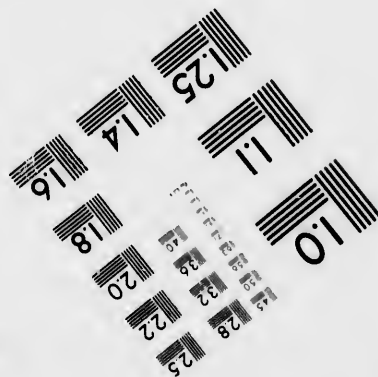
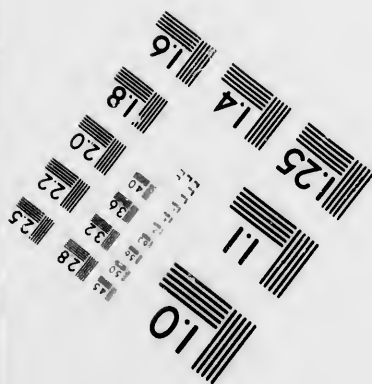
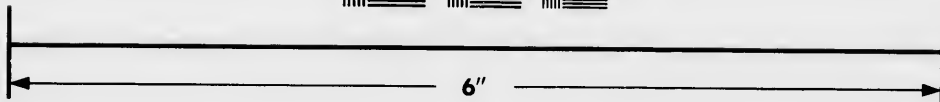
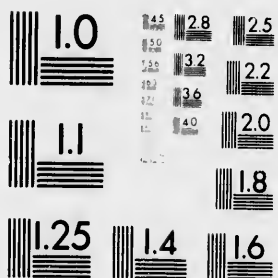


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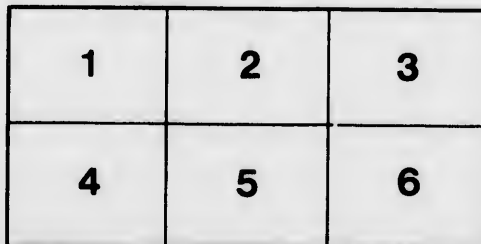
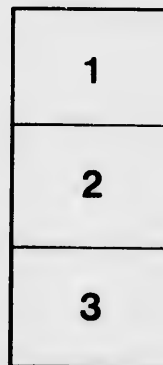
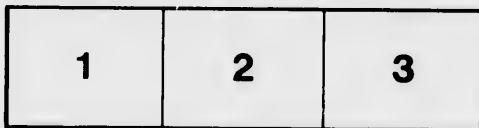
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OF

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President of the Quebec Board of Trade,

DELIVERED

AT THE MEETING OF THE BOARD,

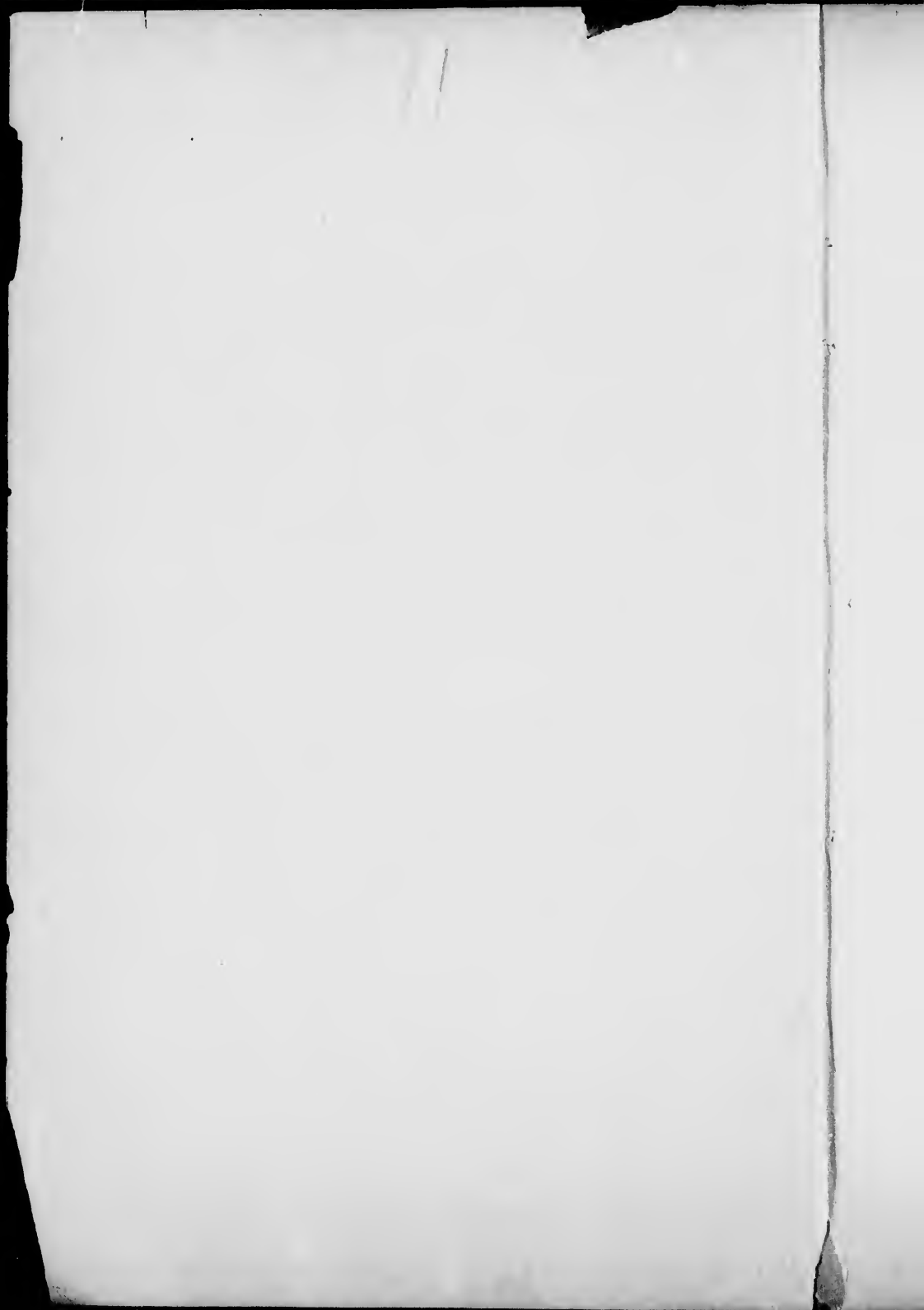
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1880.

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ADDRESS OF JOSEPH SHEHYN, Esq., M.P.P.,

President of the Quebec Board of Trade,

DELIVERED

At the Meeting of the Board, held on February 4th, 1880.

GENTLEMEN,

Before alluding to the subjects which have had the attention of your Council since our last Quarterly Meeting in May last, I think it my duty to make a few remarks on various subjects which I trust will be of some use to our commercial community and interesting to the members of this Board. It is quite possible that the delivery of this address may occupy your attention longer than I would desire, yet I hope that my good intentions will at least merit your kind indulgence. It is quite possible also that my remarks may not be as interesting as I would like them to be, but you must remember that, like yourselves, I am actively engaged in a business that claims a great part of my attention, and that consequently my time for public business is limited. It is therefore scarcely to be expected that I can very clearly give expression to views which I have not had time to study out with that care and attention which they would otherwise require.

At the close of our business season, in 1878, the outlook was far from encouraging. We found ourselves in the midst of a commercial depression which had been going on for two or three years, and with no immediate prospects of an early change. The commercial crisis was as severe as

ever, not only in our market, but also on the Continent, and in Great Britain, which is the great outlet for our products. This depression seemed to be greater than ever, and at the latter end of the season, business was so bad, that fears were entertained that a financial panic was at hand. In the United States the outlook was not less discouraging. Coming back to our own market, our industries were languishing, our local interests were in a depressed condition, and all engaged in business were, through failures and depreciation, worse off at the end of the season than at the commencement. Our timber, which is the great article of our market, and which forms the principal item in our exports, was in a depreciated condition, and all those engaged in that business had suffered more or less severely during the season. Prices at Home had been unremunerative, and at the close of the season we found ourselves with a heavy stock of lumber in our coves and an encumbered market in Great Britain. The only redeeming point was the avowed intention of our manufacturers of lumber, to curtail their operations during the winter season; so that when we commenced our spring business, the commercial aspect was far from being an encouraging one.

The only reasonable course left to our exporters of lumber was to follow a close policy—to avoid speculations of all kinds, and to ship to order as much as possible, in order to avoid losses. Those of our lumber merchants who had no stock remaining over from previous seasons, and which had been laid in at high price, were able to buy at prices which enabled them to sell in the Home market at a small advance; but, on the other hand, those holding stocks were obliged to sell at a loss, as their timber was higher than the current prices. It was exceedingly wise on the part of the manufacturers that their operations had been curtailed to the lowest point, as it enabled our mer-

chants to run off the heavy stocks which they had wintered over. During the early part of the season the business was, as anticipated, dull, but, towards the fall, an improvement set in, though no increased prices were realized. It is only within a few weeks that a change has taken place, and that better prices are obtained in the British markets. With an increased consumption and higher prices, we may hold reasonable hopes that the commercial depression has seen its end and that we are on the eve of a more progressive era. This change, coupled with an improvement in the prospects of sawn lumber in the United States, ought to increase our confidence.

It is not my intention to go into details regarding the various kinds of lumber exported and in stock, as the annual circular of Messrs. J. Bell Forsyth & Co., carefully compiled, contains full information on the subject. In it will be found all the information that gentlemen engaged in that business require. It is sufficient for me to say that, according to this circular, the quantity of lumber wintered over is very much smaller than this time last year, and that the English market is in a much more favorable condition, the stocks held there being very much reduced, compared with those of 1878.

It is evident from all accounts that our business season just closed presents a much more cheerful aspect for 1880, than was presented at the beginning of last year. Since the closing of navigation, the price of lumber has remained firm, with an upward tendency, and the demand seems now to be larger than for sometime past. It has been stated, whether it is quite true or not, that several large transactions have taken place, that some of the lumbering firms here have been operating successfully of late, and that these transactions have been made at remunerative prices.

So far as Quebec is concerned, these are cheering news, especially after such a long spell of depression in an article such as lumber, which forms the principal item in our local trade. It is to be hoped that after all the vicissitudes we have gone through since the commercial crisis commenced, and after all the severe trials we have experienced, that nothing will again dash to the ground our bright hopes for a speedy revival of this staple trade.

Our lumber houses have suffered severely through this commercial crisis, and it is a matter of surprise that notwithstanding all the sacrifices they have been obliged to make to keep up during these hard times, they have, as a rule, so well weathered the storm. It speaks well for their stability, and it shows to advantage their business abilities, which offer quite a contrast with other firms in all other lines which have had to succumb in face of losses and depreciations. The fact of their having been able to stand all through these perilous times shews evidently that their business must have been conducted on correct principles, and that they had provided during prosperous times an ample fund to meet such a series of unfavourable seasons.

Before closing the article of Lumber, I cannot do better than give a few extracts from an excellent article which appeared in the "*Monetary Times*" of the 28th November last, and to which I would refer those who desire more ample information than I can give them. This article has been written with great care and by a person fully conversant with the nature of that trade.

"CANADIAN TRADE IN LUMBER AND TIMBER.

The exports of timber and lumber form a very large portion of the outward trade of the Dominion. For some years, during the inflated period, the amount realized from exports of our forest products nearly equalled the sum obtained from every kind of produce we sent abroad. And

even during more recent years, when our export of wood has materially declined—more, however, in value than in quantity—the extent of this branch of Canadian trade renders it an influential factor in depressing or improving the general business condition of the country.

Whenever our lumbering interests are depressed, the business of the Dominion will be lacking in elasticity and prosperity. It is opportune, therefore, to consider what contraction has taken place; which nations have ceased to purchase from us as freely as formerly; and what the prospects are of an increased demand for this portion of our productions. The rapid expansion of the returns from the lumber trade prior to 1873, as well as the decline thereafter, can be seen by a glance at the official statements of the value of our exports of wood during the last ten years. They are as follows:—

1869.....	\$19,838,963	1874.....	\$26,817,715
1870.....	20,940,434	1875.....	24,781,780
1871.....	22,352,211	1876.....	20,337,469
1872.....	23,685,332	1877.....	23,665,787
1873.....	28,586,816	1878.....	22,054,820

Our lumber and timber trade, measured by the total amount it produced, thus advanced as rapidly before 1873 as it has since contracted. The bottom was, however, reached last year, let us hope, for the amount produced by our sales then barely exceeded those of 1869. The per centage of contraction in 1878, as compared with 1873, was close upon 30 per cent. Some may consider this hardly sufficient to have caused so many disasters among the lumbermen of the various Provinces. But if it is remembered how many of them, flushed with previous success, had speculated in timber limits and undertaken enormous obligations under expectations of an ever-increasing demand for every thing their mills could produce, the fatal effects of glutted markets, and consequently decreased consumption and lower prices, will be readily understood.

The fall in price was a much severer blow than the diminution in the quantity sold. Timber which, in 1869, was worth in Quebec, 35 cents, and in 1873, 36 cents, fell to 26 or 27 cents in 1878, and say to 22 cents in 1879. Lumber

culls, worth \$11 to \$12 in 1873-4, were worth only \$8 to \$9 in 1878-9. From 1873 to 1878, the price of lumber fell as much as \$3 to \$4 per thousand. The diminution in the receipts from timber and lumber has arisen in a much greater degree from a lowering of the price than from the lessening of the quantity sold. The decline in the quantity shipped, from the figures of 1873 to 1879, may be set down at about 6½ per cent., while the decline in price was probably 25 per cent. The diminished value, at first, fell on heavy stocks got out at great cost, when general prices were highest, and this source of loss continued active for three or four years, making the total loss from shrinkage in value very great. Some of the items of cost to the lumberer, by degrees accommodated themselves to the decline in the price of his products; but others, including the cost of timber limits acquired in the time of high prices, remained the same.

Our total exports of products of the forest during 1878—valued at \$20,054,829—were distributed among the different nations of the world as follows:—

Great Britain.....	\$13,536,410	United States.....	\$4,739,747
Newfoundland...	120,407	Portugal	51,758
British W. Ind....	320,609	Italy	3,719
Spanish " ...	145,561	Belgium.....	49,998
French " ...	17,493	Holland	42,150
Danish " ...	3,002	China	93,279
Dutch " ...	4,039	Madeira	10,304
Hayti.....	10,992	Gibraltar.....	3,178
Guiana.....	34,524	Canary Islands...	2,059
St. Pierre.....	21,724	Africa.....	42,809
South America...	208,140	Australia.. ..	174,893
France	330,968	Sandwich Islands	21,839
Germany	23,415	Labrador	6
Spain	38,003	Falkland Islands.	3,803

Whilst not inclined in any way to depreciate the markets afforded by Great Britain and the United States, which are naturally the nearest and the best for the most valuable branch of Canadian trade, we would like to see earnest efforts made to increase our transactions with France and other continental nations, with the West Indies, South America, Australia, China, and the Sandwich Islands.

There is also a field for Canadian lumber in Mexico. These could absorb large quantities of our timber were a system of exchange properly established between us. And it would be an immense gain to our lumbering interests if they could be made even a little loss dependent upon the British and United States markets.

Next to the great decline in price, the derangement of our sawn lumber trade since 1873 has been caused almost entirely by the decreased demand in the United States, coupled with the duties levied on every boat and car-load which crosses the lines. Notwithstanding the depression in Great Britain, the proceeds from sales there of lumber and timber were not greatly less in 1878 than during the exceptional year 1873, when our exports leaped upward nearly five millions at a single bound. How different it has been with the United States will be seen by consulting the value of our shipments to each of these countries during the last six years :—

	GREAT BRITAIN.	UNITED STATES.
1873.....	\$13,749,000	\$12,948,000
1874.....	14,928,000	9,654,000
1875.....	16,394,000	6,335,000
1876.....	14,031,000	4,973,000
1877.....	17,086,000	4,789,000
1878	13,536,000	4,739,000

Notwithstanding the contraction in the value of our exports in 1878, it will be observed that the British markets returned us nearly as large an amount for our lumber and timber as they did in 1873, whilst in 1875-7 they greatly assisted to bear up the pressure arising from the immense falling off in the return from American purchases, and to a less extent in the quantity purchased. Had the United States demand for Canadian lumber during the last three years been what it was in 1873, or even during 1874, and the prices the same, the proceeds of our exports would have shown but little decrease, and many failures and losses might have been averted."

Of course these extracts from the *Monetary Times* apply to the general trade of lumber and timber in the Dominion, whereas my remarks at the commencement of this article are applicable more specially to our local trade.

DAIRY PRODUCE.

I also extract from the same paper, the shipments of dairy produce from Montreal to European ports during the season of navigation, compared with those of the same period last year. My object in doing so is to call your attention and that of those engaged in that business, to the growing importance of the items. It may be of use to some of the members of this Board, and may serve as an inducement to our farmers to pay more attention to this growing trade, in which they have all a chance of participating if they will only seriously apply themselves to the production of a quality of butter and cheese fit for export. I do not think we have any important cheese factory in the district of Quebec, though I have little doubt that such an industry might be carried on here with every prospect of success.

The total quantity of butter received and shipped at the port of Montreal during the years 1879 and 1878 was as under, showing an increase of 31 per cent. in butter and 13 per cent. in cheese received:—

Butter receipts, 1879	280,479 kegs.
“ “ 1878.....	193,202 “
	<hr/>
Increase.....	87,227 kegs.

The shipments for the year were:—

1879.....	259,901 kegs.
1878.....	186,812 “
	<hr/>
Increase.....	73,089 kegs.

Total receipts of cheese at Montreal last year were also considerably larger than the previous year, viz.:—

Cheese receipts, 1879.....	558,903 boxes.
“ “ 1878.....	484,395 “
	<hr/>
Increase.....	74,508 boxes.

Shipments, 1879.....	571,704	boxes.
“ 1878.....	501,943	“

Increase..... 69,761 boxes.

The following comprises a very interesting article on the subject of produce, and contains figures which will serve to give some idea of what is being done in the shipment of our agricultural produce:—

“ MOVEMENT OF PRODUCE.

The arrivals of produce at Montreal by Grand Trunk and Occidental Railways and Lachine Canal, from the beginning of 1879 up to the close of navigation were as under. Following these will be found the receipts for the corresponding period of 1878, 1877, and 1876:—

MONTREAL RECEIPTS.

	Wheat, bush.	Flour, brls.	Corn, bush.
1879.....	11,181,858	751,399	4,389,291
1878.....	7,263,373	884,849	6,117,326
1877.....	7,214,892	802,503	4,612,915
1876.....	6,386,630	898,062	3,931,631
	Peas, bush.	Oats, bush.	Barley, bush.
1879.....	2,014,879	485,853	365,289
1878.....	1,564,125	719,603	427,616
1877.....	810,901	323,075	1,228,086
1876.....	1,029,243	2,608,474	266,477
	Butter, kegs.	Cheese, boxes.	Pork, brls.
1879.....	269,040	557,483	9,992
1878.....	176,320	476,774	15,675
1877.....	116,563	251,736	19,790
1876.....	139,025	346,516	15,401

These figures show a marked increase in this year's receipts of wheat, butter and cheese, and an increase of peas, but decreases in flour as compared with any of the three preceding years, and of corn as compared with the average of these years. The shipments of grain, flour and produce were as under in the years named:—

MONTREAL SHIPMENTS.

	1879.	1878.	1877.
Wheat, bush.....	10,383,043	6,676,536	5,823,763
Corn, "	4,947,777	5,664,625	4,226,117
Peas, "	2,612,911	2,179,333	1,109,143
Oats, "	637,660	957,376	399,995
Barley, "	418,337	334,921	1,091,475
Flour, brls.....	719,285	706,440	739,839
Butter, kegs.....	249,776	173,793	120,012
Cheese, boxes.....	567,153	492,637	452,517
Pork, brls.....	8,636	11,887	21,228

A large share of the flour shipped was to the Maritime Provinces, 357,198 brls. being sent thither by canal and river boats, 275,955 bushels to Europe, and the remainder, 86,132 brls., by rail. Out of the 10,383,000 bushels of wheat shipped, 10,336,000 bushels went to Europe; other grains have gone thither in about similar proportion to their total shipments. Out of 59,368 brls. cornmeal and oatmeal, 33,859 went to Britain, the remainder being shipped in about equal parts by rail and canal, and to Lower Ports. Of 10,648 brls. pot and pearl ashes, 10,006 were sent to Europe, which has for many years been their regular market.

The receipts and shipments of butter and cheese are both upon a much increased scale. The sharp advance in English prices and demand having given a stimulus to the dairy produce trade during the past autumn. The number of packages of butter coming into Montreal, 269,040, was 30 per cent. greater than last year, and 52 per cent. greater than 1877. The increase in cheese receipts, which were 557,483 boxes, was 14 per cent. over last year, and 55 per cent. over 1877. As lately as the week ending 10th instant, 4,942 packages of butter were shipped for Europe, but those of cheese numbered only 726 boxes, where in the same month last year they had been 12,219 in number. Lard and Tallow show greatly increased receipts as compared with any of the three previous years, 20,221 pkgs. lard and 8,459 of tallow being received, against 10,419 and 2,264 packages respectively in 1878."

TRADE REVIVAL IN THE UNITED STATES.

The following table of some of the leading facts in connection with production and trade in the United States during 1879, which are taken from the reliable and valuable *New York Commercial Bulletin*, will be found to present a clearer, more definite and instructive history of the year's business, and the great trade revival of which so much has now been written, than it would seem possible to offer in any less extended form :—

	1879.	1878.
Wheat crop, bush.....	448,700,000	420,100,000
Corn crop, value.....	\$600,000,000	\$450,000,000
Oat crop, bush.....	364,000,000	413,000,000
Grain received at Atl. ports, bush.....	302,800,000	247,500,000
Cotton, receipts of, bales.	4,894,700	4,566,200
Cotton, taken by North- ern mills last 4 months, bales	915,104	541,723
Crop of hay, value.....	\$325,000,000	\$285,500,000
Crop of potatoes, bush...	181,400,000	124,000,000
Butter, receipts at N. Y., since June 1. pkgs.....	1,025,400	944,100
Coal, prod., anthr., tons..	27,800,000	18,600,000
Pig iron, tons.	2,800,000	2,301,000
Product of silver.....	\$37,032,000	\$37,248,000
Product of gold.....	31,470,000	37,576,000
Total product precious metals.....	68,502,000	74,824,000
Lumber, shipments from Saginaw region, ft....	678,000,000	524,000,000
Petroleum, exports, gals..	402,800,000	320,100,000
Imports, U. S., 11 months.	\$454,000,000	\$400,000,000
Exports, U. S., 11 months.	684,300,000	669,600,000
Exchanges at Clearing Houses of U. S.....	\$33,912,000,000	\$28,327,000,000
Sales of stocks at N. Y., Stock Exchange shares.	73,842,145	39,364,740
Railroads, gross earnings, 20 companies.....	\$96,557,000	\$38,937,000

Of late there has been quite a rush of business in the United States, and quite an excitement has prevailed in various lines of goods which, for one cause or another, have been steadily advancing. The rise in cottons of all descriptions, in woollens, &c., is very general, so that quite a trade has been done of late in all kinds of goods, at greatly advanced rates. It is hard to say if this enhanced value is the result of a genuine demand, or if it is merely a passing excitement which will subside after a while. The raw material both in wool and cotton has advanced in consequence of a more limited supply. However, our American neighbors feel quite elated with the increased demand for goods, and count upon it as a sure sign of a return to prosperous times. We have likewise experienced this advance in prices which has led us to speculate a little more in anticipation of a still further change.

LOCAL TRADE.

As anticipated, our local trade has been on a limited scale all through the season, excepting that a little more activity was felt towards the close of the year, the rates being somewhat higher and collections coming in more freely. No doubt the good harvest and the fair prices which were offered for produce, along with the increasing prices for all kinds of manufactured goods, contributed to give a slightly increasing impetus to our industries and to our importing houses.

On the whole, our trade has not been on a larger scale than that of the previous season, and the only redeeming point, in my opinion, is that losses by bad débt's have been, perhaps, a little less. However, the business season, as in lumber, has closed with a more cheering aspect, and the most of us are under the impression that we have now seen the worst, and that with the increased value of all

kinds of manufactured goods and of our products, we have in store the prospect of a better business season than that of 1879.

THE CREDIT SYSTEM.

I am sorry to say, however, that our system of credit has the effect of curtailing the legitimate results which we might expect from the labor of those engaged in business. It is impossible, in my opinion, for any House to make money by selling goods at a small advance, and dating them several months ahead, as is generally done in wholesale dry goods both here and in Montreal. For instance, spring goods are offered by some at 6 months from 1st May next, making 12 months credit before the goods are paid, besides having to renew on an average 50 per cent of the paper when due. Of course all Houses feel that the system is bad, and I am sure they are all desirous of improving it if possible; but, for some unaccountable reason, no one has the courage to make a change, all being afraid one of another. I feel convinced that sometime or another the change will have to be made. I notice some agitation in that direction in Western Canada, and some talk of it in Montreal. Whether this talk will result in anything tangible is hard to say. All I have to say is that everyone knows that to sell goods at 12 to 18 months credit, at a small advance, is insufficient to cover risks, expenses of business and rent. We shall at an early date have to adopt the system prevalent in the United States, where goods are sold at 10, 30 and 60 days at the outside. For the last few years our losses by failures, taking our population into account, are greater in number and amounts than in the United States, which shews that their system of credit is superior to our own, and I am sorry to say that notwithstanding the prospect of a more prosperous era, the failures in the Dominion during the nine months ending 30th September, have been much in

excess of the corresponding nine months of 1878, whereas in the United States there is a great diminution. I cannot do better, however, than to quote figures from a tabular statement made out carefully by Messrs. Dunn, Wiman & Co. Therefore, in speaking as I do, I am not repeating mere hearsay, but do so on the strength of a firm whose duty is to collect all kinds of statistics affecting trade and commerce, and to give to the commercial community fair and reliable information, so that a certain dependence can be placed upon it. It is needless for me to repeat the remarks I made last year respecting the manner in which our system of credit affects our commercial prosperity, having done so already. Besides it would take up too much of your time.

Failures for the third quarter and first nine months of 1879 and 1878.

THE MERCANTILE AGENCY, OCTOBER 18, 1879.

The following shows the number of failures in the United States and Canada for the quarter ending September 30 1879, compared with the same quarter in 1878, together with the amount of liabilities. The figures for the nine months of each year are also given :

STATES AND TERRITORIES.	Third Quarter in 1879.		Third Quarter in 1878.		Nine Months in 1879.		Nine Months in 1878.	
	Number of Failures.	Amount of Liabilities.	Number of Failures.	Amount of Liabilities.	Number of Failures.	Amount of Liabilities.	Number of Failures.	Amount of Liabilities.
Eastern States.	250	\$ 2,625,925	535	\$ 9,777,016	785	\$14,319,607	1517	\$ 30,033,135
Middle States..	430	5,195,116	879	27,732,811	1829	28,852,239	2559	79,375,469
Southern ..	151	2,736,341	253	4,310,783	873	13,416,516	1158	21,359,104
Western ..	302	3,265,832	930	18,479,783	1214	16,113,349	2909	56,555,846
Pacific States and Territories	129	1,451,986	236	6,077,970	519	8,352,129	544	9,887,575
Total	1262	\$15,275,550	2833	\$66,378,363	5320	\$81,054,910	8678	\$197,211,129
Dominion of Canada.....	417	\$ 6,998,617	295	\$ 4,629,592	1484	\$24,424,570	1242	\$ 18,138,321

The failures in the United States, for the year 1878, were 10,478 in number, as against 8,872 in 1877, showing an increase in the past year of 1,571. The liabilities for 1878 equal \$234,000,000, compared with \$190,000,000 in 1877, an increase in the past year of \$40,000,000. These large liabilities are approached only by the figures for 1873, when they reached \$228,000,000; but these were divided among only 5,163 failures, less than one-half of the number in 1878.

In a recent number of the *Monetary Times and Trade Review*, of Toronto, occurs the following very readable article on this subject of

MERCANTILE FAILURES.

Contrary to a very prevalent impression, occasioned by the recent activity consequent on the good harvest and the rise in prices, that this year's failures in Canada would be less than last, we find them greater. While the aggregate of failures in the United States had fallen from 10,478 in number and \$234,383,132 in amount in 1878, to 6,958 in number and \$98,149,053 in amount, in 1879, no less than 1,902 Canadian traders failed last year, as compared with 1,615 the year before, and the liabilities were \$29,347,937, in 1879, against \$23,152,262 in 1878, and \$25,466,139 in 1877. Not a little of this untoward list of disasters must be attributed to the bank failures of the year.

The last three months of 1879 show an improvement in the condition of our mercantile affairs, however, which is as gratifying as it is marked. The aggregate of failures among Canadian traders during that period is by far the smallest of the four quarters of the year, forming but 16.8 per cent of the whole twelvemonth, while those of the third quarter formed 23.8 per cent, of the second, 19.7, and of the first 39.7 per cent. The number and amount of the failures for these periods of the year is shown in the following:

	No.	Amount.	P. c.
1879, 1st quarter.....	634	\$11,647,698	39.7
“ 2nd “	433	5,777,256	19.7
“ 3rd “	418	6,998,617	23.8
“ 4th “	417	4,923,367	16.8
Whole year '79.....	1902	\$29,347,937	100.0

Let us see how this compares with the previous year, by quarters :

	No.	Amount.	P. c.
1878, 1st quarter.....	555	\$ 9,100,929	39.4
“ 2nd “	392	4,407,800	19.1
“ 3rd “	295	4,629,592	20.0
“ 4th “	373	5,013,941	21.5
Whole year '78.....	1615	\$23,152,262	100.0

It is here shown that while the first two quarters of both years correspond almost exactly, the failures in the last quarter of 1878 were increased in number and amount over the three months ending September. This year, (1879) on the contrary, they are seven per cent less. The failures of the latter half of 1879 were but forty per cent of the whole twelvemonth, viz., \$11,921,000.

In the United States, no year since 1874 has shown so few failures as the year just closed; and in 1874 itself, the amount of liabilities of failed traders was far greater than in 1879, although the number of insolvents was less. Only one U. S. trader in 105 failed last year, while in 1878 one in 64 failed. In Canada one trader in 30 laid down his load last year! The improvement is most marked in the Western and Middle States. Next to them are the Eastern States, while the Southern and the Pacific States have the least favorable record.

It is impossible not to be struck by the fact that, according to the circular of Messrs. Dun & Co., the whole Eastern States, with 82,000 traders in business, report but little more than half the failures of Canada, with 56,000 traders. The improved condition therefore, across the lines, which is so manifest from these figures, had not reached Canada at the beginning of last year, although it had touched us at the close, and may be expected to show itself this year.

The number of unemployed in the States is less, the circular considers, than at any time since 1873. Then the agricultural class have had several good harvests in succession. In the States of Illinois and Iowa we know

that farmers are in funds and are clearing off debts upon their lands incurred in previous years, to such an extent that a loan agent finds "his occupation gone." Not alone the improved prices for cereals and other staples of the country, but the rise in values in other directions has given impetus to trade and helped the retailer as well as the manufacturer. Our turn must soon come, if our prosperity should not be so full as theirs; for some of the same causes which affect the United States commercially must ere long more or less affect us.

The commercial failures in the United Kingdom of Great Britain and Ireland were unusually numerous last year. The number failed in 1878 and 1879 are thus given by Seyd's circular, with their distribution into trades:—

	1877.	1878.	1879.
Financial, wholesale and manufacturing branches.....	2,172	2,643	2,546
Retail trades, builders, publicans and professional men.....	8,850	12,416	14,091
	<hr/> 11,022	<hr/> 15,059	<hr/> 16,637

The number is thus nearly one-tenth greater last year than in the year previous; but in the wholesale trades a slight diminution is shown. Amounts are not given. Of the 15,059 wholesale failures in 1878, England and Wales contributed 13,869, Scotland 852, Ireland 338. The English failures for the past three years were distributed mainly over the following centres, and it is noteworthy that, as in Canada, a change for the better is noticeable in the second half of the year, the number of failures in the December half being less by from 30 to 50 per cent in different places than in the June half, and by 37 per cent on the whole.

Places.	1877.	1878.	1879.
London.....	456	565	530
Liverpool.....	81	92	84
Manchester.....	134	125	155
Lancashire.....	144	187	192
Yorkshire.....	324	408	420
Birmingham and Midland.....	189	216	203

The *Economist*, in remarking the heavy pressure of dull trade as evidenced above, considers the weeding out of weak firms, so long in progress, to be apparently accomplished pretty fully. "The revival in trade has come in time to save many traders who, if the depression had continued unabated, would probably have been forced to succumb."

NATIONAL POLICY.

This is a subject I do not like to touch upon, as it is so difficult to find an audience ready to treat a question of this kind in a fair and impartial spirit. Of course, I am speaking now in a general sense, and my remarks do not apply merely to the present members of this Board, but are applicable to the general public.

It is almost impossible to get any number of people, when brought together, to agree unanimously upon any particular system of Political Economy. There are some who are sincerely convinced that the prosperity of a country lies in its fiscal policy, some again are in favor of an open market for all the world, whilst others imagine that the best policy, for a country, is a moderate protection upon the manufactured products of other nations. Others again desire prohibition. All these theories have their adepts, and they are numerous in each camp. I have heard a good many speeches and read a good many newspaper articles on these subjects, besides knowing the private opinions of many people who might be supposed capable of treating these questions, but I have found very few who were really in a position to treat them upon their merits. It is hard indeed to find people who are really unprejudiced. Some are influenced by party feeling, others by local interest; in the Liberal camps are to be found parties who are against free trade, and in the Conservative ranks are to be found many who do not believe a word about protective

notions, but in all cases they are unwilling to divest themselves from the influences which surround them. In any case the great mass does not understand the question in its widest aspect. For my part, I have endeavoured to divest myself of all party feeling on this question of a fiscal policy, and I have done my best to arrive at a satisfactory conclusion, but I must admit that notwithstanding my willingness to solve it, I have not been able to arrive at any favorable decision either to one side or the other. I do not think there is anything surprising in this, as I find men of science, who have spent life times in the study of economical problems, entertaining views quite opposed to each other. In England, we see the great political economist, Adam Smith, whose theories have been adopted in that country, and others equally conversant with these problems, declaring themselves in favor of a free trade policy, and we see in France also, the greatest writers on political economy, advocating free trade notions, and others demonstrating quite the contrary. In the face of these adverse opinions, it is difficult indeed for a simple merchant to come boldly before the public and declare himself in favor of one system over another. Unfortunately, we see every day a great number of people having little or no stock of science, and with no very wide views upon any particular subject, being, indeed, quite ignorant as to the action of a fiscal policy in its widest acceptation, yet boldly defending one policy over another. Does it not strike every one, that if a question of this kind was so easily solved, the first individual could easily do so for himself, and in countries like England, like France and the United States, which abound in men well qualified to treat such subjects, and well aware that the prosperity of a country is dependent upon a good fiscal policy, would not these scientific men, if the question was so easily solved, be able to decide the policy which is most suitable. How simple and easy it would be for them, with a mere stroke of the pen, to

increase the wealth of their country; but, unfortunately, notwithstanding all the science and knowledge which our age possesses, we are not yet able to solve these problems in a satisfactory manner, whatever people may say to the contrary.

For my part, I have done my best to solve them, but I must say that my attempts have been fruitless, although I have endeavored to be guided in my researches by the views and works of some of the best writers on political economy.

According to my mind, the question resolves itself into this: Is it better to buy in the cheapest markets all we consume, and to leave to individual enterprise unaided, the starting of the industries which have a chance of taking root in a country. This process is a slow one, it must be admitted, but such are the theories of free traders, who want the greatest freedom in their commercial intercourse; whereas, the protectionists, in order to foster industries where there are none, are in favor of imposing a tax which is borne by all classes, pretending in doing so that they will start into existence industries which, if left without encouragement, would not have sprung into existence, under the free trade policy, for many years to come; that in doing so, they encourage the working classes and increase the consumptive power of the masses. This tax is merely imposed temporary, and is to be taken off as soon as in the natural course of things, these industries are able to take care of themselves and in a position to compete with those of other nations. It is evident that in whatever channel a fair investment is assured, capital will at once flow abundantly. It is the same with protection. Industries are seen to spring up freely till such a time as competition and the most modern improvements will enable them to produce goods as cheaply as the best foreign markets, provided always that the competition is not that of nations

who are specially favored by the nature of their soil, or the natural products of the mines—giving them the raw material at an advantage over those who have to go a great distance to get this material.

Such, in my mind, are the two points at issue. Some will naturally at once jump at the conclusion that either of these two are the better to adopt, but for my part I cannot really say which is the more advantageous, therefore I would feel much obliged if any one would solve them satisfactorily—not with general assertions, but with well grounded proofs, commencing with the cause and showing the effects in both cases.

I know my ideas will not please either the protectionists or the free traders, who would both prefer that I should side one way or another, and I must say I would have been well pleased if I could have arrived at a satisfactory conclusion. In that case I would have felt no hesitation in making it known. I am glad, however, that we will have an opportunity of telling now that we have protection, if it is really the best policy for us to follow.

I see that some free traders blame the N. P. for the increased number of failures during the past year. This is sheer nonsense, for commercial men and traders can scarcely be interfered with by the mere fact of a fiscal policy. It is of no consequence to them where they buy their goods, for in any case they must have a profit, whether they come from a foreign market or are made in their own land. The only difference is that goods from a foreign market must be sold at higher price, as the capital employed in securing them cannot be turned as many times as when goods are supplied by a nearer market. On the other hand, goods bought in our market have to be sold cheaper on account of the turn over in the capital, which is greater, so that \$100 goods sold at 20 per cent advance, turned over once a

year, is no greater than \$100 at 5 per cent advance turned over four times a year; in fact the latter is better, for the risk of losses is less in short credits than in long ones.

Besides, I do not think that for the short time our fiscal policy has been in existence, it could have had the influence in any case of forcing a greater number of insolvencies. The increased numbers of failures are due to other causes—for business in general this year has been as good as last, and in many cases better. For some months past things have shown signs of reviving.

LOCAL INDUSTRIES.

At one time, our great industry in Quebec was ship building, in which trade we then excelled. This branch of industry gave employment to a well trained and a hardy race of carpenters. It was a fine sight in these days to see during the winter season our ship-yards *booming* with the signs of life and activity. It was no unusual thing to turn out during a season some 40 ships, which, as a rule, found a remunerative market in Great Britain. Unfortunately, with the progress of science and civilization, this industry, which was that upon which we chiefly depended, had to make way for more modern necessities.

And what was once considered as the only means of keeping up an intercourse between nation to nation had to give way before a new industry. The substitution of iron for wood in the building of our ships, and the more extended knowledge of the application of steam as a motive power at sea, superseded gradually sailing vessels built of wood. And large iron steamers soon took hold of the carrying trade, so that the demand for wooden vessels fell to a secondary importance, and our ship-yards, which up to that

time had been full of life, gradually became deserted. Since then that industry has been conducted on a very limited scale, so that the well trained and intelligent race who had till that time depended upon that trade for a living, had either to emigrate or to turn their attention to something else.

In order to revive the ship-building trade, many attempts have been made, from time to time, to secure other markets besides that of Great Britain, and some years since, the Government of the day had succeeded in making a special tariff convention with France, by which our vessels were admitted into that market at a merely nominal tariff. With this arrangement, our shipbuilders commenced at once to send vessels there, where an increasing market for our ships was to be found. Unfortunately for us, just as we were commencing to establish regular business relations with that country, and that the number of vessels built for the French market was yearly increasing, through some oversight on our part, this special tariff convention was abandoned, and when Great Britain renewed its commercial convention with that country, having no one to look after our interest, the tariff under which our vessels had been admitted was not renewed and became subject to the ordinary custom regulations which imposed a duty of 40 francs a ton, equivalent to a prohibitory tariff, which had of course the effect of shutting us out of that market, whereas English built ships continued to be admitted at the same nominal duty which we had enjoyed for two or three years. Many attempts have been made to renew our negotiations with that country, and you will all remember the interest which this Board has taken on this important subject. For several years past, deputations, memorials, &c., have been sent to the Governments with the view of urging them to use their influence with Great Britain in this direction. So far, all the various attempts which have

been made by our Governments have proved fruitless, and it has been found impossible to get France to renew this special Tariff convention. The present Government has also had this important question under its serious consideration, and has made approaches to the French Government, but without visible success so far. It is to be hoped that their negotiations will turn out more satisfactory than those of their predecessors in office.

Of course, even were our ships admitted into the French market, that trade will still continue to be a limited one, for we must not forget that since the introduction of steam as a motive power for vessels, a great improvement has taken place. At first, steam vessels were expensive articles which cost a great deal to work in consequence of the consumption of fuel, and the limited space reserved for freight. The great object of steamers then was for the conveyance of passengers. But there has been ever since a steady progress made in the art of building steam vessels. The adoption of the screw in place of the side wheels, enabled the builders to turn out ships of larger dimensions, and with greater carrying capacities, as the machinery for screw does not take as much room as the machinery for a side-wheel steamer—so that a steamer of double the tonnage, with no more expense for running it, was turned out. Within a very few years, a still further improvement took place. Vessels of the greatest dimensions, owing to the improvement in machinery for economizing fuel in generating steam, can now be handled comparatively as cheaply as those that were built at first. As an example of what I advance, a fine steamer like the "Sarmatian" does not require any more coal for the voyage than did the "Anglo-Saxon," whose dimensions were perhaps one-fourth those of the "Sarmatian." With all these improvements in view, and the probable steady development of science in motive power applied to steam

vessels, we can hardly expect that sailing vessels built of wood will again rank as formerly. On the contrary, I am convinced that before long the steam vessels of large tonnage, perhaps even larger than we have them at present, with a great carrying capacity, propelled on a very economical principle, will come into use and render wooden vessels of less importance than at present.

Therefore, it is needless for us to place too great expectations on the admission of our vessels to the French market. It may improve our trade in that line in a small way, but, in my opinion, never shall we again see our ship-yards *booming* as formerly.

It is fortunate for us that on the falling off of that industry, ship-building, some of our enterprising citizens turned their attention to other pursuits, and that within the last few years very important and extensive industries have sprung up in our midst.

The Boot and Shoe manufacturing trade has become a very extensive operation with us and with our thrifty population. Through cheap labour, coupled with the use of machinery of the most modern style in all establishments where this industry is carried on, we have obtained a degree of perfection in this line which is not surpassed anywhere in the Dominion. It is an instance for us of what activity, energy and intelligence can do. To keep up such establishments as we have in our midst requires more than ordinary ability, especially when we have to consider that most of the proprietors of these factories had to commence in a small way and work their way up till they had obtained the present degree of perfection. At present, these Boot and Shoe Factories are in a position to compete successfully in every respect with other establishments of the same kind in other parts of the Dominion. All these firms employ a large number of hands. The most important

amongst them are : Bresse's Shoe Factory— which can produce 3,000 pairs of Boots per day, and give employment to 400 hands; Migner's, in which about 400 hands are employed and turning out 1,000 pairs a day; Fortin, Contant & Co.'s, working with 140 hands a day; Botterell's establishment, which is also a very extensive one, but of which I have no account—but I presume is capable of turning out as good an average as the others; we have also Woodley's, which at one time was the largest establishment in that line, but which of late has been operating on a more reduced scale. It is quite possible there are others engaged in manufacturing boots and shoes, but of these I have no account, such as Fortin and others.

I think I am safe in saying that we owe, in great part, the introduction of this industry in our midst to the Woodleys, who were amongst the first who had the courage to start an establishment of the kind on a large scale, and conducted on the same principle as similar industries are on in the United States. We owe these gentlemen, as well as Mr. Bresse, Migner and others, a debt of gratitude for having had that spirit of public enterprise which has characterized their extensive undertakings. We have also two large factories for making furniture; one Rubber Factory; several tanning establishments; Peter's extensive saw mills and planing concern, &c., &c; one or two smaller mills and a Tool Factory. Everything in Mr. Peter's establishment is conducted in the most approved style, and the machinery used is the best and latest. A large number of hands are constantly employed there, at fair wages. Messrs. Lemesurier & Son's Tobacco Factory, covering an area of 160 feet by 40, gives employment to 100 hands; also, the Cast Machine and Foundry Shop of Carrier, Lainé & Co., and others in the same line; also, the large and extensive Saw-Mills established in our midst.

Such are the principal local industries which have sprung into existence since our shipbuilding trade has gone down.

It is very fortunate, indeed, that such a spirit of enterprise has been manifested in spite of adverse circumstances, otherwise our working population would have been obliged to seek an existence in other parts, and our good old City, although not as far advanced perhaps in industries as other Cities in the Dominion, would have sunk into insignificance.

All these industries must have suffered more or less during the commercial crisis, but they have been able to go through safely, and to-day they seem as strong as ever. It speaks well for their vitality, and shows a good and prudent management.

I know there are other industries here, but as it is impossible, in a review of this kind, to include them all, I have had to content myself with pointing out the most prominent.

However, I cannot close this subject without saying a few words more, which, although not immediately interesting to the members of this Board, may perhaps be of some effect in the proper time. I mean the danger to be apprehended from over manufacturing.

The present national policy has had for effect to encourage, as intended, our own manufacturers, to the exclusion of foreign goods of the same kind. No doubt, the object of the promoters of this policy has been gained in so far as they had in view the fostering of certain industries which had much difficulty to exist when exposed to a keen competition with the American and English markets. It is natural that if a prohibitory duty is imposed upon certain kinds of goods, that it will, as a matter of course, stamp out the importation of these goods.

This protection has given an impetus to all our manufactures, and we see that great efforts are being made all over the country, not only to extend as fast as possible the existing powers of producing, but to put new ones into existence, owing to the prospects of a profitable investment. It is easy to conclude what will be the final issue of all this forced activity. It will lead to over production with all its natural consequences. Unless the rules of prudence and moderation are followed by our leading manufacturing industries, the results will be the same to our trade as a commercial crisis. Capital invested in these industries will not only turn out unremunerative, but will also be very much depreciated if not lost altogether. To convince ourselves of what I advance, all we have to do is to look at the extent of our population—under four millions in the whole Dominion—and to take into account the number of mills which are already up, and which, before another year or so, will be able to produce more goods than the natural wants of our population. Of course if our North Western States were fast becoming populated by an immigration from the old world, it would considerably increase our consuming powers, and in that case would prove an outlet for the goods produced by our own manufacturers; but if our market remains stationary it will not take long to fill and to overstock it.

BANKING BUSINESS.

Banking business has been anything but a profitable investment to those whose sources of revenue have been chiefly dependent upon the result of dividends paid by our financial institutions. In addition to reduced dividends, stocks have suffered a great depreciation, the result of the commercial depression which has now been going on for

several years past, and the present phase is the reaction from the inflation which had been steadily going on for some years before the commercial crisis. In fact, banking business for some years has been limited in this country to a weeding-out process which has absorbed a great part of the resources which, in years of prosperity, had been steadily increasing, and most banks have been obliged to draw upon this fund to cover their losses and to enable them to pay even reduced dividends. It has been a difficult matter to keep intact the capital of several institutions, and some banks have had to succumb to the heavy losses sustained through having made too heavy advances for their capital and the business done. Of course it has been impossible for our financial institutions to avoid the effects of the general depression in trade, and not to feel in a tangible manner the general depreciation in all kinds of products, which has brought ruin and misfortune of all kinds upon the majority of those engaged in commercial pursuits and in the industries of the country. For a while last fall bank stocks were looked after more favorably, but the breaking down of some of our banking institutions had a depressing effect, which has fully absorbed the advance which had taken place during the business season.

I had occasion to point out about this time last year, when addressing this Board on the subject of the vicious system of credit prevalent in Canada, that our Banks, as a rule, had been rather liberal in making advances to firms who had neither the capacity, nor the capital, nor the brain to carry on an extensive business. What has taken place since has unfortunately proved the correctness of my assertion. We have examples of Banks having made enormous advances to firms of no business reputation, and we see in some cases that one or two firms had succeeded in obtaining a great part of the capital of financial institutions. In fact, for a long time our Canadian Banks

enjoyed the general confidence of the people, and I remember quite well how we boasted as to the superior manner with which these institutions were managed as compared with our neighbors in the adjoining republic. The last twelve months have brought to light so much turpitude in the banking business, and so many defalcations on the part of those who were charged to look after the interests of the shareholders, that we have nothing to envy in that respect in our older friends, either on this side or at home. I remember that not very long since a firm in this country succeeded in establishing an immense business, entirely supported by our Banks. For a while it seemed to be doing a flourishing business, and was distributing its goods all over the country. Its success did not last long, however, and when the crash came, several of our Banks were taken in for very large sums, in fact everyone wondered how it was possible for them to have made such advances to a firm without an established commercial reputation of any standing. I remember quite well that this firm was in the habit of making immense importations, and the system with them, in order to obtain money, was to pledge some of their goods at much less than their value, on the condition that they could be sold if not redeemed at certain dates. In most cases they were never reclaimed and the goods were sold at lower prices than they could be imported for. This is only one of the numerous reckless speculations which have of late come to light.

The credit of some such firms was such, that they brought out almost enough goods to supply the whole markets, and a great part of the goods were often placed in the market at less than cost, to the great injury of those engaged in carrying on their business in a legitimate manner. It is no wonder, after all, if so many of our commercial firms and so many of our small traders have gone to the wall,

for it was impossible for any one to withstand this unfair competition both in the wholesale and retail business, unless backed by a large *bona fide* capital. After all the commercial disasters which have overtaken so many financial institutions of the country, it is to be hoped that experience will be a guarantee for the future. The rules of prudence and good management will have to be followed in order to secure a sound basis, and speculations of a hazardous kind will have, in the future, to be avoided, if we want to regain that confidence which our Banks once enjoyed. Of course there are exceptions, and many Banks have been able to weather the storm and to come out, with great credit to themselves, from all these commercial disasters. Our local Banks here have felt, like others, the commercial crisis, but they have been able to fight it out successfully, and to preserve their capital. Still we must candidly admit that even the best established Banks and the most carefully managed have not been able to escape the numerous losses which have resulted from the great depreciation which has been going on for several years past. Besides, it is impossible even for the most conservative banking institutions, on account of their various ramifications in trade, not to be sensibly affected by a commercial crisis. However, with the exception of a heavy encroachment upon their reserves, and a corresponding reduction in the value of the stock, they stand this day perfectly solvent, and ready to meet the legitimate wants of the trade. It is to be hoped that all the financial institutions which have allowed their funds to go into the hands of speculators and manipulators have been wiped out from the list of regular banking firms possessing the ability to meet the real requirements of trade. If not, like their predecessors, they will have to collapse ere long to make room for those carrying on business on legitimate principles. The experience of shareholders has been dearly paid for, and it will take some time before as much capital can again

be drawn in as freely as before the Bank disasters. Capital will seek, for some time to come, safer channels for investments, and it will take a good deal to restore that public confidence which Bank stocks once enjoyed.

It is evident from what has taken place in banking business since the commercial depression commenced, that the amount of capital which had sought investment in that line must have been in excess of the actual requirements of commerce. For many years previous to the commercial crisis, Bank shares were considered as one of the safest and most profitable investments. The interest, as a rule, ranged up to 8 p. c., at least such was the annual rate of dividends paid by most of the Banks. It is not, therefore, surprising that many people were anxious to invest their savings in Bank shares, and the facility with which new Banks could get their stock subscribed and paid up promptly, is not to be wondered at. But, unfortunately, banking business in this country has a limited field and it is no use to force a market when there is none. There being too much capital invested in banking business, the competition increased in proportion, and finally ended in fostering all sorts of wild and hazardous schemes, which had for effect an interference with the regular requirements of trade. As in other business, Banks conducted on the most conservative principles had finally to become more liberal in order to meet this competition otherwise they would have been unable to use their capital and pay satisfactory dividends. Hence the general depreciation visible in all Bank stocks; the evident consequence of hazardous risks, and losses sustained through a deviation from the principles which ought to guide bankers.

As a conclusion to the above remarks, I may add that now that the surplus capital employed in banking has been lost, the remaining banking capital will be employed in

furthering the real interests of commerce, and in serving the development of our industries, and not as heretofore in encouraging all sorts of enterprises of a risky nature, and in fostering a competition through liberal advances to parties who have been a ruin to themselves and to others well qualified to carry on the affairs of the country. We can now see that such has been the course followed by many Banks, at least so we can infer from what has taken place within a year. Now that the mischief has been done, the general cry will be for reforms, and everyone will look to legislation for a remedy. No doubt certain stringent measures may be suggested which may have for effect the curtailing to a certain extent of the abuses which have crept into banking business; but, in my opinion, no legislative measures will entirely cure people dishonestly disposed, or give intelligence where there is none.

ARRIVALS AND TONNAGE AT THE PORT OF QUEBEC.

The following is an extract from Messrs. J. Bell Forsyth & Co.'s annual circular, showing the arrivals and tonnage at the Port of Quebec. This statement is interesting to those engaged in our maritime interests. By it you will see that the number of vessels cleared at the Port of Quebec for sea, has been steadily diminishing since 1873.

The total tonnage of steam and sailing vessels from sea, visiting our Port, includes all vessels whose destination is Montreal, so that, although the trade of Montreal in shipping has been on the increase, that Port being the great centre of transit traffic, ours has been falling off largely, as our only article of export is lumber, and as there has been a large falling off in our lumber trade, our shipping interest has been steadily decreasing instead of increasing. I feel

confident, however, that when our magnificent Harbour Works will have been completed, and the the Q. M. O. & O. R. will have been made a link in the railway system of this continent by an extension at Point Levis with the G. T. R. R., and at Ottawa with the Canada Central, and by the construction of a line to Sault Ste. Marie, we may look to a very different result. Then we may have our share in the increasing traffic from the West.

ARRIVALS AND TONNAGE at the Port of Quebec for the years :

1874.		1875.		1876.		1877.		1878.		1879.	
SAILING VESSELS FROM SEA.											
Ves.	Tons.	Ves.	Tons.	Ves.	Tons.	Ves.	Tons.	Ves.	Tons.	Ves.	Tons.
1,017	726,407	786	543,182	977	709,126	958	763,423	662	503,912	666	492,676
OCEAN STEAMSHIPS.											
St'ps.	Tons.	St'ps.	Tons.	St'ps.	Tons.	St'ps.	Tons.	St'ps.	Tons.	St'ps.	Tons.
159	216,466	117	171,619	139	205,632	160	214,379	159	231,616	215	327,647
LOWER PROVINCES.											
Ves.	Tons.	Ves.	Tons.	Ves.	Tons.	Ves.	Tons.	Ves.	Tons.	Ves.	Tons.
190	42,622	296	50,865	178	36,619	183	37,423	176	35,335	225	51,907

COMPARATIVE STATEMENT of Sailing Vessels cleared at the Port of Quebec, for sea, (lumber laden,) in 1873, 1874, 1875, 1876, 1877, 1878 and 1879, from the opening to the close of navigation :

(Compiled by MR. F. JOHNSTON, Quebec Exchange.)

1873.....	719	Vessels.	.....	529,112	Tons.
1874.....	854	"	.....	636,672	"
1875.....	642	"	.....	478,441	"
1876.....	786	"	.....	624,110	"
1877.....	796	"	.....	670,627	"
1878.....	476	"	.....	399,833	"
1879.....	433	"	.....	364,628	"

THE CATTLE TRADE.

I had occasion last year to call your attention to the Cattle Trade, and showed how desirable it would be for us, if our farmers would make some attempts to share in it. Heretofore, the farmers in the District of Quebec have not raised sufficient cattle to supply our local market, but with a little more energy and good-will, it is possible for them not only to supply our own market, but also do something in the export trade. Of course, I am not sufficiently conversant with the effect of our climate upon the fattening of cattle, nor do I know how far it is suitable for raising live stock. I leave that problem to the farmers themselves to solve. My only object in mentioning the subject has been to draw their attention to the splendid business that has been done for the last two or three years by those engaged in exporting live stock. The only advantage to us directly, that we have secured, has been in the shape of supplying fodder, &c., for the wants of the live stock while on shipboard. I do not know how far this trade is susceptible of a further increase, but if this increase is to go on in the same proportion for the next few years as it has done since it commenced, it must speedily reach great proportions, and become one of our most important items of export. The live stock shipments from Montreal and Quebec in 1879, are far ahead of those of the previous year, and had it not been for the depressed condition of the English markets in the autumn months would have been still larger. A comparison with the two preceding years gives the following satisfactory result :

	1879.	1878.	1877.
Cattle.....	24,823	18,655	6,940
Sheep.....	78,792	41,220	9,509
Swine.....	4,745	2,078	430

The exports were all Canadian cattle as the sale prohibiting the entrance of American cattle into the country was strictly enforced.

I see that a Company has been formed in Montreal, for the purpose of exporting meat extract. If this Company's operations are satisfactory, it will make a demand for our cattle, and encourage our farmers in the raising of stock.

I understand, also, that in the District of Quebec there are a few small cheese industries, manufacturing on a small scale; these small undertakings could easily be made to extend their operations. I believe, also, that a great deal of butter in our district is generally bought up by speculators, and taken to Montreal, where it is shipped to a foreign market.

ST. LAWRENCE ROUTE.

For the last twenty years, the increase in our communication by sea-going vessels, propelled by steam, is something wonderful, and shows the development which our trade has taken. Of course, twenty-two years ago, it is quite possible that the number of sailing vessels was much greater than at the present, and that the latter have been superseded by steamships. I have not in my possession the figures showing the tonnage and freights of that date, but I am sure it is far under the present figures, and that the development in steam vessels coming to our port is not due merely to a change in our present mode of communication, but is the effect of an increase in commerce and trade. "Twenty-two years ago, in the year 1857, according to the *Monetary Times*, there were but three steamers of the Montreal Ocean Steamship Company on the route between Montreal and Great Britain. The tonnage of these three, the "North American," "Anglo-Saxon," and "Indian," did not exceed 6,000 tons. There are in 1879 over twenty steamers belonging to that company, the aggregate tonnage of which is 66,000 tons. Another handsome iron

steamship, the "Parisian," of the great size of 5,400 tons, is now about to be built for that line, the deepening of the channel of the St. Lawrence to 22 feet, permitting laden vessels of this superb class to come in the spring to Montreal. I take from the *Herald* of that city the following comparative figures, showing the growth of the ocean trade of our chief city as indicated by the steam tonnage and principal exports of each of the two periods named :

	Steamships	Tonnage.	Bush. grain.	Pkgs butter, cheese, &c.
1857.....	3	6,000	1,000,000	9,800
1879.....	20	66,000	20,000,000	70,000

These figures of grain and provision export are up to 30th October of last year, and doubtless were much increased before ice closed the channel, while in addition to the ships of the Allan Line, there are the fine ships of the Dominion, the Temperley and other lines which go to swell the tonnage of the port. The figures are "very striking, and they prove the greatness of our producing power."

QUEBEC, MONTREAL, OTTAWA & OCCIDENTAL RAILWAY.

Last winter the North Shore Railway was inaugurated for traffic between Quebec and Montreal. This event was a source of great pleasure to the city of Quebec, after having waited so long, and after the heavy pecuniary sacrifices made to accomplish the project, for our citizens understood the vast importance of having, at all seasons of the year, a direct communication by rail to the western parts of our Province, and in due course with all the Western States, and to be placed in direct connection with the Pacific Railway now in course of construction. The advantages which will accrue to our good old city by this line of railway are too patent to everyone for me to dwell upon

them on this occasion. I will, however, merely content myself by repeating an opinion which has often before been expressed in this room, that this North Shore Railway, coupled with our magnificent Harbor works, which are fast advancing towards completion, cannot do otherwise than contribute largely to our prosperity, and we cannot do better than expect at an early date that a portion of that immense western produce will seek an outlet through our port. Although the road was opened for traffic last season, it was not yet permanently completed; but during the summer the road was ballasted and finished, so that freight and passengers could be carried over it with speed and safety. Our workshops have also been put under way, and are fast approaching completion. However, the North Shore Railway will only be a local line, and, as such, used for a local traffic so long as we are not immediately connected with other systems of Railways. To make this road an important one, we must have a connection at Ottawa with the Canada Central, which is to form a link of the Pacific. But, as the prospect of there being a more lively trade both in timber and lumber next spring, it can scarcely be considered that the present deep-water terminus of the North Shore is sufficient for the accommodation and shipment of a large lumber trade from the Ottawa. At the present time large barges are sent down direct from Ottawa and discharge here, in the stream, their deal cargoes. In the interest of the North Shore Railway, the line should be carried as soon as possible over the present embankment in the river St. Charles to the Breakwater, where there would be found plenty of room for piling deals. The rails should also be extended along Dalhousie street. As there is an immense quantity of deals shipped at various parts along the St. Lawrence, it would, I should think, be an easy matter for the North Shore Railway to carry deals down from Ottawa to Quebec. I think the line could be well utilized in this way. It would also be of a great

importance for the success of the Quebec, Montreal, Ottawa & Occidental Railway to have at once a line extending from St. Martin's Junction to Pointe Claire, which would place us in communication, through the Grand Trunk Railway, with all the Western States. Pending the completion of the Northern Pacific, we could, by this line at Pointe Claire, have an access to all the great railways of the United States, and to Manitoba through American territory over their railways, or by water courses through our great lakes for a great part of the way. I think the Government should, in the interest of the road which has been built at such a heavy sacrifice, considering our limited resources, lose no time in making this small line, which is only a few miles in length, over a fine level country, and the cost of which would probably not exceed \$50,000. The benefits likely to arise from this short link are so evident that the cost of this line would be nothing in comparison with the increase of traffic which would be sure to follow it.

ST. MARTIN JUNCTION.

Very few people in Quebec seem to have noticed with any particular attention the very judicious decision of the Local Government to carry out the eastern extension of the Q. M. O. & O. Railway from Terrebonne to St. Martin, instead of from Terrebonne to Hochelaga, as was contemplated at one time. You will, perhaps, remember that the Council of the Board of Trade took very active steps in this matter when the question of an eastern terminus was being agitated. The rival interests of the cities rendered the settlement of the question a difficult one. Quebec was in favor of an extension from Terrebonne to Ste. Thérèse, whereas Montreal insisted that it should be carried on to Hochelaga, basing its pretensions on the ground that its

million has been subscribed on the condition that the eastern terminus should be in Montreal by a separate route, and not by Ste. Thérèse. Although the Council of the Board of Trade here was strongly advocating the construction of the line to Ste. Thérèse as offering the shortest and most direct route to Ottawa, having the advantage, besides, of offering the certainty that with this short link, about 10 miles over a fine level country, which could be built at a very small cost, we would at once be placed in communication with the western portion of the line. Still out of four routes which had been submitted to the Commissioners for their approval, your Council was under the firm belief that, in the interests of the Province, the best line to adopt was that *via* St. Vincent de Paul to St. Martin. The distance to Ottawa by this line was greater than by Ste. Thérèse, but was less to Montreal. At the time, the Council did not insist upon this line, as they were anxious to have the road open for traffic at the earliest date possible, and that could be accomplished sooner by Ste. Thérèse. Had the line been extended from Terrebonne to Hochelaga, it would have taken a year or two to build, besides the disadvantage of going over a very difficult grade, and reducing the eastern road to a mere local line, which would have served at the best for a local trade. Such would have been our lot had the line been built as was contemplated at one time. It must strike any unprejudiced mind that it was simply ridiculous, for the sake of pleasing a certain influence, to have built almost two parallel lines, one to go into Montreal and another to come out, making the distance greater than was necessary, so that all through trains to and from Quebec would have been obliged to go out of their way some 10 miles on one side and 10 miles out of Montreal, when a short line either at Ste. Thérèse or St. Martin would have obviated all these difficulties. A change of Government taking place about this time was the means of altering the policy

which was about being carried out. The new Government, in order to solve the question in a satisfactory manner, called to its assistance an eminent engineer well known for his impartiality in these matters, with instructions to survey the projected lines and to report upon them. The report of this engineer declared himself as highly favorable to the St. Vincent de Paul line, which recommendation was finally adopted. Any one reading Mr. Shanly's report and looking at the tracings which are annexed to it, will at once be able to judge for himself as to the correctness of his views. Thus ended a controversy which at one time it seemed impossible to decide, on account of the rival interests at stake. The policy of carrying on the road from Terrebonne to Hochelaga seemed to satisfy neither party. These questions have, however, been satisfactorily settled by the decision of the engineer. The great advantage of the route adopted is that at St. Martin we are in close proximity with Pointe Claire, where passes the Grand Trunk line, the distance being only some 9 to 10 miles, as I have already said, between the two points, over a fine level country. As I have already pointed out, in the interest of the Province, and in the interest of the whole road, this short link will have to be built, whether the Government retains possession of the road or whether it passes into the hands of a syndicate. No power on earth will prevent, at some time or another, this short link from being built. To attempt to do so would be suicidal. If the Government does not build it, it will be done by private enterprise. In fact I understand that a private company is anxious to obtain a charter for its construction, but I do not think the Government would allow the control of this short link to go out of its hands when the cost of it is insignificant, as compared with the additional traffic which would be sure to accrue from the connection. Your Council, knowing the importance of having this connection made at the earliest date possible,

has memorialized the Government to that effect, and hopes that their suggestion will be duly taken into consideration. They are confident that such a useful enterprise for the Province cannot do otherwise than strike the Government with the necessity of its being immediately carried out. Pending the construction of the Pacific, it would at once put us in connection, *via* the Grand Trunk Railway, with the whole system of American railways. The thanks of this community are due to the late Government for the happy solution of a question which, if carried out otherwise, would have been very prejudicial to the best interests of our national highway.

Before closing this article, I may safely say that we are also greatly indebted to the former Government for having adopted the Terrebonne line in place of the Bout de l'Isle as intended by contract. So that one Government has the credit of adopting a route to Terrebonne more suitable as far as Terrebonne, the other for having continued the eastern terminus to St. Martin instead of from Terrebonne to Hochelaga. Both Governments are therefore entitled to our thanks.

LEASING OF THE NORTH SHORE R. R.

Upon this question, as you are aware, your Council took an active part. In accordance with a motion passed at our quarterly meeting, which was held in May last, your Council had the honour of addressing the Honorable Mr. Joly on this subject, praying him not to lease the road till completed, and till the Government had ascertained, by running it a short time, what revenues might be expected from it; and, finally, instead of handing it over to a private syndicate as was intended, that the lease should be offered to public competition. No doubt that the representation

made by our Board, must have had its due influence with Mr. Joly's Government, for the intention of leasing it for the present, was abandoned, and upon doing so, the Honorable Premier declared that he had yielded to the influence of men whose opinions were well worthy of consideration.

COTEAU BRIDGE QUESTION.

A few days after our annual meeting, your Council's attention was directed to a Bill, presented during the last Session at Ottawa, intituled: "An Act to amend the Coteau Bridge Act," and the Act amending the same. As this Bill was supposed to effect our general railway system, your Council, feeling the importance of the question, at once called a special public meeting, at which a motion was passed urging the Council of the Board of Trade to oppose the passing of the Act. Petitions were at once sent to the various branches of the Federal Legislature. However, notwithstanding the strong opposition that was manifested both in and out of Parliament, notwithstanding the expression of opinion against the scheme by various corporate Boards of Trade, the Bill was passed through its various stages, with one amendment, which was the important one that the construction of this Bridge at Coteau, should not be erected without the consent of the Governor in Council. I must say that at the time your Council took action in the matter, the public did not seem to attach any interest to the question, which was one of vital importance to our railway system. This was, perhaps, because the public mind had not been directed to it, and people had not had time to become familiar with the object of the Act. It is, perhaps, desirable that I should say a few words which will serve to place the question in its true light before the members of this Board, although, after all that has been said by the press of late, it is hardly necessary

that I should dwell much upon this point. The Bill passed during last Session, had for its object the amalgamation of the Coteau and Province Line Railway and Bridge Company, and the Montreal and City of Ottawa Junction Railway Co., under the corporate name of the "Canada Atlantic Railway Co." This line would extend from Ottawa City to Coteau Landing, some 37 miles West of Montreal, on the North side of the River St. Lawrence, where the Company intends building a Bridge across, to connect with a line extending to some point on the Northern boundary line of the State of New York or in the Town of St. Johns. One important objection to this Bill is that the building of a bridge at this spot would be an impediment to the free navigation of the River St. Lawrence. However, upon that point the best engineers are not in accord, some pretending that there would be no obstruction by this bridge, and others pretending the contrary.

The other arguments brought against the Coteau Bridge are; that a very large sum of money has been invested by the Dominion Government in building the Intercolonial Railway, which now affords a winter port at Halifax; that the Government is also engaged in expending immense sums in constructing the Canada Pacific Railway, and the Government of the Province of Quebec has also made large pecuniary investments in building up a railway system that will connect with the Intercolonial Railway and practically continue the Canada Pacific Railway to all summer and winter ocean ports of the Dominion or the Atlantic Sea Board.

That after all these pecuniary sacrifices, for which we will have all to contribute, it would be bad policy on the part of the Government to permit the construction of a bridge which would have the effect of diverting from our national highways in the Dominion to American lines the traffic which would seek an outlet by our railways and

water-courses, not only the present traffic coming from the Ottawa region, but also that traffic anticipated from the lines now under construction, as well as those projected by the Government to the North-West.

It would most decidedly effect our interest in the North Shore Railway, for at an early date there will be a communication between this line and the contemplated terminus at Levis, the communication being effected by steamers, which will carry railway cars over the river such as is done in other parts of our Continent. Such are some of the principal objections against the passing of this bill. Since last Session the promoters of the scheme have been at work and are using all their influence to obtain the authority required for building the Coteau bridge. Under the circumstances your Council thought it desirable to again send to the Governor General, the House of Commons, and the Senate, a copy of the petition sent on the 12th April last, accompanying the same with a letter urging the views of the Council on the subject. It is to be hoped that the scheme will not be carried out, as it would be so injurious to our railways and our river interests, which are under Government control, and which will have to be supported by all the inhabitants of the Dominion of Canada in the shape of direct and indirect taxation, so that the less traffic we have for our public highways, the heavier the burden upon us, whereas a large volume of business means lighter responsibilities for ourselves. Before concluding this article, the following figures may not be without interest to the Board :—

	Miles.
From Coteau to Montreal.....	37
“ Montreal to Rouse's Point.....	50
	<hr/>
	87
From Coteau <i>via</i> the new route.....	50
	<hr/>
Against Montreal	37
	<hr/> <hr/>

If other parts of Canada were to be benefitted or to derive any advantages, the case would be different ; but unfortunately only American railways would benefit by the scheme.

As regards the Northern Pacific, the consequences would be more serious.

The American Pacific gives the following distances :—

	Miles.
San Francisco to Omaha.....	1,911
Omaha to Chicago.....	492
Chicago to Buffalo.....	540
Buffalo to New York.....	298
	<hr/>
	3,241
San Francisco to Boston.	3,298
	<hr/> <hr/>
	Miles.
To Boston by the American Pacific.....	3,298
To Quebec by the Canadian Pacific.....	3,001
	<hr/>
Difference in favor of C. P.....	297
	<hr/> <hr/>

The Canadian Pacific will give us an advantage of 297 miles over the American route, and will pass where the Americans can draw the traffic to their advantage. If we open the way, they will not be long in taking advantage of it. With the Coteau Bridge, let us see what will be the result :—

	Miles.
From the Pacific terminus at Ottawa.....	2,746
“ Ottawa to Rouse's Point.....	128
“ Rouse's Point to Rutland <i>via</i> Delaware.....	93
“ Rutland to Boston <i>via</i> Fitchling.....	168
	<hr/>
	3,135
	<hr/> <hr/>

	Miles.
Old Boston Route.....	3,298
New " "	3,135
Gain.....	<u>163</u>

Therefore, with this bridge, the difference between Boston and Quebec, instead of being 297 miles, will not be more than 134 miles. As freights from Boston and New York are always cheaper than our Ocean freights here, the difference would be absorbed by lower freights.

TELEGRAPHIC EXTENSION IN THE GULF AND ISLANDS OF ST. LAWRENCE.

For several years past, the Council of this Board has been alive to the necessity of a more extended telegraphic communication in the Gulf and Lower St. Lawrence, and from time to time the Government of the day has been petitioned on this important subject. On occasions, this telegraphic extension was one of the subjects which our delegates brought prominently before the Dominion Board of Trade at their annual meeting.

Last year, on learning that the Honorable Dr. Fortin had, at the request of the Montreal Board of Trade, addressed a public meeting under its auspices, your Council at once requested the honorable gentleman to deliver a lecture here. From the long experience which the Honorable Dr. Fortin had acquired of the wants of the Coast and Islands of the Lower St. Lawrence during the time he acted as magistrate over these parts, and from the deep interest he has always manifested in favor of the scheme, the lecture could not be otherwise than interesting. The honorable gentleman acquitted himself of his task to the entire satisfaction of his audience, and his information embraced the whole subject.

Your Council being fully aware of the advantage it would be to our commerce, and to all those engaged in maritime interests, did not hesitate to secure the services of a first-class stenographer, in order that the speech of the honorable gentleman should be produced as it was pronounced. Besides, a subscription was got up amongst the members of the Council and some outside gentlemen to make up a sum of \$100, whilst the Montreal Board of Trade also furnished a sum, which together would defray the expense of getting this address in pamphlet form, to which was attached a plan, showing the intended system of telegraphy which the honorable gentleman had in view.

This pamphlet was extensively distributed to various parts of the Dominion, to the different Boards of Trade, and to Members of Parliament, in order to give every one interested in the maritime interests of the country, the opportunity of becoming acquainted with the subject. Thanks to the favorable reception given to this pamphlet, thanks to the influences of the various Boards of Trade which was brought to bear upon the question, and the kind support of the Honorable Members of the Federal House, and finally, thanks to the energy and activity of the Honorable Mr. Fortin himself, the Government having become fully aware of the necessity of this telegraphic extension, intended to render more secure the navigation of the Lower St. Lawrence, placed a sum in the estimates, \$15,000, of an annual subsidy, representing about \$200,000, which sum, although insufficient to embrace the whole scheme, as suggested by Dr. Fortin, will permit, in the meantime, a commencement, by constructing the lines which are more immediately wanted.

You see, gentlemen, that on this important point, your Council has not been neglectful of your interests, as they did not hesitate to impose upon themselves some pecuniary

sacrifices, in order to give such an important subject as much publicity as possible, and our delegates at Ottawa did all they could to bring the matter before the Dominion Board as prominently as the case required.

CANADA CENTRAL EXTENSION.

Of late the subject of a new line of railway to connect Minneapolis and St. Paul with tide water at Montreal and Quebec *via* Sault Ste. Marie, has been brought prominently before the public by the Montreal Board of Trade, and also by our own Board. The line to Sault Ste. Marie would, for the present, be as follows:—Quebec, Montreal to Ottawa by the Q. M. O. & O. Railway, thence by the Canada Central, and onward by Canada Central extension to a point a little north by east of Lake Nipissing, the probable eastern terminus of the main line of the Canada Pacific Railway. The railway bridge at Ottawa will be soon completed, and the Canada Central extension to Lake Nipissing, it is understood, will be finished in September, 1880. The line from Lake Nipissing to Sault Ste. Marie (225 miles long) can, it is said upon good authority, be built in two years. It will, no doubt, receive early attention, and there can hardly be a question as to its being efficiently aided by the Dominion Government. When the Q. M. O. & O. Railway is carried onward, as contemplated, to Portage du Fort, there may be a connection made with the Canada Central that will shorten the distance to Lake Nipissing by 28 miles. It is also believed that the line from Lake Nipissing to the Sault will be 20 or 25 miles shorter than the distance noted above.

Montreal to St. Paul *via* G. T. Railway

from Montreal to Chicago is..... 848 miles.

Distance from Chicago to St. Paul..... 411 “

—1259 miles.

By an almost air line from Montreal to Sault Ste. Marie, the distances are :

Montreal to Lake Nipissing.....	366	miles.
Lake Nipissing to Sault Ste. Marie.....	255	"
Sault Ste. Marie to St. Paul (approximate)..	425	"
	—1046 miles.	

Difference in favor of Sault Ste. Marie route..... 213 "

For the accuracy of the information I have given above, I have relied upon an article on the subject which appeared in the *Gazette* of the 8th October last.

The advantages that would be derived by the construction of this projected line of railway can be easily ascertained by looking over a map and following the tracing which is intended to be adopted. However, to make the subject clearer, I will endeavor to point out as lucidly as possible some of the principal advantages which would accrue from the contemplated line.

This railway would place us, pending the construction of the North Pacific, in direct communication with our new Province of Manitoba *via* Quebec and Montreal during the season of navigation, thus affording a through traffic and facilitating an immigration movement from Europe to our shores, and thence to Manitoba *via* our railways and water courses, an immigration which would contribute largely to the prompt development of the vast resources of that part of the country.

Making the international connection at the Sault as closely as possible to Lake Superior would enable large propellers to reap all the advantages of the long season of navigation on that lake by plying between Duluth and Prince Arthur's Landing to the railway depot at the Sault, thus making so many more trips each season, than if they had to come down to Lake Huron to find a railway

connection for their east bound freight. By this arrangement the cost of transportation would materially be reduced, and the value of the products of our North Western Provinces would become more valuable.

In addition to a line from St. Paul to Sault Ste. Marie, which an American Company would be ready at once to construct, (at least it is understood so) provided we extend our own communications to the Sault, another line from Duluth close along the shores of Lake Superior, part of which is already completed and another under contract, would place us at an early date in direct communication with St. Paul and Minneapolis, the centre of the vast American railway system of the North Western States.

But apart altogether from the benefits which would accrue to St. Paul and Minneapolis as the future centre of a vast region of the North Western States from the extension of the Canadian railway system to Sault Ste. Marie, the advantages to Quebec, Montreal and Manitoba would be immense, being the shortest route from St. Paul and the North Western States to Liverpool, the difference in favor of the projected route being some 577 miles shorter than as at present *via* New York and other Atlantic ports.

The following figures will at once establish that fact:—

IV.—SHORTEST ROUTE FROM ST. PAUL AND THE NORTH WESTERN STATES TO LIVERPOOL.

The following comparison of distances will be of interest to the people of the North Western States:—

	Miles.	Miles.
St. Paul to Chicago.....	411	
Chicago to New York City.....	962	
New York to Liverpool.....	3,040	
	<hr/>	4,413
St. Paul (<i>via</i> Sault) to Montreal.....	1,046	
Montreal to Liverpool.....	2,790	
	<hr/>	3,836
Difference in favor of Montreal route.....		577

Therefore, it is evident that if a large portion of the traffic were carried by some other route it would naturally seek an outlet to the sea-board, in consequence of the shorter distance, *via* Sault Ste. Marie, and thence to Montreal and Quebec by the Q. M. O. & O. R. R., as soon as extended by the Canada Central to Lake Nipissing and Sault Ste. Marie.

I find, also, that the distance from Sault Ste. Marie to Winnipeg *via* St Paul, is 890 miles, whereas, by our own route by steamer and rail, the distance is 674 miles, making a difference of 216 miles in favor of the Canadian route.

The travelling by water part of the way, during the summer months, would afford a pleasant relief to passengers after the tedious fatigues of a long journey by rail, and many would be induced to take this route for a change.

This shorter route would, naturally, draw the traffic from the Province of Manitoba through that line.

Independently of the obvious advantages accruing to Canada from having an independent connection with its North Western Provinces at an earlier date, there are many others which it is needless to enumerate, as what has been already said ought to convince us of the utility of the project, but I will merely add that the very fact of our being in direct communication with the largest and richest grain-growing States, and the most fertile territories of the North Western States, cannot do otherwise than prove of an immense benefit to our railway system, and the cost of the projected scheme would amply repay its cost by the increased traffic that it would bring to our railways, if adopted as one of the principal outlets to the sea-board, as it certainly would be when it is considered that it is the most direct and the shortest route to sea, both from Manitoba and the North Western States. In conclusion, I may

say that there is a formal assurance from the two important cities of Minneapolis and Duluth, Minnesota, that a railway connection with Canadian lines at Sault Ste. Marie, would be sure to secure the transport of the breadstuffs which are now following other channels not so direct as the projected one.

Your Council, duly impressed with the great and important advantages of the project, petitioned the Governor-General, and both Branches of the Legislature to give the subject their favorable consideration.

There are several private companies anxious to obtain acts of incorporation for the purpose of building this line, but it is suggested that it should either be subsidized, or built by the Government, in order that it should have the control of it, in conjunction with the other railways.

INTERCOLONIAL RAILWAY TERMINUS.

The Council of the Board of Trade being strongly impressed with the opinion that to render the Intercolonial Railroad an effective part of the great national highway of this Dominion, it is absolutely necessary that this road, for through traffic, should not be dependent on mutual arrangements with another Railroad Corporation, addressed, last year, a memorial to the Minister of Public Works, praying the Government to complete the Western section of the Intercolonial Railroad by acquiring control of a line from its present terminus at Rivière du Loup to a point opposite Quebec. Since the sending of that memorial last year, the Government has acquired from the Grand Trunk Railway that part extending from Rivière du Loup to Hadlow, but no steps have been taken as yet to secure for the Intercolonial Railroad a more convenient terminus than that at present in use. I understand that the Intercolonial Railroad has now the right of way, by purchase, from Rivière du

Loup to Hadlow *via* Chaudière, a very roundabout way to reach Quebec, making an additional mileage of about 20 miles for traffic and passengers to and from Quebec, besides having to use the Grand Trunk Railway line from Hadlow to Levis.

Your Council, under such circumstances, and upon a question of this kind, which interests the trade and commerce of Quebec, specially after considering that in addition to our own interest, it was also to the advantage of the whole Dominion, to have a terminus located in a more convenient place in the Harbour of Quebec, and also to have a more direct connection with the Intercolonial than by the present roundabout way at the Chaudière, decided to take immediate steps to bring the subject in a tangible form before the Government, and in order to give it as much weight as possible, a Committee was named for the purpose of getting the Levis Board of Trade to act jointly with us. Our negotiations with the Levis Board resulted in the formation of a Joint Committee being appointed, with instructions to frame a memorial subject to the approval of the Councils of both Boards. This memorial, pointing out the necessity for the commerce and trade of the Dominion to have a better terminus at a more commercial place and in a more direct communication with the main line, was duly drawn up and sent to the proper constituted authorities at Ottawa. For your information I will read a copy of the very document which was drawn up; by it you will at once see the principal reasons which have induced your Council to move in the matter.

The subject is a very important one, and should on no account be lost sight of, and I am sure that as soon as the Government is fully impressed with the necessity of having a better deep water terminus opposite Quebec, they will not hesitate to take the matter into their favorable consideration. The Government will easily understand that

it is in the interest of the Intercolonial Railway to be in as direct communication as possible with our North Shore Railway terminus, which, ere long, and when our magnificent Harbor Works will have been completed, will be the termination of one of our principal highways to the sea board *via* the St. Lawrence in the summer, and by the Intercolonial to Halifax in winter. The navigation of the St. Lawrence from one shore to another being now an established fact, it would be easy to have a constant access from one shore to another for freight and passengers by means of suitable steamers of the tonnage and strength to suit the exigencies of the traffic.

(COPY.)

THE JOINT PETITION OF THE QUEBEC AND LEVIS BOARDS
OF TRADE;

Humbly sheweth :

That the Dominion Government, having purchased from the Grand Trunk Railway the Line from Hadlow to Rivière du Loup, it is now in the public interest of Canada that the Intercolonial Railway should have a deep-water terminus at Levis, opposite to the City of Quebec, by a branch line running from the Station in the Parish of St. Charles *via* Indian Cove;

That such a connection with deep water would materially increase the traffic of the Intercolonial Railroad, as it would save the expense and loss of time in running the train round by Chaudière Junction. It would also prove of great advantage to the Intercolonial Railway to have easy communication with the Port of Quebec, especially after the extensive Harbor Works now in course of construction will have been completed, as they will certainly favor the development of the Trade of the Dominion;

That it would greatly facilitate the Intercolonial Railroad in commanding the traffic which will soon flow from the Quebec, Montreal, Ottawa and Occidental Railway, seeking a direct course to the sea-board, especially during the Winter season;

That it is of national importance to direct that traffic to Halifax, the Winter Port of the Dominion ;

That in the near future, the Federal Government will most probably acquire possession of the Quebec, Montreal, Ottawa and Occidental Railway, in order to control and operate a continuous line of railway from the Atlantic to the Pacific ;

That to complete this great national work, the connecting link indicated between St. Charles Station and Levis, will be necessary, in order to facilitate communication between the shores of the St. Lawrence River at Quebec, and will obviate the permanent inconvenience of uselessly running the trains over eighteen miles of road.

That the Corporation of the Town of Levis have informed the Levis Board of Trade, that they would assist the proposed undertaking, in granting to the Government easy terms for the right of way on their property, and for such part of their property as the Government may require for the construction of a station and freight sheds ;

That for the aforesaid public reasons, the Quebec and Levis Boards of Trade most humbly pray that it may please the Dominion Government to take such measures as may secure the construction of the said branch line of railway from St. Charles to Levis *via* Indian Cove, at an early date

And your petitioners will ever humbly pray.

Signed on behalf of the Boards of Trade of Quebec and Levis.

Quebec, 22nd November, 1879.

(Signed,) JOSEPH SHEHYN,
President,
Quebec Board of Trade.

(Signed,) JULIEN CHABOT,
President,
Levis Board of Trade.

(Signed,) F. H. ANDREWS,
Secretary,
Quebec Board of Trade.

(Signed,) L. G. DESJARDIN,
Secretary,
Levis Board of Trade.

To the
HONORABLE CHAS. TUPPER, C. B.,
Minister of Canals and Railways,
Ottawa.

GENERAL HEWSON'S LECTURE.

The Historical Society of Quebec having invited General Hewson to deliver a lecture on his projected Pacific Railway line, the Council of the Board of Trade at once took advantage of his presence in our city to invite him to deliver a similar lecture under your auspices to our commercial community, in order to afford an opportunity to our business men of hearing him, previous to his departure, upon a subject which, if practicable, would be of an immense benefit not only to the whole Dominion but to our city in particular. General Hewson had intended leaving Quebec, but at our request he very kindly consented to remain over for the purpose of exposing his views on his projected line in order that we might form an opinion for ourselves as to whether it was deserving of our attention. I am sure everyone must have been highly pleased after having heard him, at the vast amount of information which he imparted to us, both upon the intended Pacific Railroad and also upon the line which he advocates as being superior in every respect. He clearly demonstrated that the line which is about being adopted, and of which several sections have already been given out, was very objectionable in many respects, both as to cost and as to its usefulness as a means of opening up our country to colonization. In fact, he showed us very clearly that the location of the present line was bad, and that in consequence of its passing principally through regions quite unfit for culture and settlement of any kind, it would not fulfil the object for which it was intended. According to his views, which appear to me to be sound, as they are based upon common sense, the construction of a road going over such regions as he described, would plunge our country into difficulties and the practical results of the enterprise would not be at all adequate to the immense expenditure involved. According to his views, the present line will cost the

country some \$130,000,000 to \$150,000,000, and all this immense expenditure would only serve to connect us with British Columbia, so that for the purpose of pleasing a few people we are called upon to sanction an expenditure of money which is quite out of proportion with our means. For as he says, where is all this money to come from? can we raise a revenue sufficient to enable us to borrow for the building of this road? or can we expect to build it by means of selling out the fertile lands through which this adopted road will run? It is proven on the contrary that no hopes of the kind can be entertained, as the regions for the most part through which it will pass are of no value for agricultural purposes. Of course I do not intend to go over all the ground which he covered during his lecture, as it would take more time than you have to devote to this subject on this occasion, besides you can obtain more knowledge than I could impart myself, from his lecture. I would therefore refer you to his pamphlet on the subject, and also to the excellent leading article of the *Quebec Morning Chronicle* of the 23rd December, which contains arguments more convincing than I could myself make them. By the reading of this article you will at once see for yourselves that the present line of the Pacific, if carried out, will never compensate us for the sacrifices we are called upon to make. I must say that, like others, I was carried away from want of knowledge with the fond hope that this Pacific Railroad was destined to work wonders for us all, but since I have heard General Hewson's views on this subject, I feel that we are going to undertake a route which is perfectly useless, so far as the object we had in view, that of opening up a rich and fertile part of our possessions is concerned.

According to the views expressed in General Hewson's Lecture, and in the editorial article of the *CHRONICLE*, which seem to be ably prepared, the following are the

chief points that have been made out ; that some \$5,000,000, the larger part of which has been spent in surveys, which the chief engineer admits, still leave us with a knowledge of the country very imperfect for construction purposes and utterly worthless for the purpose of realizing upon our lands, and also with a location defective in every particular. Out of a total distance of some 3,000 miles, it appears that upwards of 2,000 miles will be through an inhospitable, formidable and uninhabitable country, as the region between Lake Nipissing and Red River, the American desert, which extends some hundreds of miles into the Prairie Region, and from Yellow Head Pass to Burrard Inlet, in British Columbia, has been described, rocky and barren, bristling with tremendous mountains and fearful precipices, and offering no fields for settlement. That an outlay of some \$130,000,000, which will reach \$150,000,000 before final completion, is beyond the strength of the country, and that an average cost of construction of fully \$50,000 per mile of road is unwarranted by the requirements of a railway which, at first, should be a colonization road, to be gradually improved with the progressive settlement of the country, whereas it is stated that there are but 100,000 souls located in this immense territory, extending from Lake Nipissing to the Pacific. The next point dwelt upon, is the difficulty of raising the enormous sum of \$130,000,000, that so far some \$12,000,000 have been spent in surveys and in construction from Thunder Bay to Selkirk, and from Winnipeg to Pembina, which has been raised by loan. Is the balance to be so raised, at an average of \$10,000,000 a year ? Is this possible without bringing on a financial disaster ? It is also urged that such a road will never be able to raise enough to keep it in working order, and paying running expenses, that with a population of say 6,000,000 souls in ten years hence, it is not possible to keep up such an enormous expenditure, that perhaps after spending some 40 or 50 millions, the work will have to be abandoned,

leaving us with disconnected sections of the road. It is likewise urged that there is no well matured policy of fixed principles upon which this road is being built. Such are the principal points made out against the present intended Pacific line, and if all substantiated, they are of a nature to make us pause before we commit the country further to such an immense expenditure, especially when its desired ends are not to be obtained.

Let us now consider briefly General Hewson's Location. According to his theory, it will be far superior in every respect to the present location. 1st. It will be the most direct and shortest line from ocean to ocean. 2nd. It is estimated not to cost more than half the other. 3rd. It will open up a vast region of country quite fit for growing wheat, &c. 4th. It will be highly advantageous to Quebec and the whole Dominion. Such are the principal points that have been made out by the Lecturer, both in his pamphlets and in his lectures, delivered at the Historical Society's Rooms and before the Board of Trade. As all these points have been demonstrated by the lecturer himself, it is needless for me to dwell upon them. If his demonstration is proved to be correct, and if his propounded scheme will stand the test of verification, then there cannot be any hesitation as to the Government policy for the future. There is no doubt that the Location advocated by General Hewson bears the character of being the result of a carefully and well digested plan, and the conclusions arrived at seem to be based upon the reports of men of science who have explored these regions, and from others who have experience as to the topography of the country, its climate and the nature of the soil. On the whole, I consider General Hewson has made a good case, and his projected location of a national highway has, so far, the appearance of a feasible enterprise, much superior to the present adopted route. After the strong case that has been

made out against the adopted location, and the favorable demonstration made by General Hewson in support of his Pacific Railway plan, the question we have to solve is, are we to recommend the abandonment of the present line and the adoption of that of General Hewson. In my opinion, before coming to any conclusion on such an important subject, it is the duty of every one to calmly weigh all the points that have been made out, and if they are uncontradicted, I think in that case we may safely come to the conclusions that General Hewson's ideas as to the proper location for our Pacific Railway Line, are correct.

Some will, perhaps, say that it is now too late to come back upon a new plan, but if General Hewson's ideas can bear a scientific examination, and turn out to be in accordance with his statements, I think that argument falls to the ground, as it is better to at once abandon a scheme which will involve a loss of some 50 millions to the country. All that is asked by the supporters of Hewson's scheme, is that the question be well studied, and if, after a proper examination the verdict is in his favor, then they will ask the Government to suspend the works upon the present location, pending the verification of the ideas promulgated by General Hewson.

The Board of Trade in this matter does not endorse the policy of General Hewson's plan nor does it condemn it, but in inviting General Hewson to deliver a lecture, under your auspices, to the commercial community, its great object was to give to our commercial men an opportunity of hearing and judging for themselves of the value of the views promulgated by the lecturer.

At this public meeting a motion was unanimously adopted, the purport of which was a recommendation to the Council of the Board of Trade to study the matter and take such steps as they would decide upon after mature

deliberation. The Council has now the subject under consideration, and you may depend that they will endeavor in this case, as in all others, that no decision will be arrived at without all due precaution on their part.

In the meantime, I think the thanks of the general public are due to the Historical Society of Quebec for having first given us the opportunity of becoming conversant with General Hewson's plan of his projected national route, and to have been the means of raising a very important discussion upon a subject of such a vast and interesting point as the proper location of our Pacific Railroad line. Our thanks are also due to General Hewson for having kindly undertaken to impart to us his valuable ideas upon his projected railway route. The following articles from the CHRONICLE of the 29th January and 3rd February, on this subject, are full of interest :—

“ The first condition to the future successful working of a railway is a location through a country capable of yielding traffic. From the following brief description it will be seen at a glance how fatally defective is the location of our national railway in this particular .

The country through which the railway will pass has been broadly designated as three great regions—the Woodland, the Prairie, and the Mountainous. The first is comprised between Lake Nipissing and Red River, the second between Red River and the Rocky Mountains, the third between the Rocky Mountains and the Pacific Ocean.

From Lake Nipissing to Thunder Bay, a distance of over 600 miles to the immediate north of Lake Superior, the country is of a most forbidding character and unfit for settlement. For years the Government Engineers have been endeavoring to find a reasonably feasible route through it, but so far without success. From Thunder Bay to the Red River, a distance of over 400 miles, the country is but very little better, in great part covered with rocks and water. We thus have a location of over 1,000 miles through an uninhabitable country in the Woodland region.

Between Red River and the Rocky Mountains, we find the American Desert extending into Canada on a breadth of some 500 miles, and the location is through this desert, which is absolutely wanting in timber and water. It is stated that Colonel Denis, the Surveyor-General, has reported on these facts. Captain Butler says settlement in this territory will be attended with disastrous consequences: and Marcus Smith, confirming this, furthermore adds that the mass of the fertile lands lie far to the north in the Peace River District; we thus have a location of 500 miles through an uninhabitable country in the Prairie region.

From Yellow Head Pass to the Pacific stretches the enormous barren mass of the Rocky Mountains, rent asunder here and there by fearful chasms, and terminating abruptly in the sea. The location, having surmounted this formidable barrier at an elevation of 4,000 feet, winds its gloomy way to the sea through and along the sides of these mountains which overhang the waters roaring beneath in the canons of the Thompson and Fraser Rivers. The desolate character of this territory may be taken in at a glance when it is stated, that according to Marcus Smith, there are not 10,000 acres of arable lands along the entire route. We thus have a location of 500 miles through an uninhabitable country in the Mountainous region.

From the present location we therefore deduce the following facts:—1st, that our national railway will be carried for over 2,000 miles through a country which cannot by any possibility yield traffic for its sustenance after construction; and 2nd, that the Eastern Terminus is in truth fixed at the head of Lake Superior, at Thunder Bay, which virtually will hand over the traffic of the road exclusively to the American railways in winter, and to American ships equally with our own in summer. The connecting link between Thunder Bay and Lake Nipissing is a thing in the far distant future, as may be inferred from the immediate construction of a line from Lake Nipissing to Sault Saint Marie, which has been foreshadowed by Sir Charles Tupper in his late speeches.

Truly may the country in general, and the Eastern Provinces in particular, find matter for deep and anxious reflection in this location, and more particularly when it is considered, that upon it is based an outlay of \$130,000,000 of capital."—*Morning Chronicle*, 29th Jany., 1880.

The Council of the Board of Trade has memorialized the Federal Government, praying that the contract from Yellow Head Pass to Burrard Inlet, in British Columbia, be not awarded till further surveys have been held to ascertain if a better route could not be found.

It is quite possible that the whole of General Hewson's route may not be as favorable as stated; but whether it is acceptable or not is not altogether the question to be solved at this moment. It may be an imaginary air line, as it is styled by prejudiced parties, but even at the worst it is no reason we should spend uselessly \$150,000,000 over the present intended route merely to suit the interests of a few people, and to go into an enterprise for which we are going to plunge the country into debt. The following appeared on this head in the CHRONICLE of the 3rd Feby., 1880:

"The second condition to the future successful working of a railway is an outlay of capital in keeping with the requirements of the road. From the following it will be seen at a glance, how fatally defective has been the policy in this particular since the inception of this great national scheme.

The total cost of construction we work out as under.

The section from Thunder Bay—at the head of Lake Superior—to Selkirk—on the Red River—Sandford Fleming admits—at page 22 of his report for 1879—will cost \$44,000 per mile "as far as it can now be ascertained." The original estimates having been exceeded in execution by 52 per cent—a fact brought out by Senator Macpherson—we are fully warranted in setting down the final average of this section at \$50,000 at least. The tenders lately received for the four sections, 125 miles in length, from Yale to Kamloops in British Columbia, exceed \$80,000 per mile, exclusive of rails, rolling stock, engineering, &c., &c.,—simply for the road bed. A foot note at the bottom of the printed form, purports, that part of the quantities set forth are only rough approximations, part simply conjectures. On the face of the tender the Government openly admit their complete ignorance of the nature and extent of the

works for which they call for tenders—and also, that the country is to be handed over to contractors and engineers, who will, at a later day, settle amicably among themselves what shall be the true cost of this precious piece of business, if indeed it ever be undertaken. Should the original estimates in this case be overstepped in course of execution, in the same ratio as in the case of the Thunder Bay-Selkirk section, the final average per mile for these 125 miles would reach over \$150,000 per mile. We may, therefore, with perfect safety, fix an average of \$100,000 per mile for the section from Yellow Head Pass to Burrard Inlet. Estimates have been figured up, ranging from \$30,000 to \$90,000 per mile for the section from Thunder Bay to Lake Nipissing. As this country is far more difficult than the country from the head of Lake Superior to the Red River, and as the Government have recoiled from this task, a final average of \$70,000 per mile for this section will certainly be found to be within the truth should it ever be built.

Construction from Red River to the Rocky Mountains, through the Prairie Region, we will establish at the moderate figure of say \$20,000 per mile, which again we may observe will turn out to be under the mark in practice.

We sum up:

Lake Nipissing to Thunder Bay, 630 miles, at \$70,000 per mile.....	\$ 44,100,000
Thunder Bay to Selkirk, 410 miles, at \$50,000 per mile.....	20,500,000
Selkirk to Yellow Head Pass, 1043 miles, at \$20,000 per mile.....	20,860,000
Yellow Head Pass to Burrard Inlet, 493 miles, at \$100,000 per mile.....	49,300,000
	<hr/>
	\$ 134,760,000

That these \$134,760,000 will swell up to \$150,000,000 by final completion is very likely indeed, judging from past experience.

Now, when it is considered:—1st. That this railway is to be built through well nigh two thousand miles of an almost uninhabitable country, as explained in our article entitled "The Location." 2nd. That at this moment there are not 100,000 souls living in the immense territory

stretching from Lake Nipissing to the Pacific, and that this vast region cannot be settled up to any appreciable extent within the next twenty years—and 3rd. That under these circumstances the railway should, of necessity, be constructed as a colonization road, to be improved as its traffic develops, and not as a great trunk line through an old, densely populated, and wealthy country like England, it will be evident to every impartial mind, that capital is being recklessly and uselessly squandered on construction, and that the finances of the country are being imperiled. The secret to success in business is the application of the least amount of capital to produce a given result. How many great projects have been hopelessly over-weighted by lavish and uncalled for outlays of capital: and in no field has this been exemplified to the same extent as in railway enterprise, a point alluded to in the Chief Engineer's report for 1879.

The people of the Dominion in general, and of the Eastern Provinces in particular, will do well, ere it be too late, to examine closely into the policy governing this great work, a policy under which their best interests are being so completely ignored, and upon which is based an outlay of over \$130,000,000."—*Morning Chronicle*, 3rd February, 1880.

By the present route, such as the one adopted by the Government, the Eastern Provinces are called upon to contribute for a few people of the Western portion of our territory to build a railway, which will not, after all, be a national highway, as the great part of the way is unfit for settlement of any kind. It will merely serve to connect British Columbia with us, at a cost of \$150,000,000, which in that case will be rather an extensive toy.

DOMINION BOARD OF TRADE.

This year the Dominion Board of Trade meeting having been postponed, it has not been necessary for your Council to call a special meeting for the purpose of electing

delegates and submitting the subjects to be discussed, for your approval at this meeting.

There are other subjects which have had the attention of your Council, but as this address has perhaps occupied more time than you are willing to devote on this occasion, I have reserved them for your next meeting. You see that your Council has not been idle during the past season. The subjects which have had their consideration have not been numerous, but their importance makes up for the quantity.

I am afraid that I have occupied more of your time in the delivery of this address than I should, but my only excuse is that I have endeavored to make it as interesting and as important as I could; therefore I think I am entitled under the circumstances to a little indulgence on your part. I think you will easily forgive me when you come to reflect that this address involves a considerable amount of work and labor to furnish you with all the facts and figures it contains.

I have annexed to this address several very interesting articles bearing upon the general move of our products during 1879; also, an article on insolvencies for last year, and one upon our Railways in the Dominion, showing the number of miles completed and in operation, &c., all taken from various numbers of the *Journal of Commerce* and *Monetary Times*, two excellent trade reviews published in this country. Without wishing to detract in the slightest way from the value of our local press, I cannot do otherwise than say that both of these Reviews are very useful to a business man, from the vast and valuable information which they contain upon all questions bearing upon financial, commercial, and industrial subjects, as well as the figures and statistics upon all business questions. I must admit that I have followed them with pleasure and have derived a real benefit from the perusal of the articles which they contain.

You will be kind enough to bear in mind that I am far from pretending that my address offers the characteristic signs of a literary essay, or that its composition has been all I would desire. My great object has been to present you with a series of facts and opinions upon all such questions as I thought would be of some interest to you, irrespective of style and form; besides, you can easily understand that owing to my numerous occupations, it is quite impossible for me to devote very much time to questions outside of my own direct business. My sole desire in this instance has been to give the Board of Trade, of which I am the President, all the importance which it deserves. Therefore, under the circumstances, I feel confident that the general public and the members of this Board will grant their indulgence to the motives which have actuated me in this instance. My great aim has been to discharge faithfully the duties appertaining to my charge as President, and if I have succeeded in pleasing you all, I shall be amply repaid for all the work and labor which this address has cost me.

THE HARBOUR WORKS AND GRAVING DOCK.

The progress made with the Harbour Works, and with the Graving Dock at Point Levis, deserves notice among the important subjects already discussed.

The Harbour Improvements in the River St. Charles were commenced under contract in May, 1877, and have made a proportionate periodical approach towards completion as each season advanced and closed to the end of the third year of progress, 1879.

It is now apparent to all, since the completion of the North Shore Railway, a contemporary work by accidental coincidence, what an important aid these works will

become in the development of our Trade, and I am happy to notice the progress made so far, as justifying a belief in their final and satisfactory completion.

In the first season of 1877, little beyond preparatory work was perceptible, but in the year 1878, the greater part of the deep-water crib-work was laid in position and concreted up, in that part of the embankment forming the Quay Work of the Tidal Basin.

The season of 1879 now closed, has again been marked by clear results, in work which has given satisfaction, and maintained its reputation as to stability.

The stone wall on the superstructure of the Tidal Basin has been carried higher than the tidal range nearly its whole length of 1250 feet, and to coping level for a length of 150 feet, the walling in rear being constructed of Portland cement concrete.

The Wet Dock section piling has been driven for a distance of 1500 feet, or nearly half the entire length, and backed up by cribwork caissons and concreted in. During the season 7000 cubic yards of concrete have been laid below low water, and 4,514 yards above low water behind the masonry.

The dredging in all, for the three seasons, has amounted to 345,000 cubic yards.

One marked feature of the work now nearly complete is the line of outside cribwork on the northern face, forming a breastwork enclosing the entire area of 4,500 feet in length.

The Graving Dock is making more progress during the winter than the other works. The contractors having quarried and dressed 26,000 yards of stone for the inverts, walls, timber slides and circular head, at St. Vincent de

Paul. During the season, 16,000 cubic yards of excavations had been completed in the Dock pit, and the wing wall foundations put in and concreted up.

The successful completion of these works seems now therefore to amount to certainty. With a reasonable prospect before us of connecting by Railway Ferry the North and South shores of the St. Lawrence through these walls, we may fairly look forward to a material improvement in our commercial condition and future prosperity.

THE RAILWAYS OF THE DOMINION.

(From the "Monetary Times.")

The railways of the Dominion are steadily increasing in number and importance. Whilst progress has been slow in other directions during the last four years, our railway system has continued to expand faster than in most other countries during prosperous times. The latest returns issued by the Government last summer, have been but tardily distributed, and instead of the fiscal year 1879, it is only the previous year's figures we have to notice. The return contains the complete Railway statistics of the Dominion up to the 30th June, 1878, the latest available, and they are of interest as bearing upon our material progress.

The mileage of the entire Railway system of the Dominion was as follows:—

Railways actually in operation	6,143 miles.
“ partly running,	721 “
“ under construction,	1,041 “
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Total mileage.....	7,905 “

During 1879 the mileage was only 7,571, there being 5,574 miles in operation, and 1,997 under construction. There were thus 569 miles more in operation during 1878, and 234 less under construction. Deducting from the total mileage the portions of the Grand Trunk or other

lines in the United States, the actual length of over fifty Canadian railways in running order is 5,915 miles, and the total length, both finished and under construction, is 7,678 miles—a very creditable exhibit for four millions of people to be able to make.

The amount of capital now invested in our Railways is \$360,617,816. This sum is double the entire public debt of the Dominion. By far the greater portion of the amount was raised by shares on Bonds, although the Government and Municipal aid has been considerable. The actual figures are as follows:—

Ordinary share capital.....	\$122,176,083
Preference capital.....	69,155,683
Bonded debt.....	83,710,939
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	\$275,042,705

Amounts of aid from—

Dominion Government.....	\$65,939,900
Ontario “	2,229,639
Quebec “	8,513,645
N. Brunswick “	2,730,000
Nova Scotia “	818,750
Municipalities.....	7,224,578
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	\$87,456,481

Less included in paid up securities.....	1,882,000	85,574,481
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Total capital invested.....\$360,617,186

It ought to be mentioned that the foregoing is the par value of all the securities issued by the different Companies, and that the actual capital received and expended by them was considerably less, as in some cases they were disposed of at a discount. Making all due allowance for this, however, the actual amount of capital now invested in Canadian railways is exceedingly large considering the circumstances of the country.

The nominal cost of constructing our railways—that is, taking all securities as sold at their full value—has been \$45,925 per mile. This is made up as follows: Ordinary share capital, \$15,583; preference shares, \$8,820; bonded

debt, \$10,677; and Government and Municipal aid, \$10,915. The actual cash expenditure per mile must, for the reasons already given, have been much below \$45,925 per mile.

Turning now to the traffic of Canadian railways, we find that the returns for 1878 exceed those of any previous year. The number of passengers carried was 6,443,924, equal to six per cent. more than during the preceding twelve months. The tonnage of freight handled was 7,883,472, an increase of 1,023,676 tons, or over 15 per cent. The total number of passengers and tons of freight carried by the principal lines during 1878 were as follows:—

	PASSENGERS.	FREIGHT.
Grand Trunk.....	2,025,737	2,387,942
Great Western.....	1,206,372	1,854,663
Intercolonial.....	618,957	522,710
Canada Southern.....	219,544	958,044
Northern.....	234,122	207,245
Midland.....	127,268	133,405
Toronto, Grey & Bruce.....	143,431	94,300
Toronto & Nipissing.....	99,140	100,814

All the railways increased the number of passengers they carried in 1878 over 1877, except the Grand Trunk and Northern, the former of which carried 2,477 less, and the latter, 18,240 less. In freights the Northern and Midland are the only roads whose tonnage declined. The Grand Trunk, Great Western, and the Canada Southern each increased their freight business by over 200 tons—the latter showing the largest gain.

The total railroad earnings for the twelve months was the handsome sum of \$20,520,078. How this compares with the preceding year can be seen at a glance by the annexed statement:—

	1878.	1877.
Passenger traffic....	\$ 6,386,325	\$ 6,458,493
Freight traffic	13,129,193	11,321,264
Mails and express.....	795,797	744,742
Other sources.....	208,763	217,554
Total.....	\$20,520,078	\$18,742,053

The increased receipts during the year were \$1,778,025, or a little over 9 per cent. The increase was almost

entirely in freight receipts. So far as the passenger traffic is concerned, the receipts declined to the extent of \$72,168. The earnings per mile were \$3,479 as against \$3,418, being an improvement of \$61 per mile.

It is gratifying to find that the operating expenses of the different railways also exhibit an improvement. The outlay on this account for the past two years was as follows:

1878.....	\$16,100,102
1877.....	15,290,091
Increase.....	\$ 810,011

This advance is only about 5.30 per cent, whereas the receipts augmented by 9.65 per cent. The operating expenses per mile of railway running, according to the official report, was \$2,734 in 1878 as against \$2,885 in 1877, or a decrease of \$151 per mile! According to this, the railways of the Dominion increased their earnings \$61 per mile during 1878, and did the work for \$151 per mile less.

The importance of this fact may not at first sight be fully realized, but it will be more clearly comprehended by placing side by side the receipts and expenses of the last two years:

Receipts.....	\$20,520,078	\$18,742,053
Expenses.....	16,100,103	15,290,091
Net profit on working.....	\$ 4,419,975	\$ 3,451,962

The increase of the receipts over the operating expenses in 1878 as compared with the preceding year is no less than \$968,013, or over 28 per cent. This is a very large increase, and speaks volumes for the judicious character of Canadian railway management. The net earnings would allow 2 per cent dividend upon the shares and bonded capital of the roads, but nothing on the Government or Municipal investments.

The only other point to which we desire to call attention at present in the list of casualties and here we can hardly be complimentary, as no less than 97 persons were killed, and 361 injured during the year. It is but justice to mention that only 11 of these were passengers. Placing the

casualties of the two years one against each other they compare as follows—the figures for 1878 being those first given :

	KILLED.	INJURED.
Passengers.....	11 to 5	25 to 18
Employees.....	45 to 45	390 to 257
Others.....	41 to 61	36 to 42
Total.....	<u>97 to 111</u>	<u>361 to 317</u>

These figures prove that whilst fourteen persons less were killed in 1878, no less than 44 more were injured, among whom were a largely increased number of employees. This is deeply to be regretted, and the increasing fatality among railway employees seems to point to some Legislative action be taken to make their employment less hazardous. The number of valuable lives lost through coupling cars, overhead bridges and railway frogs is legion, and calls aloud for the employment of some prompt and efficient remedy. Better dividends ought no doubt to be realized than have been obtained of late years. That is admitted on all hands. But it is gratifying at any rate to learn that during a period of great depression, there are at least some signs of improvement, both in increased traffic and in reduced running expenses. For some time past, it is well known some of our lines have been very busy, and the returns for 1879 when we get them should show an improved condition of revenues at any rate.

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