

the value of every article of export just in proportion to its efficiency and economy. On the other hand, where transportation is necessarily expensive, cheap production may maintain an industry;—and here is where our abundant water power may come in.

The geographical position of Canada in relation to the commercial centre of gravity of the North American continent is at least noteworthy. This centre is very near Lake Erie. From the western end of this lake the water route to the Atlantic, at the Straits of Belle Isle, follows the general direction of a great circle which cuts the commercial heart of Europe, and is therefore upon the shortest route, or "air line". Our two peninsulas, Sarnia-Detroit and Sault Ste. Marie, which are the railway gates of the Lake region, afford the most direct routes to the Atlantic for all the North-western States, and are traversed by the trunk lines of railway. From Lake Erie water communication on the largest scale extends through Lake Huron to the extremities of Lakes Michigan and Superior. One-third of the population of the United States are dependent upon the Great Lakes, largely as to exports and imports, and wholly as to rates,—which are fixed by the water for the rail routes.

One-half of the population of the United States is found within a radius of 400 miles from Cleveland, a Lake Erie port claimed to be second only to the Clyde as a ship building one, and also the largest iron ore market in the world.

The paper and pulp industry as well as some of the electro-chemical and metallurgical ones (to the present list of which many additions may be made) are distinguished by the large tonnage produced, the output of several pulp mills exceeding one hundred tons per day. For this the St. Lawrence is the natural route for exportation, and to it this heavy tonnage is of the greatest importance as a means of attracting "tramps" as well as liners during the open season.

Increase of sea tonnage into the St. Lawrence is essential to our inland commerce: by it only can sufficient west bound freights be secured to attract a proper share of the commerce of the Lakes, after all has been done to give to the latter quick despatch at Montreal or Quebec.

There is probably no place in the world where inland transportation is carried on with greater expedition and economy than in the valley of the St. Lawrence. This is due to the character of the inland navigation, unequalled elsewhere, and to the influence which this exerts upon the railways competing with it: and also, because the valley of the St. Lawrence is not only the greatest highway for agricultural products, but of mineral ones, as well as of the products of the forest and the fisheries.

More than half of the iron ore produced in the United States is mined around Lake Superior. Into this lake an increasing number of