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The Canal System of England. Its Growth and Present Condition, with particular reference to the Cheap Carriage of Goods. By H. GORDON THOMPSON. Published for the Cobden Club by request. (London: Fisher Unwin, 1903. Sm. 8vo. Pp. 70.)

THERE appear to be at the present time some signs of a revival of interest in English canals. Suggestions are put forward that the existing canals shall be modernised and improved, and even extended. They ought, it is said, to be taken over and maintained by public authorities, a course that has, indeed, actually been adopted in Gloucestershire. We are invited to study and follow the example of France and Germany, where large sums of public money have been devoted to inland navigation, and where, so it is asserted, waterways have proved a valuable auxiliary, or even a useful counterpoise to, and competitor with, railways. Under these circumstances, a brief notice of Mr. Thompson's short essay will, perhaps, not be out of place in the *ECONOMIC JOURNAL*.

Of the essay itself not much need be said. "The material from which it has been drawn has necessarily been exceedingly various." Much of it, one may add, is exceedingly valueless, though that is not Mr. Thompson's fault, but his misfortune. The lamentable inefficiency of our existing canals—with one or two conspicuous exceptions—is an oft-told tale. Of varying width and depth, usually with funds insufficient for adequate maintenance, with no administrative unity, and with scant accommodation for loading, unloading, or warehousing, it is impossible to suppose that in their present condition they can compete with, or even appreciably supplement, the railway service. The really important question is: Could they, if brought up to a practicable standard of physical and administrative efficiency, render any economic service to the community, and, if so, to what extent? Can inland waterways, such as English geographical conditions allow, economically supplement or replace the services now rendered by the railways? Mr. Thompson assumes that the answer to this question must be in the affirmative, and on this assumption advocates a forward canal policy. But what if the answer be in the negative, as not only the facts of history, but the best economic opinion in other countries, indicate that it should be?

In America water-carriage and railways have been left free to compete. The results are undisputed. The Erie Canal, occupying one of the great trade routes of the world, much superior in physical equipment to our English canals, open to carriers free

of any charge either for maintenance or interest on construction capital, has been practically wiped out by the competition of the trunk-line railroads. The navigation facilities of the Ohio and Mississippi Rivers, improved at enormous expense by the United States Government, are so excellent that, from Pittsburg to the sea at New Orleans, one steam-tug can control a fleet of barges carrying some 30,000 tons of coal. *Can* control, but does not, for the river traffic is a thing of the past, and the coal goes nowadays by railway. But, it will be said, in France and Germany water-borne traffic is increasing and gaining ground on the railways. True, but irrelevant. For, in the first place, the increase is mainly on waterways that have not, and cannot have, any analogues in England; on the Seine, the Rhine, and the Elbe, rivers that can take vessels of 1,000 tons, not on barge canals. In the competition for coal-traffic from the Pas-de-Calais to Paris, the Chemin de Fer du Nord more than holds its own with the canal. Further, both in France and Germany, the State throws the weight of its sword into the scale against the railways. On the canals public taxation pays interest on capital and maintenance charges; the traffic pays only the actual cost of movement. Railway traffic pays rates which have to cover, not only movement expenses, but maintenance and interest (which represent roughly three-fourths of the total) as well. And even then the State does not allow the railways, handicapped as they are, a free hand to make such rates for competitive traffic as it would pay them to make, rather than lose the traffic. Under these circumstances, to argue from French or German experience in favour of the intrinsic economic advantages of water-carriage is impossible. Rather the contrary, for, if, with all these intrinsic advantages, water-carriage only a little more than holds its own, is it not self-evident that, without them, it would be beaten out of the field?

To enumerate the abstract reasons why canal carriage is economically inferior to railway carriage, even for low-class bulk freight, would occupy too much space. The arguments can be found in the works of well-known writers like Gustav Cohn and Uhlich in Germany, and Picard and Colson in France, none of which, however, Mr. Thompson seems to have consulted. Briefly, they are these. A canal, for a given volume of traffic, is not—having regard to the fact that between two given points it, from physical necessity, takes a circuitous course—cheaper to construct than a railway; and if, when constructed, the volume of traffic overtakes the capacities of the accommodation, a canal cannot be

gradually improved and extended either so conveniently or so cheaply as a railway. It is cheaper to maintain, but, from drought in summer, ice in winter, and need from time to time for repairs under water, is often out of use entirely. A barge is, as Mr. Thompson says, a much less costly thing than an engine and a train of trucks. But, though it costs only one-tenth, it does only one-tenth of the work in a year, which Mr. Thompson omits to notice. Haulage cost in the two cases is probably not dissimilar, though—a fact which is of importance in a hilly country like England—canal efficiency decreases rapidly where changes of level are frequent and considerable. A railway can go where a canal cannot follow. A modern ironworks has railway trucks right through the yards and inside the sheds; a waterway in a similar position is impossible, so everything would have to be hauled on land to and from the barges. Finally, a railway can do everything that the canal can, and being able not only to carry, but to make a profit from passengers, parcels, mixed goods, &c., can afford to transport at a minimum profit the coal, bricks, &c., which must, in the case of the canal, unaided bear the whole cost of working, maintenance, and interest on capital.

A book which deals with the economics of inland water-carriage is so far lacking in English economic literature. It is to be hoped that London or Birmingham, or some other of the modern schools of applied economics, will some day supply the want.

W. M. ACWORTH

La Coopération. By P. HUBERT-VALLEROUX. (Paris: Victor Lecoffre, 1904.)

THIS small work of 225 pages gives a concise account of Cooperation in the chief countries of Europe; especially in France and England. The writer points out that though the word "cooperation" has been borrowed from England since 1863 to express this form of industrial association, yet that, before that date, in fact as early as 1834, the principle of workmen's associations had been established in France. There, as elsewhere, the idea emanated not from the working-classes themselves, but from some thinkers of the middle and upper classes. He assigns to M. J. P. Buchez the credit of having first given the idea a practical shape. His aim was to form groups of workers employing themselves by means of a small