

What the Canadian Northern Railway Has Done for Canada

Canada has been deluged these last few years with extravagant statements purporting to show the aid extended by the Dominion and the Provinces to assist the upbuilding of the rail transportation systems within the country. These statements have had the effect of creating an impression that the railways have given but little in return. But there is always the other side to any story. The other side to the railway story is contained within the needs of the country before the policy of state-aid was inaugurated, and the development of the country under the railways which were built as the result of the extension of such state assistance.

Three factors contributed to the bringing about of what Mr. W. H. Moore terms, in his book "Railway Nationalization and the Average Citizen," the "New Era in Canada." Firstly, there was in the nineties an abundance of fertile but unoccupied land in the great plains northwest of the Great Lakes; secondly, there was a recognition in well-informed circles in the Motherland, that the people of the British Isles must depend for their basic foodstuff—wheat—upon the expansion of the British Dominion overseas; thirdly, there was the demand of the people already in the west of Canada for the breaking of the monopoly which then overshadowed the future prospects of the country.

Paper charters for railways have always abounded, and Canada was no exception. There were numerous charters for the building of railways in Manitoba, but no one had come forward that could secure the co-operation of capital, without which the steel could not be laid. And when in 1896, William MacKenzie and Donald Mann purchased the dormant charter of the Lake Manitoba Railway and Canal Company, the people of Manitoba were ready and willing to stand solidly behind them, if only the line between the village of Gladstone and the site of Dauphin in central Manitoba could be built.

Probably, because of the anxiety then felt in Britain for the food supply of the Motherland, British capital responded readily to the new call.

Thus was begun the Canadian Northern Railway System which has grown during the twenty intervening years into a network of lines almost 10,000 miles in extent. The people of Canada hold today 40% of the ownership of the System, extending from Quebec on Atlantic tidewater to Vancouver on the Pacific; serving 75% of the aggregate population of the cities and towns of all Canada having 5,000 inhabitants or more; and which carried last year 7,574,500 sacks of flour; nearly 132 million bushels of grain, nearly 2 billion feet of logs and lumber, in addition to live-stock, coal and miscellaneous freight.

In the closing years of the last century world affairs had forced Canada to a point where the people of the country had to choose definitely the lines along which her future development was to run. The Dominion was face to face with a condition calling for statesmanship of high order. A country comprising the larger half of North America, and indisputably tremendously rich in natural resources, contained but a few millions of people. Immigrants were moving towards the New World in constantly increasing numbers, but the republic to the south was the great centre of attraction. Canada was receiving only a meagre stream. The main tide flowed to the United States of America.

Free farms, 160 acres in extent, of land as fertile as any in the world, were held out as an inducement to settlement in Canada. The land failed to attract settlers, because—as well-informed Canadians knew at the time—of the lack of marketing railways, a lack also deemed vital to the success of farming enterprise by these sturdy peoples from overseas. Britain required the foodstuffs, and Canada required the settlers. This was the prelude to the new policy. Once it was finally determined to encourage the construction of colonizing railways in Western Canada, and a few lines built, the results were abundantly manifest. Immigrants came to Canada in rapidly increasing numbers. The country had taken a long step towards an increase in production, and in manufactures, without which it could not have risen to its present position among the commercial nations of the world.

The original line of the Canadian Northern system—that between Gladstone and Dauphin—was rapidly extended throughout the prairie regions, and when in 1901 the people of Manitoba purchased the lines in that province of the Northern Pacific Railway, they were leased to the Canadian Northern Railway for a long term of years. And in 1902 when the Winnipeg-Port Arthur line of the Canadian Northern was thrown opened for traffic, the mileage of the railway totalled 1296.9 miles.

Its plan, even at that time, embraced an enterprise which far exceeded the constructed portion of the railway, and in the Fall of that year, it was empowered by the Parliament of Canada to extend west from Edmonton through the Yellowhead Pass to the Pacific coast. As years went by, its construction army, numbering at times more than 30,000 men, worked feverishly to build the lines that were to absorb the surplus population from lands beyond the sea, and to make possible an agricultural development which in its turn would mean a tremendous development in the prosperity of the country as a whole.

During all these years, homesteaders petitioned the governments, and the governments urged the railways to construct extensions of colonizing lines in Western Canada.

During all these years—in fact up to the time when Britain placed an embargo upon British gold, the investors in the old country continued steadfast to the Canadian Northern Railway project. On the placing of that embargo, the company was compelled to seek new friends in the New York money market at a time when the most powerful nations in the world were bidding high for funds with which to carry on the war in Europe. Its transcontinental line, which has been described by experts as one of the best in the world, was completed when the war was little more than a year old. Because of the war, it became almost impossible to secure funds at reasonable prices. To that extent railway construction has preceded railway finance, and therein lies the germ of the present railway situation in Canada today.

The first result, probably the greatest result, of the policy of building railways in Canada in advance of settlement, was the translation of the virgin fertility of Western Prairie land into farmland, producing annually hundreds of millions of bushels of grain and sustaining hundreds of thousands of head of live-stock. Instead of a narrow belt of country adjoining the International boundary line, served with some 3,000 miles of railway, there is at the present time a fairly compact network of steel lines covering the western country to the south of the 54th parallel. Indeed, not many people in Canada will deny, that a large majority of the villages and towns and cities in the west today are in existence solely because of the extension of railways throughout the country. Most people understand also the close relationship which exists between a good crop on the western prairie and the prosperity of Canada in general. Surely it is not too much to say that the building of railways through virgin territories, which had first the effect of encouraging immigration, production of grain and live-stock, marketing centres for those products, and making possible the funds to buy the products manufactured by eastern Canadians, was an evidence of statesmanship of a high order. These needs must be measured against the aid extended to the railways during this new era in Canada.

And there is another factor. The Dominions Royal Commission appointed to inquire on behalf of His Majesty into the Natural Resources, Trade and Legislation of certain portions of the King's Dominions, has reported to the British Parliament, the free lands of Canada, surveyed and unsurveyed, available for homesteaders south of the 54th parallel, would be entirely absorbed in less than four years if a demand were to arise at all comparable to that of the four years before the war, i. e., 1911 to 1914.

The Manitoba guaranteed the first bonds of the Canadian Northern enterprise, an agreement was made with the company which brought about a reduction in rates ranging from 7½ to 20% according to the class and character of the commodities carried. As the Canadian Northern Railway was carrying on the business of a transportation company to a connection with the lake boats at Port Arthur, the competing railway was compelled to meet that reduction, and the result was the saving of millions of dollars to the people of Western Canada, and to the people of the Dominion in general.

The Toronto "Globe" pointed out editorially on March 24, 1914, that as a result of Canadian Northern competition:

"The reductions in the grain rates from railway stations in Manitoba, Saskatchewan and Alberta to Lake Superior made by the C. N. R. in 1903 and followed by the C. P. R., represent a saving to the farmers on the crops of 1903 to 1913 both inclusive, of \$17,000,000 or 4% on nearly \$39,000,000 per year. And this is not all. There

Transportation In New Brunswick-- Where Rail And Water Meet Railway Mileage of 1956 Miles Covered About 20 Main or Branch Lines---Steamship Con- nections to Remotest Corners of The World --- Excellent Transportation Facilities Should Attract New Manufacturers to This Province After The War

The value of adequate transportation facilities is a factor which plays a prominent part in the development of any province, whether it be in agricultural or industrial cities. During the boom days of the western provinces, the increases in farm values were largely made on the assumption that these values had increased because of the proximity of some new railroad.

If New Brunswickers placed the same values on farm lands, because of their proximity to railroads, which have been placed on most of the lands in the western provinces, land which we now value at \$25 per acre would be valued at about \$125 per acre.

Every western province that found itself getting a new railroad, whether it was a main or branch line, advertised itself as the greatest location in America for the establishment of new manufacturing industries. And to the credit of the western boosters, it can be stated that their boosting was not in vain.

If transportation counts for anything, then the province of New Brunswick should actually be one of the two or three most fortunately situated Canadian provinces, not only because of the twenty or so branch or main lines of railway, but because of its port connections at St. John.

The proximity of St. John to Montreal and Quebec, a half day closer to these centres than Halifax, as well as the proximity to all the important Maritime markets, is undoubtedly a factor which must bring to this city in future years many of the new industrial plants which will be established in eastern Canada. An industrial metropolis must be "WHERE RAIL AND WATER MEET," and such a place is St. John.

In addition to the various lines of railway in the province there are a large number of steamship connections, these including the Canadian Pacific steamers to Digby, connecting with eastern and western Nova Scotia; the Eastern Steamship service to Boston and Portland, connecting with the biggest markets of Massachusetts and New England; the Cann lines to Yarmouth, Westport and other Nova Scotia and New Brunswick ports; and the numerous lines operating on the St. John river. All these are in addition to the all-year services to European ports, to South America, Cuba, Africa, New Zealand, and other world ports.

If any one western province had as many railway and steamship lines as New Brunswick, they would give it so much publicity that we would be almost obliged to believe that they held the "joker" in the pack of good cards in the game of development. The fact of the matter is, New Brunswick actually possesses transportation facilities which are not bettered in Canada and are only equalled by the port of Montreal, and when it is remembered that the port of Montreal is closed for half of the year, it is not exaggeration to say that St. John has just claim as the natural eastern gate-way to Canada.

While the charms of Halifax harbor as a harbor cannot be overlooked, it has to be remembered that the rail haul to Halifax from Montreal and all points west is considerably longer than the haul to St. John, and especially in the transportation of freight is a decided disadvantage. In the transportation of such commodities as grain and manufactured products for export to Europe, it is absolutely necessary to reduce the rail haul to a minimum, and because of this St. John is destined to be one of America's biggest ports. The big increases in the exports from the port in 1914, 1915 and 1916 are evidences that the port of St. John is recognized by shippers as the logical exit as well as inlet for eastern Canada, in the transportation business.

With these facts in mind, is it not reasonable to expect that new manufacturing industries established in Canada after the war will give favorable consideration to St. John as a logical location, situated as it is with every rail and water transportation advantage?

There are about twenty branch or main lines of railway in New Brunswick, the total mileage within the province being a little over 1,956 miles. In addition there are approximately twenty steamship lines, connecting the port of St. John with every part of the world. Tramp steamers representing every country in the world call at St. John.

Prior to the outbreak of the war, the lumber trade from New Brunswick to South America did much to foster the trade between Canada and South America, and while this business has been more or less hurt by the war, it will be resumed on a larger scale than ever when the war is over. Trade with Cuba has shown satisfactory increases, while the exports of war material from the port of St. John to Europe have exceeded all expectations, smashing previous records in the export statistics of the port.

RAILWAYS IN NEW BRUNSWICK.

The railway mileage operated in the province of New Brunswick in 1916 according to a report issued by the Railway Department at Ottawa, was 1,956 miles. There are approximately twenty main or branch lines of railway in New Brunswick, the list being as follows:

Canadian Government Railways, Canadian Pacific, Caraquet and Gulf Shore, Elgin and Havelock, Fredericton and Grand Lake, International of New Brunswick, Maine Central, Moncton and Buctouche, National Transcontinental, New Brunswick Cove, New Brunswick and Prince Edward Island, North Shore, Northern New Brunswick and Seaboard, Salisbury and Albert, St. Martins, St. John and Quebec, Temiscouata, Kent Northern, York and Carleton.

MARITIME RAILWAY MILEAGE.

New Brunswick, 1,956 miles.
Nova Scotia, 1,435 miles.
Prince Edward Island, 274 miles.

were large reductions in the rates from Port Arthur and Fort William, not only in stations in Manitoba, but to Saskatchewan and Alberta, and the Canadian Pacific also had to reduce its rates. There were substantial reductions in the rates on coal from Port Arthur, and on lumber from various points. There was a reduction of 15% in the local rates in Manitoba and 7½% in Saskatchewan and Alberta. It would be difficult to compute the amount of the reductions made by the C. N. R. and forced on the C. P. R., but outside of the reduction of \$17,000,000 on grain to Lake Superior the saving in the rates on freight from Eastern Canada and the United States, and locally between provincial and interprovincial points, would be twice, possibly even three times, the sum above mentioned. In over twenty years the only reductions in the grain rates to Fort William made by the Canadian Pacific were those made under the Crow's Nest Pass agreement in 1898 and 1899 (three cents per 100 pounds), and the reduction forced on it by the C. N. R. in 1903.

The Canadian Northern Railway has always contended that it is entitled to credit for a fair proportion of the increased production in cereals, live-stock, mineral products, lumber products and in manufactures. In common with the other railways in Canada, it is giving a service cheaper than any other railway system in the world, with the exception of the United States.

Surely these developments are important, and should not be forgotten in any discussion of the Canadian Railway situation.

BRITISH MERCHANT AND AFTER THE WAR TONNAGE BEFORE BRITISH FOOD WANTS

British Demand for Canadian
Food Products and the
Question of Transportation.

The submarine menace, with its attendant fear of food shortage, made a deep impression on the country, but even at its worst, says the current "Compendium," it failed to disturb the British phlegm, and only succeeded in rousing the people to a fierce determination to counteract its effects. It has been responsible for changes in the Admiralty Board, manifestly for the best, for quickening the navy to action, for co-operation with American experts and inventors, for stimulating the production of foodstuffs at home, the breaking up of grazing land, and for allotment gardening on a large scale, and it has strengthened the policy for developing a self-supporting empire which shall in time of stress and strain have ample resources of its own. It has, too, had the effect of speeding up shipbuilding to an extent that seemed impossible a few months ago, and the co-ordination of industries and labor involved in this movement can hardly fail to have beneficial effects on our trade organization. Even while we are still facing the danger, we are beginning to see as a nation that we have to thank the German submarines for rousing us to a great organized effort from which we shall reap a due reward.

After two and a half years of unexampled destruction on the high seas, "The Compendium" for May says that it is still possible to take stock of our merchant fleet without fear of a disquieting deficit. According to Lord Curzon, the United Kingdom and Colonies possessed at the end of June, 1914, 10,124 steamships with a tonnage of 20,825,706 tons gross. At the end of June, 1915, the number of British and Colonial ships then registered had increased to 10,220, with a gross tonnage of 20,830,918. But at the end of 1916, owing to war losses, the number had fallen to 9,757, and the tonnage to 19,765,516. Of course since the end of 1916 we have lost at a heavier rate, estimated by Lord Curzon at over five per cent. in tonnage and over ten per cent. in numbers, but only for some four or five months. A net loss of five per cent. from the above tonnage still leaves us with a merchant fleet of 18,660,240 tons gross, and to this must be added about 250,000 tons gross, turned out from our shipyards during the first four or five months of this year. That makes our fleet today at a rough calculation, 18,927,240 tons gross, with the prospect of a steadily increasing output as the year advances. Thus, we arrive at a total merchant tonnage today of 19,027,240 tons, as compared with 20,825,706 tons gross just before the war. There will be great disappointment in the country if we do not turn out this year a round 2,000,000 tons deadweight of new ships, and if we do so, our fleet would stand at about 21,000,000 tons gross, exclusive of what our colonies are building and what we may acquire by purchase from abroad, but minus the losses which we may yet sustain. The Shipping Controller, it is known, is aiming at 2,000,000 tons, and one way and another, all in all, he may realize about that figure, in which case, after allowing for losses from mines and submarines, our position would be still better than this estimate.

U. S. SHIPPING LOSSES.

American shipping losses due to submarine activities during the first six months of 1917 amounted to eleven times the total losses of the two previous years. Dr. William C. DeLancy, chief of the United States war risk insurance bureau, told the United Press. Since January 1, 1917, the bureau has insured \$441,761,531 of American cargoes with a loss of \$9,200,000. Previous to that time the bureau had lost only \$800,000 due to submarine sinkings. Since the beginning of the war in 1914, the total savings of vessels sunk amounted to only \$59,065.87.

Millions of dollars are saved to American exporting firms every month by the bureau in insurance rates. On the \$623,964,598 worth of cargoes so far insured the rate has been a little less than two and a half per cent. American insurance firms, as a rule, are refusing to insure cargoes entering the war zone, but where they are willing to take the risk, the premium runs higher than 15 per cent.

DOMINION'S SURPLUS WHEAT.

The Chancellor of the Exchequer, Mr. Bonar Law, indicated, in answering a question put in the House of Commons recently, by Major Hunt, that Canada is unlikely to follow the example of Australia and commandeer the exportable surplus of wheat for the use of the Empire. Major Hunt asked whether, in view of the fact that the Australian Government has commandeered wheat for the use of the Empire, and that there was estimated to be an exportable surplus of eighty million bushels in Canada, the government would say if the Canadian government had been asked to act in the same way as the Australian government, or if Britain would make a request that Canada act likewise.

Mr. Bonar Law replied that the question of wheat supply from Canada had been discussed with the Canadian government, but it was not proposed to adopt the suggestion of the same system of control, which would not be suitable in view of the geographical differences between Canada and Australia.

GERMANY'S IRON HAND.

(Chicago Tribune.)
So long as the Hindenburg line stretches unbroken from the sea to Switzerland there is an iron hand resting on the American future, and for the sake of the future every American activity may have to be directed against the hand.

That is our work, and it may come to be the only work to which an American can give a thought or activity.

Some