

Editorials

HEAVY EQUIPMENT EXPENDITURES.

One of the points upon which the majority and minority reports of the Railway Inquiry Commission agree is the immediate need of railroad equipment. Mr. A. H. Smith describes this need as "desperate" and says whatever decision is made with reference to the railways, the transportation problem is now acute in so far as equipment is concerned. He recommends that the government undertake at once to provide an ample supply of freight cars and locomotives against immediate and imperative needs. Sir Henry Drayton and Mr. Acworth say that to catch up arrears of maintenance in the case of the Grand Trunk property, \$21,000,000 "must be spent immediately," and to prevent arrears again accumulating future maintenance charges must be much heavier than in the past—not less than \$2,500,000 more annually, according to President Chamberlin's judgment, on equipment alone. New capital expenditure of over \$30,000,000 is also immediately required. The Drayton-Acworth report states also that the Grand Trunk system immediately requires at least 200 more locomotives and 10,000 freight cars.

Among the deferred expenditures of the Grand Trunk Railway system are the following items: Rebuilding and reinforcing freight car equipment, \$8,943,000; equipping freight and passenger cars and engines with safety appliances, \$475,000; deferred renewals in maintenance of way department, \$11,761,000. The cash expenditure on the single item of rails "required to restore normal conditions" on the Grand Trunk is reported as \$5,312,000. It is, of course, to be borne in mind that a portion of these expenditures are fairly chargeable to capital account, as outlined by Mr. Chamberlin in his public statement which was reviewed last week in this column.

The Canadian Northern Railway must spend \$84,000,000 on a five-year programme to put the road on a paying basis, according to a special report made on their behalf. The Drayton-Acworth report says that \$40,000,000 for equipment and \$30,000,000 for betterments would be a moderate estimate of the Canadian Northern System's need in the next five years, assuming that that road remains separate and independent.

According to a statement made by Senator Curry, president of the Canadian Car and Foundry Company, the Canadian railroads require about 40,000 cars to bring their equipment up to present requirements. Whatever is done to solve our railroad problem, very large expenditures are necessary for new equipment to give anything like an adequate freight service and at the same time maintain normal passenger service.

WATER FILTRATION IN CANADA.

A table purporting to show the number of filtration plants in the United States and Canada has been published by a number of American engineering and municipal papers, compiled from figures supplied by Burns & McDonnell, consulting engineers, of Kansas City, Mo. According to these tables, Canada is credited with 28

plants in the year 1916, whereas the Commission of Conservation of Canada, in its report on waterworks and sewerage systems, mentions 72 municipal filter plants in Canada in 1916. The provinces of Nova Scotia, Ontario and British Columbia are omitted entirely from the aforementioned table, while the figures for Alberta, Manitoba, Saskatchewan and Quebec are incorrect.

DIFFERENTIAL OCEAN FREIGHTS

Before the war, British steamship companies made a practice of charging a lower rate to New Zealand from Hamburg and other German ports than from London, on the same classes of goods. This facilitated the competition of German manufactures with British in New Zealand. It unduly handicapped British manufacturers and destroyed, at least to the extent of the difference in freight, the advantage intended by New Zealand to be given by means of preference to the British manufacturer. No assurance has been given that similar practices will not continue after the war. The case is much the same with regard to the differential freight rates charged, for example, on asbestos from Canada to foreign and British ports.

This matter of freight discrimination receives considerable attention in the reports of the Dominions Royal Commission, which heard many complaints of the kind during its tour of the British Empire. The commissioners, representing the United Kingdom, Canada, New Zealand, South Africa and Newfoundland, regard "as intolerable that British ship owners should be in a position to initiate or countenance practices of a kind so directly inimical to British trade." The commissioners state that the Imperial government has not yet been convinced of the necessity or, if convinced, has not yet found the time to take the matter in hand, in spite of the representations made by more than one Dominion government. "Our investigations," they say, "have satisfied us that in normal times the combination of shipowners is strong enough to limit the freedom of shippers, whose varied and detached interests make it difficult, if not impossible, for them to combine in any effective opposition, and that therefore, in principle, it is not desirable that the operations of the steamship companies should remain longer without some measure of government supervision."

To overcome these objections, the Commissioners recommend that the contractors for subsidized mail services should be required to submit a schedule of freight rates, both of import and export, for the approval of the governments concerned, the rates when approved, not to be altered without consent. Similar action is recommended in the case of vessels, to the construction or operation of which government contributions are made. It is also suggested that the Imperial and Dominion governments should establish inquiry boards to investigate complaints of shippers. The Commissioners express themselves strongly as to the differential freight rates, and propose that the suggested inquiry boards should have authority, at their discretion, to order the abolition of differential rates which were found inimical to Imperial trade.