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FREDERIC NICHOLLS,
Managing Director.

J. J. CASSIDEY,
Editor.

J. C. GARDNER,
Business Representative.

Montreal Representative:—H. BRAGG, 43 St. SACRAMENT ST.

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LAKE CANALS AND AMERICAN COMMERCE.

THE "pinch" which we are now able to put upon Canada, in order to procure fair treatment for our commerce in the Welland Canal, is a charge for her commerce passing through our St. Mary's Canal. But Canada is constructing her own canal, on her own territory at the St. Marys, or "Soo," and, as Mr. Haggart, the Minister of Canals and Railways, announced, the work will now be rushed through, with men working night and day, summer and winter, so that in his judgment it may be completed by the end of the next year, in time for the trade of 1894. What Canada desires, therefore, is to gain time. She has hoped to put off action until her canal at the "Soo" was nearly or quite completed. We have not permitted her to do this, and may force, now, a fair adjustment of the difficulty, but it is evident that after she has her own passage of the "Soo" opened to ships, and a complete system on her own soil established from the head of the lakes to the Atlantic, she will be absolutely mistress of the situation, unless we make corresponding development on our own side.—*Philadelphia Manufacturer.*

Our American friends are awaking to a realization of the fact that as far as their commerce on the Great Lakes is concerned, Canada must eventually hold the key of the situation, and that President Harrison's coercion proclamation, imposing

a tax upon Canadian commerce passing through their St. Mary's Canal, is not likely to change possession of it. They may squirm and kick, and indulge in much gasconade and bluster, but Canada will, before many months have elapsed, have the key securely attached to her own girdle.

The situation is very well described by Prof. Lewis M Haupt, of Philadelphia, an able American political economist, in a letter which he has recently written on the subject. He declares that President Harrison's proclamation came much too late to be of any great service to his country, excepting as it might be effective in awakening the public to a sense of the true condition which threatens to disturb American commerce on the lakes. For over twenty years, he says, the policy of the Canadian Government to secure the trade of the North-west has been avowed and sedulously pursued, and that in a few years more it will be consummated. Then the American people will realize what it is to have a waterway capable of carrying ocean vessels through Canadian territory from Liverpool to Duluth or Port Arthur, on Lake Superior, 4,618 miles, of which only 71 miles will be through artificial channels, while to reach the same point via United States ports, would require several trans-shipments, with transit through the contracted Erie Canal of only seven feet draft and 352 miles length, at the low speed of about two miles per hour.

As a matter of fact, says Prof. Haupt, the actual average cost of transportation on the Lakes is but 11 mills per ton mile, while on the Erie Canal it is double this figure, and on the railroads it is 9.19 mills, or almost nine times as much. With the Canadian waterway enlarged to a depth of 14 feet there is no possibility of the Erie Canal or the railroads of the United States retaining this foreign traffic, and yet the result is what the far-sighted policy of Canada has striven for during the past score of years. The completion of the Canadian Sault Canal, and the enlargement of the remaining links of the St. Lawrence system, which, it is expected, will occupy only two years longer, will give the Canadians absolute possession of the key to the traffic of the Great Lakes, and the railroads, as well as many other interests of the United States, will then realize what they have lost. To build this system has cost Canada over 51 millions of dollars, while to compete with it, by an extension of the proposed American "20 foot" lake system to tide water, via Lake Ontario and a canal around Niagara Falls, on American soil, and the enlargement of the Erie Canal from Oswego to the Hudson, and thence to New York, is estimated to cost possibly three times that amount. To the American traffic this would be worth all it would cost, but it will be many years before it can be accomplished, and in the meantime it will be found that the channels of commerce have been severely disturbed—some of them permanently diverted.

Mr Haupt points out also that the strategic transportation lines lie on the Canadian side of the international border, and that it would certainly seem good policy, as well as wise statecraft, if the antagonistic interests could be merged under one management by annexation, treaty, or otherwise, and that retaliation will not remedy the difficulty. Yet it is hardly to be expected that the American people would consent to be taxed to complete and maintain a system of waterways on the Canadian side of the boundary, which would inevitably cripple their own commerce and its allied industries. He says: