

Minister of Railways, makes an argument in favor of government ownership of railways which comes quite naturally to the manager of a government-owned and operative railway. At the time Mr. Blair represented the owner of a large system of Government railway and he supervised its operation. He was, therefore, deeply interested in vindicating government ownership and operation because he personified that government ownership and operation. In fact to quote from the document: "The object of this memorandum may be frankly avowed. It is to remove if possible any prejudices which may exist against Intercolonial administration and ensure a fair and open-minded consideration of the policy of further government railway extension." Being a lawyer he could make an excellent brief on the subject except that he could not buttress himself up with many admitted facts. He admitted that company railways made money and that the government railway in Canada lost money but he refused to allow that financial failure to be attributed to government ownership.

Mr. Blair had, however, hold of a right idea which he expressed in the following paragraph:—

The undersigned has long held the opinion that a port on the Georgian Bay should be reached by the Intercolonial and thus a connection had with the Canadian Northern by water transport, open and practicable for from four to six weeks longer than canal navigation. The Canadian Northern would gladly co-operate with the government railway, as it has no other railway connection nor any interest antagonistic to the government system. Duluth and Chicago would be in touch with the Intercolonial and direct through rates could be arranged to Montreal or Lewis during the summer season, and to St. John and Halifax during the winter. By the construction of storage elevators on a sufficient scale to hold grain in quantities not going forward until navigation closed, a large and ever-increased traffic would find its way over Canadian territory and by government railway to the ocean through the gateways of Halifax and St. John.

The advantage of such extension to the Intercolonial can hardly be over-estimated. If the Canada Atlantic system were acquired, a traffic producing section of the country, with a growing local business already created, would be found on the west-

ern portion of the line; while St. John, Halifax and Sydney at the other end would equalize the existing conditions and carry the intermediate section—a section which, it is only fair to say, has within the last few years shown signs of considerable progress and before the lapse of many years may be expected to be self-sustaining.

There is no doubt in the world that Mr. Blair is accurate in apprehending that if the Intercolonial is to participate in western traffic it must be fed from the west by one of the large controlling lines and as he says, the natural feeder is the Canadian Northern which comes, at the present time during the whole of the season of navigation, to the terminus of the Canada Atlantic system on Georgian Bay. The policy of uniting these two systems is so obvious that it is bound to be adopted, and the assistance of the government given to its consummation at no distant day. There is, however, no necessity of extending the Intercolonial to Georgian Bay for the purpose of accomplishing the object aimed at. Put the Canadian Northern over the Canada Atlantic rails into Montreal and Quebec and in that way throw it into the lap of the Intercolonial. This is a better railway scheme, especially as Mr. Blair realizes that most of the people in this country are opposed to a government owned railway, and, therefore, the extension of the one railway in this country owned by government would not be a popular thing.

The extension of the Intercolonial to Montreal was popular simply for the reason that it was necessary and inevitable. The extension to Montreal was advocated and defended on the ground that at Montreal it would meet with other railway systems and be able to receive traffic from the west. According to Mr. Blair this it has failed to do. To our mind the most significant thing about the document with which we are dealing is the confession by the then Minister of Railways that the extension of the Intercolonial to Montreal has failed to accomplish its object. The remedy according to Mr. Blair is in a further extension of the Intercolonial but if the extension to Montreal did not result in the anticipated traffic how in the name of