

If this plan could be brought to fruition, it is my belief that not only would New York State be in a commanding position so far as commercial shipments go in the event of the completion by the Dominion government of the Ottawa-Georgian Bay canal, but it is not impossible that if the construction of the ship canal across New York State were authorized in the near future, the construction of the Ottawa-Georgian Bay canal would be abandoned altogether for the time being. The net result to the State would be a 21-foot canal from the Hudson river to Lake Ontario instead of a 12-foot canal, a completion at an earlier date than may be hoped for in the case of the barge canal as now planned and finally a solution of the water traffic problem as far as New York is concerned for all time to come.

In looking up the treaty of Washington of 1871, I find, by article 27, that the United States has equal rights with Canada to the use of the Welland canal. We have expended on that canal, \$23,000,000 up to the present time. Our American neighbours use that canal; yet they do not contribute one cent towards the maintenance of it. If this scheme which Mr. Stevens proposes goes through, that is, the building of a canal from Oswego to Albany, in the event of the Canadian government deepening the Welland canal, the American government will be saved an expenditure of \$30,000,000 or \$40,000,000 in this connection. In other words, so long as the enlarged Welland canal was sufficient for the American trade, the Americans would not be called upon to contribute one cent towards the construction or maintenance of this portion of the canal. In the report of the Department of Railways and Canals from April 1, 1907, to March 31, 1908, I find that in 1906 the traffic through the Canadian canals was 10,523,185 tons, while in 1907 it was 20,543,639 tons. However, Sir, it is rather disappointing when, further on in the report, we find that some 8,464,073 tons of the increase was due to the American coasting trade, which means that the United States took advantage of the free use of our canals, to the extent of eight and a half millions tons more in 1907 than in the previous year. In the bumper year for waterways Canada only had a gain of 1,217,251 tons. The fact is that we have subsidized American trade on the Great Lakes and the St. Lawrence just to the extent that they have used our canals. The trade from Canadian ports to Canadian ports through our entire canal system was 1,491,027 tons in 1887, while in 1907 it was 4,196,891, or about treble what it was twenty years ago. I take this from the Year-book of 1908. The American coasting traffic during the same period increased from 344,333 tons in 1887 to 13,052,837 tons in 1907, or nearly 38 times what it was 20 years ago, and more than treble our own trade. It will thus be seen that whereas we built our canals to

capture the American trade they are using them to beat us out of our own. At the same time the American people are fearful lest Canada should go ahead with the construction of the Georgian Bay canal. I find in the report of the Committee on Railways and Canals of the 52nd Congress, 1892, the following:

On the day that it becomes possible to send ships direct from the great lakes to the ocean, by way of the St. Lawrence river, while they are unable to go by the Hudson, the sceptre of commercial supremacy will begin to pass from New York to Montreal, and the merchant marine of the United States, which has had a new birth on the lakes, will receive its death blow from Canadian competition.

In Mr. Quick's book on 'American Inland Waterways' I find the following:

The farmers of the Mississippi valley find their hardest competitors in the Canadian Northwest. Winnipeg is the greatest wheat market in the world. The sceptre passed from Chicago to Minneapolis, then to Duluth, and now has gone to the young giant of Manitoba. In 1907 Winnipeg exported 20 per cent more wheat than West Superior and Duluth combined—and the flood of grain from the new Northwest has only begun. One cereal competes with all the others. The grains of the Saskatchewan basin will displace the corn of the Mississippi valley; and when it goes to the sea in ships, while ours, if in American bottoms, must go in barges, shall we not be indebted to Canadian generosity if we stand on an equality with Canadian farmers?

From the Bently Congressional report I quote:

When we come to complete it says, 'with men of our own race, with a soil just as productive, and with transportation facilities immeasurably superior, the farmers of—our western states are going to have an agricultural depression such as they never knew before, unless our own nation shall give us a way to the sea, so that our ships can go and come as freely as they do on the ocean.'

Further on this report says:

It is not a question whether the products of the West and Northwest shall go by way of the Erie canal, or by rail from Buffalo or not go at all; but whether the transportation of these products shall be retained in American hands, on American soil and reach an American port, or whether it shall be surrendered to Canada.

Now, Sir, discussing for a moment the enlargement of the Welland Canal system I will simply say that the late George Y. Wisner, consulting engineer United States Department of Interior, before the Royal Commission on transportation in 1904, stated that it would probably cost twice as much to enlarge the Welland canal for twenty feet navigation and to deepen the St. Lawrence canals, as to build the Georgian Bay canal. It seems certain that if the Welland canal is to be deepened the whole St. Lawrence system must be deep-

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