

added responsibility would hardly involve it in very much greater obligations than—directly and otherwise—exist today in connection with certain railway projects.

In such a scheme, the Government's investment—less than fifty per cent. of the whole—would be represented by stock. That minority holding would carry its proportionate representation on the Directorate. The country's share of profits to be available in a general reduction of rates as well as in the granting of preferentials on raw products, as the Railway Board with absolute control of rates, would direct. The Railway Board to have the responsibility of directing when and where new lines are to be built, while the majority of the stock, held by the public, might be limited to some fixed dividend. That would give the country one great railway system under private management. It would do away with unnecessary duplication of lines, lessen the cost of transportation due to competition to meet extravagance rather than business needs. And the country's investment would be treated very much in the same way as its \$100,000,000 investment in canals, from which no direct revenue has ever been collected. It probably will be said that the holders of the majority stock would become indifferent in the management of the new undertaking, if the return on their holdings was limited by law. In other words, effort would cease to be stimulated by hope of higher dividend returns to the investor. That under ordinary circumstances is highly probable. The government as a partner however should give the undertaking such a firm financial standing as to overcome, largely, the loss through inability to speculate on increased dividends. I might as well confess that this method—a semi-national railway at once raises the issue, patriotism vs. sordid private interests. For my part I believe we have important railway men in Canada who would rise to the occasion.

We all know that the private corporation is operated primarily for the dividend. If it is a question of reducing it for a few years in order say to aid in the development of some classes of industry, we have a very fair idea which will suffer. The management would have no option in the matter. The cow must be milked regularly. That is the attitude of proprietors as a body. And that feature counts in favour of the national railway, its prime object being the development of the country along the soundest lines. If on the other hand, it is to be the settled policy of the country to have both public and private railway corporations, how could they best be grouped to render the greatest public service? I say grouped because I see no advantage in competition. To me it is a fallacy, as healthy business interests are not so silly as to compete below the high water dividend mark. They reach an agreement, when competition becomes more of the nature of combination. The transportation needs of any particular district, if guaranteed by aggressive government control, can be properly taken