

ened, and on the authority of Mr. Wisner that would cost in the neighbourhood of \$200,000,000. If we are simply to deepen the Welland canal system it only means that we will move the port of transhipment from Port Colborne to Prescott or Kingston, and what great advantage there would be in that I fail to see. With regard to rates by rail, and water transportation, I quote from the Georgian Bay canal survey report page 398 as follows:

It is well known now, that transportation by water on a first-class shipway is not only cheaper than by rail, but often much quicker.

It is recognized in the United States that the average movement of freight by rail is only twenty-five miles per day, or about one mile per hour, including of course all delays at stations and at terminals, where cars are frequently side-tracked for several days. Any one conversant with the movement of freight on the great lakes can see that the average there is considerably above this figure—

Mr. Joseph E. Randsell, president of the National Rivers and Harbours Congress in the annals of the American Academy of political and social science states:—

As to the relative cost by the two methods, there can be no difference of opinion. The interstate commerce commission reported that the average cost of moving freight by rail in 1906 was 7.48 mills per ton per mile. The statistical report on the lake commerce for 1906 by Colonel Davis, U.S.E.C., shows it cost to move over 51,000,000 tons through the Sault Ste. Marie canal last year .84 mills of one mill per ton per mile or one-ninth of the average rail rate.

From the best information I can get after a careful study of the subject, I am convinced that waterway transportation in this country, under favourable conditions, costs only about one-sixth as much as the average cost by rail. The above remarks apply to the lakes and rivers and furnish unanswerable arguments for their improvement.

He further states that practically all expenditures on waterways have been profitable investments. They have returned in reduced freight rates to the United States people from 100 to 200 per cent yearly.

The contrast of the estimated cost of transportation via the Ottawa water-way to the present or lowest possible rates by existing routes will demonstrate the certainty of the diversion of the bulk of through traffic to this route on its completion.

The competing routes with which the comparison of cost of carriage must be made and which routes now control the trade are:

From Upper Lake Ports.

1. Via the lakes to Buffalo and thence by rail to New York and New England points.
2. Via the lakes to Georgian bay ports and thence by rail to Montreal and New England points.
3. Via the lakes to Buffalo and thence by Erie canal to New York.

4. Via the St. Lawrence all-water route to Montreal.

The bulk of through traffic from the great lakes to the sea-board has for many years been routed via the lakes to Buffalo and thence by rail to New York (route 1), but the almost prohibitive cost of carriage by rail and the extravagant transfer charges at Buffalo have deterred the growth of through traffic and impeded its movement so much so that our American competitors have long been fully alive to the necessity of a through route with greater facilities and economy of carriage and have expended much time and money in their investigations of possible solutions of the problem.

The grain traffic with its prevailing and possible costs of carriage will be employed as a standard in the following comparisons.

During the season 1908 the average cost of carriage of wheat via the lakes from Chicago to Buffalo, a distance of 891 miles, was 1.1 cents per bushel.

The minimum rate during the same year was ¾ cents per bushel.

The same freight was carried to Georgian Bay ports at an average of 1.17 cents per bushel.

The average rate for carriage of wheat from Chicago to New York via lake and rail routes, for the ten years 1898-1908 is 6.15 per cent. These rates do not include the cost of transfer at Buffalo for which an additional ¾ cents must be added making a total including transfer charges of 6.90 cents per bushel.

The lowest rail rate possible, according to high authority, under most favourable conditions, a rate which has never yet been reached, is 2.2 mills per ton mile.

The average rail rate on grain from Buffalo to New York, a distance of 440 miles, during the year 1908 was 5.2 cents per bushel or 4¼ mills per ton mile.

The lowest rail rate was in 1904 when the rate fell to 4 cents per bushel or 3 mills per ton mile.

Following are the prevailing rates for carriage of wheat during 1908:

1. Chicago to Buffalo by lake... 1.1
Buffalo to New York by rail... 5.5
Buffalo transfer... .75
7.35 cents per bushel.

2. Chicago to Georgian bay by lake. 1.17
Thence to Montreal by rail... 5.5
Intermediate transfer... .75
7.42 cents per bushel.

3. Chicago to Buffalo by lake... 1.1
Buffalo to New York by Erie canal... 5.
Buffalo transfer... .75
6.85 cents per bushel.