

should as far as possible take advantage of the transportation facilities of that country. In applying that doctrine to western Canada, for European shipments, we know that Canadian railways are at a double disadvantage when compared with American lines. First, in the matter of operation in winter, and second, the latter enjoy a traffic-producing territory, the entire distance between the Atlantic seaboard and the border states of the Middle West, while we all know there is a long stretch of country in Canada that contributes no business to our transcontinental lines.

It therefore looks as if Canada would some day have to face the problem of a scientific distribution of rails as that seems the only way to get our haulage costs down to the minimum. Many things, however, will have to occur before that is possible. Is it our fixed policy to have national as well as privately owned roads, as is the situation to-day? If not, which will give way to the other? That is a question I think I had better leave alone. We know it is a very vexed question with railway experts, namely, national vs. privately owned railways. Of this I do feel confident, that it was a mistake to have ever allowed the building of more than one transcontinental railway. With but one great railway system, we could have had our Railway Board entrusted with extraordinary power to say to the Company, you must build a branch line here and another there, after the Board had determined the need for such branches.

Considering the disjointed productive areas of Canada, stretching across the continent, and all adjoining the great Republic to the south, with its network of roads; the economic problems, which such a situation gives rise to, and especially within our largest area—the Middle West; and the desirability of trans-oceanic trade, flowing as far as possible through Canadian transportation channels, I believe a great national railway system would best serve our purposes. In that case the profit-earning feature, over and above fixed charges need not be a factor for some time to come. Knowing our past experience in operating a national road, it has taken some courage on my part to make that admission. Having made it, however, I might as well admit that it is a very long cry to such an accomplishment, both on account of cost, which would absolutely exhaust the country's credit, and the fact that public control on this continent has so far invariably fallen far below that of private management, in the matter of efficiency and economy.

There is something less drastic, which appeals to me with considerable force. It is a great semi-national railway, to be accomplished by the absorption of our existing national roads, as well as the two smaller transcontinental railways with the larger, the Canadian Pacific Railway. In such an amalgamation the State would have to do a considerable portion of the financing. This apparent