

friendship between two great continental neighbours. As a result of this decision, both the Hydro-Electric Power Commission of Ontario and the Power Authority of the State of New York called, in August 1954, for their first tenders for the construction of power works—and construction started almost immediately. In September, first tenders were called by the St. Lawrence Seaway Authority (followed by the United States Corporation) for construction of the navigation works and work began on that aspect of the undertaking before the close of the 1954 construction season.

## Section 2.—Financial Statistics of Waterways

The principal statistics available of the cost of water-borne traffic consist of the record of public expenditure on waterways. Such expenditure may be classified as capital expenditure, or investment and expenditure for maintenance and operation. Revenue from operation is also recorded. In so far as capital expenditure for the permanent improvement of waterways is concerned, that of the Federal Government covers the major part. There has been some expenditure by municipalities on local harbour facilities, and private capital expenditure is also confined almost entirely to terminal or dockage facilities. The investment in shipping, however, with the exception of the Canadian Government Merchant Marine Limited and the Canadian National (West Indies) Steamships Limited, has come almost entirely from private sources. No figures are available regarding private investment in shipping except those appearing in the reports of the operating companies that cover only a portion of the field. There are no statistics showing the revenue of ship operators from passenger and freight traffic.

**Capital Expenditure.**—The only figures available of federal capital expenditure on Canadian waterways are those compiled from the *Public Accounts* and the annual reports of the Departments of Transport, Public Works and Finance. However, such expenditure cannot be regarded as any indication of the present worth of the undertakings represented. The cost of building canals and other waterways and permanent works to facilitate water transportation in Canada is represented in such reports at their original book values, no deductions having been made from the cumulative totals for depreciation from year to year or for abandonment of earlier works which have been superseded, as for instance, in the first Welland Canals. To this extent such figures are an overstatement of the present value of the works in use. There is a further limitation that should be noted in regard to such figures: they do not include the cost of maintenance and improvements or the operation of these works, such charges having been made to the consolidated deficit account as annual expenditure and not to capital account. Table 22, which shows capital expenditure on canals, marine services and miscellaneous water-transport facilities to have reached the grand total of \$434,809,000, must be interpreted with the above qualifications in mind. In Table 23, the capital values of the fixed assets administered by the National Harbours Board are shown as at Dec. 31, 1952 and 1953, and are in addition to the capital expenditure of Table 22. Figures in Table 23 reflect the capital situation in regard to the national harbours of Canada far better than do those of Table 22 in the case of waterways and facilities, inasmuch as they include all buildings, machinery and durable plant improvements; they also have been subject to deductions for depreciation and the scrapping or abandonment of plant and hence more nearly approach the present value of the properties under the administration of the National Harbours Board.