

the burden imposed upon them as producers, and he gives an example, that at the close of 1899 it cost as much to ship wheat a distance of 400 miles over the best railroads of Australia, as it cost to ship wheat from Chicago to Liverpool. And he also says, that down to 1897, the railway charges in New South Wales were so high that it was practically impossible for settlers to go into the interior of the colony to raise wheat there for shipment to Sydney and the seaboard, in competition with wheat brought by sea from the coast districts of Victoria and South Australia. Not more than 20 per cent of the wheat raised in the interior of New South Wales found its way to the seaboard, where dwells the bulk of the population.

In the year 1899, the railway department of Victoria maintained that it could not haul wheat for less than two cents per long ton mile. The farmers protested that this was an exorbitant charge, and also, that they had done everything in their power to reduce expenses, and they felt keenly the fact that their principal competitor in the Liverpool market, the American farmer, had his wheat carried from Chicago to Liverpool for the sum they had to pay the Government railway for carrying their wheat from the Murray River to Melbourne. The reply which farmers received to their request for a reduction of rates, was that railway rates were like customs duties. Finally, the Government reduced the rates on agricultural products by the trifling sum of \$275,000 of revenue, but it induced Parliament to vote the Department of Railways a special subsidy to make the sum paid by the shipper, plus the subsidy, equal to the old rates. This followed the precedent established when the charge on coal was reduced, the Treasury giving the Railway Department a subsidy of dollar for dollar on the coal rates. The subsidies, of course, are only book entries. They make the revenue of the Railway Department appear larger than it is, and thus make the deficits appear smaller than they are.

This is important testimony, for Canadians have been told, in some quarters, that the State operated railways of Australia pay. Indeed, the reports of the Railway Department, for example, in 1897-98, place the cost of the railways and tramways at \$196,000,000, and charge the Railway Department with interest on that sum at a little over three and a half per cent. The Railway Department ignored the fact that to raise \$196,000,000, the Government had sold at a discount bonds of the face value of \$221,405,000. Thus, it happened that while the Railway Department was reporting a surplus of \$160,000 for 1897-98, there was a real deficit of \$940,000. The Auditor General took the liberty to report to Parliament, that it was unfair to charge the Railway Department with interest on the larger sum, since a large but unascertainable part of the proceeds of the bonds had been used to defray the operating expenses, and not to build railways. The Auditor General suggested that the deficit be called \$285,000.

#### RAILWAY MANAGEMENT IN OTHER COUNTRIES.

Could any better examples be found of the way Governments will cook accounts to make out a surplus for a policy they feel themselves bound to maintain? No attempt will be made here to reproduce one-twentieth of the illustrations given by Professor Meyer, showing the disastrous results of the attempt of the Australian Governments to operate their railways. Sufficient to say that many evils are caused by the attempt. He gives a long chapter showing that members of Parliament were constantly bringing pressure on the Minister and the Government, to make them intervene in matters of detail, such as the system of lighting passenger cars, the adoption of a particular kind of brake, the payment of wages, and the quality of the rails. There was political intervention on behalf of contractors, dismissed employees, and, in fact, in regard to everything. At one time the condition