

ness needs of the people. The trend of opinion in that country, amongst the best informed, appears to be in favor of a sound policy is to go to the extent of saying where new lines shall be built and of regulation by highly competent and broad-minded servants of the people, entirely removed from political control. If such regulation when, then it may be sufficient. It could hardly be expected that control of that character should be exercised over a purely privately owned road, and yet regulation by the government of the operation of railroads and their traffic rates alone, do not seem to meet the needs of the situation. A feature of existing regulation of roads in the United States that is the cause of growing concern to the operators is the intra as well as inter-state control. But all these burdens, if burdens they have been, surely cannot be charged with having brought to bankruptcy such a large mileage during the past few years. In November last, President Johnson, of the Norfolk and Western Railway Company, addressing the Western Society of Engineers on "The relationship of the railways and the public," said: "According to 'the latest available statistics there are now 82 railways in the hands 'of receivers having a mileage of 41,988 miles, and a capitalization 'of \$2,264,000,000.' Does that not look as if some of those roads must have been located and constructed where there was at least no present need for them?"

We in Canada have, I believe, entered into a new railway era. In the past, like the ostrich, with our heads in the sand, we have said "the more the merrier." If capital wished to take chances on building railways, side by side, we encouraged them, claiming that it meant competition and that that benefited trade. Such a doctrine can only be sound so long as there is a sound distribution of track. Let us assume we could perform wonders, and overnight lift up our Canadian railways. We know we should never think of laying them all down again, while many miles would not even be placed back in their present locations.

We must assume, at least in theory, that there is such a thing as a scientific distribution of rails, and there is a doctrine, all things being equal, that the products of a country in transit to their market,

(2) "The total Dominion guarantees in respect of the Canadian Northern Railway System aggregate \$104,000,000. There has, in addition, been guaranteed by the provinces of Canada no less an amount than \$107,000,000 of securities of the Canadian Northern Railway Company. Of this amount Ontario has guaranteed \$8,000,000, Manitoba has guaranteed \$25,500,000, Saskatchewan has guaranteed \$15,000,000, Alberta has guaranteed \$19,000,000, and British Columbia has guaranteed \$40,000,000, making a total, as I have said, in round figures, of \$107,000,000 of the securities of the Canadian Northern Railway system guaranteed by the provinces of Canada. Taking the two together, the Dominion and the provinces, the total guarantees aggregate \$211,000,000."