queenstown to New York.....	2,773
“ “ Menville to Quebec.....	2,460
<i>Via Straits of Belle Isle—difference.....</i>	<u>313</u>
Distance from Menville to Rimouski.....	2,279

The mails of the “Allan Line” are now taken on board ship at Menville, Ireland, and delivered at Rimouski, 181 miles below Quebec. From thence they are taken by railway to Quebec, Montreal, Toronto and all parts of Canada.

The “White Star Line” take their mails on board at Queenstown, and deliver them at New York. The steamers of this line are considered the swiftest; and several of them have made the out, as well as the home voyages, in 7 days and 17 hours. Indeed, one of their ships, the “Britannic,” during last month, made the voyage from Queenstown to New York, in 7 days and 13 hours—a distance, as before stated, of 2,773 miles. If the same ships, or vessels of the same speed, sailed from Menville to Rimouski, in the St. Lawrence, a distance of 2,279 miles, the passage to that point could be made in 6 days and 5 hours. The time might be less, because from Belle Isle to Rimouski the water is comparatively smooth and land locked. The distance from Menville to land at Belle Isle being 1,697 miles, the voyage by such ships as the “White Star Line,” or from land to land, from Menville to Straits of Belle Isle, could be accomplished in 4 days and 17 hours, making the remainder of the passage to Quebec, during the summer months, a beautiful pleasure voyage.

Rimouski is now connected by railway with all parts of the continent; and, at the rate of 25 miles per hour by rail, the mails from Europe could be delivered from Rimouski to the following places, as follows :—

	Ocean. Miles.	Ocean Time.		Rail. Hours.	Total.	
		Days.	Hrs.		Days.	Hrs.
Moville to Rimouski.....	2,279	6	5	
Rimouski to Quebec.....	181	6	5	7½	6	12½
“ to Montreal	353	6	5	14	6	19
“ to Toronto.....	686	6	5	27½	7	8½
“ to Chicago.....	1,200	6	5	48	8	5
“ to Portland.....	502	6	5	20	7	5
“ to Boston	617	6	5	25	7	5
“ to New York.....	847	6	5	34	7	15

It will be seen by the above Table the mails from Europe by the St. Lawrence route could be delivered even at New York, by such ships as those of the “White Star Line,” in less time than by the quickest run yet made to that port direct, and to all parts of the New England and Western States, and throughout the Dominion, in much quicker time.

The quickest runs yet made by the “Polynesian” and the “Sarmatian,” the fastest ships of the “Allan Line,” from Moville to Rimouski, have been done in 7 days and 4 hours. The mails are, therefore, now delivered as follows :—

	Miles.	Ocean Time.		Rail. Hours.	Total.	
		Days.	Hrs.		Days.	Hrs.
Moville to Rimouski.....	2,279	7	4	
Rimouski to Quebec.....	181	7	4	7½	7	11½
Rimouski to Montreal	353	7	4	14	7	18
Do. to Toronto	686	7	4	27½	8	7½

or twenty-three hours later than the mails might be delivered by quicker ships. It, however, has to be borne in mind that coming through the Straits of Belle Isle, the distance from Merville to Rimouski is 181 miles less than sailing south of Newfoundland, and the "Allan Line" of Ships do not attempt to come through the Straits before the month of June.

After December our Mails are landed at Portland—and thence carried by rail throughout the Dominion. The distance from Merville to Portland is 2,595 miles, which is accomplished by the fastest of the "Allan" ships in 8 days and 4 hours. Allowing 12 hours by rail to Montreal—we have thus 8 days and 16 hours between Merville and Montreal. Mails by such steamers as the "White Star" line to Portland and thence by rail, could be delivered at Montreal in 7 days and 17 hours, or in 23 hours less time than at present. But the Port of Halifax being now connected by railway, not only with Quebec, Montreal and the West, but also, by railway with Portland, Boston and New York, there is no good reason why the ocean mail steamers should not call and deliver their mails at Halifax, instead of Portland.

The distance from Merville to Halifax is 2,302 miles. The fast steamers referred to would accomplish this distance in 6 days and 9 hours. If this change of route was made with these steamers, then the mails could be delivered after the close of navigation via the Port of Halifax, as follows:

	Ocean Miles.	Ocean Time.		Rail.	Total.	
		Days.	Hrs.	Hours.	Days.	Hrs.
Moville to Halifax.....	2,302	6	9			
Halifax to Quebec	676	6	9	27	7	12
Do. to Montreal.....	848	6	9	34	7	19
Do. to Toronto.....	1,181	6	9	43	8	9
Do. to Chicago.....	1,706	6	9	68	9	5
Do. to Portland.....	617	6	9	25	7	10
Do. to Boston.....	732	6	9	29½	7	14½
Do. to New York.....	962	6	9	38½	7	23½

These figures show conclusively that with faster steamers, or with such steamers as now go to New York, the mails in winter landed at Halifax could be delivered during the winter months in Quebec, Montreal, Toronto, and in Chicago, 24 hours sooner than they are now delivered by the "Allan" line of steamers landing them at Portland; while Portland, Boston, the New England States, New York and Chicago, could also, by this route, and by railway, be reached in less time than by any other.

It however has to be borne in mind that there may be detention by steamers making the Port of Halifax in Winter by fog, and there may also be detention on the Railway from Halifax to Quebec and Montreal by snow-storms. The success therefore of landing the mails at Halifax will, in consequence, largely depend on there being no detention on the Intercolonial Railway in Winter, and landing at Halifax, without delay.

As I believe the above figures to be correct, it seems important, that our advantages of position, geographically, should be made the most of. They apply with equal force to all of the Maritime Provinces, as well as to every City and place in the

Dominion, while they are of equal interest to the North-West of Canada, and of the Western United States. They also fully bear out the remarks I made in my report to Parliament in August 1852, as Chief Commissioner of Public Works, in giving my reasons for the course I had pursued, of subsidising with Canadian funds, the establishment of of a line of ocean mail steamers from Liverpool to the St. Lawrence.

While however, it is desirable and necessary to land the mails at points on the St. Lawrence, and on the Atlantic, which may be nearest to Europe, and which also are in connection by Railway with all parts of the continent, so as to secure the greatest speed, it is different altogether with freight or cargo. Time is the great object in carrying mails, and sometimes of passengers, but the principle is not the same as regards cargo. Time is not so much an object as cheapness, in the transport of cargo, between one place and another; for the principle is, that the farther a cargo can be water-borne, in the ocean ship without breaking bulk, the cheaper will be the cost of transport. Then the question comes up, whether the freight can be carried by railway for shipment to and from Europe via Halifax, from Montreal or Western Canada, during the Winter months, as cheaply as via Portland. This question is not difficult of solution, for it depends on the distance by, and cost of railway transport. The Senate Committee of the United States in their report on "Transportation to the Sea-board" give a table in vol. 1, page 61, of the cost per ton per mile for a

period of seventeen years over the "New York Central," "Hudson" and "Erie" Railways, and as these roads have the most favorable grades, they may be taken as a fair average.

In 1857 the cost over the New York Central and Hudson, was 3 cents 0 mills, and over the Erie 2 cents 5 mills per ton per mile; these rates, year by year have gradually lessened until, in 1872 the New York Central and Hudson carried for 1 cent 7 mills and the Erie 1 cent 5 mills per ton per mile.

Taking these rates as a measure of transport by rail, the cost of carrying a ton of freight to Halifax would be as follows:—

	Miles.		Cts.	Mills.	
From Toronto to Halifax.....	1,182	at	1	5	= \$17.73
" Montreal to "	858	at	1	5	= 12.87
" Toronto to Portland	621	at	1	5	= 9.81
" Montreal to Portland.....	297	at	1	5	= 4.45

The ton being equal to ten barrels of flour, or thirty-four bushels of wheat, the freight to Halifax would be:—

	Flour, per brl.	Wheat, per bush.
From Toronto to Halifax.....	\$1.77	\$0.50
" Montreal to "	1.28	0.37
Toronto, to and from Portland....	0.93	0.28
Montreal, " " "	0.45	0.13

I am aware that, during the summer months last year, flour was carried from Montreal to Portland at 22 cents per barrel, or equal to 7½ mills per ton per mile; but, during the winter of last year and now, the rate was, and now is, 45 cents per brl. or 1 cent 5 mills per ton per mile. Flour has been carried this year from Toronto to Campbelltown, in New Brunswick, at 55 cents, a distance of 810 miles,

which is less than $7\frac{1}{2}$ mills per ton ; but suppose this rate was continued during the winter months to Halifax, the rates would be as follows :—

	Flour.	Wheat.
Toronto to Halifax at $7\frac{1}{2}$ mills per ton		
per mile the rate would be for.....	88½c.	25 c.
Montreal to Halifax.....	64c.	18½c.

If the same rates per ton of $7\frac{1}{2}$ mills per mile were charged to Portland the cost would be :—

	Flour.	Wheat.
From Toronto to Portland.....	46½c.	14 c.
From Montreal to Portland.....	23c.	6½c.

Now, the most eminent Engineers are all agreed that the cost of transport on the ocean in large ships on the long voyage, seldom exceeds one mill per ton per mile, it follows, therefore, that transport between Portland, New York, Boston and Halifax must, in the nature of things, be much less by ocean than it can be by railway even at the low rate of $7\frac{1}{2}$ mills per ton per mile. Hence the idea of carrying freight landed at Halifax to Montreal, or other points of the interior, west by railway, and transporting western products to Halifax by the same means to ports in Europe, will be found so unprofitable, as to be impracticable.

It will be admitted by those acquainted with railway management, that loss results to the railway especially in Winter and where the grades are heavy, when the rates go below $1\frac{1}{2}$ cents per ton per mile. Business however may be forced over the Grand Trunk and the Intercolonial Railway, as has been done already, but the annual loss to these corporations in carrying freight below this rate, will be in

exact proportion to the amount of the number of tons carried. The loss on the "Intercolonial" can, no doubt, be borne by the Government, but every individual in the country will have to pay their share of the loss. The business of the Grand Trunk Company may swell up its gross receipts for the year, but the net profits, after deducting expenses, will continue as in years past, to leave a terrible loss to the shareholders. Nor can this, in my opinion, ever be changed, until the St. Lawrence route to the New England States by water is made superior to the route by the Erie Canal from Buffalo and Oswego. When this is done, railway business will follow the superior water route, and several double tracks will be required on the St. Lawrence, and will be as successful as the four double tracks now are, parallel with the Erie Canal.

While, therefore, the mails can be landed at Halifax, and sent to the United States and Canada by railway to advantage, freight cannot be thus transported. Passengers desirous of rapid transit may go by railway, and some valuable freight be also carried at high rates; but the great bulk of heavy goods, guided by an inevitable law, must be water borne, without breaking bulk, to whatever port they are destined. This same principle will be found to hold good on the St. Lawrence, as has been shewn, by landing mails at Rimouski, or Bic (which is a much better point and a natural harbour), 181 miles below Quebec; and while the public advantage will be best promoted by landing the mails at Rimouski or Bic. The public ad-

vantage will also be best promoted by the same ship carrying her cargo up the river to the farthest possible point without breaking bulk,—a point which I believe to be Montreal, 355 miles above Rimouski and 140 miles nearer the interior lakes than any ocean port on the continent.

In giving, therefore, an account of the origin of these ocean mail steamers to the St. Lawrence, and in urging a policy which will render them more powerful in developing the advantages possessed by the Dominion as a mail route between Europe and this Continent, I am only acting on the idea of the beneficial influence that will result from making the steamers as perfect as possible, so as to compete with our neighbours in the United States for the trade of the interior—a trade already so enormous in amount, that every possible effort on the part of the Canadian people should be made to secure it. The stake we are striving for is of immense magnitude. Partially peopled and partially cultivated as the great North-west States yet are, joined with the great North-West of Canada and its vast rivers, the trade of this great region is already, and must become, immense. Its annual surplus of products is being constantly exchanged, either in England or in foreign markets, for such commodities as its increasing millions may want. The conveyance of its produce to the sea-board, and the transport into the interior from the coast of such articles as it receives for consumption in exchange for them,—constitutes what is called the carrying trade of the North-West. It

is to lead this trade by every possible means through our territory, that Canada is now competing with New York, and other United States Atlantic cities, to become the Forwarder, at present of Nine Millions and prospectively of Fifty millions of people. Whilst, therefore, it is the object of the New Yorker to make his chief river, the Hudson, and the Erie Canal available for his purpose, the object of the Canadian should be to do the same by the St. Lawrence and its canals. It was not for the carrying trade of Canada alone that our canals were built, but for the trade also of the North-Western United States. Vast sums have been expended on the Welland and St. Lawrence Canals, and are now being expended to secure this carrying trade. The past Governments of Canada, as well as the present Government, have done and are doing their best, in my opinion, without intending it, to build up the American port of Oswego. The enlargement of the Welland Canal to 12 feet draught of water, will enable the 1,200 ton propellor, which now terminates her voyage from the West at Buffalo, to sail through the Welland Canal to Oswego; a point 158 miles nearer the Hudson by canal than Buffalo. The effect will be to give greater power to Oswego to compete with the St. Lawrence, for there is no outlet below the St. Lawrence canals by which the cargo of the Western propellor, of 1,200 tons, can be water borne into the Hudson, or on to Lake Champlain, to compete in cheapness with the route *via* Oswego; nor can there ever be any competition between the St. Lawrence and New York routes for the great trade of the Eastern States,

until the Canadian canals are completed by their last and most important link of a canal to connect the St. Lawrence with Lake Champlain. When, therefore, the enlarged Welland, St. Lawrence and Lachine Canals are completed, at a cost of many millions of dollars, *they will be as unsuccessful in competing for the great trade of the Eastern United States with the West and with Canada West, as they have been since their construction in 1850.* Instead of relieving the people, in whole or in part, of the burden of taxation and becoming a source of revenue, principally by tolls from our United States neighbours, these canals will continue to be an annual loss, and unable to yield even a small part of the interest on their cost. Before their completion - in 1849, I predicted, that until there was a water connection between the St. Lawrence and Lake Champlain, so as to enable the interior Lake vessels to pass through them without breaking bulk, the trade of the Eastern States could not be attracted down the St. Lawrence. In this opinion, every Commissioner or Minister of Public Works has agreed with me in opinion, as well as every Engineer who has examined the subject. A great responsibility, therefore, rests with the Government of the Country for not carrying out and completing this last link in the chain of our internal navigation,—to connect Lake Champlain with the St. Lawrence, and through this to secure the Eastern States trade, besides making the St. Lawrence and Welland Canals a large source of revenue to the Dominion, and giving an increased value by cheapening transportation, to every product

of the great Ottawa Valley. With this improvement completed, Lower Canada would at least have an equal chance with Oswego or Buffalo, and if the inhabitants of Quebec and Montreal, added the facilities and conveniences for trade of which their ports are so susceptible, there can be no doubt that a very large share of the import and export trade, both by sea and the Eastern United States, would flow through the St. Lawrence, as the best, cheapest and most rapid channel, especially as these ports, during the winter months, have a decided superiority over Buffalo and Oswego by being less distant by railway to the ocean.

I have written earnestly on this subject, because I am impressed with a sense of the great importance of the subject to the people of the Dominion, and of the necessity of prompt, vigorous and decided action in the premises. This Caughnawaga Canal will prove to be the most important link in our great water route from the West, and should Lake Champlain be also connected with the St. Lawrence *via* the River Richelieu and Sorel, then a vast trade, not only in lumber, would be opened up and through it, but coal, gypsum and other products of the Maritime Provinces, for vessels of 1,000 tons could be water borne from Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland, on to Lake Champlain without breaking bulk. It would also play an important part in the development of the inexhaustible mineral resources of the country bordering on Lake Champlain; for, in thus opening up a new route through the St.

Lawrence for this Eastern trade, an immense amount of return freight could be secured for vessels, which, on any other route, would go back empty or in ballast. The iron ore, slate, marble, &c., of northern New York and Vermont, which are now shipped West at great trouble and expense, would furnish so large an amount of return freight by the St. Lawrence route as seriously to reduce the rate of freight bound either to Montreal, Quebec or the Eastern States, and give us far greater power to compete for the trade of the West, and the supply of the Maritime Provinces, than we now possess. I cannot do more now than touch on the important issues involved in this matter, and will, therefore, dismiss the subject, commending its careful consideration to all who are interested in the present and future prosperity of the Dominion, believing it to be a subject of the most surpassing and paramount importance.

MONTREAL, *2nd November*, 1876.

