

NATIONAL RAILWAYS

HUGH H. LUSK, IN THE NORTH AMERICAN REVIEW FOR DECEMBER.

As commerce is the essential condition of national wealth, so it may be said, with equal truth, that effective transportation is the essential condition of successful commerce. No amount of patient industry on the part of the people can avail to make the community wealthy, except under conditions that render commerce safe and easy. No amount of natural riches in a country has ever availed to make its commerce great, or its industries widely profitable to its inhabitants, without the assistance of some system of transportation generally available to the people. The history of the United States, compared with that of Russia or of China, during the past century, serves to illustrate the extent to which this is true.

In their natural conditions, Russia and China bear great resemblance to the United States than any other country. Both are of great extent, embracing a great variety of climates; both are wealthy in vegetable and mineral treasures; and both contain large populations of exceedingly industrious inhabitants. The physical features of both countries have also much in common with those of the United States. China, particularly, resembles the middle section of the continent of North America, in the possession of not a few great navigable rivers, which offer themselves as the most easy means of transportation for the people and the products of the country. Yet, experience has shown that, both in Russia and in China, the increase of wealth has been slow—so slow, indeed, as hardly to have affected the condition of the mass of the people at all; while in the United States the increase of commerce and the accumulation of wealth have exceeded anything of which the world has elsewhere had any experience. This has not been due to greater natural riches of soil or climate in the United States, because there is no evidence that, in either respect, this country has any advantage over China, or Russia, or any other country. The largely productive districts of the United States, therefore, are attributed to its greater mineral resources in America, for these are believed to be immense both in Russia and China, though, as yet, very little developed. It certainly has not been occasioned by greater industry and diligence on the part of the people, because no more patient and industrious populations exist than the millions of Russia and China, and, especially in the latter country, the inhabitants are ingenious as well as diligent.

Secret of the Startling Contrast.

The secret of the startling contrast between these countries, in their development and in the increase of their wealth during the past century, is to be found in their respective facilities for transportation. Had America depended on her coast-line trade and her rivers for opening up the country and for developing its commerce, the energy of her people would undoubtedly have made itself felt, but the results must have been vastly less than those we see around us. A strip along the Atlantic shore, perhaps another along the Pacific coast, the valleys through which navigable rivers find their way to the ocean or to the Great Lakes, would have constituted the only productive districts of the country. Outside of these boundaries, settlers might, indeed, have lived, and in a degree they might have succeeded in developing commerce, but the development would have been slow, and wealth would have been accumulated in a deliberate fashion. Canals would have done something here, as they have done something in China, to provide for the needs of commerce, but, in the very nature of things, it must have been little. America has owed her phenomenal progress, and the unprecedented increase of her wealth as a country, to her system of railroad transportation. Without this the country could not have been occupied; her great inland centres of commerce and manufactures could not have been created; without it, in word, and in deed, the country would have found herself still a nation of the second rank, in population and in wealth.

Capitalists and the People.

So far it cannot be questioned that the energy and enterprise of the capitalists to whom this country owes its great systems of railroads have been of immense service to the country and to its people. It is another question how far these services may have been discounted by the price paid for them by the people; or how far experience, in America and elsewhere, supports the idea that the method hitherto pursued in the United States is the best and most economical for the future. It cannot be questioned that this question is taking a leading place in the list of the economic problems of the end of the century, and it is one which must be discussed, if any intelligent answer to it is to be obtained or any reasonable basis established for an economic policy for the coming years.

Public or Private Ownership.

The record of railroad construction in America is a remarkable one, and it is naturally pointed to as the most convincing proof of the excellence of the system which has been pursued here, and of the policy which has sustained it. No other system than that of private construction and ownership, it is confidently asserted, could have accomplished for America and her people what has been accomplished by private speculation and private ownership of railroads in the last 50 years; and if this has been so in the past, why should any change be made in the future? Why should not the highways of the people, equipped with rails and provided with traction power, everywhere take the place of the old-world highways, on which every individual laboriously dragged his own produce with his own team? It is true that, by such a policy, the right of each individual to use his own team would practically be limited, but it would be for his own good and for the benefit of his neighbors.

To this line of argument there are two replies, each of which is sufficiently important to entitle it to more than a cursory examination. In the first place, it is alleged that, however great the benefits of railroad construction may have been to the people of America, there is no evidence that they could not have been equally well obtained without the intervention of the private capitalist; and that, however excellent the management of the railroads may be, there is nothing to show that they could not be equally well managed by public officers on behalf of the people, without the intervention of the capitalist at all. In the second place, it is suggested that, even for the best and most important service, it is possible to pay too much, and that such is already the position of the people in their relations to the owners of the railroads. It is broadly stated that the monopoly of the transportation of the country implies the establishment of an oligarchy of wealth, and arms that oligarchy with the means of subverting the liberties and undermining the prosperity of the great majority of the people.

People Could Do It as Well.

Space would not permit the examination of both these lines of argument here, but something may be done to elucidate matters of fact. For the purposes of the argument, most of what is alleged on behalf of the existing system of private ownership of railroads may be admitted. It may be granted that the results of private enterprise in America have been to supply the people with railroads at least as well equipped and managed as those of Europe, and to an extent which, in proportion to population, throws European countries into the shade. It may be freely admitted that this is the more remarkable because in this country the population is a widely scattered one compared with that of any European country, so much so that private enterprise has provided as much railroad accommodation for every 390 people as private enterprise and Government interference combined have provided for every 2000 people in European countries. The question really at issue is not whether these things are so, but whether all the good things which private capital claims to have done for America, in providing transportation, could not have been as well or better done by the people through their Government for themselves.

An Experiment Which Proves It.

Experience alone can satisfactorily answer such a question. Mere opinion is of no value in such a case, because even honest opinions will differ; but if it can be shown that the experiment has been made and is even now in full operation, the answer need no longer be one of opinion. To be thoroughly available, such an experiment must have been made in a country somewhat resembling this country in its conditions. It must have included both the construction and the operation of railroads by the Government on a large scale, and the Government must not be a despotic but a popular one, as nearly resembling that of America as possible. Fortunately, there is one country which lends itself in nearly every respect to such a comparison.

It may fairly be said that the island continent of Australia presents every one of the features necessary for such a comparison as has been suggested. If America is a new country, over much of which the population is widely scattered, Australia is even more new, and its population is still more widely scattered. Its people are of the same race, and the methods of its Government are in all essential respects similar to those of this country. The people of Australia have adopted the policy of public ownership and public operation of the country's provision for railway transportation; they have constructed their own railroads with public money, and they operate their railroads by means of public servants; and they have, moreover, done this in no haphazard way, but have supplied to themselves even a larger amount of railroad accommodation than private enterprises have given to the people of America. To these things may be added the fact that the system gives entire satisfaction to the people of Australia, who, would, under no circumstances, consent to the abandonment of the policy which has now been in operation for 35 years.

The statements that follow are in no case matters of opinion or conjecture, but they rest on public accounts and official documents, open to all. For purposes of convenience, the five colonies of Australia are treated as one, there being no considerable difference in the policy pursued, and but little in the results obtained.

What Has Been Done in Australia.

The settled districts of Australia do not as yet extend across the continent, but are confined to a strip of country following the eastern, southern and southwestern coasts for a distance of fully 4000 miles, and extending toward the interior for a distance of from 200 to 500 miles. The country has few navigable rivers, and the problem of interior transportation in Australia has consequently been very similar to that which has confronted the people of America. Forty years ago, internal communication in all parts of Australia was carried on by means of stage coaches for travel

by way and by bullock wagons for merchandise; and it was no unusual experience for the wagons bringing wool to a port to consume a month of the winter in the journey, and as much more on the return trip. In each of the colonies the earliest attempts to supply better means of transportation were made by private enterprise, and it was not until the inadequacy of that provision made itself apparent to the people and the people's Government that the system of state ownership was resorted to. From the date of the inauguration of the new policy of state railroads to the present time, each of the five colonies has steadily proceeded with the construction, year by year, of new lines; and, it may be said, with liberal truth, that no item of the public expenditure of any one of these colonies can be looked for with more certainty in the year's Parliamentary appropriation than that for the extension of the railroads of the colony. It may be said, indeed, that the Parliaments of Australia have systematically recognized the fact that in making railroads they were but carrying out the time-honored policy of every civilized Government the world has ever seen, by providing highways for the people.

A Mistaken Claim.

The claim has been made in America that the people of this country owe it to the policy which has left the supplies of modern transportation to private enterprise that they have obtained a supply of such conveniences, alleged to be far in excess of that supplied to any other nation. The claim is a mistaken one. Whatever might have been the result of entrusting to the enterprise and public spirit of the people of America and their representatives and Government the supply of transportation suited to their needs, it is beyond question that the experiment has been successfully made in Australia. The American capitalist points triumphantly to the fact that while European Governments have undertaken to supply their people with railroads they have only constructed one mile for about 1500 people, while the capitalist of America has supplied a mile for every 390 people in the country; and this they have pointed to as the essential difference between private enterprise and a cautious national policy of construction. The experience of Australia would seem to show that it is not the distinction between policies but between different means and varying conditions which accounts for America's supremacy over European countries in this respect. The young communities of Australia, have been far more liberal in their supply of railroads to their own people, through the agency of their Governments, than even enterprising capitalists have been to the American people. There are, to-day, as nearly as possible, 8,500,000 people in Australia; and they have constructed and are now operating for themselves, a railway line to every square mile of road for rather less than 300 people, or nearly one-fourth more accommodation than that which has been supplied at so great a cost to the people of America. In the mere quantity, therefore, of the accommodation supplied to the people it is manifest that private enterprise can claim no superiority over a policy of national ownership.

The Question as to Cost.

But the question next arises as to the cost. It is conceivable that there may be communities so reckless of financial consequences that they would urge on railroad construction at a ruinous expense, merely because they would urge on railroad construction at a ruinous expense, merely because they would urge on railroad construction at a ruinous expense. What, then, has been Australia's experience of the cost of railroad construction, and how does it compare with America's experience? The Australian lines have been made at an average cost of \$48,930 per mile. There, as here, all the lines have not been made on the same scale, nor have they all been equally costly, but it may be said with confidence that, with the exception of four or five of the greatest lines of this country, none of the lines of Australia exceed the national average of the United States. The cost of constructing and equipping the railroads of this country has amounted—if the returns made by the companies themselves are to be relied upon—to an average of upwards of \$56,000 per mile, or about \$7000 more than the people's lines in Australia. It is evident, therefore, that it is no necessary incident of Government railway construction that the people should be plundered in the process. The Australian lines, in fact, are more economical than the American lines, and the cost of maintenance makes it clear that the people of Australia have succeeded in obtaining quite as good value for their money as the railway kings of America have been able to get for theirs.

People Can Borrow Money Cheaply.

This, however, is by no means all that has been gained by the people of Australia and denied to those of America. Not only have their railroads been supplied to them at a less cost per mile; not only have more miles been supplied in proportion to the numbers of the settlers; the money which went in building and equipping the lines cost a good deal less than that which was spent on the American lines. At first sight this may appear remarkable, but it is, in fact, after all, one of the elements of the whole question which cannot be overlooked. The credit of a whole people is always better than that of any part of it, however wealthy that part may be; and hence a whole community can borrow money more cheaply than any railroad company whatever within that community. The Governments of Australia are young, and the people are not yet numerous, compared with other nations, while they are few indeed compared with the millions of America; yet they are able, with ease, to borrow such money as they need for public works at an average rate of three and a half per cent. When the policy of constructing railroads at the public cost was inaugurated money was more costly; but the average interest now payable on the whole of the railway loans, amounting to upward of \$600,000,000, for the whole of the colonies, is barely 3 1/2 per cent. It is only necessary to point out that the average interest on the bonded debts of the American lines is five per cent., and that in addition to this dividends are earned and paid upon a merely nominal railway capital amounting to nearly two per cent. more to make it evident that the people of Australia have obtained their railroads at hardly more than half the annual charge for interest which falls on the American people.

What the People Gave Up.

This, it must also be remembered, is by no means all that the people of America pay for their railroads. To induce the capitalists to speculate in building railroads in that part of the country which most nearly corresponds to all the settled districts of Australia—that is to say, the districts west of the Mississippi—the people of America have presented them with public lands nearly one-fourth part greater in area than the whole of the British Islands. Why the Australian people should have done what they had cost, and what they must pay in interest year by year for the advantage; nobody knows—nobody ever can guess—what the people of America have paid, when they bestowed nearly 90,000,000 acres of land—much of it the pick of the country—on the capitalists, on whom they conferred, at the same time, the privilege of charging the people practically what they chose for the privilege of transportation over the lines.

So far, therefore, as the original cost of constructing railroads is concerned, the experience of Australia is conclusive; it costs very much less for the people, through their Governments, to build their own railroads than it does to have them built for them by capitalists. The original expense is less rather than greater, and the cost of the money with which the work is done would appear to be about one-half as great. And in addition to these advantages, the people need give no bonuses in the shape of lands, which put the practical control of the country into the hands of a small class of its people, and which may endow them with vast mineral wealth, leading to permanent social inequalities, and containing the germs of all that is worst in the class distinction of older and less popularly governed countries.

The Working Expenses Compared.

But, supposing this to be true, it may still be asserted that the railroads, once in operation, must be less economically operated for a Government than they are by the servants of the capitalists. It may be reluctantly conceded that Governments, if they were honestly conducted, might succeed in building and equipping railroads as well and as cheaply under contract as private capitalists could do, and, in the face of the universal experience of Australia, this can hardly be denied; but it is the custom to treat as almost inconceivable the suggestion that when constructed, they could be as well or as cheaply operated. Once more the experience of Australia gives a conclusive answer to the question. Taking the returns of traffic on all the American lines in 1897, and of all the Australian lines in the same year, it would appear that the Government railroads in Australia were operated more economically than those of America. In this country the working expenses of the lines absorbed rather more than 70 per cent. of the earnings, leaving rather less than 30 per cent. of earnings to pay interest and dividends on loans and capital; in Australia the working expenses, in the same year, consumed rather more than 55 per cent. of the earnings, leaving nearly 45 per cent. to meet the claims of interest—there being, of course, no dividends payable. It is to be noted that in every one of the Australian colonies the rates of wages for railroad workers of all grades, except the highest, are distinctly higher than for the same class of workers in America; and also that the average rates for both goods and passengers are certainly not five per cent. higher than they are upon the lines of this country. That they are higher at all is caused by the fact that the rates adopted for keeping the charges as low as in the newest and most recently settled districts reached by the lines as in the older and more densely populated districts.

Not Intended to Yield Profits.

The people's railroads in Australia do not yield any direct profit to the treasuries of the colonies, nor was it ever intended that they should do so. There is no reason, indeed, why the people's roads—with rails or without—should be looked on as a source of revenue, any more than the postal service of the country. All that has been aimed at is to conduct them on such business principles as will prevent them from becoming a burden on the revenue. When they have paid working expenses, when they have borne the cost of all repairs of road or equipment, when, finally, they have paid the actual interest upon loans expended in their construction, they have earned all which it is desirable they should earn. The purpose of the state-owned railroads in Australia is the benefit of the settlers, and that alone; and in most of the colonies the traffic rates are kept below the level which yields enough to pay the actual charge for interest, on the ground that policy demands and justifies such rates, inasmuch as they open the country to more extensive settlement, and the deficit will be repaid to the treasury in land rents, and in the prices paid for the freehold lands, which, in Australia at least, are in the process of being given away to the capitalists. Such deficiencies in railway earnings are made a charge against the general revenue, and the average of such deficiency is from a quarter to a half per cent. on the rail-

way loans. For purposes of comparison I append the official returns, showing some of the results of the system in force in the two countries in tabular form:

Country.	Capital Cost.		Working expenses in proportion to revenue, 1897.	Per train mile run.		
	Total in millions of dollars.	Cost per mile.		Gross revenue.	Working expenses.	Net revenue.
America under private ownership.	9,977	\$56,715	4.01	70.4	\$1.36	\$0.98
Australia under State ownership.	628	48,930	2.98	58.7	1.47	.57

There still remains the alleged danger that in a country governed popularly by the votes of the people great political evils must necessarily follow upon the adoption of any system of state railroads. It may be admitted at once that very much depends upon the people themselves. If the people adopt the degrading and pernicious doctrine that the community at large is a proper and natural subject for plunder at the hands of politicians, and of the tools and supporters of politicians, then it may be true that state railroads—of whatever matter, state armaments and navies—will become hotbeds of corruption and avenues to the well-being of the country. On the other hand, the experience of Australia shows conclusively that it need not be the case if the people and their representatives have less unworthy ideas of government and a more honest code of conduct.

Management in Australia.

There has never been even a suspicion of undue influence brought to bear, by parties or by Governments, on the officials of the colonial railroads; it has never been even alleged that its officers were filled with partisans. The system pursued in all the colonies practically prevents such a thing, and must do so, unless undermined by an organized system of corruption. That system consists in vesting in a small board of expert commissioners, appointed by the Government with the consent of Parliament, the absolute management and control of the lines and department, subject only to the Railway Act passed by each colony, and the schedules of regulations appended to it. Under the system the commissioners can be removed during the term of years for which they are appointed—generally from seven to ten years—only for misconduct, in the same way in which a Judge of the Supreme Court can there be removed. And the system extends throughout the service. The commissioners make all appointments, but the official one appointed can only be removed for cause, and can demand a trial before a commission of enquiry when suspended for alleged cause. The result has been efficient service by good men who respect the public—whose complaints must be attended to if made against any official—and who likewise respect themselves, as the holders of positions of which they cannot be arbitrarily deprived.

Such, very briefly, has been the experience of Australia; and under it her people have been placed in the position of obtaining conveniences of transportation exceeding in practical bearing on conditions existing in America, where a different system is already so strongly entrenched, and upon so large a question it would manifestly be impossible to enter here. On the other hand, it is to be remembered that great as the results that must be made for the increasing population of the future, it may even be true that, if any country can present an object lesson of that kind to-day, it is America; and it should need but a little investigation of the results to make thinking men consider the merits of any alternative system.

An Entirely New Form

of

Iron Extracted from

Fresh Pure Bullocks' Blood

And Enclosed

in a

Soft Pear-Shaped

Gelatine Cover, ..

Instantly Makes New Blood,

Mild and Natural as Fresh Milk,

Never Upsets Weakest Stomach or Bowels,

Known as ...

Dr. Campbell's Red Blood Forming

CAPSULOIDS.

This represents the actual amount of Rich New Blood

added to your veins by taking three

Capsuloids

Daily.

Capsuloids do not contain the Blood itself, but instead the Natural Dissolved Iron extracted from the Blood. Tasteless and odorless. Not in the least like pills. Easily swallowed by children.

Sister St. Cecilia's Forming.

GENTLEMEN: We cannot praise your Blood Forming Capsuloids too highly. They have done so much for our little ones. We had in particular a severe case of a little girl who was suffering from weakness; we had given her different kinds of medicine without receiving any benefit. We were recommended to give your Capsuloids a trial. We procured two boxes from Messrs. Valade & Co., druggists, and they completely cured her, and she is to-day a strong, rosy-faced girl. We always keep your Capsuloids in our home; we could not get along without them. When any of our little ones get run down, we give them Capsuloids, and it builds them right up, and does not upset their stomachs same as other iron preparations we have used. We strongly recommend them to all who suffer from weakness or impurity in the blood; they have no equal. Yours faithfully, SISTER ST. CECILIA, Superior.

ST. JOSEPH'S ORPHANAGE, OTTAWA, Aug. 17th, 1899.

NOTE.—You can always tell the harmful acid iron medicines by watching whether they blacken the bowel passage or not.

Sold by all Druggists at 50c per box, or 6 boxes for \$2.50, or sent post free on receipt of price from the Canadian Branch Office.

THE CAPSULOID CO., Dunham Block, Brockville, Ont.

Factory and Head Office: THE CAPSULOID CO., 31 Snow Hill, London, Eng.

Attendants will be on hand to give all information needed. Suckling & Co. are the auctioneers, and the sale commences at 10 o'clock on Friday morning, Dec. 15.

One of the greatest blessings to parents is the "Mother Graves" Worm Extirpator, which effectually dispels worms and gives health in marvelous manner to the little ones. 25 days. 10-PAGE BOOK FREE.

FOR XMAS

A

STANLEY

Piano

Can be counted upon to give you the best results of any piano on the market.

OUR SUCCESS PROVES THAT.

PRICE AND TERMS ARE EASY ENOUGH FOR THE MOST MODEST PURSE. QUALITY AND VALUE ARE SUPERB. \$10 cash and easy monthly payments.

11 RICHMOND WEST,

STANLEY

PIANOS

FOR XMAS

Humanity Demands Them!

Let Your Feet Be Proud!

A man is never thoroughly well-dressed unless he wears stylish, perfect-fitting shoes.

"Hu-man-i-o" Shoes at \$5 are the finest footwear a well-dressed man can wear. Beyond criticism in style, comfort and durability.

Made on unchanging lasts—a favorite style and size is always easily duplicated.

Sold in this city only by us.

Price \$5

H. & C. BLACHFORD

114 Yonge Street.

THE

King Shirt

THE BEST UP-TO-DATE

SHIRT MADE.

You Ask Why?

1st.—Because the front won't break or push up. 2nd.—The braces passing under the front don't drag or break it. 3rd.—Perspiration cannot touch the collar. 4th.—The collar being covered, prevents the irritation and chafing of the neck which the old style of shirt does. 5th.—The attachment of the collar to the tie in place. 6th.—Solid comfort in wearing it. 7th.—Saves laundry. 8th.—Perfect fitting. 9th.—Unexcelled for durability. 10th.—Once worn, always worn. 11th.—The fat man's necessity. 12th.—The thin man's luxury.

PATENTED.

Made in two qualities, \$1 and \$1.50 each. If your dealer does not keep them, send size of collar worn to THE KING SHIRT CO., BELLEVILLE, Ont.

Mail orders promptly executed. 128

2444

AS NO OTHERS DO IT.

Handsome Building.

All Equipment.

Careful and Obedient Drivers.

Skilled and Careful

Workpeople.

Material no better to be had.

Standard Star Laundry

Co., Limited,

302 to 306 Church-St.

Phone 2444.

Chairs & Tables

For Hire.

If you want chairs and tables for your card parties, musicales, etc., Telephone 3444.

The Schomberg Furniture Co., 651 and 653 Yonge-street. 36

HAVE YOU

Some Pimples, Copper Colored spots, Aches, Old Sores, Itches in Mouth, Hair Falling, Write COOK BLEDY CO., 333 Masonic Temple, Chicago, Ill. for proofs of cures. CAPITAL \$50,000. We have cured the worst cases in 15 to 20 days. 10-PAGE BOOK FREE.

THE TORONTO ATHLETIC CLUB.

The catalogues of the furniture, billiard tables, gymnasium, etc. are now ready and can be had at the club building, 101 Colborne-street. The premises will be open for inspection on Monday. It is well worth going to see this magnificent building and its equipment, and what a grand home the young men of this city are going to lose.

One of the greatest blessings to parents is the "Mother Graves" Worm Extirpator, which effectually dispels worms and gives health in marvelous manner to the little ones. 25 days. 10-PAGE BOOK FREE.