

can effect an average saving of fully four cents, after allowing a liberal estimate for tolls, on each bushel as compared with what it now costs him to bring it round by way of the Welland Canal: while that which now goes from the same points to New York, by way of Lake Erie and the Hudson, at a cost, taking the average of the last eight years, of twenty-seven cents per bushel, can be delivered at the ship's side in our harbour for fifteen cents, or in Quebec for eighteen cents per bushel, and, as already observed, in superior shipping order, not only on account of the shorter time it has been afloat, but also owing to the more favorable atmospheric conditions to which it has been subjected, in its passage through the cooling waters of the Ottawa.

As an index to what the saving in freight would amount to, even now, at the above differences in rates we subjoin the following statement of grain, and flour reduced to grain, forwarded last year from Chicago, and received, by water only, at Montreal in 1862, and at New York in 1861.

Forwarded from Chicago by Lake and Railroad...	56,477,104 bush.
Total Receipts at Montreal by Canal only.....	15,227,878 "
" " at New York from Canals only..	55,905,344 "

A statement of the rates of Freight that have prevailed on the Lakes and Canals over a period of three years ending with 1862, will be found in Appendix A, as also a comparative statement of Ocean Rates from Montreal and Quebec to Liverpool, and from New York to Liverpool for the last three years.

Under the head of *Insurance*, a letter from Theodore Hart, Esq., Agent in this city for Inland Marine Insurance Companies, (Appendix B.) gives valuable information. It may safely be calculated that the opening of the Ottawa route would reduce the existing rates of Insurance by fully thirty per cent.; the length of *lake*, or in other words, *dangerous* navigation (from Chicago to the French River) being but 550 miles, against 1145 miles on the Welland and 1000 miles on the New York route.

With so obvious a gain both in time and money as the new line of communication would ensure, alike to the producer in the west and to the buyer in Canada, and with the trade fast outgrowing existing means of transport, the time would seem to have arrived, when the most earnest and energetic measures should be adopted by all parties interested, for placing this great project on a practicable basis; and foremost in that consideration, the capacity of the navigation best adapted to the trade, and its probable cost, have engaged the attention of your Sub-Committee. To guide them to conclusions on these important points, they have had before them the Reports of Walter Shanly, Civil Engineer, and of T. C. Clarke, Civil