clearances in the Gulf and Bay ports alone, which would be affected by the Ship Railway. The estimate of only ten per cent. of this tonnage is surely not an extravagant one to make for the Ship Railway. The number of vessels that passed through the Straits of Canso last season was about 2,000. Therefore, assuming 800,000 tons as the traffic of the Ship Railway during the season of navigation, say 200 days, would equal only 4,000 tons a day. If the Company at once obtained that amount of traffic, there would be no subsidy to receive from the Government, for the net earnings would then be seven per cent. on the capital. But as this is not the expectation until the new route would be firmly established, it is not too much to say that one-fourth of that would be the traffic for the second year, namely, 200,000 tons, the first year being free to all. The New York Inland Navigation Commission reported in 1812 that the Erie Canal would convey as much as 250,000 tons, yet it did actually, in 1837, move one million tons. Similarly, let us hope that this very small estimate of Ship Railway traffic of 200,000 tons for the second year would be realized, as well as the estimate of DeWitt Clinton. The subsidy would be reducible as soon as 360,000 tons were reached, and when the traffic reached 780,000 tons there would be no subsidy at all to be paid by the Government. If the traffic were a million tons, then there would be a considerable annual return to the Government to pay off the subsidy. Some people may doubt any return of the subsidy, but I have personal knowledge of an instance where $400,000 per annum is paid by a Railway Company to the Government of Brazil, when a contract was made on similar terms. I allude to the San Paulo Railway, to which the Government gave a guarantee of seven per cent.

Will it pay shippers? The loss inflicted upon the commerce of this Dominion for lack of means of transit across the Isthmus of Chignecto is simply incalculable. Take an item of shipment from Prince Edward Island to the United States last year. There was an export from there of 859,000 bushels of potatoes, equal to about 300,000 barrels. A propeller of 500 tons would carry 3,000 barrels; therefore it would take a propeller of that size to make 100 trips to the States, which, going and returning with their freight, would be equal to 100,000 tons traffic. Then look at the lumber, fish, coal, stone, and other products that would seek this short outlet in all directions. Again, the freight from St. John to the Straits of Northumberland is $2.50 per ton, while the freight to the head of the Bay is only $1 per ton. There is a loss, therefore, of at least $1 per ton on all freight that would come from the Gulf by the Gut of Canso. On the estimate of the Company there is an annual loss to the country of at least half a million dollars for want of this means of communication.

Will it pay shipowners? Steamers now ply between Charlottetown and Boston, and take a whole week to perform the round trip. By the Ship Railway they could make two trips in a week, thus doubling their capital. For sailing vessels it would be quadrupling their capital by increasing their business and by saving of time, which the competition of steamers and railways now prevents.