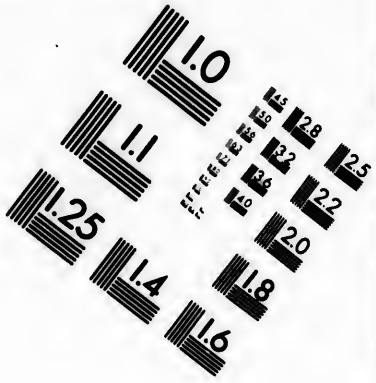

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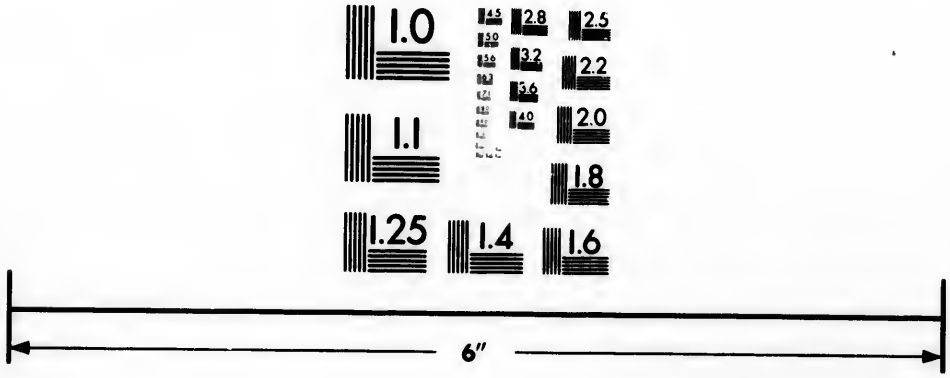

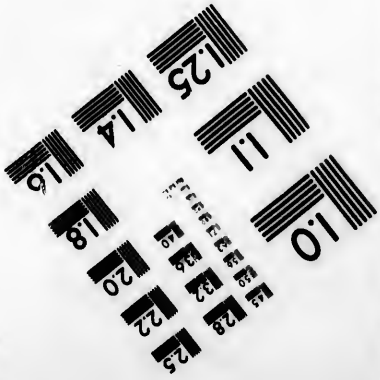

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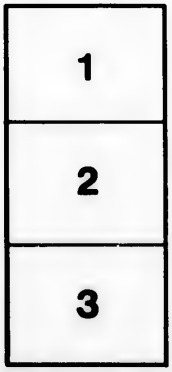

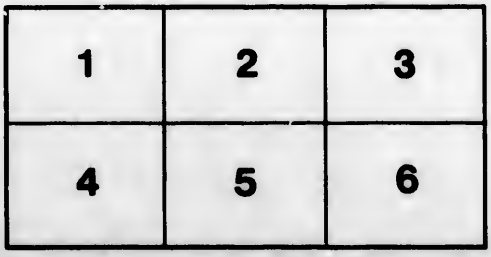

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A LECTURE DELIVERED BEFORE THE LITERARY AND
HISTORICAL SOCIETY IN QUEBEC,

ON

MARCH 20th, 1860,

BY

[illegible], Esq., M.P.P.,

[illegible]

RAILWAYS AND WATERWAYS

A LECTURE DELIVERED BEFORE THE LITERARY AND HISTORICAL SOCIETY OF QUEBEC,

ON

MARCH 19th, 1886,

BY

Jos. SHEHYN, Esq., M.P.P.,

President of the Quebec Board of Trade,

QUEBEC:
A. COTÉ & CO'S GENERAL PRINTING OFFICE.

1886.

RAILWAYS AND WATERWAYS.

LECTURE BY THE HONORABLE JOSEPH SHEHYN BEFORE THE LITERARY AND HISTORICAL SOCIETY.

"As already mentioned in the columns of the *Chronicle*, it was a very large and very influential audience that assembled on Friday in the Morrin College, under the presidency of Mr. Geo. Stewart, Jr., F.R.G.S, to hear the concluding lecture of the Literary and Historical Society's course for the present season. The lecture was on 'Railways and Waterways,' and was delivered by Mr. Joseph Shehyn, M.P.P., President of the Quebec Board of Trade. Mr. Shehyn has devoted very much time and study to the consideration of this important subject, upon which he has been considered for some time past,—and very properly so,—as an undoubted authority. Needless to say that he pursued the same line of argument throughout the lecture as in his voluminous addresses on the subject before the Board of Trade, showing that the freightage of American and Canadian canals is sensibly decreasing, in consequence of the competition of railways with the system of natural and artificial waterways."—*Quebec Morning Chronicle, March 19th*, 1886

After some introductory remarks on the natural reluctance he felt, in treating a subject which at best was always a dry one, better appreciated in pamphlet-form, by those who took an interest in such matters, than in the shape of

a lecture at the close of a most attractive and entertaining course, Mr. Shehyn briefly dwelt on its paramount importance nevertheless in this progressive age, when one and all are intimately bound up in the commercial and industrial prosperity of our common country, and went on to say :—

PROGRESSIVENESS OF THE AGE

Science in its application to trade and commerce of late years, has advanced with gigantic strides. Any one casting a retrospective glance at what trade and commerce were fifty years ago, as compared to what they are now, must be struck with wonder at what has been accomplished during that comparatively short period. We are living in a progressive age, and the manifest spirit, that prevails throughout the world, is to extend to their ulmost limits the material resources which man has any expectation of being able to turn to some account. Hence the immense progress that has been made in the development and extension of the world's commercial interests. But the efforts of mankind to utilize, as far as possible, what a kind Providence has placed within its reach, have been largely aided by the study and researches of our scientific men, whose pursuits in life have for object the diffusion and extension of scientific knowledge. It is due to their persistent efforts that we owe our present knowledge of what physical force can do when scientifically applied. It is due to our men of study, if we are in possession of so much mechanical science whose influence and power are still but imperfectly known to us all. But if we look back on the last fifty years of our existence, and take this period as an index, we must be convinced that it is beyond our present vision to form an estimate of what the future has

in store for the next generation. We can, however, all judge for ourselves what science has accomplished for us, in placing at our disposal a mechanical force which has almost revolutionized the trade relations of the world. Without such a motive power, the best efforts of man would have remained sterile ; never could the products of the world have reached our doors with that mathematical precision and despatch that signalize our present commercial relations. Without the mechanical appliances which have so powerfully contributed to the advancement and rapid development of all branches of industry, we would never have been able, unaided by such an auxiliary force, to extend, beyond a limited circle, the sphere of our operations. Indeed, what has science not accomplihed? Without it, where would be our present officiency in the art of manufacturing ? Without the scientific application of mechanical force, how could we ever have succeeded in creating a revolution in ocean navigation? without it, where would be that mighty agent of distribution, I mean the iron horse, which has on land created the same revolution as steam applied as a propelling power to ocean navigation ? Without it, where would be our telegraphic system, extending its ramifications not only over our land but likewise reaching the most distant continents, and our telephonic system which is yet only in its infancy, and whose future is full of promise ? Who knows what electricity has in store for us ? As a motive force it may at an early day supersede for industrial purposes our present mechanical appliances. It is to these combined forces that we owe the material progress of our age ; it is due to these mighty agencies if we are now in daily communication with the most distant lands and if the difficultiss, the

uncertainties and the dangers of ocean navigation have been overcome ; it is due to these agencies if we are to-day so intimately bound up by a community of interests. After this rapid sketch of the progressiveness of the age and the cause tnat have so much contributed to the diffusion of the world's wealth, I now turn to my subject proper, viz : the influence of railways on continental traffic and their bearing upon the natural and artificial watercourses of the United Stated States and the Dominion of Canada, including the question of canal enlargement for the purpose of attracting the western trade to the St. Lawrence route.

PAST USEFULNESS OF WATERWAYS

Before the days of railways, our waterways were the principal channels for the exchange of trafic, as well as for roaching the seaboard. Both from public and business men, they consequently received much attention with a view to their improvement, not only to afford additional facilities to a constantly growing domestic trade, but also under the then unquestionably correct conclusion that, with the removal of impediments to uninterrupted navigation, the great western traffic would ultimately find its way to the sea, through the great channel which Nature had mapped out for it in the River St. Lawrence. But this, as already said, was before the railway age, when no one dreamt of the important role the iron horse was destined to play, when all settlements were confined to the lakes and rivers, which then offered the best available means of summer communication between one locality and another, as well as to transport our surplus production to the sea-board in exchange for the wares of other countries, when the best lands of the interior were either utterly locked up or com-

paratively of little value, on account of their inaccessibility and distance from the distributing centres.

RAILWAYS INAUGURATE A NEW ERA.

Railways have changed all this. By their means, every part of a country is rendered accessible, no matter what may be its distance from a waterway or the seaboard. They have, indeed, become the great factors in the distribution of a nation's products, bringing closer together the producer and consumer and superseding to a very large extent all lake and river navigation. Of late years, lines of railway have been carried to the most remote parts of our own continent and have thus thrown open to trade and traffic areas of arable lands, which were previously considered inaccessible by the ordinary modes of communication. Railways have, in fact, become the great vehicles of transport in this hemisphere, as well as in all other civilized communities. Since their introduction in this country, there is no longer the same necessity for dependence upon water for communication with the markets and centres of distribution, and the result is visible in the progress of settlement even in the most distant parts of the interior and in the facility with which their products attain the sea-board in quest of a foreign market. In reality, railways have grown steadily in importance and have not only become the vehicles of local distribution, but are rapidly constituting themselves the great arteries of conveyance to the sea. As such, they are actually becoming not only serious competitors for the carrying trade, but are gradually driving out the competition of the water routes

EFFECTS OF RAILWAY COMPETITION.

Look at what the Grand Trunk has done! The Ontario Navigation Company, at one time a successful line, became paralyzed as soon as it had to compete with the Grand Trunk, and we know for a fact that, ever since its amalgamation with the Richelieu Company, the latter's stock has been quoted much below par. For years past, all the sailing craft on the lakes have barely managed to eke out an existence. In fact, all such investments, once regarded as very remunerative, are no longer reckoned profitable, the truth being that it is not wholly to want of water that we must ascribe the non-increase of the carrying trade which was altogether done formerly over the watercourses running parallel with the Grand Trunk, but rather to the latter's gradual monopoly of the business. Now, what has happened on our own waters? At one time, our Gulf Ports' Steamship Company had established a line between Quebec, Montreal and the Lower Provinces. They were gradually building up an important trade with our maritime neighbors and from year to year extending their operations. No doubt, in a very short time, the exchange of traffic with the Lower Provinces would have assumed very considerable proportions. But no sooner was the Intercolonial opened to the public than the Steamship Company had to retire from the field and to send their vessels to New York to find employment for them between that port and Bermuda, retaining only one on the Canadian route, where but shortly before they had seven or eight. No one will for a moment pretend that it was owing to insufficiency of water from the west down to the Lower Provinces that this line had to reduce the number of its

ships. Another effect of the Intercolonial was te drive out of the field all our coasters, which the Gulf Ports steamers had already begun to run off the track and which were finally killed out altogether by the insuperable competition of the railway. We know that, since we have had the competition of the North Shore Railway, the Richelieu Company could scarcely have held its ground and that, only for a traffic arrangement with the Grand Trunk, which till lately controlled both sides of the river, the Richelieu Company would find it hard to keep its own. The traffic on the Grand Trunk and North Shore Railway from the west to Quebec is very large, so much so, that at certain seasons its volume has been more than the Grand Trunk could handle, through lack of proper terminal facilities at Levis as well as on this side of the river. The large freights carried by these lines are, of course, at the expense of the water route, as our trade here has not increased in proportion. In fact, the number of barges which used to ply between Montreal and Quebec with grain and flour have been forced off the route, the Quebec as well as the country merchants now getting their supplies in carloads direct from Toronto and Chicago.

PAST PROGRESS AN INDEX OF THE FUTURE.

Indeed, railways are steadily doing on land what steam has done on the ocean. It is not so many years since the entire carrying trade was done by sailing vessels. When steamers began to cross the ocean, many thought they would never be able to compete successfully with sail, in the transportation of merchandize, seeing that they were at the outset run at great expense and could be only utilized for mails, passengers, and, perhaps, a few fine goods;

the greater portion of their available space being taken up with coals, of which so much was consumed in a voyage as to preclude the possibility of profitable freight competition with sailling vessels. But what a change has since taken place ! From craft of 1,000 tons and less, they now run up to 8,000 tons, with greater carrying capacity, improved machinery and largely reduced consumption of coal. In fact, the cost of running a large steamer has been cut down to a minimum—so much so that to run a 5,000 ton craft does not proportionally cost as much as a 1,000 ton steamer did formerly ; and no one can foresee what further improvements may take place. As it is, sailing vessels have almost wholly disappeared and the few left are only used for coal and square timber freights. This is what has been done in our own age by steam on the sea. Now, what have railways done in Great Britain ? They have superseded the canal system, which is now no longer utilized but for the carriage of pig iron, timber and coals, the great bulk of the inland traffic being done by rail. Neither has the coasting trade increased since railways have come into operation. Nowadays, no one dreams of sending London goods by water to Liverpool. On the contrary, forwarders and shippers send them by rail to the latter port, where they are transferred to the Atlantic steamers, which in their turn convey them to their final destinations. In fact, no one will pretend that the great bulk of the goods destined for foreign markets are now despatched to the sea-board by canals or coasting vessels. They are sent by rail. The slow process of canals would not be tolerated and would not pay. Moreover, vessels could not be induced to wait for cargoes upon such conditians. The truth is that canals in England are no longer

used but for the convenience of inland localities and the transportation of the very lowest class of products.

DISASTROUS RESULTS OF RAILWAY COMPETITION UPON AMERICAN CANALS.

Now, let us return to our own continent and examine for a moment what has occurred, for instance in the State of New York. A glance at the map of that State will show a complete network of railways converging towards New York, Boston and other United States ports, such as Baltimore, Philadelphia, Portland and even New Orleans. These railways connect with all the producing parts of the Union and extend in all directions warranted by the exigencies of traffic. There is so much competition between the various trunk lines, all striving for the through traffic and putting forth their utmost efforts to bring grain and other products to their own seaboards, that the State of New York has been obliged to actually abolish the tolls on the Erie Canal, in order to retain a certain amount of business for that channel. Railways are, in point of fact, exercising the same influence on the carrying trade there, as is noticeable within our own territory. The Erie Canal can no longer bid for the bulk of the carrying trade with such arteries as the New York Central and the Erie roads, and, for convincing proof on this head, it is only necessary to refer to the report for 1882 of General Seymour, the State Engineer. According to this reliable authority, the enlargement of the Canal in 1862, the reduction of the tolls, and finally their total abolition on westward with their reduction to a minimum, on eastward bound freight, have utterly failed, not only to withstand the competition of the railways for the traffic between the western lakes and tide-water, but

even to pay the expenses of superintendence and repairs. While conclusively showing that this adverse result has been produced by unforeseen, but natural and now perfectly intelligible causes, such as the enormously increased mileage of railways in the state, the greatly enlarged traffic facilities of the New York Central and Erie roads, which practically increase their tonnage capacity to a maximum and reduce the cost of transportation to a minimum, the progressive improvement of railway plant and the construction of numerous other great trunk lines and laterals through other states from the interior to the seaboard, tapping even the most remote producing centres of the West, and all offering an active competition to the canal and railroad lines through the state of New York, the State Engineer goes on, fortified by figures, facts and arguments, to make out so strong a case against the canals that no one can read it without feeling that it is not only unanswerable, but that these artificial waterways have lost their usefulness, save for mere purposes of local convenience. As he points out, they are doomed as much because of their inherent disabilities as of the ruinous competition given them by the railways. For instance, they can be navigated for only about seven months in the year; the time of their opening and closing is always very uncertain; their navigation is constantly subject to detentions occasioned by the want of an adequate supply of water, together with breakages and other unavoidable accidents; and the time required for boats to pass between the lake and tide water is about five times that required by railroads; while, on the other hand, freight may be shipped by railroad every day in the year and delivered at its destination with the utmost regularity, and at prices generally but very little, if any greater, and

in many cases much less, than those charged upon the canals. All considered, he concludes that the Erie Canals can never become self-sustaining, and at the same time compete successfully with rival lines of railway and other through channels of communication, for the great bulk of the carrying trade between the west and the Atlantic seaboard; that, inasmuch as the annual tonnage has not materially increased since the completion of the present enlargement, there appears to be no encouragement for advocating a further enlargement at the enormous expense which it would entail upon the State; unless it be to add one foot to the depth of the water on the levels between locks, which would undoubtedly be of great advantage to navigation; and that the only way to perpetuate the usefulness of the State canals, even to a limited extent, is to make improvements in the prism and structures, to increase their facilities for obtaining an adequate supply of water at all times during the season of navigation so as to obviate all danger from breakages and other causes, to constantly keep them in good working order so as to prevent their rapid desintegration and decay, and, last but not least, to abolish canal tolls altogether, so as to give a perfectly free channel of communication between the Western lakes and the port of New-York. In support, the figures quoted by the State Engineer are eminently suggestive. For instance, while the tonnage on the old canals increased from 1,178,296 tons, in 1837, to 5,598,785 in 1862; and the tolls, during the same period of twenty-five years, from $1,292,623 to $5,188,943, the tonnage on the enlarged canals has not materially increased since their completion and the inauguration of the railway era but has slightly fluctuated between 5,557,692, in 1863, and 5,468,311 in 1882,

the average being 5,599,743 ; and the tolls, during the same period of twenty years, have rapidly diminished, from $4,645,207 to $685,518.

ABOLITION OF CANAL TOLLS NO REMEDY.

In his financial report for the same year (1882) another high authority, the Auditor of the Canal Department of the State of New York, lays it down as indubitable : 1° that the remission of tolls, as an independent measure, will not increase the tonnage ; 2° that their will be no increase in the business of the canals and it is doubtful whether the present tonnage can be maintained, unless something be done to facilitate the movement of boats through the locks and to quicken speed ; and 3° that the reduction in tolls and transportation rates has heretofore proved ineffectual in causing an increased movement by canal, and it is therefore evident that other causes than tolls have prevented the canals from obtaining a fair proportion of the yearly increase in the tonnage moved. His figures are also exceedingly instructive. He says that in 1872 the freight transported by the canals amounted to 6,673,307 tons, the largest movement recorded. In the same year the total movement by the canals and the two trunk railways of the State aggregated 16,631,609 tons, the canals' proportion of the whole being 40 per cent, with tolls at the rate of 3 cents per bushel of wheat from Buffalo to tide-water. In 1881, the canals transported only 5,179,-192 tons out of a total movement of 27,857,394 tons by the canals and two trunk roads, the canals' proportion of the whole being only eighteen per cent, when the total movement by the three routes was sixty-eight per cent larger than 1872, and the tolls had been reduced nearly

seventy per cent. Had the canals kept pace with the railways they would have moved, in 1881, 15,215,283 tons, or nearly three times the tonnage actually transported through them. And he adds that the grain trade is actually leaving the canals; that although it is comparatively only a few years since they almost monopolized the transportation of grain through the State, much the largest portion of the grain now delivered at the port of New York is conveyed by rail, and that if nothing more is done to keep pace with the progress and changing methods of the age, and to popularize the canals than remitting the low toll which has been imposed for the past few years, it is quite clear, if the past is any index for the future, that the time will soon arrive when the business they will command will be no compensation for the cost of maintaining them. The decline in canal and the increase in railway traffic through New York State are made more striking by statistics covering the period from 1868 to 1882, prepared at the demand of Sir Hector Langevin by the Secretary of the Montreal Board of Trade, Mr. Wm. Patterson, and appearing in the report of the Dominion Minister of Public Works, for the fiscal year ending on the 30th June, 1882. According to these statistics, the total tonnage carried by the New York State canals rose from 6,442,225, in 1868, to 6,673,370 in 1873, and thenceforward annually declined until it fell to 5,179,192 in 1881. On the other hand, the tonnage carried by the N. Y. Central and H. R. road rose from 2,562,862, in 1868, to 11,591,192 in 1881, that by the Erie and Western, from 3,908,243, in 1868, to 11,086,823 in 1881, and that by the Pennsylvania Railway, from 4,722,-015, in 1868, to 19,000,000 in 1881. These figures speak for themselves and show clearly enough the important role

played by United States railways in the movement of the traffic of that country.

CANALS MUST GO

Again, in his annual report for 1883, the New York State Engineer and Surveyor, declared that the experiment of endeavoring to increase the tonnage of the canals by the abolition of tolls had thus for proved an entire failure. He therefore advised that the State should either reimpose sufficient tolls to keep these artificial waterways in repair, lease them on the best terms allowable to responsible parties, who would agree to operate and keep them in repair, or sell them outright for what they would being to the highest bidder. He rather favored the latter alternative as the wisest of the three to relieve the people from the burthen of any further taxation in the connection, adding at same time with emphasis :

" Canals, as successful and necessary means of transport, have outlived their usefulness ; and as between railways and canals, when considered with reference to their relative merits as affording a means for rapid and economical transport, it must be regarded as a foregone and inevitable conclusion that the canals must go. The estimated cost of putting the canals in thorough repair is $3,852,687."

CONDEMNED BY SCIENCE.

But since the foregoing reports and statistics were compiled, still more valuable testimony, adverse to canals, has come to hand, in the official report of a discussion before the American Society of Civil Engineers on the relative merits of canals and railways by E. L. Corthell, M. Am. Soc. C. E., which took place at the convention of the Society,

held on June 25th, 1883. In this report, which contains very precious and suggestive information on the subject now treated, I find it stated that the gradual abandonment of the canals and the rapid and general introduction of railroads during the last forty years are facts so patent that no proofs are necessary, but that the reasons for this change are not so well known: There is a vast difference, it is claimed, between transportation on the open sea and in the restricted channels of barge and ship-canals, practical results obtained in operating the latter showing that in their restricted channels, where there is no indefinite supply of water all around the vessel as at sea the rush into the hollow at the wake, the opposing force, that the boat herself, creates by her movement through the water, is so great that her speed will be the difference between her own proper one and that of the opposing current, no matter what traction power may be used, steam or animal, and that a serious resistance, as well as danger to the canal banks is developed, if the attempt is made to urge the boat in a contracted channel, like one of these artificial water ways, beyond a speed of from two to three miles per hour. For instance, in a canal near Preston in England, about 30 miles long, the result of turning the traffic in one direction for one day, was to pile up the water at one end 18 inches and to shallow it 18 inches at the other. Consequently, it is held to be, a physical impossibility to move vessels in these confined waters at a higher rate of speed than 5 miles an hour, while in most of them it is restricted to 4½, 3½, 3, 2⅔, 2½ and even 2 miles an hour, freight steamers on the Erie only making 40 miles in 24 hours. Then, as to the cost of operating canals, it is

conclusively shown that when maintenance and interest on first cost are included, they cannot possibly compete with railroads and, in support of this contention, the highest engineering authorities such as Robert Stevenson, Mr Beardmore, Mr Bidder, Sir Robert Rawlinson and Sir John Hawkshaw are quoted. With regard to the state of affairs on this continent, the Americain Society of Civil Engineers, from whose proceedings I have just quoted, pronounced no uncertain verdict, as I find it added :—

" In this country the steadily decreasing cost of rail " transportation and the increasing capacity for business " have increased the volume of freight over three of the " main trunk lines, viz: Pennsylvania., New York Central, " and Erie, from 10,476,857 tons in 1868 to 46,177,223 tons in " 1883. In remarkable contrast the New York State canals " have, in the same period, *decreased* in volume of freight " from 6,442,225 to 5,664,056 tons.

" The mileage of through freight boats on the Erie canal " decreased from about 12,000,000 in 1850 to 6,660,000 in " 1881.

" The history of rates on this canal shows that there was " *no* reduction until it was compelled by the reduction on " the railroads.

" The canals have been kept alive by the money of the " State. It is now proposed to galvanize them into new " life by the application of $3,000,000 to their beds, banks " and dilapidated structures. Even this can result in only " a spasmodic revival of activity and nothing but bountiful " subsidies and generous gifts to the despondent owners of " the rotten boats will keep the mules on the tow-path " another five years.

" It is a significant fact that in Canada also, which has " spent its millions on a complete system of barge and ship " canals, the merchants are demanding an abolition of *all* " tolls. What more positive proof that the canals do not " pay as an investment ?

" The last report on transportation issued by the U. S. " Census Bureau states that about 2,000 miles of canals " (nearly one-half of all that have been constructed) have " been abandoned. The original cost of these abandoned " canals was nearly $50,000,000. Railroads now occupy " the beds and banks of many of them. * * * * * * *

" The speed of the steam canal boat, *running* time is five " miles per hour on the Hudson River, and 2 1 mills on " the Erie canal, while the average *running* time of the " railroads between the west and New York is at least 15 " miles per hour. The basis of comparison, actual cost of " hauling, as above made, is the only proper one, since the " Erie canal is owned by the State and maintained and " controlled by it at no cost of interest, or tolls, or other " expenses to the boats. Without bringing forward further " proof, the reasons are evident for the decay of the canals " and the rapid growth of railroads as being better adapted " to the needs of internal commerce by affording prompt- " ness, convenience and economy."

DELUSIVE HOPES

After having fully demonstrated in a general way the ascendency of Railways as public carriers on this continent and their bearing upon the natural and artificial waterways in the United States, it is now time to revert to our own inland navigation, and examine carefully what is the influence that Railways have exercised over it, including the question of Canal enlargement as a means of attracting

a larger share of the western traffic, *via* the St. Lawrence. For more than a quarter of a century, those interested in the routes have been deluded with the vain hope that at an early date, after certain ameliorations would have been completed, our magnificent inland water courses would finally become the great channel, over which the immense traffic from the west would find its way to tidal water. They firmly believed that through the superior advantages which we could offer over rival routes, our American neighbours would be compelled to utilize our great river and the water stretches extending from Lake Superior to the Atlantic Ocean. But as years rolled on, notwithstanding the superiority of our inland navigation, the long expected traffic never came and what seemed to be on the eve of attainment receded from us as we advanced. Even the very volume of business which seemed to be our own, commenced to shrink away. The non-realization of the hopes which we had founded upon the decided attractiveness of our favorite routes, was attributed for a long time to a want of proper developpment in our Canal system, which, it was pretended, had not kept pace with the revolution that had taken place, in the size and carrying capacity of the craft employed in lake navigation. They really believed that if the Canals were made more adaptable to that kind of navigation, now monopolized by the larger craft, they would finally attract the trade through our water-ways. The advocates of canals, instead of being discouraged, continued to be as fervent as ever in their anticipations of future success, if they could only obtain a little more water in them. Not in the least daunted by the failure of their pet dreams of the past, they still continued to believe, as they do yet,

that under certain conditions, these water-ways must ultimately recover their former usefulness and become serious competitors to Railways. The vested property in inland navigation both here and in the United States is very large, and must be represented by a strong and influential element. These interested parties cannot and will not easily make up their minds, to accept the changes that are being affected by Railway absorption. It will be difficult if not impossible, to even bring them readily to recognize that Railways are fast becoming the principal public carriers not only on this continent but all over the world. It is not an easy matter to get people to consent willingly to accept a depreciation in the value of their property and to give up an occupation in which they are well trained. Hence it is not surprising, if, in the face of what is evident and patent to every body, they should be constantly on the warpath, and insisting upon government coming to their assistence, always of course under the plea, that the public interest demands the sacrifice. In the United States, they commenced their warfare by attacking the tollage system, and now that they have found out that this reduction has not had the desired effect, they want the American government to spend millions more, upon an enterprise that, commercially speaking, has seen its best days. Here, finding that the volume of traffic on our water-ways is diminishing, they cry out for the abolition of tolls and a further expenditure for the enlargement of our canals, and this in spite of palpable evidence that both Lake and River navigation, even when there is plenty of water, cannot compete successfully with Railways. It is of course not surprising, that such an immense vested interest, as that bound up with the fate of inland navigation, should exert a strong

influence over those who have the direction of our affairs ; neither is it astonishing that governments are often obliged to yield to the pressure that is exercised. It therefere should not excite any wonder if, through their clamours, they succeed in obtaining a large expenditure of public money, in an enterprise in which they would not risk their own ; under the circumstances it is natural enough that we should notice from time to time the desperate efforts made by all these combined interests to obtain a further expenditure of public money, always under the pretext of the public good. Since the present session has opened, we have all witnessed the number of deputations that have been sent to Ottawa from all quarters, to influence the government in countenancing all sorts of schemes including the spending of millions. We see that the Free Navigation League has not remained behind, but by a combination of various local interests, it has succeeded in mustering a deputation which, when in presence of the government at Ottawa, bewildered the poor ministers with the multiplicity of their demands, such as abolition of Tolls, deepening the Canals, transter of the Lake St. Peter's debt, deepening of the river Don at Toronto, the Trent Valley Canal, &c. Although fully aware that railways are monopolizing the carrying trade, these people will not yield to the clearest evidence, but seem to grow more desperate as their future grows more and more gloomy. To further these wild schemes, they will spare no efforts, resistance only makes them more furious. To avert the ruin of their interests, they would not hesitate even to go the length of plunging the country into bankruptcy, and all, as far as the public is concerned, for an object which every year is becoming more and more problematic as to its final issue. They want millions and millions to

be spent in waterways and think the whole country should support their suicidal and preposterous demands. But no sooner do the Eastern people demand the expenditure of public money for any useful object whatever, than these very men at once turn round and accuse them of clamoring for Government favors, while they themselves are everlastingly knocking at ministerial doors for public assistance.

THE CANADIAN CANALS.

Now, though the same difficulties have to be overcome here as in the case of the American canals, the advocates of our water routes are using the same arguments, and to make those routes available in their opinion for traffic, they want, besides the complete abolition of tolls, the canals to be enlarged and deepened so as to permit of large vessels coming down to tide-water without breaking bulk. It is needless to go into details touching the length, size and depth of water of each of the canals known as the St. Lawrence Canals. It suffices to name them: briefly, the Dominion canals, constructed between Montreal and Lake Erie, are the Lachine, Beauharnois, Cornwall, Farran's Point, Rapide Plat, Galops and Welland. Their aggregate length is 70½ miles: total lockage (height directly overcome by locks) 533¼ feet; number of locks 53. Communication between Lakes Huron and Superior is secured by means of the Sault Ste. Marie Canal situated on the United States side of the channel. This canal is a little over a mile in length and has one lock 515 feet long, 80 feet wide, with 16 feet of water on the sills, and a lift of about 18 feet. The difference in level between Lake Superior and the point on the St. Lawrence near Three Rivers, where tidal

influence ceases, is about 600 feet and the total distance from Montreal to Duluth by the canals and unobstructed navigation is about 1289½ miles. It may be well here to mention that this all water route *via* the Welland Canal is 338 miles longer from Montreal than the rail and water route *via* Midland City, according to the showing of the Secretary of the Montreal Board of Trade in his report for 1882; that another projected line of rail and water communication *via* the C. P. R. to Algoma Mills on Lake Huron and thence by first class, full powered swift propellers to Port Arthur on Lake Superior, to connect again with the great Canadian transcontinental line is now an accomplished fact, and that there is to be still another very important line of inland communication in the near future, as ere long, the Canadian Pacific and the Grand Trunk Railways and their combinations will converge at and cross the Ste. Marie River by a bridge at the Sault, thence connecting with the Northern Pacific Railway, and affording it and its connections in the North-Western States, a short route to the sea-board. Now these are all so many more factors to operate against the waterways and diminish the volume and the remunerativeness of their traffic.

A FALLACIOUS DEDUCTION.

But the canalmen pretend that they would have a chance of securing the through traffic if our canals were made uniform as to length of lockage, depth, &c., and generally improved so as to allow vessels of from 60,000 to 80,000 bushels capacity, such as are now in use on the great lakes, coming through to Montreal. This argument is altogether fallacious. It is not borne out by facts, as lake navigation, where there is plenty of water, has not for twenty years

increased its tonnage. Proofs of this fact might be multiplied indefinitely, but it is sufficient for present purposes, to quote from the address of Mr. E. S. Helstrom, at the inauguration of the Buffalo Merchants' Exchange, on the 1st January, 1884. After reviewing the immense progress of Buffalo's trade, Mr. H. said: "Statistics would seem to "indicate that the lake tonnage had barely held its own "since 1860: at that time the number of entries in and out "were 11,500, with a tonnage of 4,710,000. In 1883, the "number of entries were 6,790, with a tonnage of 4,500,000 "tons. The vessels having been greatly increased in size "accounts for the decrease in the number of entries, while "the tonnage shows about the same. Judging from this, "it is apparent that our increased prosperity does not come "from that source." We must keep in view that Buffalo is the great terminal point of lake navigation and the head of the railway system, the one converging to New York by way of the Erie canal and the other by rail to the same point. The opinion of the Buffalo Exchange as to the importance of lake navigation, which is done by large propellors and barges, the largest afloat, with an immense carrying capacity,—80,000 bushels,—and the freight from Chicago to Buffalo reduced to a minimum, as low as two cents per bushel being charged, ought to convince the most sceptical that there must be something more than want of water that deters traffic from the waterways. Neither is it through want of carrying capacity that the lake traffic has not increased, as the following, from the report for 1887 of Mr. A. Richmond, President of the Buffalo Board of Trade, will indicate: "A very impor- "tant saving in the cost of freight has been made "by increasing the size of the various crafts employed.

" No longer ago than 1842, ordinary lake vessels carried " only about 5,000 bushels each; in 1848, a capacity " of 12,000 bushels was attained; in 1850, it was " about 15,000; in 1857, it was 25,000 bushels; in 1863, it " was 30,000 bushels; and now 80,000 bushels are carried,— " the same class vessels being sixteen times the capacity of " those used thirty-five years ago. In 1850, the largest " propeller on our lakes had a capacity of about 600 tons. " In 1853, it had increased to about 800 tons. The size bas " been enlarged from year to year, until at the present " time there are propellers on the lakes that carry from " 2000 to 2500 tons. By the use of improved machinery " and steam tugs, there is no difficulty in managing large " vessels and propellers. It is found that, by the use of " modern appliances, they can be handled quite as safely, it " not more so, than smaller vessels in earlier times." Such was the degree of improvement already attained by Lake craft as far back as seven yars ago, as given then officially by the President of the Buffalo Board of Trade; yet, in the face of the fact that this improvement has not tended to an increase of the American lake or canal traffic, we are asked to believe that it would improve the situation, as regards success in our competition for the western traffic with the Americans, and be to the public interest generally, if our system of canal navigation were considerably modified, at an enormous outlay to be borne by the ratepayers at large and without any direct return in the shape of interest upon the capital invested, without mentioning the further admission that our water route can only be effectually utilized on the condition of a complete exemption from tolls as in the case of the Erie canal.

THE FINANCIAL ASPECT OF THE QUESTION.

Up to 30th June, 1885, our canals had cost us $47,341,-291.86, for construction and enlargement. The cost alone of the Welland to 1884, with its construction account incomplete, was $21,292,558.33. The Welland Canal account stands as follows since 1881:—Excess of expenditure (for ordinary repairs and maintenance), over revenues—in1882, $63,035.00,—in 1883, $16,406—in 1884, $36,962—1885 will make a worse showing. St-Lawrence Canals: excess of expenditure over revenue—in 1882, $20,036.00, in 1883, $29,513, in 1884, $42.470. The total expenditures in all the Canals and total revenues show the following results: in 1882, excess of expenditure over revenues $116,450.00, —in 1883, $82,292.00,—in 1884, $153,070, with a worse showing for 1885. In addition to these losses, there was spent upon them from 1882 to 1885 inclusive, the further enormous sum of $6,717,193.00 for construction account. The annual interest upon the cost at 5 o/o per annum is equivalent to $2,350.000; if tolls are remitted it will exceed 2½ millions a year spent by the country on these canals; and if they are to be depened to 14 feet as seems to be desired, it will add a large amount per annum for interest to the burthens of the country.

The lesson to be drawn from these figures is that the tolls levied are insufficient to cover our annual canal expenditure for repairs and maintenance, not to speak at all of construction account and interest on the outlay, that notwithstanding all that has been spent upon our canals, we have not yet a depth, even in the Welland, of more than 12 feet at certain seasons, and that notwithstanding the enormous amounts we continue to expend annually upon

their improvement, while operating them at a loss, we cannot still see the end. Our enormous expenditure is simply like a drop of water in the ocean. Meanwhile the water route advocates constantly cry out for more. It will cost millions more to give our canal system a uniform depth of 14 feet throughout, and this solely to obtain a problematic result, judging from past experience in the progress made in Lake and Canal Navigation since railways have pushed themselves to the front.

USELESSNESS OF SUCH VAST EXPENDITURE.

But is there any real necessity for lauching into all this vast expenditure for the improvement of our water routes? This is the question I now propose to consider. The various improvements I have specified would absorb an enormous sum. But, in addition to the absorption of this capital, which would largely increase our annual expenditure, we would also have to provide for the annual cost of management and repairs, seeing that upon the abolition of the tolls in order to compete with the Erie Canal, we would derive no revenue from our canals. At present, ordinary repairs and superintendence cost the country upwards of $400,000 per annum, and naturally, with the extension of the works, we would have to prepare for a corresponding increase of this figure—for an augmentation, which would bring these $400,000 up to much larger figure. The advocates of the water routes are fond of referring to the example of the Erie Canal; and they claim a similarity of privileges in order to be able to compete successfully with it. I think I have sufficiently demonstrated already, that for years a gradual reduction of tolls and charges on the

Erie Canal has taken place, to such an extent, in fact, that during the fiscal year ended in 1882, only $650,000 were collected from all sources, and that, notwithstanding such reductions, there has been no increase of traffic for a period of twenty years. This sum of $650,000 only represents a small fraction of a percentage on the outlay. It is therefore clear that the total abolition of tolls on the Erie was adopted for the purpose of increasing a business which is actually seeking other outlets. The outcry against our own canal charges is not serious, as the amount collected is only a trifle. Consequently, the failure of our water routes to attract a larger traffic cannot be attributed to that cause, and surely no one can be in favor of such routes, when they cannot even pay their own ordinary running expenses. It must strike every intelligent mind that, if the traffic on the Erie Canal had been a good one or at least had been increasing from year to year, a demand for the abolition of the tolls would never have been heard or thought of. It is also obvious that the abolition policy adopted by the State of New York has not improved the Erie's traffic, and yet, in face of this fact, a similar policy is demanded with regard to our own canals, under the pretext that they have to contend with the Erie Canal. It seems needless to say that this argument cannot hold. Virtually, we have derived no revenue worth mentioning from our canals, and no reasonable man will pretend that the trifling five-eights of a cent per bushel collected from tolls is such an obstacle as would militate against an increase of traffic over our water routes. The utter falacy of such a notion is dispelled by Mr. Miall, Commissioner of Inland Revenue, in his official rapports for 1883-1884, where he says:

"In 1859 the average annual movement by Railways "and Canals, respectively, in the state of New York stood "thus :

Moved one mile by Railways 313 millions of tons
" " Canals 546 " "

"In 1880 the movement by Railways had increased to "4,246 millions of tons, while that of Canals increased only "to 1,224 millions. It must be noted further that this "immense relative gain in land carriage has occurred in "spite of the fact that in 1880 the cost of carriage per ton "per mile by Rail, was nearly double that by Canal, viz :

"Eight mills and four fractions per ton per mile by "Railroad against 4 mills and 9 fractions per ton per mile, "including, tolls by Canals The movement has been one "ever in the same direction. Each period of 5 years shows "a relative gain by the land carriers without any appparent "heed to cost per ton. It is plain some other considerations "than that of carriers charges have governed this movement. "The explanation seems to be : that time is money. The "closing of our waterways follows so closely upon the "harvest that but a small proportion of the crops can be "moved by water within the year in which it is harvested, "and the loss by storing until inland navigation reopens, "attended, as it is, by all kinds of risk as to variation of "prices, is a greater evil than the present sacrifice of a few "cents per bushel.

"It has already been shown that the cost of Canal freights, "including tolls, to the state, were only 4 $\frac{8}{10}$ mills per ton "per mile in 1880 against land charges 8 $\frac{4}{10}$ mills. The "freeing of the Canals will reduce that charge to 4 mills, "if the public rather than the carriers get the benefit of "the reduction. There does not appear to be any proba- "bility of a vastly increased volume of traffic resulting "from this contemplated change. The saving will be

" about one cent a bushel; the saving by Canadian route " by abolition of tolls would be 5/8 of a cent per bushel " between the Western wheat fields and the Atlantic coast. " An advantage of 3 to 4 cents per bushel between Chicago " and Montreal, as compared with the cheapest rates of any " other route, has not tempted one tithe of the Western " grain to seek an outlet at Montreal in the Welland Canal. " How can it be expected that a further relief to the extent " of only 5/8 cents per bushel would appreciately alter the " *statu quo*. The fight is not between the St-Lawrence and " the New York State Canals. It is between land and water " borne-carriage, and the railways have come out victorious. " At page 30, he adds; The Railways will, however, " continue as in the past, to take the lion's share for reasons " already advanced. The abolition of tolls on the St-Law- " rence and Welland Canals would result in a diminution " of revenue to the extent of from $200,000, to $300,000 " per annum. It is not clear to the writer that the grain " traffic to tidewater would be thereby increased to any ap- " preciable extent."

Such are the views of a high functionary of the Dominion and expressed officially in his annual report to the Government. He clearly proves by unmistakable figures that Railways have beaten the water-ways in the struggle for the domestic and continental traffic.

LOWER RATES BY WATER COUNTERBALANCED

Revenue from the Welland Canal, which in 1844 amounted to $179,642, fell last year to $152,778. On the St. Lawrence Canals the decrease was from $85,247 to $79,842. The Ottawa yielded only $51,692 where the year before it had yielded $60,819. The Rideau and the Chambly also showed lessened returns. The total under Canal Revenue showing a decline from $356,443 in 1884 to

$811,577 last year. The decrease was on carriage of corn, coal, and wheat as well as on vessels. In addition to the decreases above mentioned, says the Report, refunds were made of Welland Canal tolls to the amount of $11,281, and St. Lawrence Canals' tolls to the amount of $95, under Orders in Council passed last June and July, " which reduced, very materially, the tolls on grain shipped to Montreal, or Canadian ports east of Montreal, for the present season, in deference to the expressed opinion of those interested in the trade that such a course woud increase the traffic."

The tolls from lumber on the Ottawa and Chambly Canals are less by $7,000 than during the previous year, which is attributed to the shipments by Canada Atlantic Railway. And as to Slides and Booms, the accrued revenue from which is less than that of the previous year by 42 per cent, Mr. Miall says: " Three causes have contributed to this result: Ist. The quantity of timber cut was less than the previous year; 2nd. The quantity of square timber carried by rail was greater; and 3rd. There is an increasing disposition to locate the mills nearer to the timber limits, and to transport the sawed lumber by rail."

Another of the canalmen's strongest arguments is that the traffic can be done much cheaper by water than by rail and on that account our water routes should secure a large share of the carrying trade. Now in 1882 the average traffic rate from Chicago to New York via Lake and Canal, and from Chicago to Montreal was 8½ cents per bushel. At these prices there was no living profit for our river craft, those engaged in that branch trade then cried out that these rates were ruinous. Last Year the rate per bushel from

Chicago to New York per waterways and lakes was down to 4½ cents. If it was ruinous at 8½ cents what is it at 4½ ? In fact nothing will satisfy the advocates of the waterways till they have induced the government of the country to become public carriers of American products at the expense of the tax payers and to give our water carriers a bonus for transporting through our inland navigation the products of a foreign country, besides spending millions for the amelioration of a highway which is falling into disuse in spite of all. They forget, however, that speed, safety, prompt delivery, and no insurance risks, will counterbalance to some extent the inducement of lower rates and that notwithstanding all the supposed advantages offered by water route, railways on this continent are steadily increasing the tonnage on their roads, whilst canals are going behind.

DESPATCH THE GREAT COMMERCIAL DESIDERATUM OF THE AGE.

The nature of business has greatly changed of late years. Lines of telegraph extend not only over land, but also from one continent to another by means of submarine cables. Large and swift steamers are overcoming the distances and the dangers of ocean navigation. Railways are also continually adding to their facilities for traffic. On this continent we are in constant communication with the markets of Europe by several Atlantic cables ; and as soon as any of these markets shows the least sign of depletion, immediately the cables flash us the news. This is especially true of the trade in grain and other products. Our produce merchants are now in daily and even hourly communication with the European markets, and sales are

effected by cablegram, so that, wherever there is the slightest chance of doing business, the fact is almost immediately ascertained and the goods are at once forwarded to the seeking market. The idea of using a slow and tedious process of reaching the seaboard with them, under the circumstances, would never enter any one's mind, where prompt delivery is the very essence of successful trade. In fact, the selling prices of nearly all articles vary so often and sometimes even within the short space of a month, that quick despatch is requisite in everything.

NO HOPE OF SECURING THE WESTERN TRAFFIC THROUGH OUR CANALS.

I am convinced in my own mind that we cannot count upon securing the western grain traffic, no matter what improvements we may make in our canal system, while the great grain markets continue to be Chicago and New-York and while there are so much capital and so many facilities in American hands for handling it between the interior and the seaboard. According to my humble view, it is preposterous to think of competing successfully for this trade with our neighbors, upon their own ground and with all the advantages of wealth, intelligence and an immense population on their side. Even granting that we were to do our best to draw it away from them, all they would have to do to check us, would be to make such reductions in their transportation rates as would at once neutralize all our efforts. Indeed, with their extended system of railways and their numerous harbors open in winter as well as in summer, it is obviously absurd for us to dream for a moment that our water routes, even when made free, will ever take away from them their own traffic. We do

a considerable amount of business with the United States and have a growing trade of our own, which requires to be looked after and fostered by every possible means. But, as for the western traffic, we have not got it, and what is more, we cannot secure it, except what we choose to do in that way on our own account. I may be wrong; but I do not believe that American business men will ever think of using the St. Lawrence to any extent, or of abandoning their own favorite routes for ours, while they have all the facilities which they actually possess and which are a hundredfold more than any we can boast of. I can understand that, if it were possible for us to offer them superior advantages to their own, they would naturally be attracted to the St. Lawrence route. But are we really capable of running them down in their own field by lower rates ? I doubt it. In fact, there is no ground whatever for the presumption. If we reduce our charges, there can be no question of their ability to follow our example. We should never forget that this is a kind of game two can play at, and that our neighbors have a vantage-ground for the purpose which we by no means enjoy. In its issue of the 5th. March last, the *Monetary Times* hits off the situation in this respect truthfully, in the following :—" The debt of Canada is officially stated at $280,000,000, and the assets set down at 70,000,000 : at the end of the last fiscal year they were $68,295,915. But according to some enterprising gentlemen, scattered through the Dominion, this is not nearly debt enough When we have just completed the construction of the Pacific railway, there are people who want a submarine railway bored out in the rock across Cumberland Strait, at a cost of twenty or thirty millions ; others who call for the blocking up of the Straits of Belle-

Isle, at a cost of $40,000,000; a third interest insists on the completion of the Trent Valley canal, at a cost of untold millions; a bridge across the Straits of Fuca has its advocates; the further deepening of the channel of Lake St. Peter, and the enlargement of the St. Lawrence canals are demanded; a 600 mile railway to Hudson Bay is with some a favorite speculation. Even from the enlargement of the St. Lawrence canals, to the size of the Welland, advocated by the Boards of Trade of Toronto and Montreal, too much must not be expected. The capacity of the canals is one thing, the diversion of a settled trade from the richest city of the continent is another. If the proposed enlargement were made, it would be possible for vessels to go from Duluth to the seaboard; but can mere canal capacity ensure the diversion of the grain trade from New York? If there be any lesson which the enlargement of the canals has taught, it is that mere enlargement fails to attract the grain trade of the West. We are all too much disposed to forget that the export trade will of necessity follow the import trade, otherwise two ocean voyages would be required to do the work of one, and this would not be cheap but costly carriage. It is a delusion, we fear, to suppose that Canada, by any effort she is capable of making, can largely divert the export trade in grain which now goes by may of New York."

EVEN FREE CANALS CANNOT COMPETE WITH RAILWAYS.

Now, granted that we were to abolish all tolls and launch into all the great expenditure for the improvement of our water routes desired by their advocates, is there any likelihood of its ever returning us any equivalent? The precedent furnished by the Erie Canal certainly does not

give much promise of such an eventuality. Jay Gould, one of the great American railway kings, at all events did not seem to fear the issue, when, in speaking of free canals, he said : " The effect of removing the tolls will not be noticed particlarly by the railroads * * * * ". The actual rivalry is no longer between the railroads and the canals, but among the various trunk lines running between the ocean and the lakes.

CANADIAN DISABILITIES.

Even our own merchants engaged in the grain trade are obliged to have recourse to the New York and Chicago markets, whenever they receive orders for grain cargoes, and to avail themselves of the most expeditious routes, when they wish to strike a favorable home market. Our great drawback is, as already stated, our long winter and the necessity we are under of seeking an outlet on the Atlantic during that season through American territory. As for our North West, the seasons there are pretty much the same as ours and the ingathering of its grain harvests will consequently be always too late for fall shipment *via* the St. Lawrence route, so that it is altogether unlikely that shippers and forwarders will wait till the opening of navigation in the following spring, to ship the grain of the previous year.

A CONCLUSIVE ADMISSION.

But the admission of Mr. Andrew Robertson, Chairman of the Montreal Harbor Commission, ought to satisfy the most sceptical as to the overshadowing influence of railways in this contry. In his annual report, this gentleman says under the head of " Railways superseding Canals :"

" I applied the other day to the Secretary of the Board " of Trade, to see if he could give me the relative quantities " of grain carried by railways and the Erie Canal in 1885. " These have not yet appeared, but he kindly sent me a " book showing the tons of goods carried for several years " past by Erie Canal and railways, to New York, every " year, from 1880 to 1884, showed an increase by railways : " thus, in 1880, canal carried 6,457,656 tons, or 25 per cent. " against 19,248,930 tons by railways, or 75 per cent. In " 1884, canals carried 5.009,488, or 16 per cent., railways " carried 26,432,016, or 84 per cent. These were the New " York Central and Erie railways, and very shortly the " Baltimore and Ohio, with their Staten Island accommoda- " tion, will no doubt largely increase the tonnage by rail, " as against the Erie canal. This shows that communica- " tion all the year round by rail is beating water commu- " nications when they are only open for a portion of the " year and now that we are one of the summer terminals " of two great railways, we shall no doubt receive by rail " a fair proportion of what comes to them for shipment by " sea. The past year alone the largest half of the wheat " shipped came by railway to Montreal."

This declaration of the Chairman of the Montreal Harbor Commission really settles the question as to the influence of railways over waterways as inland carriers. The greatest advocates of inland navigation have always been found in Montreal. It is there where all the schemes of improvement in our inland water courses have originated. It has been the hotbed of all the agitation for canal improvement that has been kept up for the last twenty years, and scarcely a session passes without a strong deputation being thence sent to Ottawa, to demand a further expenditure of money in such improvements, deluding themselves and the public with the hope of thereby attracting the bulk of

the American grain trade to the St. Lawrence route. I need hardly refer to the very complete manner in which the position I took, in 1883, on this important head before our own Board of Trade, had been vindicated by this admission of Mr. Robertson. Indeed, I might almost wholly rest my case upon it; but in the interest of the question, it is, perhaps, better that I should complete my demonstration.

A clear idea of the rate, at which the traffic on the Canadian canals has been declining, is furnished by figures supplied to Sir H. L. Langevin by Mr. Patterson, the Secretary of the Montreal Board of Trade and Corn Exchange, and printed in the annual report of the Dominion Minister of Public Works. According to these figures, on the Welland canal alone, with its 12 feet of water and improved locks, the tonnage of freight, both ways, fell gradually but steadily from 1,135,635, in 1868, to 644,727 in 1882, the tonnage of craft both ways from 1,240,366 to 679,040 and the number of passengers from 7,536 to 1,741, while in the Dominion canals, as a whole, the tonnage of freight fell from 3,420,700, in 1874, to 2,542,883 in 1884, and the tonnage of vessels, for reasons already indicated, from 4,096,874 only to 4,063,247.

FALLACIES EXPOSED.

All these official figures and facts ought to be sufficient to convince the most sceptical, that railways in this country are fast taking the lion's share of both domestic and through traffic, and that they are destined in the near future to absorb the bulk of the carrying trade. But it is difficult to convince people who are largely interested. that a change

which is detrimental to them is taking place, and no evidence, however strong it may be, will actually act upon them until they have exhausted not only their resources, but that of others as well. They will never stop asking for improvements as long as they live and would spend the whole of the country's revenue, always with the hope that their property will recover its former value. For years past we have constantly heard them clamouring against the absorbing monopoly of the free Erie canal, and that unless a similar policy was followed by ourselves, our inland navigation would be ruined. But, to show the fallacy of such arguments, let us make a few comparisons: The length of the Erie Canal from Buffalo to Albany is about 352 miles. The depth of water is on an average 7 feet. The tolls levied upon it, before their total abolition, which did not apply to the last fiscal year, were a mere fraction upon its cost. The lift locks are 76 in number. The class of boats employed have not the carrying capacity of the craft employed on our own canals. They can only carry 8,000 bushels. The average time required to take the round trip between Buffalo and New York is 28 days.

The total length of our canals is only 70½ miles. The average depth is 9 feet compared with the Erie's 7. The number of locks 53, as against the Erie's 76. The tolls levied are a mere fraction (⅛ ths. of a cent per bushel) and to keep pace with the reduction in tolls made upon the Erie Canal, ours were also reduced in 1881. For twenty years the tonnage over the Erie Canal has remained stationary. In 1862 the total tonnage was 5,598,785, and and in 1881, 5,179,192 tons. The value in 1862 was

$203,234,331, in 1881 $162,153,565, showing a falling off, both in tonnage and value for 1881. On the other hand, the increase of the tonnage by rail has been enormous. For instance, the total tonnage by the N. Y. Central and Erie roads ran up from 3,220,388 or some 60 per cent smaller than that of the State Canals in 1862 to 22,678,202 in 1881, equal to an increase of about 700 per cent and to one of upwards of 400 per cent over the State Canals. These and other figures already cited prove clearly not only the soundness of my contention as to the destiny of railways and the fate of canals, but also that it is not due to any inferiority of our water route to the Erie Canal that our traffic by water has not increased, seeing that our canals had more water in them than the Erie Canal and we had only 70½ miles to their 352 of canal navigation. Our tolls, too, were a mere fraction and up to last season too insignificant altogether to repel trade. So that if we have failed to attract more of the western traffic, it cannot be said to be due to the inferiority of our water route. What they also establish beyond dispute is that both American and Canadian waterways are alarmingly losing ground in the battle with rail; that the American railways are doing the carrying trade of that country, that the western trade, about which so much is said, is in the hands of our neighbors and that we are not competing successfully with them for it, although the capacity of our canals enables barges with 20,000 bushels of grain to pass from Kingston to Montreal, whilst on the Erie Canal, barges can only carry 8,000 bushels. Consequently, the conclusion is inevitable that if, with all the advantages of our waterways over those of the United States, our grain trade has not increased, it is not due to want of water in our canals, but is owing entirely

to other causes which I have already indicated, and all the outcry about the western traffic taking the American route, unless we hasten to make further extravagant improvements on the Canadian water route, is either born of ignorance or self interest. In fact, to talk of taking away or divirting a large portion of the American grain trade is altogether out of the question. Those who do so seem to forget that all this western traffic, of which they speak so confidently, belongs naturally to our neighbors, as it is created in their own fields and within their own territory.

They should place the question in the true light by fairly and above board stating at once, that all this western traffic is not our own, but that, by making our water routes cheap, they imagine they may kill out all the interests involved in the vast system of American railway communication, and all their lake interests, for we must not forget that our neighbors have large propellers navigating all the lakes west of Montreal ; that all these vessel navigate lakes Michigan, Huron, Erie and Ontario, and that all those lakes are surrounded on the American side by railway lines communicating with the different seaboards. In other words, they hope to do the impossible and they look to the Canadian tax payer to foot the bill. It must not be inferred, however that I am in favor of our Canal system being entirely abandoned and allowed to fall into disuse, on the contrary, I believe it can be largely utilized for a local traffic and for a limited through trade, in such bulky goods as lumber, coal, hay &c., which require to be moved at a low figure. Consequently, I think our canals should be maintained and even improved, so as to give them a more uniform depth of water, if found necessary.

But I persist in contending, that our water routes will not, in any case, divert the large transcontinental traffic now in the hands of our neighbours, and that it would be injudicious, in the face of railway competition, to go to an immense expense on those water routes, under the impression that we can successfully compete with the United States on their own ground and divert, *via* the St. Lawrence, a traffic which they are more competent than ourselves to do, especially when we see the immense progress that railways are everywhere making and the influence they exercise on the carrying trade. Indeed, in view of what has taken place on the Erie Canal, the unanimous admission of men of the largest experience, the evidence adduced before the Paint's Committee on interprovincial trade, the manifest absurdity of thinking that, by still further deepening our canals, when they are already deeper, shorter and in every way more advantageous than the American canals, we will succeed in taking out of American hands any large portion of their own traffic, which they are more competent to handle than ourselves, the enormous traffic changes already wrought by railways and their future probabilities, I ask if it would be wise, on the part of the Government, to undertake the enormous expenditure necessary to meet the views of the water route advocates, when the chances are that by the time the desired canal improvements are completed, they will be renderend perfectly useless by some further revolution in the carrying trade. I submit that it would not, for in reality, the pretention that we will lose the western traffic, if we do not improve our water routes, has no *raison d'être*, as the traffic contemplated is not our own and can only be attracted to Canadian

channels by a train of circumstances which we can never hope to bring about.

RECAPITULATORY.

To sum up all I have said, I think I have sufficiently established by official statistics, supported by the most competent authoritics, that Railways in this country and in the United States are fast becoming the chief vehicles for the handling of traffic and that our water courses, in which, at one time, our faith for the future was, have lost their former value and importance for the inland home-carriage of our continent.

I think I have further demonstrated how futile are the pretentions of those who proclaim that we will lose a Western traffic, which really belongs to our neighbors, if we do not hasten to add a few inches to the depth of water in our canals, when statistics show that even, where there is plenty of water, Railways are driving away all competition from inland water carriage.

I have also shown that notwithstanding that modern vessels in the Lakes have thirteen times the capacity of those of thirty years ago, that they are now carrying 80,000 bushels of grain at a minimum cost, (I believe last summer the freight per bushel from Chicago to Buffalo was only 2 cents, and from Buffalo per C[illegible]al Erie to tidal water 2½ cents) still they are not able to hold their own as against inland carriage by Railway. We must naturally conclude that our great reliance for the future development and extension of our commercial interests must be in railways, and that our magnificent system of water-ways will be utilized only to a certaiu

extent, becoming of secondary importance for the inward distribution of marchandize and for the great western traffic to the seaboard, as compared with railways. Commercially sqeaking, we are gradually and surely being absorbed by the immence railway system of the United States, comprising some 120 thousand miles of well equipped railways, having all the adequate terminal facilities at the seaboard, through their numerous parts opened all the year round, backed by an intelligent population of upwards of 50 millions of people, with an abundance of capital for handling any amount of traffic, either of a transcontinental or domestic kind. If you look at a map of this continent, you are struck with wonder at the immense ramifications of the American railway lines, and you are naturally inclined to ask yourself if, with our present undeveloped railway system, there is a possibility, on our part, of being able to resist the all-powerful influence that must be brought to bear on our commercial destinies. To my mind, such a collective railway force cannot do otherwise than exercise an unlimited control over the direction of our continental traffic to the sea-board.

I feel sure that this mighty force in the hands of our neighbours will not only be used effectively in their own ground, but will likewise extend its powerful grasp over our own traffic seeking a foreign outlet. It seems to me to be almost impossible to withstand the gigantic efforts which this mighty Railway agency will be sure to make, in order to obtain the monopoly of the carrying trade of this continent. What resistance have we got to offer to counteract this invading force which ere long will have encircled us in its iron grasp ?

We have our single lines of Railways, our water courses, our St. Lawrence ports closed for six months of the year, and as winter ports, St. John and Halifax. A very small force in face of such a formidable army. Our only chance of avoiding being absorbed commercially speaking, and of controlling our own traffic, will greatly depend in our railway system, which would require to be placed on an effective footing as soon as possible. Never will Montreal, single handed, be able to oppose successfully the large invading force that is being brought against us. If we really mean to protect our own through traffic and if we really intend to encourage our canadian ports, it can only be done by placing our Eastern Railways on the most effective footing, and that will be accomplished only by having all the Railways converging at the Port of Quebec in constant communication with one another. Such a connection can be effected only by a permanent structure, such as a bridge. But on the other hand, if we are serious about securing a through traffic, we must with all possible despatch offer such terminal facilities for the handling of a large trade such as we might expect from several Railway lines having their terminal point at one of the principal ports of the Dominion.

We have enough examples under our eyes to show us, that unless we are alive and active, our Atlantic ports will soon become deserted, so far as the through traffic is concerned. This winter, our Atlantic steamers calling at Halifax are charging 5o/o per ton measurement less to Portland and Boston than *via* our own port; and numerous other examples could be shown that Canadian goods could be brought cheaper through American ports than *via* Halifax.

Produce and lumber can be shipped in winter cheaper *via* New York, than we can do either at Halifax or Portland. Our great national highway, for the construction of which we have so much sacrificed, and upon which we founded great hopes for the future, by spanning the St. Lawrence at Lachine, will become a powerful feeder to American traffic, both winter and summer, and will no doubt deprive the eastern provinces of the advantages which they expected would accrue from this national highway. The fate of our railway system, as a distributor of the great North-Western traffic, hangs upon a thread, so far as the eastern provinces and the port of Quebec are concerned. To my mind the great policy of the country should be the encouragement of the Canadian ports, and that can be best effected by a connection at Quebec, which would unite the Canadian Pacific to our own road, the Intercolonial, and others converging to our port. The policy of the country should also be that of making the short line to the Lower Provinces *via* Quebec. Such a policy, if carried out, would be the virtual accomplishment of the expressed desires of the people, and would be the best fulfillment of the obligations of a solemn contract towards the country: that the Canadian Pacific Railway was to be a great national highway and as such was to be the real and true connecting link which was to bind firmly together, by a community of interests, all the provinces forming part of the Union. If any other policy be carried out, it will be a permanent injury to the through traffic, that would otherwise have taken its course through our own sea board, and will undoubtedly isolate the Eastern Provinces, thus depriving them of the advantages which are likely to be derived through the opening up of the Great North West. With

us, our position is quite clear and we should know by this time where our true interest lies. We should be quite prepared to insist upon it, as we must be convinced that what we have advocated will not only be useful to us but will otherwise be advancing the interests of the whole Dominion. We should feel no scruple about urging our case with the proper authorities and asking them to fulfil the pledges that have been made us. We should on no account allow ourselves to be swayed by persons who, under the pretext of being friendly to our interests, nevertheless create among us a discussion which tends to weaken our position. Beware of these men who will persuade you that it is better to see the Canadian Pacific spanning the St. Lawrence at Lachine than at Quebec.

Avoid also the advice of those who will attempt to convince you that the Short Line *via* Quebec, should not be adopted, although it is said we have a better one to offer than the one *via* South Shore—because such opinion is not desinterested. I am quite confident that every one will easily understand, that it cannot be in the interest of these Eastern Provinces, to have our great national Highway, having its great diverging point to the seaboard 170 miles further west, instead of *via* Quebec. By such a policy, it is patent to every one that we will not form a part and parcel of the main line, but will only be a branch or a insignificant tributary of the great national Highway, built at public expense. It is evident also that the great continental traffic will, as a matter of course, follow the main highway and not the tributary line.

I must now draw my remarks to a close, as I am afraid I have already trespassed too long on your kind attention.

and taken up, perhaps, too much of your valuable time. But I have no doubt that you will consider that, if on the one hand, I have probably put your patience to the test, you will not forget, on the other, that the motives which are actuating me in this instance are entirely disinterested as far as I am concerned, my only object, in making a study of such an important question as that of our routes to the seaboard, being to place the subject before you in its true light and to lay before the general public such facts as will enable them to judge for themselves as to the future destiny of our inland carriage to the seaboard.

The lecturer then resumed his seat amid loud applause, and an enthusiastic vote of thanks was tendered him on motion of Archibald Campbell, Esq., seconded by Dr. Harper and supported by Colonel Rhodes.

DEEPENING OF THE CHANNEL BETWEEN QUEBEC AND MONTREAL.

The following is a statement made by Mr. Andrew Robertson, Chairman of the Montreal Harbor Commission, at the monthly meeting of the Board of Commissioners, held on 14th June ; also, copy of a letter from him to the Honorable Minister of Public Works, on 19th April last.

Mr. Robertson said the month of May had opened more auspiciously than last year. As will be seen from the Harbor Master's statement hereto appended, there have been entered 74 vessels, agregating 83,699 tons as against 56 vessels and 63,252 tons for the month of May last year, showing the gratifying increase of 32 per cent, for this year. The financial statement also shows an increase of revenue, it being $21,684 for this as against $18,300 for

last year, or 15⅔ per cent. In Mr. Kennedy's report the usual details of the progress of the works will be found, which require no special remark. During the last session of Parliament the Commissioners prevailed upon the Government to introduce a bill to grant them an additional loan of $900,000 for the further deepening of the channel to 27½ feet. This action was bitterly opposed by several parties in other cities, notably by the President of the Board of Trade of Quebec, who wrote a letter to Sir Hector Langevin, Minister of Public Works, on the subject, and who alse headed a deputation for the purpose of obstructing the request of the Commissioners. It was considered necessary that Mr. Shehyn's letter should be replied to, and the following was addressed to Sir Hector Langevin :—

Harbor Commissioners' Office,
Montreal, 19th April, 1883.

Hon. Sir Hector Langevin, K. C. M. G., C. B.,
Minister of Public Works, Ottawa :

SIR,—I am instructed by the Board of Harbor Commissioners to state that at their meeting yesterday their attention was called to a communication which appeared in the Quebec *Chronicle* from Joseph Shehyn, Esq., President of the Quebec Board of Trade, addressed to yourself, against the further deepening of the ship channel between Quebec and Montreal at the public expense ; and while the Commission do not wish to trouble you unnecessarily, as you are already so well seized of the facts, yet they are of opinion that Mr. Shehyn's letter should not be allowed to pass without comment.

You are already aware that the Harbor of Montreal is a work entirely apart from that of deepening the channel and that the expenditures are kept entirely separate.

In 1867, when Confederation took place, the indebtedness of the Harbor of Montreal was as near as possible $1,126,000; since that time there has been expended on the harbor proper over $1,520,000, making in all $2,646,000; the present indebtedness is $1,881,000, being a difference of $764,000, which has been paid out of the revenue. It may be safely assumed that the Harbor of Montreal, which means from Windmill Point to Longue Pointe, has cost over three million dollars, towards which expenditure the Federal and Local Governments has never contributed one cent, nor do the Harbor Commissioners propose that they should do anything of the kind. They borrow the money on their own harbor bonds, which have no guarantee from the Government, and they have paid their interest regularly, which at present is a yearly charge of $114,010.

This statement will at once eliminate any reference in Mr. Shehyn's letter to the Harbor of Montreal as a charge upon the Government for either guarantee or principal of interest. whereas he admits that the Harbor Commissioners of Quebec get the money they require advanced by the Government for harbor improvements in Quebec, while the Montreal Harbor Commissioners are obliged to borrow from the public at much higher rates.

As to the deepening of the ship channel, he says, "that from 1856 to 1867 the Harbor Commissioners of Montreal had spent for deepening the channel through Lake St. Peter a sum of $1,164,285, which was assumed by the

Government." Admit the fact, what does this prove ? that the Government of the day considered the deepening of the ship channel as a public work.

On the other hand, we cannot look upon the work in any other light than as one of the public works of the Dominion, and beneficial to the commerce of the contry at large. The work was at first undertaken by the Government and carried out by dredging plant belonging to the Government, and under the oversight of the Department of Public Works, in precisely the same way as the canal through Lake St. Clair, the St. Lawrence canals or any other great public works were carried out. Subsequently the further deepening of the ship channel to 20 feet was handed over to the Harbor Commissionners of Montreal, but it was inspected by the Chief Engineer of Public Works, and the cost assumed, as already mentioned, by the Government, thus again placing it on the same footing as other public works.

Mention has already been made of the deepening of the ship channel between Lakes Erie and Huron, which has been done by Government as a public work, and we think properly so. It is an improvement of the great national water way from the ocean to the Upper Lakes, and as such is certainly in the interest of the Dominion at large. The Galops on the upper St. Lawrence is another point being deepened by the Government, and at enormous expense in proportion to the extent of the work. And precisely the same reasons, which have caused these to be looked upon as public works, apply to other parts of the river. There is no reason for the deepening of the Lake St. Clair Flats, the Detroit River, and upper St. Lawrence by the Govern-

ment, which does not apply with tenfold force to the deepening of Lake St. Peter Flats and the St. Lawrence below Montreal, by Government. They are simply sections of the same work, but the part between Quebec and Montreal is vastly the most important.

The authority under which the further deepening to 25 feet has just been finished, is an Act of the Dominion Legislature passed in May, 1873, (36th Vic., Cap. 60), authorizing the Government to contract a loan to defray the expenses, and the work to be performed either by the Harbor Commissioners of Montreal, or in such manner as the Governor-in-Council might determine, but to be under the superintendence of the Department of Public Works. The authority to proceed was given the Harbor Commissioners of Montreal in terms of this Act and under it the work is being executed ; that is to say the Harbor Commissioners have in fact acted as the agents of the Government so far as the execution of the work was concerned.

The money advanced by the Government is now $1,780,000, on which the Harbor Commissioners of Montreal have regularly paid the interest out of the Harbor Revenue, just as Mr. Shehyn admits that the Government have advanced money for the Quebec harbor improvements—the difference being that the Government have advanced in the case of Quebec for local improvement, and in the ship channel case, we think, for public improvements.

The lake and river improvements have cost since confederation to date, including plant, $1,780,000, for deepening the channel from 20 to 25 feet, and the Commissioners are of opinion that the same should be further deepened to

the extent of 2½ teet, at a cost of say $860,000 to $900,000. It is this debt and the further deepening of the channel which the Commissioners wish the Government to assume, as they are fully and unanimously of the opinion that the channel is a public work, of benefit to the whole Dominion, and is not a local work, as is the improvement of the harbor of Montreal. Now, supposing that the Government were to assume the debt and agree to further grant the needed sum to deepen the channel to 27½ feet, it would come to $2,680,000, but as the plant after 27½ feet is obtained would certainly yield one-third of the cost, deduct say $180,000, would leave two and a half millions as the cost of a 27½ feet channel, at an annual charge of one hundred thousand dollars a year at 4 per cent.

Mr. Shehyn takes exception to this, and says :—" It is a well known fact such a work as they propose handing to the Government would likely cost a couple of millions."

What is his authority for this statement ? I have given you Mr. Kennedy's report and also Mr. Keefer's, endorsing the same, as you will see in the Harbor Reports for 1882, pp. 14-22, copy of which is herewith. The accuracy of Mr. Kennedy's estimates heretofore is a good guarantee that he is again correct, and the Board have implicit confidence in his estimates, but to prevent any doubt I enclose copy of letter from him on this point, appended herewith.

The Commissioners regret extremely that Mr. Shehyn should have introduced into his letter so much sectionalism. He seems to forget that it is not the ports of Quebec and Montreal who are to fight each other, but that it is the

St. Lawrance ports in summer and the Dominion Atlantic ports in winter, as against the Atlantic ports of the United States all the year round.

It is on this broad ground that the Commissioners base their case, and they consider that for the money expended and to be spent, the deepening of the ship channel is decidedly the cheapest and most useful work that the Government could undertake.

I have the honor to be, Sir,
Your most obedient Servant
(Signed) ANDREW ROBERTSON,
Chairman.

HARBOR COMMISSIONERS OF MONTREAL,
Chief Engineer's Office,
Montreal, April 18th, 1883

Copy of reply from the President of the Quebec Board of Trade addressed to the Honorable Sir Hector L. Langevin, C. B., Minister of Public Works.

Office of the Quebec Board of Trade,
5th July, 1883.

SIR,—A day or two since my attention was drawn to a letter addressed on the 19th April last to the Honorable, the Minister of Public Works by Mr. Andrew Robertson, Chairman of the Harbour Commission of Montreal, being a reply to a memorial of the Quebec Board of Trade against the deepening of a channel between Quebec and Montreal at the public expense, and which I had the honor of sending you as President of that Board.

The Council of the Board of Trade would have allowed this letter of the Montreal Harbour Commission to pass

unchallenged, had it merely contained arguments in favor of their cause, but as the President, Mr. Robertson, has placed before you and the public an acceptation very different to that contained in our memorial, in justice to the course we are advocating, we feel obliged to rectify certain allegations, which, if unnoticed, would place the Board of Trade in a wrong light. I was aware that such a letter as that written by Mr. Robertson did exist, but was not able to get hold of it until a few days ago, when it appeared in the Montreal *Gazette*.

I remember quite well seeing in some Montreal paper a statement to the effect that the Montreal Harbour Commission had sent a reply to the memorial of the Quebec Board of Trade, but that it was not to be made public for the present, and it was not to be made known until after the session, which was then going on.

I must say that under the circumstances my curiosity was a little awakened by the strangeness of such proceedings on the part of a public body such as the Harbour Commission of Montreal, and I was very anxious to ascertain the contents of such a solemn document which was not to see the light of day until the proper hour had arrived.

I supposed that being surrounded by so much mystery, it must have been of paramount importance to the whole country, as under a constitutional Government with responsible advisers such proceedings are not customary, especially when the question at issue is pretended to be one of public interest, and when the same public is supposed to be called upon to shoulder the cost of such an undertaking as that proposed by the Montreal Harbor Commission.

The secrecy, which has been observed on this occasion, would lead one to suppose that their cause cannot have been as good as they pretend it is, when they were afraid that it should become public and thereby give an opportunity to discuss its merits at a time when the members of the Dominion were in session.

A question of this kind, involving the expenditure of money, should have had all the publicity possible, in order to afford those who are opposed to the scheme, the advantage of expressing their views to the representatives of the country who are appointed to legislate upon questions of that nature.

The Montreal Harbor Commission chose to follow another course ; that is their business, but we cannot do otherwise than consider the proceeding as a strange one, especially under the constitutional laws which govern our political institutions.

Mr. Robertson, at the last quarterley meeting of the Harbor Commission, made the following statement, which does not exactly represent a true state of facts :—" During last session of Parliament the Commissioners prevailed upon the Government to introduce a bill to great them an additional loan of $900,000 for the further deepening of the channel to 27½ feet. This action was bitterly opposed by several parties in other cities, notably by the president of the Board of Trade of Quebec, who wrote a letter to Sir Hector Langevin, Minister of Public Works, on the subject, and also headed a deputation for the purpose of obstructing the request of the Commissioners."

The Board of Trade of Quebec never opposed the Government from lending the sum in question, but sent a

deputation to Ottawa to oppose the demands of the Harbor Commissioners contained in a memorial which they had addressed to the Minister of Public Works. In this memorial it was not a loan which was asked for but a request that the Government should relieve them of the sum of $1,780,000 already expended, and to further assume the cost of an additional depth of 2½ feet—amounting, according to their engineer's estimate, to a sum of nine hundred thousand dollars.

This is a very different question from that of borrowing a certain sum of money from the Government.

In the one case the Government was to be saddled with a debt of three millions, besides the responsibility of keeping up a channel at the public expense, whereas in the other case the Government lends a sum of $900,000 for which the Harbor Commission has to pay the interest and has to maintain the channel at its expense.

The Quebec Board of Trade can have no objection to Montreal making an artificial channel between Quebec and Montreal, so long as they shoulder the expense and do not put it on to the public under the pretence that it is going to benefit the whole country, whereas it is for their own advancement and to the detriment of other ports.

Mr. Robertson, in his letter to the Minister of Public Works, seems to say that I had confounded the expense of the ship channel and harbor improvements ; in that he is again mistaken, as I knew perfectly well the difference, and I know exactly what are the pretensions of the Harbor Commissioners of Montreal ; they not only want the channel to be deepened between Quebec and Montreal at public expense, but they go further than that, they are

already using their influence and have done so for some time past to obtain a free port, as far as tonnage dues, reduction of pilotage fees, &c., are concerned.

In plain words, they want the Government to assume the cost of all the charges inherent to a port, and make the public pay for it, always under the pretention that it is in the interest of the Dominion, and that every other port should be sacrified for that favored spot, the Montreal harbor.

Mr. Robertson also alludes in his letter to the fact that the Government has advanced money for our harbour improvements, but he omits to state that we pay interest upon those advances; until within a year, the interest which the Quebec Harbor Commission had to pay was 5 per cent, besides being obliged to lay aside one per cent, as a sinking fund. Latterly, I believe, one or two sums have been borrowed at 4 per cent, the same rate as that upon sums advanced by the Government to the Harbor Commission of Montreal for the deepening of the channel, with this exception, that the Montreal Harbor Commission has been entirely relieved of the sinking fund of one per cent, besides a reduction in the rate of interest of 5 to 4 per cent, whereas the Quebec Harbor Commission has to maintain the sinking fund in all its obligations.

As regards the channel, what was its origin? The merchants of Montreal urged repeatedly upon the Government the deepening of the channel through Lake St. Peter, and said that they would cheerfully submit to a toll being levied on all vessels of great draught passing through the the lake. An act was passed in 1850 empowering the Harbour Commission of Montreal to excavate a channel through Lake St. Peter to a depth of 16 feet. In 1860 they

had spent $680,000, which they induced the Government to assume notwithstanding their promise to pay for it themselves. The expenditure by act continued and with it the assumption of that debt, until we find, in 1867, a channel to accommodate vessels of 20 feet; the total then spent was $1,164,235, which was assumed by the Government, notwithstanding the promises on the part of the Harbour Commissioners of Montreal to pay the interest on the sums expended. From that date a new start is made, always under the pretense that they will pay for the cost themselves. They succeed in obtaining further advances from the Government, so that to this date the lake and river improvements have cost $1,780,000 more, and an additional depth of 2½ feet is asked, which is to cost $900,000, estimated cost.

Out of all this Quebec is asked to pay its share although against its interest. They first obtain the money under the promise that they mean to pay for it, but no sooner have they gained their end than they at once use all their influence with the Government to be relieved from their obligations.

Mr. Robertson also points out that I am wrong in my estimates as to the cost of the intended further improvements, and brings Mr. Kennedy's certificate to sustain him in his letter to you on the subject. Time will tell whether I am right or wrong in my estimates; but the Government engineer having *finalty* agreed to confirm Mr. Kennedy's estimate of the work, all we can do is to wait patiently for the completion of the channel and then see if the sum expended agrees with the present figures as to the cost of an additional depth of 2½ feet to the present channel; that is the only proof we can look to. Estimates of all kinds

are, as a rule, rather uncertain till they have been verified by the amount of work done.

It would be useless now be attempt to show that the cost will exceed the estimates, and to bring arguments to bear upon the subject to prove it; the time is past for that, as an act has been passed empowering the Government to advance the money, that the Harbour Commission have resumed their operations on the channel, so that all the public has to do is to follow closely the sums that will be expended in this enterprise and see if the total amount will be kept within reasonable bounds.

I do not intend at present to go into the merit of the question as to whether the deepening of the channel is a public work or not, as I have already treated the subject in the letter which I had the honor of addressing to you, as Minister of Public Works, and as I propose treating it, at a future time, in a different form. My object just now is merely to refute certain assertions contained in Mr. Robertson's last letter, which I do not consider stating exactly certain facts represented by me.

Were the Government to consent to assume the cost of the works, that is, the sum already spent, and that to be expended, it would be saddling the public with the sum of about $4,000,000, relieving the shipping interest of so much toll on tonnage for all vessels frequenting the port of Montreal at the expense of the whole Dominion, for we must not forget that every inhabitant would have to pay his share of this expenditure.

We must not forget that the Montreal Harbour Commission is supposed according to law to levy a toll sufficient to cover all this expenditure, and that the city of Montreal,

for whose benefit all this work is going on, is not called upon to pay for it.

The Government in relieving the Montreal Harbour Commission would have to abandon this toll upon ships and charge it to the general public.

Mr. Robertson is really sublime in his closing paragraph when he says that he extremely regrets that I should have introduced so much sectionalism in my letter.

What a great amount of disinterestedness and patriotism he displays, all for the public good; he is so much carried away by a sense of public interest, not for Montreal, but for the whole Dominion, (whose interests are so dear to him) that he is ready to sacrifice us, and he feels astonished that we should dare to defend ourselves and our rights. He does not understand how we dare not see things in the same light as he does, and why we should not calmly submit to our interests being sacrificed for the benefit of another city without at least protesting against the encroachments upon our rights. I do not wish to enter into such a subject as sectionalism, as it does not immediately concern the question under consideration, but I can safely state that the Harbour Commission of Montreal has heretofore shewn as much of that failing as any other in the Dominion.

Mr. Robertson also goes into certain figures to show the percentage of Western traffic done at Quebec as compared to Montreal and the West. According to his figures, which I have no time to verify, and which I do not wish to contradict, this argument of his proves nothing in his favor, for if to this date they have succeeded in obtaining public money to make up an artificial channel which has

brought trade to their own doors, the least they should do would be to pay their own share of the expenditure, which has been evidently largely for their benefit, according to their own shewing.

No one can have any objection that they should deepen the channel which has already been of so much material benefit to their trade; however, they should not grasp at too much, but should rest satisfied with the success already attained without wishing to crush all rival interests, which have as much right to public consideration as they have.

If the Government were to yield to the demands of Montreal they would in justice, have to do the same thing for other localities equally entitled to their protecting care.

Besides if the cause advocated by the Harbour Commission of Montreal had been so evidently in the interest of the general trade of the Dominion as they pretend it is, your Government would not have hesitated a moment to go into the undertaking with a good will, as your only desire, I am sure, is to advance by all means possible the material interests of the whole Dominion. But your Government knows too well the consequences that would follow if it were to adopt the policy urged upon it so vigorously by the Montreal Harbour Commission; it would be the admission of a principle which, if carried out to its full extent, would entail upon your Government the responsibility of a large expenditure which the country at large is scarcely prepared to sanction and which you would find it difficult to control.

The Erie Canal policy is often quoted as an example for this country, but those who use the argument, do not tell the public that the Erie Canal is under the control of the

Legislature of the State of New York, and not of that of the whole confederated powers of the United States. They do not also say that the abolition of the tolls on the Erie Canal has been done by the State Legislature of New York to keep up the trade of the port of New York, which has been considerably diverted to other American ports for the last few years, and that this policy was also adopted to prevent this canal route from falling into disuse as the traffic upon it had not increased for the *last twenty* years.

Those, therefore, who constantly point out what is being done on the Erie Canal have not gone into the subject thoroughly, as they would never use that argument to further their cause, as it tells strongly against them. The Council of the Board of Trade will, no doubt, at the proper time, be able to show how fallacious are the pretentions of the Harbour Commission. Their object at present is merely to object to the assertions contained in the letter of the President of the Montreal Harbour Commission, and to set themselves right as regards the true meaning of their last memorial.

The Council of the Quebec Board of Trade sincerely hopes that your Government will give due consideration to their views, which I have endeavoured to express as clearly and as simply as possible.

I have the honor to be,
With all due consideration,
Very respectfully yours,

[L.S.]

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

To the Honorable
Sir Hector L. Langevin, C.B.
Minister of Public Works, Ottawa.