

of grain at the low rates of 1 1/2 cents per ton per mile would be 55 cents. Or take a more westerly point on the Saskatchewan, 1600 miles from Montreal, the cost of transport would be 72 cts per bush. With such a rate of freight (and those who understand transport by railway will admit it could not be less) there would be no inducement for farmers to occupy lands, however rich, at such a distance. It is because we believe a cheaper means of transport can be obtained from these distant regions to a market for their surplus products, that has induced us to place our views before the public.

McAlpine and other eminent engineers have calculated that freight can be carried on lakes, in sail vessels of 400 tons, at 2 mills per ton per mile, and by steamers at 3 mills. Suppose the idea of constructing the proposed Pacific Railway on the north of Lake Superior was, for the present abandoned, and that the parallel water navigation on Lake Superior and the Georgian Bay was utilised, by placing on it propellers of 1500 tons burthen, what would be the result? The distance from the head of Lake Superior at Duluth, to the eastern end of Georgian Bay, is over 650 miles. If a propeller of 1500 tons, which could carry about 60,000 bushels of grain, loading at Duluth, or Chicago, could proceed to a good harbour on Georgian Bay, say at French river, the outlet of Lake Nipissing, and if at that or at some other point sufficient elevators were built, and that was also connected by rail with Montreal and Quebec, transport would thereby be reduced to its lowest possible rate. The distance from Fort Garry to Duluth is 350 miles. At the rate of freight above named, a bushel of grain could be carried this distance at 12c, by the steamer from Duluth to French River, or at some point on Georgian Bay, at 4c, and, as the distance from this point to Montreal, by rail, would only be 320 miles, the cost of transport on this part of the route would be 120 cents, or in all, from Fort Garry to Montreal, 28 cents per bushel, instead of 55 cents by the proposed railway on the north side of Lake Superior.

It must be borne in mind that there is no obstruction whatever at this moment to the navigation from the head of Superior, or from the head of Lake Michigan at Chicago, or from any other port on these lakes to the foot of Georgian Bay. If, therefore, this idea of utilising the water route was adopted, what then should be the policy? A railway from Quebec to Montreal on the North Shore is now under construction by a private company, aided by a grant of the Public Lands. Another company has a grant of Public Lands to build a railway from Montreal to Pembroke, on the Ottawa. From Pembroke the road should at once be built to the Sault Ste. Marie, with a branch at the most convenient point to connect with the steam propellers on Georgian Bay. At Sault Ste. Marie there should be an International bridge to connect with the railways in Michigan, Wisconsin, and Minnesota, on the

Government should aid in establishing steamers on the Saskatchewan whenever, required. The expense of such a subsidy would be a mere trifle compared with the interest of \$40,000,000 at 6 per cent, or for \$2,000,000 annually.

A decision to change the route of the Pacific Railway from the north to the south side of Lake Superior would at once secure the construction of that part of it on the American side from Sault Ste. Marie; and while the distance by such route would be less by Duluth to Montreal and Quebec by 50 miles, it would also be shorter to New York, Boston, Portland, &c. It would also be best adapted for passenger and valuable freight and mails between Columbia, China, Japan and England, while at the same time, its combination with the water route would prove the best for all kinds of bulky freight.

Under such an arrangement, an enormous amount of capital could be saved to the country, while it could not fail to be satisfactory to the people of British Columbia, under our agreement with them. It would give us time to ascertain whether we cannot secure a continuous water communication from the Saskatchewan, Lake Winnipeg, Rainy Lake, &c., to Lake Superior, and if so, the question of continuing that water communication from Georgian Bay, down the Ottawa to Montreal, would have an increased importance. Nor are we willing to admit, that at some time distant, it may not be necessary to construct a railway, on the north side of Lake Superior, to connect with the Pacific and even to Hudson Bay; but to do so now, and for no better reason, than that it must be on British territory, and on a line as far as possible from our American neighbours, seem to us to be not a little absurd. On the contrary, we are desirous of cultivating in every possible way friendship with the Americans, and acting towards them as neighbours in the kindest spirit. We can see no cause of quarrel between us and them. The trade of the Lakes is now of immense value. What it will be in half a century, it is impossible to foretell. Our contest for that trade, and who can build up on this continent the best educated, and the happiest people, ought to be the only rivalry between us. This stake for which we are contending is one of immense magnitude. We have no fear for America politically, nor is it by surrounding ourselves with the pomp and panoply of war, that we can best maintain our position, but rather by the steady promotion, and encouragement of industry. With our vast territory, and advantages for turning our resources to account, is it possible for any one to doubt the benefit which a free commercial intercourse with the United States would give; and the impulse which would thereby be communicated to Canadian industry, and to the progress of Canada in wealth and population, while peace between the two peoples would effectually be secured, by the bonds of mutual interest in the navigation and commerce of both countries.