

Welland canal to the construction of the Georgian Bay canal. Then we have the authoritative statement of the Minister of Railways through the report of his department that it is necessary to deepen the Welland canal. I would be glad to have an authoritative statement of the policy the government intend to pursue in this matter.

Mr. GRAHAM. I made a statement on a similar request the other night, but I admit it was not very elaborate. I said then and I have said many times and I now repeat, that I believe Canada could compete for the carrying trade not only of our own products but of a portion of the products of the United States from the west to the sea-board, if the Welland canal were deepened or a new Welland canal were constructed giving a depth of 22 feet, probably 25 feet. I have never expressed an opinion adverse to the Georgian Bay canal scheme. There are a great many conflicting opinions concerning it, but it strikes me, from the natural contour of the country, its geographical and physical conditions that the time will come when the great carrying trade of the west will have an artery of outlet through the Georgian Bay canal. The Welland canal, of course, is of the cheaper construction and I have faith enough in Canada to believe that with the Welland canal enlarged or a new Welland canal, a great impetus will be given to our carrying trade; but that the trade of Canada will be sufficient in the years to come to require both the Georgian bay and the St. Lawrence routes. For the present the policy of the government, owing to temporary conditions which exist, is to undertake no works which would demand very large expenditures of money. When conditions change, I will be prepared, if I occupy the position I do now, to take a more aggressive stand as to the water routes of Canada.

Mr. T. CHISHOLM. Is it correct that the surveying party who have been examining the route for the Hudson Bay Railway have reported that the Nelson river could be made navigable up nearly to Winnipeg?

Mr. GRAHAM. I laid the report referred to on the table yesterday. Its contents would imply that the navigation of the Nelson river is perhaps more practicable than I myself have hitherto thought it was, and suggestions are made which almost stagger one, for they would lead one to believe that large ocean vessels could be brought from the Hudson bay clear through to Winnipeg. It is a large proposition, but I believe the engineer in his progress report has in one paragraph intimated that this is the case.

To renew foundations of junction locks, \$8,000.

Mr. J. G. HAGGART

Mr. GRAHAM. The foundations of the locks are leaking badly; we do this work with our own staff.

To build new steel gate-lifter, \$12,000.

Mr. GRAHAM. This new lifter is required to take the various gates out for repairs.

Mr. FOSTER. Where do you procure that?

Mr. GRAHAM. This is a new work, we ask for tenders for it. I think Polson's got the contract for the last gate some years ago, but we ask Canadian builders for tenders and award the work to the lowest tenderer.

To renew three feeder bridges, \$3,000.

Mr. GRAHAM. That work will be done by our own staff; there are three old wooden swing bridges.

Before leaving this canal, I wish to furnish some information asked for the other night. The first question was with reference to the price paid by the Cataract Power Company to the government for their water-power. The information is as follows:

	Per year.
First lease dated December 6, 1902, for 700 cubic feet per second at \$30 per cubic ft.	\$21,000
Supplemental agreement of March 31, 1906, provided for 300 cubic feet per second additional at \$30.	9,000
Or in all per year, 1,000 cubic ft. per second.	\$30,000

Mr. J. HAGGART. What is that per horse-power?

Mr. GRAHAM. My deputy informs me that it is difficult to give this information on the basis of horse-power. The company have constructed a pond and do not use the flow of water steadily. It is easier to check it by the cubic foot than by the horse-power.

Mr. J. HAGGART. With the cubic feet per second and the amount of fall the department should be able to calculate that in five minutes.

Mr. GRAHAM. It will be about 30,000 horse-power, or about a dollar per horse-power.

Mr. SPROULE. Is the contract perpetual or what length of time has it to run, and must you absolutely supply the company with at least that amount of power?

Mr. GRAHAM. The lease terminates in 1923. This is the surplus water of the canal. We make the navigation paramount, as in all these contracts. We can close down their supply at any time it is necessary in the interests of navigation