

the experience of England and the experience of the United States, if that experience had not been crystallized in volumes, of which I hold two in my hand, showing that what I stated in the Railway Committee, and, I think, in this House, when this question was up before, that competition in railways is a delusion, that you cannot, in the nature of things, have competition in railways, because the cardinal principle behind competition is, that the thing that supplies the competition can be multiplied almost infinitely in proportion to the demand, we should all take the same view. But nobody supposes that a railway is in that position. In fact, in England or in Canada or in the United States or elsewhere, a railway corporation is a body of men to which the Government of the country has given for public ends, part of its sovereignty. You cannot have such a thing as railway competition. I have in my hand, the book published by Mr. Hole on national railways, and chapter 4 deals with that question of competition, and this is what it says :

The idea that the rates for carriage of goods might be left to the competition of companies fell to the ground when it was found that the companies did not compete, although many of them obtained their Acts upon that suggestion. Some call this road we are discussing a Grand Trunk line ; I do not see how they show that ; but the bare fact that this is a line coming from below the international boundary will not prevent the rule that has been found to work in regard to operating railways, namely : That when you have railways contiguous, the very moment they find that their competition is injurious to themselves that moment they come to an arrangement and agree upon rates. If I did not think that competition in railways was a delusion, the eloquent argument of my hon. friend from East Toronto (Mr. Ross Robertson) would have great weight with me. Again, this writer says :

Not a ton of iron or coals, not a sack of flour, bushel of fruit, or basket of fish, nor any of the whole (nearly) three hundred millions of tons carried, but is taxed, not at the will of the individual trader, nor at the will of the state, which only fixed the maximum for goods, but at that of the companies (or, rather, their managers), who, it is admitted, charge "as much as could be got," without reference to the cost to the company of performing the service, and therefore cannot be left uncontrolled.

This is his conclusion, and it drives us to the proposition which I have myself laid down, and that my hon. friend from Vancouver (Mr. McInnes) has laid down with such cogency and force : that the real control over a railway must come from the Government of the country through which it runs. This is Mr. Hole's conclusion :

No theory of railway management is tenable which regards railways as private property, to be carried on solely with reference to the gain of the shareholders.

Therefore if that proposition be sound, no theory of competition can hold water when applied to railways. I take this book of Hadley on Railways and I find he says :

It is to the credit of English statesmen that they did not deceive themselves in this respect. They learned more in a few years from the working of a few miles of railroad than the general public has learned from all the railroads of the world in half a century. They recognized that competition could not be relied upon or aimed at with any hope of success.

And in a whole chapter he elaborates that, and if the experience of England as crystallized in this volume is correct, then nearly the whole of the argument of my hon. friend (Mr. Ross Robertson) falls to the ground, and railway competition is a delusion. My hon. friend, for whom I have the greatest possible respect, says it is not, but still we have here the long years of experience in England and the United States against the judgment of my hon. friend. My hon. friend from East Toronto (Mr. Ross Robertson) also spoke about what we are all gratified at : that here you have a railway coming forward to construct a line without asking large sums of money as subsidies for so doing. Sir, I consider that we might have paused long ago before giving large bonuses for the construction of these railways. I consider that the time has come when we should look to what the country is, and what is the field offered for railway exploitation, and if that field is a field that is likely to pay well we may be perfectly certain that private capital will put railways in there.

But how does that afford an argument against discountenancing the Kettle Valley River Railway, when into the very same country, over Canadian soil one of our own railways is ready to build a line without asking for any money whatever. Therefore, if that line is going to be built without help, and if we are to throw up our caps for one railway, we may as well throw up our caps for the other.

Mr. BOSTOCK. I do not wish to interrupt the hon. gentleman (Mr. Davin), but he seems to have forgotten that there is a provincial subsidy to the railway which is being built under the Columbia and Western charter.

Mr. DAVIN. I did not forget that at all, but that subsidy does not come out of our pockets in the Dominion. And what does that prove, but that the British Columbia people feel that the bringing of that Canadian Pacific Railway line will do what is most necessary to be done ; it will secure for the fisheries and other products of the province whence my hon. friend (Mr. Bostock) comes, this Boundary Creek trade. My hon. friend (Mr. Bostock) is in the same position as the Minister of Railways, who sits next him. He forgets what he said last year—and it is really very interesting to look