

turn only the opportunity to reach the ocean by means of the resulting deep water channel for the largest ships.

A GREATER PROPOSITION THAN THE PANAMA CANAL. ADVANTAGE OF THE DEEP WATERWAY IN REDUCTION OF FREIGHT RATES.

The Hon. Mr. Townsend, in speaking to his resolution in the Senate, declared that to him such a waterway was a greater proposition than the Panama Canal. If the project were realized, the Interstate Commerce Commission would no longer have occasion to pass upon railroad rates from the middle West to the Atlantic; water competition would keep them reasonable.

In speaking of this feature, he cited further the peculiar conditions under which the merchants of Utah and Arizona, when shipping freight across the continent to the Atlantic or receiving freight in return, find it profitable to forward such shipments first to the Pacific in order to secure the competing water-rate via Cape Horn.

Once the Panama Canal is open, the length of the present water route via Cape Horn will be cut more than two-thirds. If the present water rate over the immense distance around Cape Horn is already such a factor in competing freight rates, what will be the consequence of the still keener competition via the Panama Canal?

MR. C. M. HAYS UPON WATER CARRIAGE FROM CANADIAN WEST VIA PANAMA.

When in England last summer, Mr. C. M. Hays, President of the Grand Trunk and Grand Trunk Pacific Railways, predicted that within five years half the products of the Canadian Northwest would find an outlet via the Pacific Ocean; the change would be brought about by the Panama Canal.

If the view of this transportation expert be correct, a necessary corollary will be that the vessels freighting these products from the Pacific ports of Canada will carry return cargoes thither from Europe at rates that will make serious inroads upon our eastern and inter-provincial trade. The only effective answer to this competition on the Pacific is by waterway which will give to ocean vessels access to the upper lakes. By such a water-way not merely would Canada benefit by the reduction in rates upon shipments to and from Europe; interprovincial trade would be vastly promoted. Nova Scotia coal, for instance, which now can be shipped profitably only as far west as Montreal, would find a market in Ontario. A natural consequence would be a water-way from Lake Superior to Manitoba and the Western Provinces via Lake Winnipeg and the Saskatchewan River, whereby Canadian trade would be retained in Canadian channels. The saving in freight rates for the products of the Canadian farmer in the West, via Lake Superior ports, would be three or four cents a bushel on wheat, and on many other classes of freight the saving would be much larger.

The benefits to intervening lake ports may be illustrated by the case of the city of Galveston in Texas. By deepening the channel at the entrance to her harbor, access was given at this port to ocean borne commerce. The total cost of this and other harbor improvements at Galveston