

Wanted—A Good Roads Commission

To Prove that Money Spent on Good Roads Will Yield a Return of 100 Per Cent. Per Annum

By R. S. NEVILLE, K.C.

THIS is the fourth and last of my articles on good roads. It is my final appeal to the people of Canada on what I consider to be a most important national question. The picturesque, the spectacular, or the dramatic, seems to be necessary to stir public opinion. The tragic loss of the *Titanic* with 1,600 lives created an irresistible public demand that forced the Governments of two great nations and all the passenger steamship companies to immediate action in the interest of greater safety at sea. But 500,000 people are killed and maimed annually in one of these great nations through industrial accidents which are largely preventable, and the voice of public opinion is scarcely heard. The accidents continue from year to year with little check. One might give a hundred similar illustrations and contrasts. An appeal to the public through ordinary educative channels is slow of result.

Good roads is one of these prosaic questions, and is hard to make sufficiently impressive to arouse public opinion. It took about ten years to get an Ontario Legislature to appropriate \$1,000,000 to aid country roads. Then the counties were so slow that it took them another ten years to spend the money. Many of the counties have taken no action yet; and nothing has been done to help the township roads. All told, I understand that less than two thousand miles of roads have been improved under the Act in the ten years. At that rate of progress it would take two or three centuries to put the roads of the Province in shape. Public opinion requires spurs.

Yet if Ontario were a joint stock company, desirous of increasing its wealth, and had a live business manager, you would see a sign-board with something like this on it, at every cross road: "*The construction of good roads throughout this county would immediately increase the value of its farms to the extent of four times the total cost of the roads.*"

A promise of an immediate return of 400 per cent. on roads expenditure would make the farmers open their eyes and get busy.

If it were proposed to tax the farmers of Canada \$30,000,000 a year for the improvement of the country roads, they would organize for rebellion. But if it were then proved to them that the sum of thirty millions is hardly more than half their present annual loss caused by bad roads, they would turn their militant organizations into good roads associations. One of the results of good roads

would be to increase the annual profits of the farmers by \$1.20 for every ton of their marketable produce. This would mean 3 3-5 cents a bushel on wheat and a proportionate increase of profit on everything else.

But the farmers are not the only ones interested in the country roads, and in every country having a good roads policy, the people living in the urban municipalities are required to contribute to the construction and maintenance of the country roads. This contribution should not be left to negotiation by the municipal councils concerned, without any established principles for their guidance. Bargaining between vote-seeking councillors representing municipalities watchfully jealous of each other, would be a doubtful undertaking, with no uniformity of result.

Something better than that must be devised—some method of apportioning the cost between the municipalities concerned—urban, county, and township. Then there is the further question—What shall be the proportionate contribution of the Provincial Governments, having regard to their respective revenues and the demands of the other public services?

The question of the amount and the methods of giving Dominion aid to roads construction and maintenance also requires consideration.

LOOKING abroad we find no two countries with the same financial system for roads construction or maintenance. In France and Germany much attention is paid to military exigencies, and the national Governments assume a great deal of responsibility. In England the roads are built and kept up by the local authorities, with some aid, now, from the Imperial Government.

In the United States the National Government does not build roads, but it has established a Good Roads Office at Washington that exercises a wide influence in roads construction all over the Union, and there is a growing demand for national financial aid, or national roads wholly or partly financed by the Central Government. The State Governments, however, contribute liberally—much more liberally than any one has proposed for our Provinces. They have larger revenues and systems of taxation different from ours, and we might not be able to adopt their ways. But we can learn much

from what the United States Government is doing through its Good Roads Office, and from the example of the States. For the problems in that country are similar to ours, and the good roads movement there has already become nation-wide.

I humbly suggest that the Canadian Government should appoint a Royal Commission to investigate and report upon the methods of construction, maintenance and supervision of the roads in Great Britain, France, Germany, and the United States, and of financing roads expenditure in those countries, and to make recommendations for the guidance of the Canadian people, having regard to our climatic conditions, the character of our traffic, and our peculiar political and municipal divisions and their respective resources.

The Canadian Government has already recognized the national importance of good roads, and public opinion fully supports their proposal for an annual contribution from the Dominion treasury. Even the proposal has stimulated public interest, and this would be greatly increased by the appointment of a Royal Commission; while the Commissioners' Report, distributed through all the municipalities, would be of the greatest educational value and a practical guide to Governments and people.

With a good roads movement thus launched on a national scale; the report of a Royal Commission in hand; a Good Roads Office established at Ottawa co-operating with and assisting the Provinces and people everywhere; with departments of highway engineering at the universities and at all the agricultural colleges supplying the demand for road-building experts, and an additional course of lectures on country road-building for all the students at these latter institutions; with road models and lectures at every exhibition and country fair; with Good Roads Specials carrying similar models and lecturers over the railways to rural places where, in the absence of road engineers, the farmers have to do their own road building; and with some settled principle of financial contribution by the Provincial Governments and by the various municipal bodies, and with such additional assistance as the Dominion Government can afford to give; Canada would soon place herself abreast with other progressive countries in road-building, take on a healthy, progressive and prosperous appearance commensurate with her great wealth and prospects, become far more attractive to tourists and immigrants, and add enormously to her people's wealth and comfort.

Effect of Rising Prices on Income

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THE rapid rise of general prices which has taken place during the last fifteen years is rightly attracting a large amount of attention at the present time owing to its important sociological consequences. The effects of this movement in Canada have been accentuated by the burst of prosperity which has accompanied the rapid development of the country. This again has caused a rapid rise of the standard of consumption among all classes, so that we are now suffering even more from the cost of high living, and enormous waste of products, than from the increased cost of a necessary or moderate scale of expenditure.

I propose to examine the influence of a period of rising prices upon prosperity, as it affects both income, expenditure and thrift. First, as to the effect on income and on the distribution of wealth.

It is assumed by the speech of the market place that increasing values indicate prosperity, while a fall spells adversity. "Booming trade," "buoyant markets," "inflation," are associated with commercial activity; "depression," "stagnation," "collapse," are the terms by which we describe the opposite condition. Such language is correctly used in interpreting market fluctuations from day to day, but it does not help us to a decision as to the effect of a permanent condition of rising or falling prices on the general well-being.

The index number of the Department of Labour, which records the average price movements of 252 wholesale commodities in Canada, shows that there has been an increase of 45 per cent. between 1896 and March, 1912, that is, a rise of 3 per cent. per annum over the whole period. What has been the effect of this movement on the incomes of the community? If such an increase in nominal values had

reached all sections and classes uniformly, and had affected incomes in the same ratio as expenditures, no material result would have been produced. All it would signify would be that a dollar and a half would always be employed now where a dollar sufficed in 1896. No one would be materially benefited and no one would be inconvenienced by the change. The only difference would be that half as many bills again would be required for circulation as were available originally. In fact, however, the result is very different since the incidence of the change on the various sections of the community is far from being regular or uniform, and the ultimate result involves a material modification of the distribution of wealth.

SOME prices rise more than others; some values decrease. The holder or producer of appreciating goods gains more than the owner whose goods are stationary. Those who possess land in progressive sections of the country gain while stagnant centres or districts suffer. Those who supply lumber or furs, leather goods or textiles, which have risen more than the average, have gained more than producers of metals and metal products whose values have increased slowly or not at all. Among the consumers those who are obliged to purchase more of the goods which show the greater increases suffer more than those whose demand is mainly for goods with stationary values. Lastly, on the income side those who receive fixed salaries or whose wages are inelastic, are distinctly worse off than

those whose incomes are closely correlated with rising commodity prices.

The most important distinction which emerges from these considerations is that the man whose income consists of industrial profits gains under rising prices relatively to the man who receives salary or wages. It is a fact familiar to the statistician that wages and salaries respond very slowly to changes in the general price level. They rise more slowly than rising prices, and they fall more slowly also; there is a lag in the movement. Hence a fall of prices—except in so far as it affects employment—benefits labour by increasing the purchasing power of wages. The improvement in the standard of comfort of the working class the world over during the past generation is attributable in no small degree to the steady fall of prices which occurred between 1873 and 1896. Under rising prices, however, the conditions are reversed. It is the profit taker, then, who gains relatively to the wage-earner or salaried employee. Unless exceptional conditions intervene the rising tide of prosperity will flow to a disproportionate extent into the pockets of the well-to-do. What matter, we may be told? The more fortunate having now more to spend will at once pass on to others this fresh access of prosperity through their increased demand for goods and labour. This is true, though it by no means follows that the secondary result corrects the balance. In the first place, the increased demand of the well-to-do will increase the activity of other trades than those which would be stimulated to supply the wants of the wage-earner. In the second place, the goods that will be produced will be those that satisfy less important requirements than would be the case on the other supposition.