

would be cause for examination, and perhaps for revision of the basis of rates. Even in that event we believe the initiative should come from the Board of Railway Commissioners itself. It is clothed with full power to make enquiry and establish a new basis. Of course, in undertaking that work, the Board would be inviting an examination of the entire situation, and would find it necessary to pay particular attention to the effect, not only upon railway finances, but upon the commercial condition of the country at large.

We urge upon His Excellency, the Governor-in-Council, the necessity of making a careful distinction between the application of the companies under the War Measures Act and the response made by the Board of Railway Commissioners in giving consent to a wholesale "boosting" of rates. We have already pointed out that the support of several influential business organizations was given to the application on the ground that it was a step towards securing efficient transportation service. A reading of the judgment shows that several Boards of Trade, including some of those we have mentioned, and the Canadian Manufacturers' Association, *expressly stipulated that their consent was conditional on the temporary nature of the proposed advances.* Some of these organizations indicated one year as the period of time during which the railways might be allowed to increase their rates; most of them fixed the duration of the war. It is not going too far to say that the application must have appeared much more attractive to these organizations when presented as a merely temporary method of providing financial relief. In fact it may easily be believed that they gave their consent *because they were assured that only temporary increases would be imposed.* The Winnipeg Board of Trade is not required to analyse the motives that prompted those organizations to give their consent, or to discuss the extent to which they may have been impressed with the value of the conditions they attached. This Board was unalterably opposed to the advances, conditional or unconditional, and made its fight on the issues involved in a general consideration *without regard to the question raised as to the period during which the advances would have effect.* We know now that the proposed increases are intended to be permanent, and on that score alone we are determined to oppose them most vigorously. A process of reasoning, based on obvious inferences, would lead to the belief that railway rates could be lowered with the same ease and alacrity employed in raising them. Experience in Canada and in other countries where rate regulation is in vogue, has shown that such a conclusion does not follow. Advances in rates are being sought almost constantly by the companies on some pretext or other, and the public is placed in the position where it must fight these encroachments with the employment of such resources as it can bring to bear. The companies do not equalize the situation at any time by voluntary decreases in their schedules of rates. They fight vigorously against any effort to scale down their charges, and give the impression that the public is wantonly seeking to deprive them of some prerogative. The effort required to bring about an equalization is too heavy for the unorganized public, and the intervention of the Dominion Government on behalf of the people is practically essential before the attempt can be made. We ~~refer~~ to this phase of a rate advance because we think the difficulties in the way of securing a downward revision are not understood, except by those who have tried to secure one in the past. These difficulties give force to our objection that the proposed advances are permanent in their nature, not temporary, as was suggested by the influential business organizations ~~presented~~ at the various hearings. We find ourselves compelled to put forth strenuous efforts in order to prevent the increases from going into effect, but we fear we would need to conduct a nationwide campaign, perhaps penetrating to the floor of Parliament, before we could secure relief from them, even if obvious conclusions pointed to the necessity for decreases.

We contend that the judgment does not prove the necessity for a general advance in rates. It assuredly shows, as we have intimated, that at least two of the companies are in a serious position with regard to their finances. A judgment of the Board of Railway Commissioners was not required to demonstrate that fact. Nor is there justification for enlarging upon the subject in any representations we may be permitted to make to his Excellency the Governor-in-Council. The Ministers of the Crown at Ottawa, and particularly those who have served during the past five years, are familiar with the needs of suppliant railway companies. The point to which sufficient attention has not been paid is *the effect on the Canadian Pacific Railway Company's finances.* The arguments and statistical material presented in support of the applications from the Canadian Northern and Grand Trunk Pacific Railways do not hold in the case of the older and stronger company. It does not require increases in rates for the