

transportation in the Canadian West is in excess of rates for corresponding distances in the United States by proportions ranging from ten per cent. to over one hundred per cent. This being the case, of what avail is it to the people of Canada to assist in building a second and a third transcontinental railway when there is no reduction of rates?

The Conservative government, which created the Canadian Pacific Railway, may have thought it provided a safeguard for the return of some of the enormous assets which it threw into the company's lap in money and lands when it stipulated that all profits in excess of ten per cent. should be returned to the people. But the company has found a way to mop up these extra profits by the creation of subsidiary companies, such as hotel companies, catering companies, land irrigation companies, etc.

To make a bad situation worse for the people who pay without control, the late Liberal government in subsidizing the second transcontinental system committed the people to an expenditure which it is said will reach \$250,000,000, and has designed as far as it could, that that portion of the new system, which is owned by the private corporation and comprises the only profitable part of the road, should be exempt from the control of the government railway commission, while the portion in which there is no present possibility of profit is owned by the government and controlled by the commission.

It is true that there is a proviso in the Grand Trunk Pacific Act that the company shall not charge any higher rates to a Canadian sea port terminal than to a terminal in the United States. But to those who know the methods by which the Grand Trunk secures its present traffic from the West to its own terminal at Portland, and who know the plans now being matured at great expense for a second United States terminal at Providence, R.I., this provision will only give a light touch of comedy to the administrative tragedy of the late government. The appropriation of \$30,000,000 to the Canadian Northern for its transcontinental road passed in the late Parliament almost without comment from either side, as the cold potato was handed to Rip Van Winkle.

Here we have government railways built at a cost to date of over \$237,000,000, carefully held back from reaching the only regions of the country where promising traffic exists destined for the sea; while privately-owned railway corporations to which the Dominion and provincial governments and municipalities have given cash bonuses amounting to over \$301,000,000, besides vastly more valuable lands, are levying upon the producers of the West a form of internal revenue tax which no people could possibly pay if it were not for the miraculous fertility of a virgin soil. Remembering that the Canadian railway companies are also the owners or controllers of the express and telegraph companies of the country, it is within the bounds of truth to say that these imposts when combined make a system of taxation upon the people unparalleled in any country pretending to modern civilization.

Seeing that the world's market prices are not fixed in Canada, foreign trade can only be gained by reducing the cost of transporting the products of the mid-continent to the Atlantic and Pacific. The control of rates, and ultimately the ownership of the transcontinental lines of communication, is the only means to this end, because the purpose of private ownership is to make profits out of its transport system, while government ownership, with the object of international trade would seek to render an efficient service at the lowest possible cost consistent with the payment of good wages. The excessive rates are undoubtedly the prime cause of the apparent difference in prices in favor of United States goods as compared with Canadian goods when laid down in the Canadian West.

Essentially the transportation of human beings and the materials of their sustenance and employment is of the same nature as the transmission of intelligence through the post, and as no statesman would now propose to hand back the postal service of a nation to private operators as once was the case, so the day is fast coming when the railway service of Canada must be under state operation.

The solution of the problem therefore is to prepare for the acquisition of the railway, express, telegraph, and long-distance telephone services, and as a preparatory step, to bring these present public service corporations under the authority of the railway commission which can be reorganized into branches to cope with its increased work. It may be that the railway companies will have the foresight to see that these changes must come, and the wisdom to accede in advance to a change to which they must otherwise yield under pressure of public opinion. Such a yielding is in fact now advocated by some of the ablest railway managers in the United States who recognize that the logic of the increasing control now exercised by the government over railway corporations is early government ownership.

The Grand Trunk Pacific Railway should be expropriated by the Dominion government, and joined to the Intercolonial Railway, so as at once to afford an automatic regulator of rates from prairie to sea. That or the extension of the Intercolonial Railway to the Pacific. Some such method seems the only practical way of rendering long deferred justice to the people of the Maritime Provinces, the Western Provinces and British Columbia, and of securing to the nation what will inevitably be lost under the present scheme—the shipment by Canadian vessels and from Canadian sea ports of the produce of Canadian soil.

But where Canada has suffered and will suffer yet more in yielding up the principle of railway development on which our confederation was founded, is in the enormous and unreasoning waste of money, labor and land in the triplication of lines where communications already exist, to the starvation of those parts of the country that are without railway facilities. There is not even the consolation that a second or third line effects a material reduction in rates. For example, three competing lines of the three great corporations are now being finished between Toronto and Montreal, where one with new tracks to cope with increasing traffic would serve the public. The city terminal costs alone run into millions of dollars, not to consider the permanent waste of land by the extra right-of-way and the waste of labor by the triplication of the staffs. In the end the people, whose produce, labor and earnings provide this traffic—and who consequently suffer for this waste—are not benefited in the slightest by this illusory competition. What does the word "competition" signify when there is no reduction of rates?

But this is not the worst aspect of this senseless waste of a nation's resources. What was the purpose of the great sacrifices made by the people in subsidizing the private corporations to build these chains of communication? Was it not to colonize our vacant lands and utilize to the utmost benefit of all the provinces the resources of the country? Without doubt. And yet the primary purpose of each of our private railway corporations is to string their lines where traffic already exists, and new territory is now opened up only where profits are immediately visible. If colonization and the utmost public service were the actual, as well as the theoretical motive of railway building in this country, we should have in the older provinces lines to thousands of villages that are yet without access to railways, and still paying the oppressive cost of wagon haulage; while in the great West we should have had twice the area of land under cultivation with a doubling of the productive capacity of the country.