Inland Shipping.—Inland shipping is associated in its beginnings with the birch-bark canoe of the American Indian. After the migration of the U.E. Loyalists, the bateau and Durham boat came into common use. In the absence at that time of any roads to make land travel possible, the St. Lawrence River and the Great Lakes formed the main highway to the interior. The route from Montreal to the Upper Lakes was broken at three places—from Montreal to Kingston transportation was by bateau or Durham boat; from Kingston to Queenston schooners were used; then, after the portage road from Queenston to Chippawa, the schooner was again taken to the destination.

In 1809, the Accommodation, the first Canadian steamship, was built for the Hon. John Molson, to run between Montreal and Quebec. The Frontenac was used on Lake Ontario from 1817 on a weekly service between York and Prescott and, following this, there was a period of great activity in lake and river shipping. In 1845, the Gore reached Lake Huron by way of the Welland Canal to carry on transport trade on the Upper Lakes, where previously there had not been enough traffic to support a large ship. Shipping on the Upper Lakes became brisker now, for there were settlers to be carried from Buffalo to the western United States and grain to be brought back. In this period Canadian shipping made its profit by carrying United States goods, for there was little traffic originating in the Canadian near-West.

Water-borne traffic did not decrease with the advent of steam railways, but, on the contrary, increased, and at present the greater part of the western grain is shipped via the Great Lakes route to eastern ports. The iron-ore and coal traffic between Lake Superior and Lake Erie is chiefly United States traffic and sometimes exceeds 80 million short tons in a year; the total traffic on these Upper Lakes alone is greater than that carried by all Canadian railways and about one-twelfth of that carried by all United States railways.

Coasting Trade.—This form of water-borne traffic has assumed great importance in Canada owing to the long coast lines on the Atlantic and Pacific Oceans and along the Great Lakes and St. Lawrence River system. The movement of grain from Fort William and Port Arthur to Canadian ports on the Lower Lakes and to Montreal is one important factor in coastwise shipping.

Shipping by Ports.—In the fiscal year ended Mar. 31, 1940, the tonnage of sea-going vessels arriving at and departing from Halifax exceeded that of any other port in Canada; Vancouver was next, followed by Victoria and Montreal, but in respect to sea-going cargoes loaded and unloaded, Montreal led by a wide margin, followed by Vancouver, Sydney, Halifax and Saint John. Arrivals only for all shipping are given because, especially in the case of small ports, and owing to the necessity for customs examination, they are more completely reported than departures.