

that with the handicap of distance there is little or no margin for profit left. It was never proposed, intended, or even thought that the Intercolonial would pay the interest on its cost, but after thirty years of operation it ought to pay working expenses and leave a margin to make good the loss by depreciation. This is not possible under the present tariff, a fact which is admitted by all railroad men who have looked into the question or given it any thought.

A transfer of the Intercolonial to the hands of a private company would therefore mean higher freight and passenger rates. Advantage would be taken of the people along a large section of the Intercolonial in Nova Scotia where there is no railroad competition and where none is possible and rates would be charged, which in comparison with those now in operation would be considered exorbitant. If the present rates are too low the others would be too high. This in itself is sufficient reason to awaken opposition to the transfer of the Intercolonial from governmental control throughout the Maritime Provinces.

But however desirous some western men may be to hand over the Intercolonial to a company no government is likely to consider such a proposition seriously. The Intercolonial was about all the Maritime Provinces got for entering the confederation. It was built as a portion of that compact and it must be maintained. But there is no reason why people who live along the line of the Intercolonial or who ride in its passenger trains should do so at the expense of the Federal treasury. The railroad is a necessity to these people and the rates of freight should not be lower

than on other roads, not owned by the government, particularly when the revenue does not meet the expenditure. Within a few years there has been an increase in the cost of running the road. Upwards of a three quarters of a million dollars have been added to the pay of Intercolonial employes alone and no advance has been made in either the freight or the passenger schedules. The increase of wages of railway employes has not been confined to the Intercolonial but has been general all over the American continent. Today the wages of Intercolonial employes are no higher than those of other Canadian railroads. Prior to 1896 they were lower than was paid the same class of employes on other roads. But no other road excepting the Intercolonial has depended alone on increased traffic to make good the extra expenditure. On all other railroads, freight and passenger tariffs have been carefully revised, and where an increase could reasonably be made it was made so that the public had to meet the extra cost of handling traffic.

It is sometimes asserted by partizan journals and political opponents that all the difficulties of the Intercolonial are due to governmental mismanagement. But if the political friends of these journals were in power they would be just as keen in the defense of practically the same management as they are in denouncing everything in connection with the railroad when their political opponents are in power. We have daily evidence of this in the criticisms of the management of the Intercolonial which are written with a view to embarrass the government rather than to produce a change for