
ANNUAL -:- REPORT

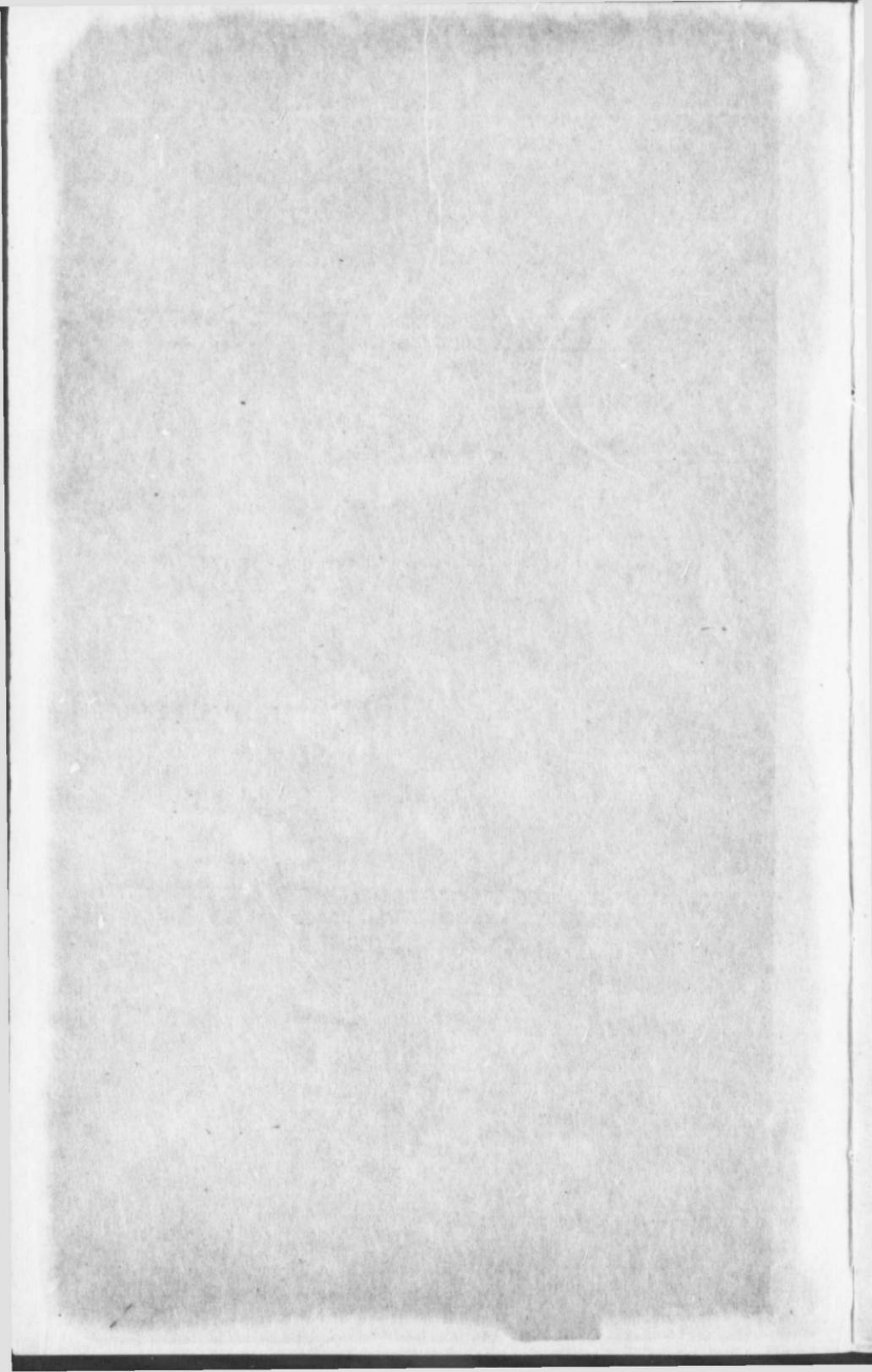
OF THE

BOARD OF TRADE

OF THE

Town of Port Arthur,

1888.



—THE—
Third Annual Report
—OF THE—
—PRESIDENT—
—OF—
THE BOARD OF TRADE

Of the Town of Port Arthur,
1888.

THE BOARD OF
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 THE BOARD OF

Officers of the Board, 1889.

PRESIDENT: - THOMAS MARKS,
VICE-PRESIDENT: - GEO. A. GRAHAM.
SEC.-TREASURER: - J. J. O'CONNOR.

COUNCIL:

A. SQUIER,	F. S. WILEY,
J. F. RUTTAN,	S. W. RAY.
GEO. H. MACDONELL,	V. BOWERMAN,
F. E. GIBBS,	J. T. HORNE,
W. C. DOBIE,	W. H. LANGWORTHY,
H. A. WILEY.	JAMES MEEK.



BOARD OF TRADE

OF THE TOWN OF PORT ARTHUR.

PRESIDENT'S ADDRESS, 1888.

To the Members of the Board of Trade of the Town of Port Arthur :

GENTLEMEN :—

I have the honor to submit for your consideration the third annual report of the presiding officer of your board, and, as has been customary in the past, will make a brief review of the subjects which have occupied your attention the past year, as well as many others which are likely to be of much importance in the near future.

As you are aware this organization has only been in existence for about three years, during which it has endeavored to take into consideration all subjects or business of interest to the inhabitants not only of Port Arthur, but the surrounding district, and, in fact, the whole District of Algoma, for until recently this was the only Board of Trade in Algoma. However, I am happy to say, that the enterprising citizens of Rat Portage have organized one. If I may be permitted I would most respectfully suggest to our friends of Sault Ste. Marie the advisability of their at once proceeding with the organization of

a similar institution. In a new District, such as Algoma is, it is only a united and concerted action that our necessities and requirements may be made known, not only to the people of older Canada, but to the respective Governments with whom we have to come in contact. It certainly must be very gratifying to you to notice the weight and influence which this Board already possesses, as is shown by the fact that it is constantly being quoted by the press of Canada, as well as the direct benefits which have accrued to the town from which we take our name and to which we owe our allegiance.

Port Arthur being of chief importance as a shipping point, it would probably be appropriate to draw your attention first to some of the matters and things which are more immediately connected with this most important branch of commercial enterprise

THE ENLARGEMENT OF THE ST. LAWRENCE CANALS.

Since addressing you a year ago on the subject of the enlargement of the Canals of the St. Lawrence system it is a pleasure to note that the Government of the Dominion has taken the question up with its usual energy, and already contracts have been let for nearly all the canal work proper required on the different locks above and including those at Cornwall. I am sorry, however, to state that up to this time no authentic information is extant as to the improvement of the Beauharnois Canal. As you are aware, this is one of the longest stretches of canal in the whole system. Without its improvement the remainder are useless; and, owing to the extent of the work, and to ensure completion within any early date, it is absolutely necessary that it should be proceeded with at once. It is understood that the cause of delay is that the Engineers of the Department of Railways and Canals have not as yet decided whether the Beauharnois shall be enlarged or that a wholly new canal be built on the opposite (north) side of the river.

Of course, my hearers understand that the completion of the canal must be supplemented by large improvements in the river and connecting Lakes before a boat can be taken from the lakes to Montreal loaded to a draught of 14 feet. Even with the enlarged canals at the moderate size they will, when completed, be (that is, capable of taking a steamer through loaded with 2,000 tons, or nearly 67,000 bushels wheat) it is hard to estimate the immense possibilities of the St. Lawrence route. It means, to put it plainly, that wheat can be carried profitably from Port Arthur, Duluth or Chicago to the seaboard for 5c. per bushel, including all charges, and that general merchandise can be carried back from Montreal to these same ports for from \$1.50 to \$3.00 per ton, according to class. It must also be borne in mind that this method of transportation is not only more economical than by rail, but that goods can also be delivered in less time than by any fast freight rail line. Even now, with the small steamers at present in use, merchandise is regularly transported during navigation from Liverpool to Chicago, by way of Montreal and the St. Lawrence, in from eight to ten days less time than is possible via New York and the Trunk lines.

As the Liverpool market practically rules that of the export surplus grain produced in our own Northwest, it is quite safe to say that the inhabitants of Canada do not realize the importance of this question. They will, however, when they find that owing to the improved waterways every bushel of wheat nets them five cents more than is possible under existing circumstances. Or, in other words, on a surplus crop amounting to 20,000,000 bushels, which they may soon hope to have, the saving will be one million dollars.

THE SAULT STE. MARIE SHIP CANAL.

During the present season active operations towards the construction of this great work will commence.

It is a much needed improvement and one that will tend to increase our independence of the threatened retaliatory movements of our American neighbors.

It is to be regretted that the canal will only have a depth of water over the mitre sills of 17 feet.

During 1888, a Waterways Convention was held at Sault Ste. Marie, Mich., at which representatives from all the important points on the lakes attended. It seemed to be their unanimous verdict that the canal which is commenced on the American side should have a depth of water of 20 feet.

It is so the intention that the lake and river channels between Chicago and Buffalo and Duluth and Buffalo should be improved until they eventually are of a corresponding depth.

In fact, already has the United States Government expended some hundreds of thousands of dollars on what is known as the Hay Lake Channel, which is being deepened to that extent, and when this work is completed it will, as well as being a better channel and one navigable by day or night, shorten the distance between Lakes Huron and Superior nearly 15 miles.

Therefore, it is only reasonable to suppose and expect that by the time the Canadian "Soo" canal is completed that our American rivals will have one capable of passing a steamship loaded to 20 feet or with a carrying capacity of nearly 150,000 bushels of wheat; and our canal will then be behind the age.

It is too late now, with the Welland completed, the St. Lawrence system, in some parts, finished, to discuss the 14 feet system in vogue there.

We will know and appreciate our requirements better when we see cargoes of from 3,000 to 4,000 tons carried to Buffalo, while the maximum load to Montreal cannot be over 2,000 tons.

CANAL TOLLS.

Following the subject of canals, it might not be inopportune to discuss here the question of canal tolls.

As you are aware, tolls varying according to the commodities carried, are levied on the ships and cargoes passing through any canal in our vast system.

While the amounts collected do not, to any appreciable extent, increase the revenue of the Dominion, they seriously hamper and embarrass not only the Canadian marine but eventually are a tax in nearly all cases on the tiller of the soil. Wheat, for instance, intended for export, pays nearly five eighths of a cent per bushel under the tariff, or enough to pay the marine insurance on a bushel during the summer months from Port Arthur to Montreal.

Lately, the experiment has been tried of refunding 18 cents per ton of the tolls on all grain which is shipped to Montreal. This, of course, does not allow the rebate on any cargoes destined for points on either the Canadian or American sides of Lake Ontario, or on Canadian or American grain, carried in vessels of either country, intended for export via Ogdensburg Railways.

This has been a much discussed subject during the past year, American politicians claiming it to be a virtual discrimination against American

shipping, and one of two things seems the probable result; either that the rebate shall be done away with altogether, or that Americans will retaliate by charging tolls on all Canadian vessels and cargoes passing through the "Soo" Canal, which is now as free to us as to them.

I am personally of opinion that all the Canadian canals should be free from any charge whatsoever not only to our own shipping but to that of our neighbors.

It appears to me that the question of charging tolls on National Waterways is one far behind the age, and in concert only with that of charging a farmer toll for passing over a turnpike road, and ill in keeping with the broad-minded policy heretofore pursued by our Governments with regard to opening up Canada by rail and waterways.

A general opinion seems to prevail that the amount of every reduction of canal tolls passes directly to the pockets of the ship-owners. This is a mistake, as I can easily show by the statistics of the Erie canal, on which from 1870 to 1874 the average price paid for carrying a bushel of wheat from Buffalo to New York was 11 64-100 cents including tolls during that period of three and one-tenth cents per bushel.

For 1875-76 the charge was 7½ cents tolls 2 cents. During the years from 1877 to 1882 the rate was 6 43-100 cents with tolls one cent per bushel, while from 1883 to 1887, inclusive, the years since the canal was made free, the average freight rate was 4½ cents per bushel; the highest average for any one of the five years being 5 cents; the lowest 3 8-10 cents per bushel. No more convincing proof of the beneficial results of free canals can be furnished than the foregoing evidence.

WHEAT SHIPMENTS

During 1888 more grain was shipped from this port than for any year of its existence.

This was owing, of course, to the large increase of acreage in Manitoba and the Northwest, as well as the unprecedentedly good crop of 1887.

I am unable to give you reliable statistics of either the crop of 1887 or 1888 as no system is in vogue for collecting such information, and estimates of the crops and yield are very liable to be either over or under the exact amount as is shown by figures from time to time sent out by different institutions in the Northwest. Of course it is possible to get the exact shipments from here by water, but as these form only a portion of the whole, and not including amount required for seed for home consumption as flour, flour exports both east and west, as well as the large amount sent all rail, you can see how difficult the task would be to furnish anything like a correct statement.

The only practicable system would appear to be for the railways to furnish statements of the grain and flour going east of Port Arthur south of the boundary and to British Columbia, to which could be added an estimated quantity for home consumption and seed purposes.

In this way only would the statistics be reliable and of value to the country at large, and I think we should ask the co-operation of the Dominion and the Manitoba Governments, the Canadian Pacific and other railways in order to secure the desired result.

TERMINAL ELEVATOR CAPACITY.

The elevators at the Lake Superior end of the western division are all under what is known as the Port Arthur inspection system.

The three now built have a total capacity of 3,000,000 bushels.

The Canadian Pacific Railway Company, the proprietors of the system, contemplate building an additional one of about 1,250,000 bushels capacity, the material being already on the ground; and they likewise propose increasing the capacity as rapidly as circumstances and the necessities of the case demand.

It is therefore safe to say that all Manitoba wheat not required for local consumption in the Provinces of Ontario and Quebec will in future be stored here pending the opening of navigation, and that the expensive experiment of hauling grain an additional one thousand miles all rail for want of storage is a thing of the past, as it should be. From present indications the elevators will hardly be full by the opening of navigation.

LAKE BUSINESS.

The season of 1888 was in more ways than one remarkable in the lake carrying trade following as it did the abnormally successful year of 1887.

It was not expected that the net results would be extremely gratifying to ship owners. On the American side of the lakes the fears were that the immense number of new boats built would swamp the market and that the bottom would be completely out of freights.

While iron ore rates were fully thirty per cent. lower than the previous year, the increased size of the new steamers, coupled with the greater economy of the engines used to propel them, made it possible to still carry at a large profit, even with the reduced rates; while the increased output of iron ore from Lake Superior mines furnished all the cargoes that vessels could be found for, even considering the unprecedented fact that navigation between Chicago and Buffalo was continued far into the month of December.

Canadian vessels, however, were not so fortunate. We have no iron ore trade, at least nothing to speak of, and although an unprecedentedly large quantity of wheat was shipped from Port Arthur to Montreal via Kingston, American shipments by this route were very light. This was caused principally by the high speculative prices at which wheat and corn were held at the American grain centres, hence the competition amongst Canadians for the limited business offering was very keen; so much so, in fact, that rates dropped to a figure heretofore unknown, wheat in some instances having been carried from Port Arthur and Duluth to Kingston for $3\frac{1}{2}$ cents per bushel; or, in other words, the vessel received net $2\frac{1}{2}$ cents per bushel for carrying grain one thousand miles; or supposing it were loaded in cars for a distance which equalled from here to Montreal, for a carload of 600 bushels, a railway would receive \$15.00 for its transport.

It is hardly necessary to further show the advantages which water possesses over rail as an economical method of transporting what is known as coarse freight.

The railway tariff on a car of wheat for the same distance would be 22 cents per 100 bushels or \$79.20.

To the question of low lake freights must be added the serious loss which the breaking of the Cornwall Canal entailed on all Canadian vessels, including the River barge lines.

As you will have observed by the press accounts of the annual meeting of the Canadian Marine Association, held in Toronto, the question of the rate

charged and collected by the barge lines plying between Kingston and Montreal, on the St. Lawrence traffic, engaged their serious attention.

It was felt by all Canadian vessel owners that a gross injustice was being perpetrated, not only on the vessel man, but on the shipper of grain by the joint tariff or toll which the only two companies operating collected.

With freights averaging from three and one-fourth to four cents on wheat from the head of the lakes to Kingston, a distance of over a thousand miles, a charge of two and a half on corn or two and three-fourths on wheat is altogether out of proportion, more particularly when one considers that St. Lawrence barges are cheaply constructed and that the cost of operating them is a mere bagatelle.

Owing to the peculiar position in which the St. Lawrence forwarding business stands it is not open to competition excepting by some company possessing a large capital, or by the erection of an elevator by an independent corporation either at Kingston or Prescott.

The Canadian lake fleet was augmented during 1888 by two steel steamers, the first on our side excepting the Canadian Pacific fleet. These were the Algonquin and Rosedale, the former built on the Clyde and the latter at Sunderland. The Algonquin was built the full length of the new locks; the Rosedale only 180 feet in order to steam through the lower canals without cutting, but will eventually be lengthened. It is expected that both steamers will be eventually registered in Canada. Their carrying capacities at present are 68,500 and 40,000 bushels of wheat respectively. The latter figure will be increased to 60,000 when the Rosedale is lengthened.

It is a pleasure to note that since the arrival of these two boats on the lakes the Polson Iron Works Company of Toronto has contracted with the C. P. R. Co for a steel steamer, of 300 feet length, to receive the lost Algoma's engines. This boat is being built at Owen Sound and it is expected to be finished for next season's business and will ply between Owen Sound and Port Arthur. Her construction will be followed by that of a steel steam barge for the Parry Sound Lumber Company, to be used for the lumber trade between the Georgian Bay and Tonawanda, N. Y.

I believe this Company can compete successfully with the old country people in building steamers for lake service, particularly when necessity requires them to be of such a size as cannot be brought up the St. Lawrence without undergoing the laborious and expensive process of "cutting" or separating them into two parts.

Port Arthur's increased lake business cannot be better illustrated than by a comparison of the arrivals and departures as furnished by the Collector of Customs for 1887 and 1888.

PORT ARTHUR'S SHIPPING, 1887.

Inwards.	VESSELS	NO.	REGISTERED		CREW,
			TO-NAGE.	TONS CARRIED.	
	Canadian Steamers.....	179	162,658	50,473	4,989
	Canadian Schooners....	49	17,469	31,500	343
	American Steamers.....	46	11,683	1,409	496
	American Schooners....	2	305	1,269	14
	Total,	276	192,615	84,651	5,842
Outwards.					
	Canadian Steamers..	176	168,833	47,063	4,934
	Canadian Schooners....	49	17,469	9,232	343
	American Steamers.....	46	11,683	9,063	496
	American Schooners....	2	303		14
	Total,	273	190,790	83,858	5,787

PORT ARTHUR'S SHIPPING, 1888.

Inwards.	VESSELS.	NO.	REGISTERED	TONS	CREW.
			TONNAGE.	CARRIED.	
	Canadian Steamers.....	256.....	217,151.....	104,151.....	4,879
	Canadian Schooners.....	61.....	22,712.....	28,782.....	249
	American Steamers.....	123.....	44,069.....	42,204.....	1,546
	American Schooners.....	18.....	13,628.....	24,591.....	160
	Total,	458	297,560	200,718	6,834
Outwards.					
	Canadian Steamers.	256.....	217,151.....	126,203.....	4,879
	Canadian Schooners.....	61.....	22,712.....	41,401.....	249
	American Steamers.....	123.....	44,069.....	6,397.....	1,546
	American Schooners.....	18.....	13,628.....	2,985.....	160
	Total,	458	297,560	176,986	6,834

RECIPROcity IN WRECKING.

A Bill for this purpose was brought before the Canadian House of Parliament by the Hon. Geo. A. Kirkpatrick, during last session; it was thrown out; he proposes to re-introduce the measure. It is favored by Americans and Canadians generally, excepting some American vessel men who own Canadian tugs which are said to be nominally owned by Members of Parliament. The Government opposed the measure on the ground that the reciprocity should be in coasting as well as wrecking, and that the acceptance of this half-way measure would tend to delay the other.

I would like to see the lake coasting trade of both countries thrown open to the ships of either, and it must eventually come to that.

While the law remains as it now is we should certainly insist that no privileges be granted to Americans which they do not grant us, and it behooves your Board to take a determined stand, as well as an energetic one, against allowing foreigners to come in here with foreign vessels to do not only Canadian, but Government work.

I refer, of course, to the annual dredging of this harbor and the Kaministiquia, which, as you are aware, has been done for a number of years by an American contractor, who brings his dredges, tugs and scows from the States. This last year he used a local tug, but the rest of the plant was American, and if he is allowed to bring his outfit here to do the work he should be compelled to pay duty and make them Canadian bottoms. This, of course, is avoided, as it would forever preclude them from the possibility of returning them to the United States.

HARBOR IMPROVEMENTS.

The contract for the remaining work required to complete the breakwater has been let, and the whole structure will likely be finished before the close of 1889.

This will give us an inner harbor sufficiently large to accommodate the traffic for years to come, and in the outer one all the navies of the world could ride safely at anchor.

Some little dredging may yet be required to equalize the depth of water throughout, and some light dredging is also required on the Kaministiquia, above the elevators, to allow fully laden boats to reach the Coal Docks at the Town Plot of Fort William.

MINING.

The sanguine views and expectations which I expressed in my last annual report appear to have been more than realized

New mines continue to be opened ; old ones are either on a paying, or approaching a paying basis. Lands in surveyed territory are being purchased from the Government.

New discoveries continue to be made in unsurveyed districts and the problem of making mining a legitimate business enterprise, as well as a permanent industry in our midst, appears to have been solved.

So much has been written about the actual work that has been done in the Port Arthur Silver District during the past that even with the fear of being considered an enthusiast, I cannot forbear making a brief comment on some of the most interesting points.

Mining appears always in Canada to be considered an illegitimate business. Men may speculate in telegraph stocks, which really neither increase nor decrease in value ; they may gamble in Bank stocks, which seldom vary in the dividends they pay ; they may boom real estate to such an extent that a city of 150,000 or 175,000 inhabitants has land enough laid out in "additions" to hold a million people, and which cannot possibly have any other than a speculative value for a generation ; they may take a hand in a Chicago wheat, corn or pork corner, in which they invariably pay for their experience ; they may do a hundred other things of the same character, but these they consider safe or paying investments or speculations, as the case may be. But ask them to buy mining lands, at two dollars per acre, and invest the most modest sum, not in mining, but in seeing what their lands contain, and what is their answer ? If they have courage enough to buy the land they will neither sell at a reasonable price nor show their faith by working. What is the result ? Today, every working mine in this District is being operated by either English or American companies, and seventy-five per cent. of the recent sales of Government lands are made to either American or English investors. Is it much wonder that Americans say that we do not appreciate the richness and value of the great mineral District tributary to our Town.

As is well known, silver is our chief product.

I will not enumerate the various other minerals that are found here. You all know them and you all know further with what success they may be mined.

I will say, however, that the silver, native and black, as found here, are not exceeded in quantity or richness in any other known part of the world ; and I have yet to learn of a mining district that has ever produced a mine which within twelve months of commencing active operations has produced and shipped silver enough to pay the cost of the land, the surface improvements, mining work, to build a silver mill, and return as much as is invested in this work and improvements in cash to its owners. This is the history of the Badger.

The Ontario Mining Commission visited this District last summer.

It is expected that their report, which will no doubt be submitted to the Legislature, will do much towards giving our mines and district the prominence they deserve.

It is also expected that some slight changes may as a consequence be made in the Mining Act.

Iron explorations have been carried on to a greater or less extent during the last season on the range which appears to extend in a southwesterly direction from the C. P. R. crossing of the Kaministiquia River (Kaministiquia station) to the International Boundary. The surface indications are that ore of quite as good a quality and certainly to quite as great an extent exists there as is to be found south of the line in the State of Minnesota ; and it is not unreason-

able to expect that Port Arthur may yet be an iron ore shipping port quite equal to Two Harbors, Ashland, Marquette or Escanaba.

The work on the lead veins is demonstrating the fact that argentiferous galena will not be one of the least of our products.

The lead country is all east of Port Arthur, either north of Black Bay or on the peninsula between that and Thunder Bay.

The Sudbury District has attracted a large amount of attention from the gold and copper discoveries made there. I am not familiar enough with the appearance, importance or work done there to go into the question in this report. Of course, being in a portion of the Algoma District, their value to us from a business standpoint cannot be too highly appreciated.

I cannot conclude this subject without mentioning the names of two men to whose indefatigable exertions, probably more than to any others who have interested themselves in mining in this district, much of the success and energy now displayed are due, while to either one or the other must be given the credit for having been instrumental in attracting to our midst nearly all the outside capital now employed in this industry. It is, of course, needless for me to say that these gentlemen are Mr. Thos. A. Keefer and Mr. A. Walpole Roland, M.E.

A MINING SCHOOL.

I regret to notice by the Lieutenant Governor's speech at the opening of the Ontario Legislature that no mention of this important subject is made further than the suggestion that the School of Practical Science is to be enlarged to include mining. This is no use. What we require and should have is a School of Mines for this district, and it should be located in the Mining District. We want an institution where young Canadians may be taught mining from a practical as well as a theoretical standpoint. To do this they must receive their theoretical education in a school, the practical work in the field and mine. The State of Michigan supports a mining school in the heart of the copper district at Houghton, and there is no reason why the Province of Ontario should not start one that would serve the Port Arthur, Rat Portage and Sudbury sections. If this be refused, efforts should be made to commence a school, even if on a small scale, which the Government might subsidize, and local municipalities should likewise assist in its promotion.

SMELTING AND REDUCTION WORKS.

The time is rapidly drawing near, if it has not already arrived, when a smelter becomes a necessity here.

I am informed that we possess the different varieties of ore necessary to make a successful combination for smelting.

We cannot, as some people seem to imagine, expect a paternal Government to build and operate such an institution, but we could and have reason to think that for a certain number of years a cash bonus ought to be given for every ton of ore so treated. The Dominion Government bonuses the pig iron industry; why should not the Provincial Government do likewise for the precious metals? They own all the land in the Province supposed to be available for mining such ores, and eventually will be the gainers by the development of such properties, in the way of increased sales and revenue to the Crown Land Department.

THE BOUNDARY QUESTION.

The settlement of the ownership of the Crown Lands in the disputed territory so recently will do much towards building up the mining industry between Lake Superior and Rat Portage.

With satisfactory titles to mining properties Rat Portage gold mines should come rapidly to the front, and within a year there should be some results which will show this as a gold producing district.

MANUFACTURING INDUSTRIES.

I am pleased to learn that our town is so likely to have erected within its borders a flouring mill of such capacity and operated by such a substantial and practical firm as Messrs. Hastings Brothers & Company.

While opposed to the general principle of bonusing manufacturers, it is hardly possible to establish here, notwithstanding our advantageous situation, the nucleus of what is to be a manufacturing centre, without in the beginning paying for it.

This Board should, during this season, make every effort to induce other firms to locate here, due care being always taken to bonus only good men and businesses that can be carried on at a profit, and successfully at this point.

Port Arthur's situation as a manufacturing centre is second to none in Canada. With cheap power, either water or steam, with low freights on raw material, cheap labor and the advantages which we possess of being able to sell to either eastern or western customers, make it a very desirable place to locate.

With the development of iron mining, previously mentioned, it only becomes a matter of time until we have blast furnaces and rolling mills in our midst, and a natural consequence will then be that all machinery and implements, of which iron and steel form the most important constituents, must be made here.

We know what a market the Northwest even now is for such articles.

THE WATER POWER COMPANY.

The arrangement and contract recently entered into between the town and the company for furnishing a water supply as well as light to our citizens should be very beneficial to this community. In addition to a supply of water for domestic purposes if the scheme contemplated be a success, as I have every confidence it will be, there will be created in Port Arthur, one might almost say in the very business centre of the town a water power quite equal to that of the Mississippi at St. Anthony's Falls, Minneapolis. Of course, the volume of water will not be so great, but the tremendous head at which it is possible to secure and divert the streams will equalize this.

Cheap power will do more to attract manufacturers here than any other one inducement which the town can hold out.

THE LUMBER INDUSTRY.

I regret to see that the Port Arthur Lumber Company has made no commencement to rebuild its sawmill which was burnt.

The mill owned by Vigers Bros., together with the Port Arthur Company's planing mill, operated by Graham, Horne & Co., and Kennedy & Saunders' factory, have all done a good season's work. Large quantities of saw logs, square

timber, piles, telegraph poles and ties are being taken out this winter; the total number of men employed in the woods exceeding that of any previous year. Year by year the attention of the Provincial Government has been called to the loss caused by forest fires, with recommendations that the standing pine be sold. Already untold millions of standing timber have been rendered absolutely valueless, and this state of affairs continues. A large amount of high grade Georgian Bay lumber would be imported here and planned for shipment to the Northwest were the freight rates changed. I am informed by one firm that they could handle ten millions per annum more than they do if some reduction was made in the tariff. As it now stands, the rate on lumber from Rat Portage to Winnipeg is fifteen and a half cents per hundred pounds; from Port Arthur twenty-seven cents. Our shippers, therefore, have to compete with the Rat Portage dealers and are handicapped by a differential rate of eleven and a half cents per hundred or from forty to fifty dollars per car. This Board should make every effort to have this condition of things changed.

AGRICULTURAL AND MINING EXHIBIT.

The Algoma Exhibit of the products of the soil and mine at the Toronto Industrial Fair in September last did much to place our position and resources in a true light before the Canadian public. It was a highly creditable showing of what can be produced in this, to many, an unknown land.

THE RAILWAY SITUATION.

A year ago, when addressing you, I had every confidence that the Port Arthur, Duluth and Western Railway would have been completed by this time, into the heart of the mining district.

As you are aware the negotiations for the financing of the undertaking have not succeeded, and some substantial recognition of the enterprise must be made by the Provincial Government as well as the municipalities; with that, the whole enterprise could be successfully carried out. Other applicants for public favor, as well as schemes of more gigantic proportions, have been brought to your notice, but it appears to me that our first duty to the Town and District is to lend all our energies and combine all our resources in building the first fifty miles of this road. The completion of that portion would directly draw all the mining trade to Port Arthur and tend to improve the situation in many ways. If necessary, the road so completed might then be a common line for all companies, whether they propose to advance in the direction of the Rainy River District or to tap the iron deposits at the Boundary. It is needless for me to draw your attention to the beneficial results which must follow the building of such a line; already much has been written on the subject. Strong efforts are now being made in Toronto to induce the Provincial Government to subsidize the line by either a cash or land grant. In either case the small amount of aid asked would be no great weight on any Province. In this case it would have the effect of making of much value the mineral lands at present unmarketable, owing to their situation. The result would be that for every dollar so invested the Province would be directly recouped at least tenfold; while if land only be given it would cost the Province nothing and ten times the quantity would be rendered saleable at the Crown price. This Board should take a decided action in this matter, as well as the citizens and municipal corporations interested, it being of vital interest to all the inhabitants of this District.

CANADIAN PACIFIC SITUATION.

I am pleased to learn that there is strong probability of the Town and Company coming to some amicable arrangement about the so long-disputed tax question. This should be settled once and for all; in no case is the saying probably more applicable, that "short accounts make long friends."

FISHERIES.

I understand that the exports have been quite equal to last year and that fully as many men, boats and steamers continue to be profitably employed. The shipments, as usual, continue to be made chiefly to the United States. The facilities for prompt delivery to Duluth have been better than ever before.

BOARD QUARTERS.

Some effort should be made to have commodious quarters for the Board. A scheme, whether to own or rent a building, could be easily formulated; and a permanent exhibit of our productions, whether timber, mineral or agricultural, should be established for the purpose of drawing the attention of capitalists to the chances for profitable investments.

It may be said that some of the subjects herein mentioned are of a more comprehensive character than would naturally engage your attention; but an analysis of the questions will show that they are matters of the utmost importance to not only the members of this Board, but to every resident of the Algoma District.

I have the Honor to be,

Gentlemen,

Your Obedient Servant,

THOS. MARKS,

President.

Port Arthur, Jan. 31, 1889

