

# THE NATIONAL MONTHLY OF CANADA.

VOL. III

TORONTO, SEPTEMBER, 1903

No. 3

## CURRENT COMMENTS

### The Government's Railway Policy

THE policy which has been decided upon by the Government in connection with the new transcontinental railway, follows, in its main features, along the lines already forecasted, but includes also some unexpected provisions. The new railway will be the Grand Trunk Pacific, and the road from Winnipeg to the Pacific will be built and owned by the Company. From Winnipeg to Moncton, N.B., the road will be built by the Government, and leased to the Grand Trunk for fifty years, on the following terms: The first five years, rent free; the second five years, the net earnings of the road, not exceeding 3 per cent. of the original cost, to be paid to the Government; and the remaining forty years, the Company to pay the Government 3 per cent. on the cost of the road. Thus at the end of fifty years the country will have been entirely reimbursed for its expenditure, and a much-needed all-Canadian road will have been furnished without cost to the public purse.

The Government will guarantee the bonds for the western section of the road, not exceeding \$13,000 per mile on the prairies, and \$30,000 per mile in the mountains. The public feeling is so strongly against any further cash or land subsidies, that this guarantee of the Company's bonds was the

only practicable course left to the Government, short of assuming the entire responsibility of construction. Survey work on the western end of the road is not yet complete, but the terminus will probably be at Port Simpson, from which point the railway will enter the northern wheat belts of Alberta and Saskatchewan Territories considerably north of the present lines.

The critical portion of the new transcontinental route, however, is not in the west, but in the east. The Government has reserved that section between Winnipeg and Moncton for its own construction, and has therefore committed itself to the policy of building a road that will parallel at its eastern end the already-existing Government railway. The Intercolonial Railway has only lately been a source of profit to its Government owners, and serious competition would be offered by a new line reaching the same terminus by a more direct route. It was this belief, that the new line would minimize, and perhaps cripple, the Intercolonial, that led to the resignation in July of the Honorable Mr. Blair, Minister of Railways, whose only difference with the Cabinet was in connection with its railway policy. The danger is not, however, so great as it might seem. One fact remains above all others: that Canada must have the quickest connection possible between her centres of production and the seaboard. The Inter-