

portions of the country itself, cheap transportation is a necessity of life. Before 1850, when the water routes were the chief avenues of transportation and were closed by ice for several months each year, the business of the central portions of the country was reduced to a state of relative inactivity during the winter. The steam railway was required, therefore, for the adequate economic development of Canada, more particularly for linking up with the commercial and industrial world the vast productive areas of the Canadian West, and thus promoting their development. The construction of the Canadian Pacific Railway gave to Canada, as an economic unit, length; the building of the newer transcontinental railways has given the country breadth.

Railway transportation, though essential in a country such as Canada, is nevertheless expensive for bulky and weighty commodities, and also for short distances where the cost of repeated handling amounts to more than actual transportation. For bulky freight, new enterprises have been either undertaken or are under consideration for improving water communication, such as the new and deeper Welland Canal, the deepening of the St. Lawrence canals and of the channel between Montreal and Quebec, and the development of the Hudson Bay route. For freight movement over moderate distances the motor truck, operating over the growing network of improved highways, is providing an increasing proportion of the service. For inaccessible areas remote from the railways, the aeroplane has established itself commercially and is a valuable addition to other transportation facilities.

In order to appraise the value of each of these agencies of transportation from this viewpoint, this chapter of the Year Book, after treating of government control over agencies of transportation and communication in Part I, deals with the four main agencies, namely, carriers by rail, road, water, and air, in Parts II, III, IV, and V, respectively. In each Part the arrangement is intended to show: (1) the plant, equipment, and facilities available; (2) the cost to the Canadian people; and (3) the traffic carried or services performed, in so far as statistics are available for each agency. Unfortunately this arrangement brings out some rather serious gaps in the information at present available; these are pointed out in the respective Parts.

Scarcely less important, from the social and economic viewpoints, is the development of communications in a country so vast and with population centres so scattered. The Post Office has been a great though little-recognized factor in promoting solidarity among the people of different parts of the Dominion, and this same desirable object is now being further aided by the radio, while telegraphs and telephones have done much to annihilate distance—the rural telephone, in particular, having been of great social and economic benefit in country districts. The press, again, assisted by cheap telegraph and cable rates and by low second-class mail rates to all parts of the country, has been helpful in developing national sentiment. These means of communication are dealt with in Parts VI, VII, VIII, and IX.

PART I.—GOVERNMENTAL CONTROL OVER AGENCIES OF TRANSPORTATION AND COMMUNICATION.

Problems of transportation, because they are of such vital importance in the economic life of Canada, occupy a large part of the time and thought of our Parliaments and public men. With the modern development of new forms, it is becoming increasingly important to realize that the several agencies of transportation—carriers by rail, road, water, and air—are, or should be, inter-related parts of an integral