

favor of the Toronto manufacturers. Messrs. McLaren and Kemp, members of the Dominion Parliament, acting independently of each other, have, as a result of careful examination, estimated that the freight rates on Canadian lines are, on the average, about twenty-five per cent. higher than on American lines. Since the railways of Canada receive for carrying freight over \$50,000,000 a year, this means that the overcharge amounts to upwards of \$10,000,000 per annum.

And yet the right of the people to control in these matters, on moral and legal grounds, and on the grounds of public policy, is beyond question. Even if the railways of Canada had been built wholly at the expense of the owners, our right to prevent injurious discrimination and overcharging would be indisputable.

These great carrying companies are not ordinary private enterprises. By the conditions governing their existence they enjoy what is essentially a monopoly. You cannot have competition between railways as you can between merchants. It is both impossible and undesirable to have competing lines of railways paralleling each other all over the country, and even at junction points, where two lines come together, there is no longer competition in rates, because it has been found that such would, on account of the vastness and peculiar nature of the interests involved, prove so destructive as to put it wholly out of the question. The consequence has been, the continent over, pools and agreements for the regulation and apportionment of traffic. These conditions alone, conditions which give railways in the very nature of things

a monopoly of the transportation service of the country, justify, indeed make imperative, public control; an uncontrolled private monopoly of such a necessary of commercial life as transportation is not to be thought of.

Public control, again, is justified on the ground that these corporations are in a special sense the creation of law, and so, in an exceptional measure, subject to legal control. They may indeed, almost be classed as part of the machinery of government. They have been given the power to take private property without the consent of the owners, and possess other powers almost equally wide-reaching. In return there has been very properly reserved by the Government the right to control and regulate the rates which these public corporations may charge for the public service rendered.

But there is, aside from these general considerations, a special reason why public control of these corporations is warranted. While private capitalists own the railways of Canada, the cost of building has been largely borne by the tax payers of the Dominion. Outside of the sums spent on the Intercolonial, which the people own, there has been paid through the Dominion, the Provinces and the municipalities, on account of private railways which the people do not own, subsidies to the amount of \$160,000,000. This was in cash or its equivalent. In addition to this we have given to private railway promoters over 60,000,000 acres of land—nearly three times the area of assessed lands of this Province. Even if this land is valued at only \$2 per