

"We do on the Great Lakes for one dollar what it costs the best "situated railway in the United States twenty-seven dollars to do; therefore, without further going into these figures (I could give them by the "hour, if necessary), you will agree with me in my conclusion, that water "transportation is the cheapest."

These large carriers on the upper lakes cannot get into Lake Ontario, but even if this were possible, there would be a loss of two and one-half days in going around the peninsula of Western Ontario. The portage from the Georgian Bay to a good harbor on Lake Ontario is the shortest at Toronto. A canal across this short portage, built by the Government, could only be done at an outlay of many millions of dollars, and on account of the cost we cannot advocate it.

Therefore it becomes a live question what the intention of the Government may be, having, it is assumed, improved the St. Lawrence Canals for a purpose, and how this immense traffic, which finds its way to the seaboard *via* the United States, is to be diverted, it being assumed that the natural route is *via* the St. Lawrence Canal system, and how it is their intention to complete the chain, so many links of which have been and are being forged.

A canal from Lake Ontario to the Georgian Bay, of the capacity of the Sault Ste. Marie Canal, is a project which may be considered to be unnecessary, in view of a substitute in the shape of a railway especially built for the purpose, which may be considered a reasonable proposition. A railway of this character would cost but a fractional amount as compared with the cost of a canal, and could be built for about the amount of money it is anticipated to spend upon the Montreal harbor.

The route, if owned by the Government, could be considered as a part of our canal system, connecting tide water with the upper lakes, and would assuredly be the means of diverting the grain traffic. It is a project which might well engage the attention of the City, and one which, in order to effect early operation, the City should join in with the Government.

The Grand Trunk Railway having valuable water frontage at Toronto, together with their connections on the Georgian Bay, are in a favorable position to participate in and be a great factor in diverting the grain-carrying business during the open season of navigation. Whether the far-sightedness and enterprise which is characteristic of its present management will deem it to be in its interests to participate in what they might consider a radical movement, or continue to develop the "long haul," is a question on which I would not even appear to speculate. I would only express the hope that this railway might see it to be in their interests to throw their influence in the direction of developing the grain traffic across the portage during the open season of navigation, rather than to attempt to stimulate the "long haul" business.

Let us not forget in discussing this question that the idea is not to take away from Canadian railways a business which they at present enjoy. We cannot do this, as they do not possess the business; our own products are carried by United States ships and railways to United States ports to the extent of five bushels to one *via* Canadian ports; 263,000,000 bushels of grain, including flour reduced to its equivalent in wheat, were carried *via* Buffalo in 1898; this last season the Parry Sound Railway only carried 10,765,000 bushels, while with better facilities at Montreal they claim they could increase this as high as 20,000,000 bushels. The Grand Trunk Railway handled during the past season