

HON. R. P. ROBLIN, M.P.P.,

Premier of Manitoba.

Winnipeg, Man.

SIR,

Referring to the discussion at our interview this afternoon, I desire to repeat what was stated in general terms to you and the other Members of your Government.

The Canadian Pacific, as described in the contract between the Government and the Syndicate, received substantial aid in the way of constructed lines, lands, and cash, but the road, as then contemplated, would not at this date be earning money enough to give any return on the private capital invested in the enterprise, much less to have enabled the proprietors to raise the large additional amount of money that has been expended on the line since its nominal completion, to improve its character, so that it might be operated more economically and effectively.

That the Company has been financially successful is due to the broad policy of building and acquiring feeders, adopted almost in the beginning and pursued ever since. To-day there are upwards of two hundred and twenty-five millions of dollars of private capital invested in the enterprise.

Common honesty demands that the people who invested that vast sum of money in our country should receive fair treatment at the country's hands. The Government could, of course, by utilizing the resources of the Dominion or any of the Provinces for the construction of competing lines, seriously injure, or, indeed, totally destroy, the property of these investors.

The Government cannot operate a railway any more economically than a private company; indeed, experience teaches that Government operation is the more expensive, but with the public chest from which to make up deficits, the rates for the carriage of traffic over a Government Railway System could be established on a basis that would be impossible in the case of a private corporation. It would take the public some time to find out that the apparent reduction in rates was more than counter-balanced by the increase in taxation.

Speculators can be found who, with a sufficient Government bonus, will undertake to build lines, and will accept almost any condition as to rates, their interest being only in the profit to be realized from the construction of the lines, without any regard to their successful operation in the future.

Even where there is a specific contract by which the Government waives the control of rates until certain things have come to pass, as in the case of the Canadian Pacific, the Government is justified in resorting to all reasonable measures to secure fair rates of transportation for the people of the country, but in determining what are fair and reasonable rates some recognized course should be adopted. It would be manifestly wrong to arbitrarily name the rates that are to be put in effect, without reference to their efficiency or fairness. The Canadian Pacific has not attempted, and it has no desire, to use its contract with the Federal Government for the purpose of securing rates for the carriage of freight that are unreasonably high. It has been the policy of the Company to reduce rates from time to time, in one locality or other, when it could be done without unduly sacrificing the interests of its security holders.

The Company has a line of railway from Lake Superior to the Pacific Coast, with branch lines in the Provinces and Territories. South of the International boundary there are two railways similarly situated. The circumstances under which the lines are operated are identical in many particulars, but the advantage is with the lines south of the International boundary. Their rolling stock, fuel, and supplies cost them less money than ours cost us. There is little, if any, difference between us in the matter of wages. Each of the railways south of the boundary has a population to serve several times as large as the population along the Canadian railway; consequently these railways have more local business. Their tolls and fares are controlled by the Federal Government, with reference to certain classes of traffic, and by each of the States through which their lines pass with reference to the traffic within the State. It may be assumed that under all these circumstances their tolls are as low as can be reasonably expected. In any event, we do not hear that either the Federal or State Government will provide money for the acquisition or construction of lines to compete with them. Is there any reason why the rates in Canadian Pacific territory between Port William and the Pacific Coast should