

St. Lawrence ship channel, costing a total of over five millions a year, of which the lake-vessel owners get the benefit, and without which they could not carry on their trade; nor have we considered the new Welland ship canal, on which the expenditure so far has been over \$5,000,000.

So the Canadian people, at this huge outlay, provide navigation facilities, and then permit private steamship companies the free use of these costly channels, with the privilege of charging the public what freight and passenger rates they list, for the Canadian Board of Railway Commissioners has no jurisdiction over the canal or lake traffic. It is precisely as if the government had built the Grand Trunk, the Canadian Pacific, and the Canadian Northern systems, equipped the stations, and then given the private companies the right to operate trains over the roads, the companies charging what rates they chose to levy, while the government maintained the road free of charge.

Contrast this with the policy of Belgium, Holland, Germany, and other countries, where canal navigation is carried on, not to provide profitable franchises to private persons at the public expense, but to co-ordinate water transportation with rail transportation, so that each shall supplement the other to the end of giving the amplest service at the cheapest rate, and without any regard to whether that service gave a profit in itself.

The history of transportation in Canada illustrates the great gulf that exists between a railway created to serve the people and one in which the interests of the people are subservient to the purposes of the persons owning the railway. The private owner is not interested in a railway enterprise out of which he cannot expect a profit, whereas the enlightened state looks first to the public benefit, often disregarding entirely the question of direct profit in operation, as was the case with the Intercolonial. Hence we find that it is the deliberate policy of many governments to do away with surpluses by reducing rates so as to give the cheapest transportation consistent with covering the cost of running the roads. This was the policy of Belgium from the first, and the railway act of that country expressly forbade the accumulation of railway surpluses, but devoted them to new extensions and reduction of rates, and at the outbreak of war no country in the world