

lay-out of the Georgian Bay canal, I have already quoted the opinion of Captain Norcross. As to the character of inland water navigation compared to open lake navigation from the point of view of insurance rates, inland navigation offers less danger than lake navigation. The big lake freighters have to lock through many canals and have to navigate through many channels of every description, and still the statistics of casualties compiled by the Department of Marine and Fisheries show that the biggest losses of property and life have occurred in open lakes and have been caused by storms. The Ottawa route is protected from wind storms from one end to the other.

One of the greatest advantages which will result from this enterprise will be the creation and development of interprovincial trade. We are every day losing our commercial independence, and we are neglecting our duty of uniting more firmly the different portions of this Dominion by closer commercial relations. I am not of the opinion that we should consider the American boundary as a Chinese wall, and I have never thought nor said that trading with our neighbours is a danger and a peril to our political existence, but, as a true Canadian, I am firmly opposed to the Americanization of our water-borne traffic.

To-day, without the Georgian Bay canal, the Americans control absolutely the grain freight rates on the lakes, because the return cargoes, in the proportion of 80 per cent, consist of coal from lake Erie ports. Without this important return cargo, which package freight can never replace, our Canadian lake fleet would be absolutely unable to carry grain for the same price as the American vessels. Therefore our Canadian grain traffic on the lakes is absolutely in the hands and under the control of the American people. Moreover, the province of Ontario depends absolutely on the United States for its coal. It is calculated that Ontario's supply of coal at any given period of the year cannot last more than three weeks without further supply from the United States. In case of a war with our neighbours, during the winter months a decisive victory could be secured without soldiers by the freeze-out method. And this is still going on, almost half a century after the date of Confederation, when one of the provinces of the Dominion, Nova Scotia, had been promised an opening to the western Canadian markets for her coal industry. It has very often been argued

that Cape Breton coal could not compete with American coal further west than Montreal.

Under the present conditions, that is absolutely right, but via the Georgian Bay canal, Nova Scotia coal could be delivered at Fort William for the same price as it is now delivered at Montreal. American coal in lake Erie ports costs less per ton than Nova Scotia coal in the port of Sydney, and this for various reasons. American coal is extracted from the flank of hills or mountains, while Canadian coal at Sydney is extracted from below the sea level which is a much more expensive method. In the United States the work of extraction in the coal mines is done mostly by foreigners, while in Nova Scotia they have to employ local labour. In Nova Scotia each ton of coal contributes 12½ cents to the provincial treasury for purposes of education, while no similar tax is imposed on American coal.

As you see Canadian coal from the beginning is at a disadvantage, but things are about equalized by the duty of 53 cents per ton imposed by our tariff on American coal.

There remains the question of transportation. From lake Erie ports coal can be shipped to Montreal or to Fort William and sold for about the same price, the cost of transportation being about the same. Coal shipped from Sydney, Cape Breton, by water can compete as far up as Montreal, but no farther on account of additional freight charges. But with the Georgian Bay canal it would be different. At present it takes about 60 hours to bring a cargo of about 7,000 tons of coal from Sydney to Montreal at a cost of about 60 cents per ton, making a total of \$4,200 per voyage. This sum, however, covers freight expenses for a voyage of 120 hours and not 60 hours only, because the boat always returns light and the whole distance covered both ways in 120 hours is 1,668 miles. On the other hand, if this boat, instead of stopping at Montreal, could proceed with its coal cargo direct to Fort William by the Georgian Bay route, the whole run from Sydney to Fort William would be of 1,768 miles, and would take about 170 hours. The return trip being made after having secured a return cargo of grain, which pays more than a coal cargo, the shippers would be able in this manner to deliver and sell at Fort William a ton of coal at Montreal prices.

Moreover, grain elevators could be established in Cape Breton, where good har-