

*Railroad Construction and National Prosperity: An Historic Parallel.*

BY ADAM SHORTT, C.M.G., F.R.S.C.

(Read May 27, 1914)

The exceptional prosperity and expansion of our Canadian Dominion during the past decade, have become matter of commonplace observation, the mainstay of postprandial orators and hard-pressed editors. Recently, however, the other side of this wave of prosperity has been attracting special attention. High prices, large profits and good wages must be paid by some one, and we have been hearing, with increasing insistence, from the people who pay, about the upward trend of the cost of living. Much of the discussion on both sides of this subject, whether in presenting explanations or advocating remedies, appears to assume that this period of prosperity, and especially the elevation attained by the cost of living, are quite new and unprecedented phenomena, specially connected in some way with our modern economic conditions.

As regards the distress and inconvenience associated with the high cost of living, many seem to consider the situation capable of effective remedy by legislative process. Laws, it is thought, might be passed for the summary suppression of the monopolists and other grasping conspirators who have contrived to levy exceptional rates upon their helpless fellow citizens. Still others who comforted themselves with theories of cause and effect which can be traced with mathematical accuracy, and with remedies which can be applied with mechanical precision, absolve all human agencies and attribute at once the joys of high profits and the sorrows of high prices to the over-production of gold. The remedy, of course, is equally simple and universal, consisting simply in assigning by law to the standard dollar, or other gold coin, a few more grains of gold, when everything will automatically right itself.

It is not at present my purpose to dispute with these or other speculators as to causes and remedies for present conditions. I cite them simply to show how general, though varied, is the recognition of the central problem. In view, however, of the assumed uniqueness of our recent experiences and of the corresponding assumption that the remedies to be sought must be equally special and modern, perhaps even futurist in their application, it may be of some interest to