



BONAVENTURE STATION, MONTREAL. (SEE PAGE 327.)

tor now & then demands that all the paper money in the country should be issued by Government on the security of public resources, whatever that may be, the farmers as a body are satisfied with things as they are. In the recent Dominion general election campaign, however, Manitoba farmers advocated government ownership of railroads. It was not suggested that the existing lines should be purchased—Canada could not afford that—but that henceforth all new lines should be built & operated by government. The main ground on which this demand was based was that although the Dominion Government, the various Provincial governments, & the municipalities have voted, all told, about \$220,000,000 to railroads, without counting land grants, the public have no real control except in the case of the Intercolonial, which was built & is operated by the Dominion Government.

As a matter of fact, the Railway Committee of the Privy Council at Ottawa exercises a tolerably efficient control over all the private railways. It hears complaints regarding rates, & undue preferences, & has to do with running powers, expropriations, & crossings, traffic arrangements, & the like; no company may levy rates until they have been approved by it; any one with a grievance may submit it by letter, that is, is not obliged to appear at Ottawa in person or by counsel; & if he fails to make out his case, the costs are paid by the Government, provided he has acted in good faith. There is no doubt, I think, that the Committee serves the public as well as the Interstate Commission at Washington, whose usefulness has been impaired by recent decisions of the courts.

All things considered, too, the Manitoba farmer is well supplied with railways, the mileage per thousand of the population being greater than in any of the newer states south of the International Boundary; whilst rates

on the Canadian Pacific, local as well as through, are lower than rates in Dakota or Minnesota. He is asking for Government ownership principally because he thinks it would be the means of reducing rates at the expense of the taxpayer at large.

But the taxpayer in the older provinces is not disposed to rise to that height of altruism; his experience of Government ownership in the case of the Intercolonial having been singularly discouraging. To state the facts very briefly, the Government system, including the Prince Edward Island Ry., is 1,300 miles long. A roundabout route by the Baie de Chaleur was chosen ostensibly to withdraw the line as far as possible from the U.S. frontier, in reality to enable the Government of the day to obtain the support of northern New Brunswick for Confederation. There was a good deal of corruption in connection with the contracts, & ever since the road was opened it has been run, more or less openly, as a party machine. Politics have corrupted the management, & the management in turn has corrupted politics.

No matter whether Liberals or Conservatives are in power, the cost of operating is far higher than on other lines. Stations were planted thick to satisfy persons who had land to sell & create other patronage; buildings of various kinds, like the huge elevator at Halifax, have been erected to carry bye-elections or furnish contracts to political allies; & branch lines constructed with an eye to the effect on the constituencies traversed. Rebates are given to friends, or, what comes to the same, the friend gets the benefit of under-billing—he is allowed to place, say, 35,000 lbs. of freight in a car & be charged for only 24,000 lbs., whereas the political opponent is made to pay for the actual quantity shipped. When a new cabinet or a new Minister of Railways comes in, an effort is made to banish abuses of this sort, but the party friends are generally

strong enough to block reform. "Do you mean to tell us," they ask, "that we who have been in the wilderness so long are not to profit by the perquisites which the other side enjoyed?"

The number of employes is excessive, but as they are voters & usually active party workers, it is not easy for the most resolute of Ministers to get rid of them, even when they are known to be dishonest. Much of the time of the members who support the Government is occupied with matters of railway patronage or in pressing claims for damages, etc., not in every instance genuine. Rates are lower as a rule than on other lines, because the people along the route insist on low rates, knowing that the deficit will have to be shouldered not by themselves but by the general treasury. To reduce the deficit the Minister is tempted to charge to capital items which ought to be charged against revenue; the opposition for the time being protests, but does the same thing when its turn of office comes. The Chief Engineer has cited an instance where a farmer, whose claim was nursed by politicians, demanded \$60,000 for \$10 worth of sand taken from his land. The cost of building a branch, 14 miles long, from St. Charles to Levis, opposite Quebec, was estimated at \$750,000, which included the land expropriations; the actual cost to date amounts to nearly \$2,000,000.

The results of Government ownership in Europe or Australia have no bearing, therefore, upon the subject here. We must judge it by its results in Canada, which are so unsatisfactory that many of the best men in both parties would like to see the Intercolonial leased to a company, in order that politics might be purged of so fruitful a source of evil.

Moreover, mixed ownership is, as usual, beginning to work injustice, private lines having to compete with the Government railways that are not expected to earn dividends,