

NEW ONTARIO'S WATERWAY ALSO PROVIDES AN ECONOMIC GRAIN ROUTE TO MONTREAL.

earns more per ton mile than other railways from Lake Erie to Baltimore or Philadelphia grain ports, considering the fact that these two ports enjoy a differential on ex lake grain of 3.40 cents per bushel over New York and Boston; Baltimore having a still higher differential than Philadelphia on **all rail GRAIN SHIPMENTS FROM CHICAGO**. On present rates across Ontario and New York this 108 miles haul equals 2½ cents per bushel on wheat.

But this saving to the National is not the greatest saving that the French River Improvement will effect. If a dead end line has to be built from the main line, having a junction at Chisholm or Callander, down to Key Harbor on Georgian Bay (which is the only possible economic grain route whereby the "National" could reach Georgian Bay), the cost of **operating and maintaining** this stub line cannot be figured down to less than 3.7 cents per bushel, as it is at least an 85 miles dead end line, which would mean 170 miles of operation.

Basing on the Port McNichol to Montreal mileage, and average earnings per ton mile, and deducting the **ratio** of terminal versus road movement coal and costs set out in the Western Rates case, the cost of operating and maintaining this 170 miles will be 3.7 cents per bushel. Assuming that it could be lowered by efficiency to 3½ cents per bushel, what total amount could be saved per year to the National alone if the waterway were constructed, instead of this dead end line?

The elevators which would be built at the east end of Lake Nipissing for the Canadian National (we will deal with C.P.R. later) would, doubtless, have a total capacity of 7,500,000 bushels and considering that C.N.R. moved in one year 40 per cent. of the Western crop to the Head of the Lake, and that Duluth and Chicago grain

ports ordinarily ships 12,000,000 bushels of grain to Georgian Bay ports, **we would reasonably expect 30,000,000 bushels of grain to be elevated and transhipped over the National to Montreal each year.** At 3.5 cents per bushel the net earnings of the National will therefore be over \$1,000,000 **greater** yearly if the grain comes to the main line via the waterway instead of by a dead end line down to Georgian Bay. This is only operation and maintenance, and is not taking into account the \$6,000,000 cost of construction, and equipping the line with rolling stock.

THEREFORE, NORTHERN ONTARIO'S WATERWAY CLEARLY GIVES CANADA A GRAIN ROUTE WHICH WILL—DUE TO LOW GRADES AND SHORTER MILEAGE OF CANADIAN NATIONAL—PUT GRAIN INTO MONTREAL CHEAPER THAN ANY OTHER CANADIAN LAKE AND RAIL ROUTE AND DECIDEDLY CHEAPER THAN THE BUFFALO TO NEW YORK ROUTE, WHICH IS THE LOWEST OF ALL THE AMERICAN ROUTES FROM THE LAKES TO THE SEABOARD.

Now as to the C.P.R.: Their single track line east from Pt. McNichol is taxed to the utmost in the fall rush season. Were this waterway in, the C.P.R. would then have their main line for a short haul wheat line to Montreal. The mileage from North Bay to Montreal via the C.P.R. is equal to Pt McNichol to Montreal; in fact, it is six miles shorter.

C.P.R. movement of wheat east from North Bay would be economic. North Bay is a "home" divisional point, where crews, engines and rolling stock are available for main line movement. The water borne coal unloading plant will be so close to the divisional point yard that a tender could be loaded by an unloading barge. Full commodity trains moving from a divisional point de-